

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

BILL NUMBER: House Bill 394 (Second Edition)

SHORT TITLE: Raleigh Motor Vehicles.

SPONSOR(S): Representatives Ross and Weiss

FISCAL IMPACT (\$ Millions)					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>
REVENUES					
Local Government	\$1.6	\$1.6	\$1.6	\$1.6	\$1.6
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: City of Raleigh					
EFFECTIVE DATE: Effective when bill becomes law					

BILL SUMMARY: House Bill 394 enables The City of Raleigh to increase its vehicle tax from \$20 to \$25. As under existing law, the bill requires that the proceeds of any levy above \$15 shall be used exclusively for transportation-related purposes.

ASSUMPTIONS AND METHODOLOGY: In order to calculate the impact of House Bill 394, it is necessary to know how many resident vehicles there are in the City of Raleigh. This will be the number of vehicles on which a tax may be levied. According to the Department of Transportation Driver and Vehicle Services, there are currently 313,671 resident vehicles in Raleigh. Assuming that Raleigh chooses to increase its motor vehicle tax to the maximum amount, multiplying the number of vehicles by the \$5 increase in the tax results in a \$1.57 million increase in revenues for FY 2009-2010. Assuming that the number of resident vehicles stays roughly the same over time, \$1.57 million will also be the increase in revenues for the following four fiscal years.

SOURCES OF DATA: NC Department of Transportation Driver and Vehicle Services

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910

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