

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

REVISED

BILL NUMBER: House Bill 608 (Second Edition)

SHORT TITLE: Scrapped Vehicle Records.

SPONSOR(S): Representative M. Alexander

FISCAL IMPACT					
	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	\$0	\$0	\$0	\$0	\$0
EXPENDITURES					
Division of Motor Vehicles	\$499,162	\$12,325	\$12,325	\$12,325	\$12,325
POSITIONS (cumulative):	N/A	N/A	N/A	N/A	N/A
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Division of Motor Vehicles, Department of Transportation					
EFFECTIVE DATE: This bill becomes effective December 1, 2009.					

BILL SUMMARY:

This bill requires secondary metals recyclers and salvage yards to keep additional records and to file an inventory report with the Division of Motor Vehicles (DMV) for motor vehicles they purchase. This bill requires records kept to include the license plate number, the state of issuance of the vehicle used to deliver the vehicle being sold, and a receipt of purchase of the motor vehicle. This bill requires an entity or individual engaging in the business of operating a salvage yard or secondary metal recycler to file a report with DMV that contains an inventory of the vehicle purchases with specified information to be included at a frequency to be determined by the DMV but no less than once a week, effective July 1, 2010. This bill also requires DMV to allow law enforcement agencies to access the inventory data electronically or mechanically.

ASSUMPTIONS AND METHODOLOGY:

This fiscal note is being revised to reflect additional estimates of DMV costs to implement the requirements of this bill. DMV will develop a new web-based interface to maintain scrapped vehicle records. Based on the information entered into the system by the secondary metal recycler or salvage yard, the system will perform a nightly check to determine if the vehicle has been reported as stolen. Vehicles identified as stolen will be reported to the License and Theft Division. All other vehicles will be reported to the National Motor Vehicle Title Information System with the new title.

Based on Division of Motor Vehicles (DMV) estimates, the total development cost to complete programming required to implement this bill is \$499,162 in the first year. This includes planning, development, and implementation costs for DMV and the Office of Information Technology Services (ITS). For cost estimating purposes, DMV is using an hourly rate of \$85. Total development costs are \$438,600, or 5,160 hours of an information technology professional's time. ITS charges total \$60,562.

Annual maintenance and operations costs following completion of the project are estimated at \$12,325. Any programming requires maintenance, and DMV has allowed 10 hours a month at \$85 an hour to maintain this application for a total of \$10,200. The annual ITS computer usage charge totals \$2,125.

Fiscal Research Division believes that the Department of Transportation's project development costs estimates are excessive. The Department proposes creating two separate websites when one should suffice, and the estimated hours to complete the project seem very high.

SOURCES OF DATA: Division of Motor Vehicles

TECHNICAL CONSIDERATIONS: None

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