



NORTH CAROLINA GENERAL ASSEMBLY

2023 Session

Legislative Fiscal Note

Short Title: Permanent Plates for Water & Sewer Authority.
Bill Number: House Bill 436 (First Edition)
Sponsor(s): Rep. Faircloth, Rep. Hardister, and Rep. Biggs

SUMMARY TABLE

FISCAL IMPACT OF H.B.436, V.1

	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>
State Impact					
Highway Fund Revenue	(19,650)	(27,462)	(27,462)	(27,462)	(27,462)
Less Expenditures	-	-	-	-	-
Highway Fund Impact	(19,650)	(27,462)	(27,462)	(27,462)	(27,462)
Highway Trust Fund Revenue	(2,688)	(3,204)	(3,204)	(3,204)	(3,204)
Less Expenditures	-	-	-	-	-
Highway Trust Fund Impact	(2,688)	(3,204)	(3,204)	(3,204)	(3,204)
NET STATE IMPACT	(22,338)	(30,666)	(30,666)	(30,666)	(30,666)
Local Impact					
Local Revenue	-	-	-	-	-
Less Local Expenditures	(22,338)	(30,666)	(30,666)	(30,666)	(30,666)
NET LOCAL IMPACT	22,338	30,666	30,666	30,666	30,666

FISCAL IMPACT SUMMARY

Section 1 amends G.S. 20-84(b) to add water and sewer authorities created under Article 1 of Chapter 162A of the General Statutes to the list of entities that can be issued permanent registration plates by the Division of Motor Vehicles (DMV) and be exempt from certain fees.

Section 2 makes this act effective when it becomes law.

FISCAL ANALYSIS

This bill permits water and sewer authorities to be issued permanent registration plates by DMV and exempts them from paying annual registration fees. Permanent plate fees and annual registration fees are deposited in the Highway Fund. Additionally, vehicles issued permanent registration plates are not subject to title fees upon purchase. Title fees are deposited in the Highway Trust Fund. This bill reduces revenues to the Highway Fund and Highway Trust Fund and reduces expenditures for local water and sewer authorities.

There are 15 entities that would be impacted by this change. DMV searched the names of all 15 and was able to match vehicle results for 13 of the entities. Table 1 summarizes the matches and the assumed total number of vehicles:

Table 1: Water and Sewer Authority Vehicle Totals

Category	Water and Sewer Entities	Total Registered Vehicles	Annual New Vehicle Registrations
DMV Matches	13	520	42
Assumed Total	15	600	48

The assumed total uses the average registered vehicles and annual new vehicle registrations during the past year for the 13 matched authorities and extrapolates that figure for all 15 authorities.

Table 2 summarizes the fees that are impacted by this bill for water and sewer authorities, showing the amount of each fee under current law and H.B. 436 by fiscal year:

Table 2: Comparison of Impacted Fees under Current Law and H.B. 436

Scenario	Fiscal Year	Permanent Plate	Annual Registration	Title
Current Law	FY 2023-24	-	\$38.75	\$56.00
Current Law	FY 2024-25 - FY 2027-28	-	\$46.25*	\$66.75*
H.B. 436	FY 2023-24 - FY 2027-28	\$6.00	-	-

*Fees are subject to the quadrennial fee increase required in G.S. 20-4.02. Fee amounts in FY 2024-25 through FY 2027-28 are estimates generated by the Fiscal Research Division.

Using the assumed total vehicles and annual new registrations from Table 1 and the fee amounts from Table 2, Table 3 shows the Highway Fund impact from this bill:

Table 3: Annual Highway Fund Impact

Fiscal Year	Permanent Plate	Annual Registration	Net Change
FY 2023-24	\$3,600	(\$23,250)	(\$19,650)
FY 2024-25 - FY 2027-28	\$288	(\$27,750)	(\$27,462)

The permanent plate fee is charged once at issuance. This analysis assumes that all impacted water and sewer authorities would switch to permanent plates for their fleets in FY 2023-24. This

analysis also assumes that total fleet size is constant in each year and that new vehicles are used to replace those in the existing fleet.

Using the assumed annual new registrations from Table 1 and the title fee amounts from Table 2, Table 4 shows the Highway Trust Fund impact from this bill:

Table 4: Annual Highway Trust Fund Impact

Fiscal Year	Title	Net Change
FY 2023-24	(\$2,688)	(\$2,688)
FY 2024-25 - FY 2027-28	(\$3,204)	(\$3,204)

Local expenditures are reduced by sum of the Highway Fund and Highway Trust Fund net changes from Tables 3 and 4.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

DIVISION OF MOTOR VEHICLES

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

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