

NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 1634
SHORT TITLE: Reduce Title Issuance Fee
SPONSOR(S): Senators Kincaid, Blackmon, Cochrane, and Simpson

FISCAL IMPACT: **Expenditures:** **Increase ()** **Decrease (X)**
 Revenues: **Increase ()** **Decrease (X)**
 No Impact ()
 No Estimate Available (X)

FUND AFFECTED: **General Fund ()** **Highway Fund ()** **Local Govt. ()**
 Other Funds (X) Highway Trust Fund

BILL SUMMARY: The bill lowers the motor vehicle title fee from \$35 to \$20.

The title fee was last raised in 1989 from \$5 to \$35. The additional revenues were dedicated to the Highway Trust Fund, to be used for highway construction projects specified in the legislation.

EFFECTIVE DATE: July 1, 1994

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Department of Transportation; Division of Motor Vehicles, Division of Highways

FISCAL IMPACT

FY95 **FY96** **FY97** **FY98**
FY99

REVENUES (\$in millions)

GENERAL FUND

HIGHWAY FUND

HIGHWAY TRUST FUND (27.0) (\$27.3) (\$27.6) (\$27.9) (\$28.2)

LOCAL

EXPENDITURES Any reduction in Highway Trust Fund revenues will impact the 7-year Transportation Improvement Program, or TIP. A \$27 million revenue loss will impact the recently announced Transportation 2001 Program which accelerates many Trust Fund and other TIP construction projects; many projects scheduled in the 1994 TIP will have to be delayed unless the loss in state funds is offset by an increase in Federal funds. The number and location of those projects will be determined by the Board of Transportation.

POSITIONS: None

ASSUMPTIONS AND METHODOLOGY: The revenue loss was determined using an estimate for FY 1994-95 of 1.8 million title transfers. Expected growth is based on population growth of 1% per year.

SOURCES OF DATA: Department of Transportation; Division of Motor Vehicles

TECHNICAL CONSIDERATIONS:
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DATE: June 6, 1994



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