

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

BILL NUMBER: Senate Bill 64 (Fourth Edition)

SHORT TITLE: Motorcycle Learner's Permit.

SPONSOR(S): Senator Brown

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	\$16,108	\$7,305	\$7,305	\$7,305	\$7,305
POSITIONS (cumulative):	0	0	0	0	0
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Division of Motor Vehicles, Department of Transportation Community College System					
EFFECTIVE DATE: Sections 1 and 2 are effective on July 1, 2010. The remainder of the act is effective when the bill becomes law.					

BILL SUMMARY:

This bill amends G.S. 20-7(a1) to allow a person to drive a motorcycle who has one of the following: a full provisional license with a motorcycle learner's permit, a regular drivers license with a motorcycle learner's permit, a full provisional license with a motorcycle endorsement, or a regular drivers license with a motorcycle endorsement. The bill amends the requirements for obtaining a motorcycle endorsement.

This bill amends G.S. 20-7(a2) by specifying that an applicant for a motorcycle learner's permit who is under age 21 or has held a drivers license for less than two years must complete the North Carolina Motorcycle Safety Education Program Basic Rider Course to obtain a permit. It provides that motorcycle learner's permits expire six months after issuance and may be renewed for an additional six months.

ASSUMPTIONS AND METHODOLOGY:

Based on Division of Motor Vehicles (DMV) estimates, the total development cost to complete programming required to implement this bill is \$16,108 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 \$13,260, or 156 hours of an information technology professional's time. ITS charges total \$2,848.

Annual maintenance and operations costs following completion of the project are estimated at \$7,305, with \$6,500 for maintenance and \$805 for operations. Any programming requires maintenance, and DMV has allowed 6.6 hours a month at \$85 an hour to maintain this application, covering DMV and ITS costs. The estimated operations cost is based on five percent of the overall development cost.

The North Carolina Community College System estimates there will be no fiscal impact to the state community college budget as a result of the bill for the following reasons. First, course materials (motorcycles etc.) for the Community College System's Motorcycle Safety Education Program are paid for through a \$3 tax on motorcycle registration in North Carolina, which amounts to approximately \$500,000. The Community College System reports that additional equipment costs could be absorbed into this current budget. Second, instructors are compensated through course fees paid by students. The fees vary across the state due to the varying resources available at course sites. Varying the fees allow each course site to remain a self-sustaining entity. Therefore, estimates indicate that the Community College System's Motorcycle Safety Education Program will remain self-sustaining with no fiscal impact to the state community college budget.

The Community College System does estimate that there will be an increase of 25,000 students in the Motorcycle Safety Education Program, which results in a total of 36,000 students per year. This estimated increase is based on a projected increase in the number of students enrolling in the Experienced Rider Course, which is a projection made based on the current number of people riding motorcycles on a permit. However, for the aforementioned reasons, there is no projected fiscal impact to the state community college budget.

SOURCES OF DATA: Division of Motor Vehicles; Community College System

TECHNICAL CONSIDERATIONS: None

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