

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: SB 777 (2nd Edition)

SHORT TITLE: Amend Dealer Licensing Laws

SPONSOR(S): Senator Foxx

FISCAL IMPACT

Yes (X) No () No Estimate Available ()

FY 2003-04 FY 2004-05 FY 2005-06 FY 2006-07 FY 2007-08

REVENUES

General Fund

*** No General Fund Impact ***

Highway Fund

*** Less than \$5,000 annually ***

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: NC Division of Motor Vehicles.

EFFECTIVE DATE: July 1, 2003 and applies to licenses issued on or renewed on or after that date.

BILL SUMMARY: Current law exempts from the motor vehicle dealer license requirements persons who manufacture, distribute, or sell trailers and semi trailers weighing not more than 750 pounds and carrying not more than a 1,500-pound load. The legislation expands that definition of those exempt to include those manufacturing, distributing, or selling trailers and semi trailers weighing not more than 2,500 pounds.

ASSUMPTIONS AND METHODOLOGY: The only fiscal impact of the bill relates to the Highway Fund. According to industry representatives and the Division of Motor Vehicles, the bill effectively expands the exemption to include pull behind trailers of the type generally used by landscape contractor and those hauling motorcycles. The NC Retail Merchants Association believes this bill will affect two of their members – both home improvement stores. They estimate that as many as forty (40) member locations are or will likely sell this type of vehicle. If all 40 facilities were currently paying the \$50 license fee, the bill would result in a Highway Fund loss of approximately \$2,000. In addition, the Division of Motor Vehicles believes that one or two other retail chains could sell these trailers, representing a potential additional loss. DMV also indicates that some motorcycle dealers may sell this type of trailer. However, because they would still need to obtain a license to sell motorcycles, the bill would have no impact on their need to obtain a dealer license.

SOURCES OF DATA: NC Division of Motor Vehicles.

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DATE: June 3, 2003



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