

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2005

Legislative Fiscal Note

BILL NUMBER: House Bill 141 (First Edition)

SHORT TITLE: Free Veteran's Drivers Licenses.

SPONSOR(S): Representative Moore

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
REVENUES					
Highway Fund	(\$397,500)	(\$795,000)	(\$795,000)	(\$795,000)	(\$795,000)
EXPENDITURES	\$20,000				
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Division of Motor Vehicles, Highway Fund					
EFFECTIVE DATE: January 1, 2006					

BILL SUMMARY:

Adds new GS 20-9.3 providing that veterans shall be issued or reissued Class B or Class C drivers licenses with a background appropriate to the veteran's military service without charge or fee if they have met the following requirements: (1) served on active duty in the armed forces or in a reserve component of the armed forces during wartime or any conflict when military personnel were committed by the President; (2) were residents of North Carolina at the time of enlistment or commissioning and are residents at the time they apply for the license, or have been residents for the five years immediately preceding the date they apply for the license; and (3) were discharged or separated from service under honorable conditions. Members or former members of the North Carolina National Guard or of reserve components of the armed forces who have at least 20 years of creditable service are also eligible. The Commissioner of Motor Vehicles to issue the rules effective January 1, 2006.

Source: Bill Digest H.B. 141 (02/09/2005)

ASSUMPTIONS AND METHODOLOGY:

Revenues

The Division of Veterans Affairs has estimated that approximately 530,000 veterans would meet the wartime service and residency criteria of the bill and that approximately half, or 265,000, would apply for the free driver license. A Class C Operators License is valid for five years and therefore 53,000 (one fifth of 265,000) would apply each year. The License costs \$15. The annual revenue loss to the Highway Fund would be 53,000 times \$15, or \$795,000. (The loss in the first fiscal year would be one half of that because the bill would be effective January 1, 2006.)

Costs

The Division of Motor Vehicles estimates that the modifications required to the State Automated Driver License System would require 200 hours of programming and testing at \$80 per hour, for a total cost of \$20,000.

SOURCES OF DATA: Division of Motor Vehicles, Division of Veterans Affairs

TECHNICAL CONSIDERATIONS: None

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