

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

Legislative Fiscal Note

BILL NUMBER: House Bill 1145 (Sixth Edition)

SHORT TITLE: Insurance & Registration for Mopeds.

SPONSOR(S): Representatives Shepard, R. Brown, and Millis

FISCAL IMPACT					
(\$ in millions)					
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Estimate Available					
State Impact	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Special Fund Revenues:	1.37	0.81	0.93	1.31	1.17
<i>Highway Fund (Registrations/Titles)</i>	<i>0.40</i>	<i>0.50</i>	<i>0.62</i>	<i>1.00</i>	<i>0.86</i>
<i>Highway Trust Fund (Titles)</i>	<i>0.96</i>	<i>0.31</i>	<i>0.31</i>	<i>0.31</i>	<i>0.31</i>
<i>DENR - Mercury Pollution Prevention Account</i>	<i>0.01</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Special Fund Expenditures:	1.00	0.87	0.89	0.90	0.91
<i>Division of Motor Vehicles</i>	<i>0.89</i>	<i>0.87</i>	<i>0.89</i>	<i>0.90</i>	<i>0.91</i>
<i>DOT - Information Technology</i>	<i>0.11</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
State Positions:	10.0	10.0	10.0	10.0	10.0
NET STATE IMPACT	\$0.4	(\$0.1)	\$0.0	\$0.4	\$0.3
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:					
Division of Motor Vehicles; DOT – Information Technology					
EFFECTIVE DATE: Study effective upon enactment. Remainder is effective December 1, 2014.					
TECHNICAL CONSIDERATIONS:					
None					

BILL SUMMARY: HB 1145 modifies the titling, registration, and financial responsibility requirements for mopeds.

Sections 1 and 2 repeal the current exemptions for mopeds, subjecting them to similar titling and registration requirements as motorcycles under Chapter 20 of the North Carolina General Statutes, and further requiring financial responsibility for the lawful operation of a moped.

Section 3 requires submission of an affidavit concerning registration eligibility in lieu of demonstration of the manufacturer’s certificate of origin for a moped, when the certificate is unavailable.

Sections 4 through 7 modify Chapter 58 of the North Carolina General Statutes to authorize liability insurance and theft and physical damage insurance for mopeds.

Section 8 requires the Joint Legislative Oversight Committee to examine additional policy changes for the safe operation of mopeds and to report its findings to the 2015 Regular Session of the General Assembly.

Section 9 makes the titling, registration, and financial responsibility requirements effective December 1, 2014, and the study provision effective upon enactment.

ASSUMPTIONS AND METHODOLOGY: HB 1145 subjects mopeds, defined by G.S. 105-164.3(22) as two or three-wheeled motorized vehicles with piston displacement of less than 50 cubic centimeters and maximum speed of 30 miles per hour, to similar registration and titling requirements as motorcycles. Only mopeds which are designed and manufactured for use on highways or public vehicular areas may be registered and operated. This requirement is assumed to exclude other low speed vehicles such as “pocket bikes” or “motor scooters” which are not recognized by the National Highway Traffic Safety Administration and do not meet federal safety standards for use on public roads.

There is presently no reliable data to indicate the number of vehicles in operation within the state which meet both criteria of 1) manufacture for use on highways and 2) piston displacement of less than 50 cubic centimeters. However, based on a survey of retailers, the Division of Motor Vehicles estimates that approximately 8,000 mopeds are sold annually with a potential population of 17,000 vehicles currently in operation. Therefore, this analysis assumes that 25,000 mopeds could be registered and titled during FY 2014-15, with 8,000 mopeds registered and titled annually thereafter. These estimates also assume stable growth, as there is no estimate for the number of vehicles that may be removed from operation.

Highway Fund, Highway Trust Fund, and Other Revenues:

Registration Fee: Per G.S. 20-87(6), base motorcycle registration fees are either \$15.00 or \$22.00, depending upon the attached equipment (e.g. sidecar). Assuming the minimum fee of \$15.00 and an initial registration of 25,000 mopeds, registration revenues could approach \$375,000 during the first year of implementation. Revenues could increase by \$120,000 thereafter based on registration renewals and continued sales growth. Registration fees are credited to the Highway Fund.¹

Certificate of Title: Per G.S. 20-85(a)(1), the fee for a certificate of title is \$40.00. Collections are distributed as follows: \$1.00 is credited to the Highway Fund; \$0.50 is credited to the Mercury Pollution Prevention Account in the Department of Environment and Natural Resources; and the remaining \$38.50 is credited to the Highway Trust Fund. Potential certificate of title collections and remittances based on the assumed titling of 25,000 mopeds in the first year and 8,000 annually thereafter are shown in Table 1.

¹ This analysis does not address applicable Regional Transit Authority and Piedmont Authority Regional Transportation taxes for moped registrations.

Table 1. Certificate of Title Fees (G.S. 20-85)²					
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Highway Trust Fund	\$ 962,500	\$ 308,000	\$ 308,000	\$ 308,000	\$ 308,000
Highway Fund	\$ 25,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
DENR – Mercury Pollution Prevention Account	\$ 12,500	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000

No estimates are available for potential revenues from the assessment of late penalties, requests for duplicate registrations, duplicate titles, replacement plates, registration transfers, etc. as authorized by Chapter 20 of the General Statutes.

Division of Motor Vehicles (DMV)

DMV projects that ten additional law enforcement personnel will be required to perform physical examinations of vehicles to validate authenticity and compliance with federal safety standards, as well as other processing requirements resulting from HB 1145. Estimated recurring personnel (\$642,883) and operating (\$173,760) costs for the License & Theft Bureau total \$816,643.

Costs would also be incurred for materials (i.e. plates, registration stickers, etc.), postage, and payments to license plate agents. DMV estimates that roughly 60% of transactions will be performed by license plate agents, 20% will be processed through mail or internet channels, and 20% will be performed by the State-operated registration offices. License plate agents will be compensated for each combined title and registration transaction at \$2.43 and at \$1.43 for each registration renewal pursuant to G.S. 20-63. Estimated materials, postage, and agent compensation costs total \$68,725.

Department of Transportation - Information Technology

According to the Department of Transportation - Information Technology section (DOT-IT), modifications to the State Titling and Registration System (STARS), Crash Reporting System (CRS) in-house data entry application, North Carolina Traffic and Criminal Software (NC TraCS) System road-side/field data entry application, and Electronic Crash Reporting System (ECRS) third-party data entry application are necessary to implement the proposed requirements. Principal modifications to STARS include:

- Modification of titling functions, including lien recording and printing;
- Coding to generate the affidavit required during titling;
- Modification of registration functions relating to the issuance, renewal, exchange, and transfer of plates;
- Revision of appropriate tables to add new body style, vehicle use, and plate categories for mopeds;
- Modifications to mail-in and internet renewal processes;
- Modifications for on-line dealer (TRIVIN and CVR) systems to support STARS changes.

² This analysis assumes that all title and registration transactions for existing mopeds will be completed within the remaining seven months of FY 2014-15.

DOT-IT estimates implementation costs of \$108,000 for these modifications, representing 1,200 projected hours of contractual labor at a rate of \$90.00 per hour. Existing resources will be used to support any additional implementation and recurring application maintenance/support requirements.

SOURCES OF DATA: Department of Transportation

TECHNICAL CONSIDERATIONS: N/A

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