

NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 903

SHORT TITLE: Speed Incremental Measuring Devices

SPONSOR(S): Representative Sexton

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

FUND AFFECTED: General Fund () Highway Fund (x) Local Fund ()
 Other Fund ()

BILL SUMMARY: Allows motorists an option to install a speed monitoring device in exchange for point reduction on driving record.

EFFECTIVE DATE: Upon ratification

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

FISCAL IMPACT

	<u>FY</u> 1996-97	<u>FY</u> 1997-98	<u>FY</u> 1998-99	<u>FY</u> 1999-00	<u>FY</u> 2000-01
EXPENDITURES					
TOTAL EXPENDITURES					
STATE FUNDS	\$70,000 to	\$0 to	\$0 to	\$0 to	\$0
	\$541,792	\$471,792	\$471,792	\$471,792	\$471,
FEDERAL FUNDS					
LOCAL FUNDS					
OTHER FUNDS					
RECEIPTS/FEES	\$0 to	\$0 to	\$0 to	\$0 to	\$0 to
	\$(107,500)	(107,500)	(107,500)	(107,500)	(107

POSITIONS: From 2 to 15

ASSUMPTIONS AND METHODOLOGY: The proposed program is in addition to the current procedures utilized by the Division of Motor Vehicles (DMV) regarding the imposition and eradication of points placed upon drivers under certain circumstances as outlined in GS 20 -16 C. Based upon information provided by DMV, current staff can not handle any additional responsibilities.

Personnel Costs

The bill would require the use of hearing officers for the following functions:

a) to approve additional miles for drivers and approve of extenuating circumstances for drivers should their employment require such modifications; conduct an administrative hearing if the driver is on suspension for speeding; conduct an administrative hearing if there is any violation of the program.

Based upon current usage of existing hearing officers, it is estimated that one officer on the average can hear 1527 cases a year. Hearing officers are classified as a grade 68, and their salary and fringe benefits total \$32,999

If all qualified motorists chose to participate in this proposed program, 37,039 drivers would be enrolled. Assuming that ½ of enrollees would require a hearing in a year, (the bill requires a hearing for all suspended drivers which alone represents 20% of the total qualified motorists for the program), 12 additional hearing officers would be needed to handle the administrative hearings for these drivers, at a cost of \$395,988.

In addition to hearing officers, additional support staff would be needed to handle inquiries and paper work. Depending upon the number of participants, from 1 to 3 staff would be needed at a cost of \$25,268 per staff person.

Alternatively, if no motorists chose to participate in the program, no additional personnel would be needed.

Management Information Costs

The legislation will require, according to DMV, extensive modifications to the Driver License system. The modifications would involve changes to the adjudication function of the system to handle the elimination and or restoration of the driving points and all effects it will have throughout the entire system. One time costs are estimated to be \$70,000 for the first year.

Potential Loss of Revenue

According to the Division, an average of 4,300 motorists per year over the last 5 years were assigned to the Driver Improvement Clinic which removes 3 points from the motorist's driving record. DMV receives the \$25 fee for the clinic. All or none of these motorists could opt for the new program resulting in a \$0 to \$107,500 potential loss of revenue to DMV.

Costs Assumed By the Motorist

The bill requires that all costs associated with the speed measuring device be borne by the individual participating in the program. The manufacturer of the device estimates this cost to be about \$272 per participant.

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

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION

733-4910

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DATE: June 4, 1996

Official

Fiscal Research Division
Publication



Signed Copy Located in the NCGA Principal Clerk's Offices