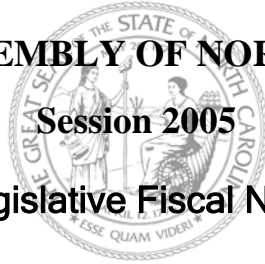


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2005

Legislative Fiscal Note

BILL NUMBER: Senate Bill 948 (Second Edition)

SHORT TITLE: Amend Boating Safety/Vessel Titling Law.

SPONSOR(S): Senator Hoyle

	FISCAL IMPACT				
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>
REVENUES:	(in dollars)				
General Fund	<u>No Impact to General Fund</u>				
Wildlife Resources Commission	823,508	831,743	840,060	848,461	856,945
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	Wildlife Resources Commission				
EFFECTIVE DATE:	January 1, 2006				

BILL SUMMARY: Senate Bill 948 makes vessel titling mandatory, adds various fees to existing statute regarding boat safety and vessel titling, creates several new criminal offenses, and makes numerous technical changes. New fees include:

- A vessel titling fee of \$20 and a duplicate vessel titling fee of \$10
- An increase from \$2 to \$5 for duplicate vessel registrations
- A \$0.50 fee for issuance of a duplicate certificate of number
- An increase from \$10 to \$20 for transfer of a vessel title

The bill also specifies that the Wildlife Resources Commission shall use at least three dollars (\$3.00) of each one-year certificate of number fee and at least nine dollars (\$9.00) of each three-year certificate of number fee for boating access area acquisition, development, and maintenance.

ASSUMPTIONS AND METHODOLOGY: The Wildlife Resources Commission (WRC) administers the registration and titling of vessels to the public. Senate Bill 948 requires that vessels be titled. Unlike many surrounding states, North Carolina does not currently require that vessels be

titled. Mandatory titling of vessels will conform to surrounding states and will improve and streamline the existing titling process as well as add ownership protection and identification for vessels.

The chart below provides detail on the three fee-related provisions in Section 75A-38(b) of this bill that would generate new revenue for the WRC.

Senate Bill 948, Estimated Gross Fee Revenues from Section 75A-38(b)					
Fee	2006-07	2007-08	2008-09	2009-10	2010-11
Mandatory vessel titling fee*	753,830	761,368	768,982	776,672	784,439
Increase in transfer title fee	100,450	101,455	102,469	103,494	104,529
Increase in duplicate vessel registration fee	21,792	22,010	22,230	22,452	22,677
Total, all fee increases	876,072	884,833	893,681	902,618	911,644

*Includes revenue from titling of new vessels and from non-titled vessels being transferred to a new owner

Under current law, vessel agents retain set commissions for specified statutory transactions as compensation for services rendered to the WRC and the general public. Vessel agents, as a subset of wildlife agents, conduct a considerable amount of WRC-related transactions; in 2005, six percent (6%) of gross fee collections was retained by wildlife agents. This projection assumes that 6% of collections will be retained by vessel agents. The chart below shows the estimated total fiscal impact of this legislation (gross revenues less 6% in commissions for vessel agents).

Senate Bill 948, Net Fee Revenues					
	2006-07	2007-08	2008-09	2009-2010	2010-11
6% of gross collections to wildlife agents	(52,564)	(53,090)	(53,621)	(54,157)	(54,699)
Total	823,508	831,743	840,060	848,461	856,945

SOURCES OF DATA: Wildlife Resources Commission

TECHNICAL CONSIDERATIONS: The effective date of this legislation is retroactive. Since this bill contains fee increases, Fiscal Research suggests that the effective date be moved forward.

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DATE: May 31, 2006

Signed Copy Located in the NCGA Principal Clerk's Offices