

# GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

## Legislative Fiscal Note

**BILL NUMBER:** House Bill 338 (First Edition)

**SHORT TITLE:** Fail to Obtain DL/Increase Punishment.

**SPONSOR(S):** Representative Millis

<b>FISCAL IMPACT</b>					
(\$ in millions)					
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Estimate Available					
<b>State Impact</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
Highway Fund Revenues:					
Highway Fund Expenditures:	\$0.10	\$0.01	\$0.01	\$0.01	\$0.01
State Positions:					
<b>NET STATE IMPACT</b>	<b>(\$0.1)</b>	<b>(\$0.0)</b>	<b>(\$0.0)</b>	<b>(\$0.0)</b>	<b>(\$0.0)</b>
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b>					
Department of Transportation, Information Technology; Division of Motor Vehicles					
<b>EFFECTIVE DATE:</b> December 1, 2015					
<b>TECHNICAL CONSIDERATIONS:</b>					
Yes - See Technical Considerations Section					

**BILL SUMMARY:**

Section 1 enacts new G.S. 20-35(a3) concerning penalties for failing to obtain a license, providing that a second or subsequent offense under G.S. 20-7(a) for failing to obtain a license before driving a motor vehicle is a Class 2 misdemeanor if at the time of each offense the person was ineligible for a driver's license because he or she did not meet the requirements in G.S. 20-7. Also provides for a \$400 fine for such violations.

The section further provides that a conviction for a third or subsequent offense of the above may result in an active sentence of not less than 20 days and not more than 60 days, and that the vehicle driven at the time of the offense will be subject to forfeiture. However, the above provisions do not apply to someone that fails to obtain a license before driving a vehicle but is eligible to receive a driver's license at the time of the offense or to a person who is driving on a revoked or suspended license.

Section 2 enacts new G.S. 20-28.10, providing that if a person is convicted of a third or subsequent offense of G.S. 20-35(a3), the vehicle being driven at the time of the offense will become subject to seizure, impoundment, and forfeiture. This authorization references the same legal authority and procedures governing the seizure, impoundment, and forfeiture contained within G.S. 20-28.2 through G.S. 20-28.9 and G.S. 20-54.1. Also defines an innocent owner as a person who did not know and had no reason to know that the defendant was engaging in a violation of G.S. 20-35(a3).

Section 3 provides the bill is effective December 1, 2015, and applies to offenses committed on or after that date.

**ASSUMPTIONS AND METHODOLOGY:**

The analysis below addresses impacts to the Department of Transportation exclusively. A separate incarceration note is provided for the bill.

**Department of Transportation, Information Technology Section (DOT-IT)**

To accommodate the seizure, impoundment, and forfeiture provisions of the bill, DOT-IT estimates that 1120 total development hours at an average rate of \$90/hr. will be required to modify the State Titling and Registration System (STARS) and State Automated Driver License System (SADLS) to assign new charge and conviction codes for data exchange, and to generate the appropriate correspondence, suspensions, and registration blocks. Projected development costs total \$100,800 for FY 2015-16, with recurring system maintenance costs of \$9,760 attributable to these changes.

**Division of Motor Vehicles, License & Theft Bureau**

The Division of Motor Vehicles, Notice, Storage and Theft (NST) Unit is responsible for processing vehicles subject to the proposed seizure provisions. NST places a hold on all vehicle registrations tied to vehicles that are seized by law enforcement officers and notifies all owners and lien holders of the seizure in accordance with G.S. 20-28.2 through G.S. 20-28.9 and G.S. 20-54.1.

Charges issued pursuant to G.S. 20-7(a) totaled 122,257 in 2014. However, because Administrative Office of the Courts data collection does not currently capture the conviction (1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, etc...) levels associated with a specific offense, the extent of the potential impact to NST workload is indeterminate.

**SOURCES OF DATA:** Department of Transportation; Administrative Office of the Courts

**TECHNICAL CONSIDERATIONS:** Due to the sequencing of existing projects and current workload, DOT-IT recommends an effective date of July 1, 2016 to modify and test the affected systems.

**FISCAL RESEARCH DIVISION:** (919) 733-4910

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**APPROVED BY:**

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**Fiscal Research Division**

**DATE:** April 20, 2015



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