



NORTH CAROLINA GENERAL ASSEMBLY

2025 Session

Legislative Fiscal Note

Short Title: 2025 Wildlife Resources Changes.-AB
Bill Number: House Bill 747 (Third Edition)
Sponsor(s): Rep. Adams, Rep. Moss, Rep. Clampitt, and Rep. Turner

SUMMARY TABLE

FISCAL IMPACT OF HB 747 (v.3) (\$ in millions)					
	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>	<u>FY 2028-29</u>	<u>FY 2029-30</u>
State Impact					
General Fund Revenue	0.9	1.2	1.2	1.2	1.2
Less Reservations	0.7	0.9	0.9	0.9	0.9
General Fund Impact	0.2	0.3	0.3	0.3	0.3
NET STATE IMPACT	0.2	0.3	0.3	0.3	0.3

FISCAL IMPACT SUMMARY

The bill would establish a new Lifetime Conservationist special plate and adjust the currently issued Native Brook Trout and Wildlife Resources special plates. The net expected changes in State Highway Fund revenue and expenditures on special plate production are expected to be de minimis.

The bill would also increase State General Fund revenues by approximately \$1.2 million annually when fully implemented because it would increase the rate of sales tax imposed on boats from 3% to 3.25%. From this total, the Wildlife Resource's Commission's operating budget would increase by about \$940,000 annually and the State's General Fund revenues would increase by about \$265,000 annually when fully implemented.

FISCAL ANALYSIS

Section 2 (a), (b), (c), (d) - Lifetime Conservationist Special Plate

Section 2 amends G.S. 20-63(b1), G.S. 20-79.4(b), and G.S. 20-81.12 to authorize the North Carolina Division of Motor Vehicles (DMV) to produce and issue a new Lifetime Conservationist special license plate. Individuals seeking a Lifetime Conservationist special plate will pay an additional \$30 on top of regular vehicle registration fees. Proceeds from the additional fee will be disbursed as follows:

- \$20 deposited into the Collegiate and Cultural Attraction Plate Account (CCAPA), then transferred quarterly to the Wildlife Resources Fund.



- \$10 deposited into the Special Registration Plate Account (SRPA), which supports 13 highway visitor centers, highway beautification efforts, and roadside vegetation management programs at the North Carolina Department of Transportation.

There is no estimate available on the number of Lifetime Conservation special plates that would be issued, so the expected revenue is unknowable. DMV deducts the cost for issuing, handling, and production of specialty plates from the funds deposited in the SRPA.

Section 2 (c)- Native Brook Trout Special Plate

Section 2 amends G.S. 20-79.7(b) governing the distribution of fees collected for the Native Brook Trout special plate. Individuals seeking a Native Brook Trout special plate already pay an additional \$30 fee on top of regular vehicle registration fees. The fee distribution would be set forth as follows:

- \$20 deposited in the CCAPA, then transferred quarterly to the North Carolina Wildlife Resources Commission
- \$10 deposited in the SRPA

The bill clarifies that funds would follow the distribution schedule listed above, which does not differ from the currently practiced revenue distribution. For this reason, the Fiscal Research Division does not anticipate any additional revenue from the Native Brook Trout specialty plate beyond what is already collected on a yearly basis.

Section 2 (b), (d) – Wildlife Resources Special Plate

Section 2 amends G.S. 20-81.12(b163) to eliminate the minimum requirement of 300 applications for the Wildlife Resources special plate before DMV can issue the specialty plate. The Wildlife Resources special plate would also not be subject to G.S. 20-79.3A or G.S. 20-79.8, which further prescribe minimum application requirements and a subsequent submittal period for new special plate applications.

Individuals seeking a Wildlife Resources special plate pay an annual \$30 fee on top of regular vehicle registration fees. The fee distribution schedule is set forth as follows:

- \$20 deposited in the CCAPA, then transferred quarterly to the Wildlife Conservation Account
- \$10 deposited in the SRPA

The bill would also authorize DMV to offer the Wildlife Resource plate with a full color background instead of the standard plate background offered for most specialty plates. Full color backgrounds are significantly more expensive than the standard plate, but DMV deducts the cost for issuing, handling, and production of specialty plates from the funds deposited in the SRPA. While the issuance of more expensive plates would reduce the funds being used for non-issuance related purposes in the SPRA, the expected change would be de minimis.

Section 2(f) makes the specialty plate changes in the bill effective July 1, 2025.



Section 4-Increase Boat Tax Rate and WRC Allocation. Under current law, sales of boats and any attached accessories are taxed at 3%, for a maximum tax of \$1,500, and all revenues remain in the General Fund. The bill would increase the rate at which the sales of boats are taxed from 3.00% to 3.25%. To compute the fiscal impact, Fiscal Research Division (FRD) used FY 2023-24 tax collections (\$14.5 million) on boat sales at the current rate and adjusted it for the new rate. An 0.25% increase to the sales tax rate applied to boats would generate approximately \$1.2 million in additional annual tax revenue. This change would increase annual total revenue from the sales tax on boats to approximately \$15.7 million per year.

The bill also directs 6% of sales tax revenues from boat sales to be distributed to the Wildlife Resources Commission (WRC). Applying the 6% allocation to the estimated revenues with the revised total annual revenue of \$15.7 million, FRD estimates WRC would receive approximately \$940,000 more per year under the bill when fully implemented. The additional funds would bring WRC's annual General fund appropriations and available State revenue to approximately \$18 million and would increase unrestricted General Fund sales tax revenues by approximately \$265,000 per year.

The bill would increase General Fund revenues by roughly \$1.2 million per year when fully implemented. The estimate for FY 2025-26 is adjusted for a partial year impact given the bill's effective date for the tax rate increase. Estimates for future years are based on historical growth trends in sales tax revenues from boats.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

NC Division of Motor Vehicles and Department of Revenue.

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

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