

N.C. GENERAL ASSEMBLY LEGISLATIVE FISCAL NOTE

Fiscal Research
733-4910

Prepared By: Doug Carter	Date Prepared: 3-22-89	Bill No. S 157	Edition:
Approved By: Tom Covington TOMC			Sponsor: Sen. Basnight
Short Title: Amend Relocation Assistance Act			

TYPE OF FISCAL IMPACT	COUNTY/		FUNDS AFFECTED:			
	State Gov't	Local Gov't	() General	(x) Highway	(x) Other: Federal () Local	
			State Fiscal Impact	FY 90	FY 91	FY
No Fiscal Impact () ()			State Total Req'ments	\$450,000	\$450,000	
			Receipts/Revenues	360,000	360,000	
Increase Expenditure (x) ()			Net State Expend./Rev.	90,000	90,000	
			No. of Positions			
Decrease Expenditure () ()			Local Fiscal Impact	FY	FY	FY
Increase Revenue () ()			Local Total Req'ments			
			Receipts/Revenues			
Decrease Revenue () ()			Net Local Expend./Rev.			
No Estimate Avail. () ()			No. of Positions			

Description of Legislation

1. Summary of Legislation

Amends the State act to conform to amendments in the Federal act. Act redefines "displaced person" and increases certain relocation allowances.

2. Effective Date

Upon ratification.

3. Fund or Tax Affected

Highway Fund and Highway Federal-Aid Funds

4. Principal Department/Program Affected

According to the Department of Transportation, there were 180 residential displacees and 45 business displacees during the 1988 fiscal year. The total expenditures under this program amounted to \$190,000. For the past several years this level of displacees, both residential and business, has remained relatively the same.

Cost or Revenue Impact on State

	FY 88-89	FY 89-90	FY 90-91
1. Non-Recurring Costs/Revenues			
2. Recurring Costs/Revenues	90,000	90,000	
3. Fiscal/Revenue Assumptions			

Assuming the same annual level of displacees, this program would cost approximately \$450,000 annually. Based on an 80%-20% Federal-State participation formula, the State would provide \$90,000 of the annual cost of the program and the Feds would provide \$360,000 of the cost.

During 1988 the total cost of this program was \$190,000 of which the State's portion of the cost was \$38,000. The change would result in an annual increase in State funding from \$38,000 to \$90,000, an increase of approximately \$52,000.

Cost/Revenue Impact on County or Local Government

	FY 88-89	FY 89-90	FY
1. Non-Recurring Costs/Revenues			
2. Recurring Costs/Revenues			
3. Fiscal/Revenue Assumptions			

Sources of Data for Fiscal Note

Department of Transportation

Technical Considerations/Comments

- Senate Bill 290 - North Carolina Highway Trust Fund

If, as a result of the enactment of the above bill, an additional \$600 million is provided from the NC Highway Trust Fund for highway construction, state funding of approximately \$720,000 would be required annually to meet the need for relocation cost at the new assistance rates and \$304,000 if the new relocation assistance rates are not approved.

This estimate is based on the following assumptions:

1. The relocation costs on projects funded out of the NC Highway Trust Fund will be proportional to those of the Transportation Improvement Program funded projects.
2. The level of displacees will remain constant at the 1987-88 level.

Work notes:

1. \$375,000,000 - Federal and State funds available for right-of-way and construction in the 1988-89 TIP.
2. \$450,000 - required for relocation cost at the new assistance rates.
(a) \$360,000 (F)} based on an 80%-20% Federal-State
(b) \$ 90,000 (S)} participation formula.
3. \$190,000 - 1987-88 total relocation costs
4. \$600,000,000 - additional construction program 1.6 ratio
\$375,000,000 - current TIP construction program
5. $1.6 \times 450,000 = \$720,000$ State funds required annually at new rates
6. $1.6 \times 190,000 = \$304,000$ State funds required annually if new rates are not approved.



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