

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: H.B. 1475 Publish Revenue Neutral Tax Rate

SHORT TITLE: Publish Revenue Neutral Tax Rate

SPONSOR(S): Rep. Cary Allred

FISCAL IMPACT

| Yes () | No (X) | No Estimate Available () | | |
|-------------------|-------------------|---------------------------|-------------------|-------------------|
| <u>FY 1999-00</u> | <u>FY 2000-01</u> | <u>FY 2001-02</u> | <u>FY 2002-03</u> | <u>FY 2003-04</u> |

REVENUES

EXPENDITURES

* See Assumptions and Methodology *

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: County and City Governments.

EFFECTIVE DATE: When it becomes law.

BILL SUMMARY: This legislation requires local government budget officers to include the “revenue neutral” tax rate in the budget document. This information must be provided for both the local government unit and the units for which that local government collects taxes. This requirement only applies in years when a general property tax reappraisal occurs. The “revenue-neutral” property tax rate is defined in the bill as “the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that was produced for the current fiscal year.”

ASSUMPTIONS AND METHODOLOGY: Because this exclusively a local government requirement there is no general fund impact. Since it is a reporting requirement, and does not require any change in rates or collections, it has no local revenue impact. The bill will require additional calculations on the part of local officials. As a result, local governments may see a small increase in their budget development workload. However, Fiscal Research does not anticipate a significant personnel cost increase as a result of the bill. The bill creates no additional printing cost, as it requires that the new numbers be included in an existing documents (the local government’s budget).

FISCAL RESEARCH DIVISION 733-4910
PREPARED BY: Linda Struyk Millsaps

APPROVED BY: Tom Covington

DATE: Friday, June 04, 1999



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