

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: SB 772 Expand Municipal Service Districts Expand Municipal Service Districts

SHORT TITLE: Expand Municipal Service Districts

SPONSOR(S): Senators Clodfelter, Dannelly, and Odom.

FISCAL IMPACT

Yes () No () No Estimate Available (X)

FY 1999-00 FY 2000-01 FY 2001-02 FY 2002-03 FY 2003-04

REVENUES

General Fund Impact
Local Governments

No General Fund Impact
No estimate of Local Government Impact

*** See Assumptions and Methodology ***

PRINCIPAL DEPARTMENT(S) &
PROGRAM(S) AFFECTED: North Carolina Municipalities.

EFFECTIVE DATE: When it becomes law.

BILL SUMMARY: Currently any city council may create service districts to finance, provide, or maintain certain city services, facilities or functions. Under present law councils can create special districts for beach erosion control, flood and hurricane protection, downtown revitalization projects, drainage projects, sewage collection and disposal, off street parking, and watershed improvements. Special districts are also created for historical district services and improvements. The bill extends city council authority to include the creation of a special urban area revitalization district.

ASSUMPTIONS AND METHODOLOGY: The bill defines an urban area as an area located in a city of more than 25,000 and meets at least one of the following requirements:

- 1). Is a central business district,
- 2). Consists primarily of industrial, retail, wholesale, office or significant employment generating uses,
- 3). Is on a major transportation corridor and does not contain residential parcels within specified distances, or

4). Has as its focus a major concentration of public or institutional uses.

According to the Office of State Planning the current version of the bill, could apply to following 23 cities: Charlotte, Raleigh, Greensboro, Winston-Salem, Durham, Fayetteville, Cary, Jacksonville, High Point, Asheville, Wilmington, Gastonia, Rocky Mount, Greenville, Goldsboro, Concord, Chapel Hill, Burlington, Wilson, Kannapolis, Hickory, Salisbury, and Kinston.

The bill has no State General Fund impact, as it only addresses local taxes. It may increase the tax and fee burden on some taxpayers in the 23 listed cities, if those city councils elect to exercise the special service district authorization contained in this legislation. However, Fiscal Research cannot reliably estimate the additional tax burden, since the bill does not set rates, nor does it mandate city participation, but only authorizes creation of these districts.

FISCAL RESEARCH DIVISION 733-4910

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DATE: Monday, July 12, 1999



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