GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

Legislative Fiscal Note

BILL NUMBER: House Bill 629 (First Edition)

SHORT TITLE: Amend Definition of Special Purpose Project.

SPONSOR(S): Representatives Martin, R. Brawley, and Lewis

FISCAL IMPACT

($ in millions)

☐ **Yes** ☑ **No** ☐ **No Estimate Available**

State Impact	**FY 2013-14**	**FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**FY 2017-18**
General Fund Revenues:					
General Fund Expenditures:					
Special Fund Revenues:					
Special Fund Expenditures:					
State Positions:					
NET STATE IMPACT	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**

Local Impact					
Revenues:					
Expenditures:					
NET LOCAL IMPACT	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Commerce, Department of State Treasurer

EFFECTIVE DATE When bill becomes law.

TECHNICAL CONSIDERATIONS:
None

BILL SUMMARY:

The bill expands the types of projects that can be supported by county Industrial Facilities and Pollution Control Financing Authorities ("Authorities") by amending the definition of "special purpose project" as defined in G.S. 159C-3(15a), to include certain facilities disposing, treating, or recycling solid, forestry, agricultural, or other waste materials.

ASSUMPTIONS AND METHODOLOGY:

County Authorities provide financing assistance in the form of tax-exempt revenue bonds to industries that qualify under the criteria established in G.S. 159C. Pursuant to G.S. 159C-17, any debt issued by the county Authority will not be obligated to the State or any of its political subdivisions.

Any project proposed by a county Authority must be reviewed and approved by the Department of Commerce before project implementation may begin. Also, all local government debt, including revenue bonds issued by county Authorities, must be reviewed and approved by the Local Government Commission established in G.S. 159-3 prior to issuance. According to the State and Local Government Finance Division of the Department of State Treasurer, approximately six debt issuances occur annually on behalf of county Authorities for qualifying projects.

Since no funding is provided by the State and no financial obligation can be placed on the State or its political subdivisions by the local county Authorities; <u>there is no fiscal impact from expanding the list of projects eligible for support from county Authorities.</u>

An indirect fiscal impact could be realized from development resulting from increased financing opportunities provided to the facilities described in the bill. However, there is not enough information available to arrive at any estimate.

SOURCES OF DATA: Department of State Treasurer

TECHNICAL CONSIDERATIONS: None

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DATE: April 23, 2013

Official Fiscal Research Division Publication

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