

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: S.B. 1222

SHORT TITLE: Meck Neck

SPONSOR(S): Senators Odom, Dannelly, Forrester, Phillips, Rucho, and Winner.

FISCAL IMPACT

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

FY 1998-99 FY 1999-00 FY 2000-01 FY 2001-02 FY 2002-03

REVENUES

**No expected General Fund impact
Will redistribute approximately \$600,000 - \$700,000 in revenues and expenses between
Mecklenburg and Iredell Counties.**

EXPENDITURES

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: Mecklenburg County, Charlotte-Mecklenburg Schools, Iredell County, Statesville-Iredell Schools, Department of Public Instruction.

EFFECTIVE DATE: When law, except for property tax sections, which become effective January 1, 1998.

BILL SUMMARY: The bill will change the territory of Mecklenburg and Iredell Counties by incorporating into Iredell County the “Meck Neck” area (area of Mecklenburg County connected by land to Iredell County but not connected by land to Mecklenburg County) and certain portions of Lake Norman. The bill includes provisions dealing with the transfer of property taxes, public school students, civil and criminal cases, jury lists, and voting regulations. It also requires Iredell to pay Mecklenburg \$100,000 per year for the next nine years, as well as a premium on any growth in the value of property in the “Meck Neck” area.

ASSUMPTIONS AND METHODOLOGY: Because there are only 12 students in the Meck Neck area, and all have the option of staying in Mecklenburg, it is assumed that there will be no significant cost to the state associated with student transfers. This is the only item in the bill that could have an impact on the General Fund.

The county impact assumes the following:

- 1) **Property taxes and valuation.** According to the Mecklenburg County Manager, the total value of property in the “Meck Neck” area is approximately \$88 million. The current property tax rate in Iredell county is a base of \$0.45/\$100.00 assessed value, with a fire assessment of \$0.05/\$100.00 assessed value. The expected rate in Mecklenburg County for 1998-9 will be approximately \$0.665/\$100.00, plus a law enforcement assessment of \$0.095/\$100.00. Mecklenburg County also pays a service contract of \$215,000for the area, which they will not pay if the bill is passed. New construction growth in the “Meck Neck” area is approximately 2.14%.
- 2) **Other costs.** It is assumed that the costs associated with transferring court documents, jury lists, etc. will be minimal. Because it is impossible to determine how many of the 12 school students will transfer to Iredell schools, no accurate estimate of the cost associated with the transfer is possible.

FISCAL RESEARCH DIVISION

733-4910

PREPARED BY: Linda Struyk Millsaps

APPROVED BY: Tom Covington

DATE: May 28, 1998



Signed Copy Located in the NCGA Principal Clerk's Offices