

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 119

SHORT TITLE: Economic Development Eminent Domain

SPONSOR(S): Representatives Sutton, Yongue and Bonner

FISCAL IMPACT

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

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

REVENUES

EXPENDITURES

No estimate available

POSITIONS:

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: North Carolina Cities and Counties

EFFECTIVE DATE: When it becomes law

BILL SUMMARY: H 119. ECONOMIC DEVELOPMENT EMINENT DOMAIN. ALLOW CITIES AND COUNTIES TO EXERCISE THE POWERS OF EMINENT DOMAIN FOR ECONOMIC DEVELOPMENT PURPOSES. Adds GS 40A-3(b)(10) to allow cities and counties to exercise the power of eminent domain to acquire real property for economic development activities.¹

ASSUMPTIONS AND METHODOLOGY: Current statute allows North Carolina cities and counties to exercise the powers of eminent domain for nine specific purposes. House Bill 119 proposes a tenth purpose – the acquisition of real property for economic development activities as authorized by G.S. 158-7.1. Broadly, G.S. 158-7.1 gives cities and counties authorization to make appropriations to assist and encourage the development and growth of economic development activities within their jurisdictions. Costs, such as the installation of utilities, street,

¹ *Daily Bulletin*, Institute of Government, UNC-Chapel Hill, Vol. 1999, February 22, 1999

and general maintenance facilities, would be borne by the jurisdiction seeking to recruit economic development to their area. There is no reliable manner in which to estimate the number of local government units that would choose to exercise eminent domain for economic development purposes, nor is there a reliable estimate of the costs a jurisdiction would subsequently incur. G.S. 40A-3(b) is permissive and does not require a local government unit to exercise this option.

TECHNICAL CONSIDERATIONS: None

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