

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2005

Legislative Fiscal Note

BILL NUMBER: House Bill 399 (Second Edition)

SHORT TITLE: Unified Government.

SPONSOR(S): Representative Owens

<b>FISCAL IMPACT</b>					
	<b>Yes ( )</b>	<b>No ( )</b>	<b>No Estimate Available (X)</b>		
	<b><u>FY 2005-06</u></b>	<b><u>FY 2006-07</u></b>	<b><u>FY 2007-08</u></b>	<b><u>FY 2008-09</u></b>	<b><u>FY 2009-10</u></b>
<b>REVENUES:</b>	<b>See "Assumptions and Methodology"</b>				
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b>	Currituck County and Hyde County				
<b>EFFECTIVE DATE:</b>	Become effective when law.				

**BILL SUMMARY:**

This bill would allow a county government in a county where there are no incorporated municipal areas to assume the powers, duties, functions, rights, privileges, and immunities of a city upon a referendum of the voters of that county. The board of county commissioners would have to adopt a resolution requesting the county board of elections conduct a special election on the referendum. Upon a positive vote of the people of the county, the county may assume the powers, duties, functions, rights, privileges, and immunities with a few exceptions.

**ASSUMPTIONS AND METHODOLOGY:**

The amount of revenue generated by either Hyde or Currituck County as a result of this bill would depend upon voter approval of the referendum and the types of services and revenues generated by either government acting in its municipal capacity. Distribution of gross receipts taxes and Powell Bill funds are contingent upon the provision of services described in G.S. 136-41.2: "No municipality shall be eligible to receive funds under G.S. 136-41.1 unless it has formally adopted a budget ordinance in substantial compliance with G.S. 160-410.3, showing revenue received from all sources, and showing that funds have been appropriated for at least two of the following municipal services if the municipality was incorporated with an effective date prior to January 1, 2000, water distribution; sewage collection or disposal; garbage and refuse collection or disposal; fire protection; police

protection; street maintenance, construction, or right-of-way acquisition; or street lighting, or at least four of the following municipal services if the municipality was incorporated with an effective date of on or after January 1, 2000: (i) police protection; (ii) fire protection; (iii) solid waste collection or disposal; (iv) water distribution; (v) street maintenance; (vi) street construction or right-of-way acquisition; (vii) street lighting; and (viii) zoning.”

After eligibility for receipt of Powell Bill and gross receipts taxes have been established, gross receipts revenues are based on sales of power and light in the government jurisdiction. Distribution of Powell Bill funds is based upon population and road miles maintained in the government jurisdiction. Because the need and eligibility for additional revenue is contingent upon municipal services provided, no fiscal estimate is available.

**SOURCES OF DATA:** North Carolina Department of Revenue, North Carolina General Statutes

**TECHNICAL CONSIDERATIONS:** None

**FISCAL RESEARCH DIVISION:** (919) 733-4910

**PREPARED BY:** Rodney Bizzell



**APPROVED BY:** James D. Johnson, Director  
Fiscal Research Division

**DATE:** April 21, 2005

**Signed Copy Located in the NCGA Principal Clerk's Offices**