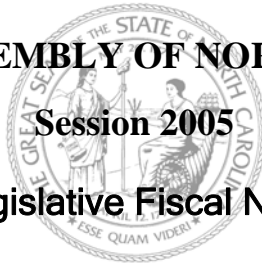


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2005

Legislative Fiscal Note

BILL NUMBER: Senate Bill 1372 (First Edition)

SHORT TITLE: Property Tax Due Date Change.

SPONSOR(S): Senator Rand

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>
REVENUES:					
City of Fayetteville	(\$4.2)	\$2.1	\$2.1	-	-
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: City of Fayetteville					
EFFECTIVE DATE: Becomes effective when law.					

BILL SUMMARY:

The bill allows a governing unit to collect property taxes for certain newly annexed property over a three-year period and delay the accrual of interest accordingly. The bill applies to taxes due for the partial fiscal year from October 1, 2005, through June 30, 2006, on property located in an area that was annexed between January 1, 2003, and January 1, 2006, and for which the effective date of the annexation was set by judicial order.

ASSUMPTIONS AND METHODOLOGY:

This bill would give property owners in the 27-square miles of territory annexed to the City of Fayetteville last year, three years to pay taxes owed from October 1, 2005 through June 30, 2006. One-third would be due and payable on September 1, 2006, one-third would be due and payable on September 1, 2007, and the remaining one-third would be due and payable on September 1, 2008. Otherwise, those nine months of property taxes would be due with the regular annual tax bill mailed in August, and the affected landowners would owe 21 months of property taxes at once.

According to the City of Fayetteville, the prorated property tax due for the annexed area amounts to approximately \$6.5 million. The bill spreads this revenue over three years. This results in a revenue loss of \$4.2 million in FY 2006-07, which is recovered in the following two years.

SOURCES OF DATA: City of Fayetteville

TECHNICAL CONSIDERATIONS: None

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DATE: June 7, 2006

Signed Copy Located in the NCGA Principal Clerk's Offices