

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 1819

SHORT TITLE: Rural Development Authority

SPONSOR(S): Rep. Tolson

FISCAL IMPACT					
	Yes ()	No (x)	No Estimate Available ()		
	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>
REVENUES					
General Fund					No General Fund Impact
Local Government					<u>* See Assumptions and Methodology *</u>
EXPENDITURES					
General Fund					<u>* See Assumptions and Methodology *</u>
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	Rural Development Authority, Department of Commerce.				
EFFECTIVE DATE:	July 1, 2000.				

BILL SUMMARY: The bill creates the North Carolina Rural Redevelopment Authority. The purpose of the Authority is defined as financing “rural economic development projects and invest in rural business development”. The bill outlines the structure, powers, and reporting requirements of the Authority and their governing board. It also defines the terms “development project”, “rural county”, and “intermediate-term loan”. The legislation creates the Rural Investment and Long-term Rural Development Funds to make loans and investments. All property owned by the Authority is exempt from taxation.

ASSUMPTIONS AND METHODOLOGY: The bill has no direct fiscal impact on the state budget. An earlier version of the bill included an appropriation of \$250,000 for the authority. That provision was removed from later editions of the bill, and the appropriated amount was moved into both the House and Senate Budgets (Senate Appropriations Committee Report page H7, Item 25, House Appropriations Committee Report page H6 Item 23). However, a special provision in the budget places the \$250,000 in a reserve. The special provision stipulates that the money is only available if H.B. 1819, S.B. 1516, or a substantially similar bill creating the North Carolina Rural Development Authority becomes law.

The bill could have a small fiscal impact on selected counties as it exempts Authority property from taxation. However, because the potential amount and location Authority property is unknown no fiscal estimate of the loss is possible.

FISCAL RESEARCH DIVISION 733-4910

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