

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: H.B. 1259

SHORT TITLE: Carteret ABC Proceeds

SPONSOR(S): Representative Ronnie Smith

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>
REVENUES					
State Revenues	0	0	0	0	0
Local Revenues					
Carteret County*	0	\$(2,706)	\$(2,741)	\$(2,777)	\$(2,813)
Atlantic Beach	0	(57,247)	\$(57,991)	\$(58,745)	\$(59,509)
Beaufort	0	3,066	3106	3,146	3,187
Cape Carteret	0	9,133	9,251	9,372	9,494
Emerald Isle	0	6,093	6,172	6,252	6,333
Morehead City	0	18,753	18,996	19,244	19,494
Newport	0	22,909	23,207	23,508	23,814

* See technical considerations.

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Carteret County municipalities.

EFFECTIVE DATE: July 1, 1999.

BILL SUMMARY: Currently the proceeds of the Carteret ABC system available for local government disbursement are divided between the county and municipalities in which the stores are located. 50% is submitted to the county's general fund and 50% is forwarded to the general funds of municipalities where stores are located, based on profits. The bill requires that the municipal portion be distributed according to the population of each municipality with a store.

ASSUMPTIONS AND METHODOLOGY: The ratio for municipal funds distribution is based on town populations listed in the 1990 Census. No town specific projections are available for the 2000 census. (1997 DOT estimates to do not show a significant change in town

proportions). Funds available for county and municipal distribution are based on 1996-7 revenue from spirituous liquor documentation, as reported by the North Carolina ABC Boards, with a 1.3% growth rate. Current distribution information was provided by the Carteret County ABC Board.

TECHNICAL CONSIDERATIONS: The county would not see a change in their receipts as a result of this legislation if they were currently receiving exactly 50% of the total funds available. However, because they are now receiving slightly more (50.8%), using the 50% figure mentioned in the bill results in an annual loss. Because of the small populations in each community, the proportions could be extremely volatile over time. New residential or commercial developments, or annexation decisions, could have a significant impact on the distribution of funds to municipalities.

FISCAL RESEARCH DIVISION

733-4910

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