

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** HB 430 (First Edition)

**SHORT TITLE:** Permissible Sales at Zoo/AB

**SPONSOR(S):** Rep. Culp

**FISCAL IMPACT**

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

**FY 1997-98   FY 1998-99   FY 1999-00   FY 2000-01   FY 2001-02**

**REVENUES** see ASSUMPTIONS AND METHODOLOGY

**EXPENDITURES** see ASSUMPTIONS AND METHODOLOGY

**PRINCIPAL DEPARTMENT(S) &  
PROGRAM(S) AFFECTED:** Department of Environment, Health, and Natural Resources; North  
Carolina Zoological Park

**EFFECTIVE DATE:** The act is effective when it becomes law.

**BILL SUMMARY:** The bill exempts the North Carolina Zoological Park from the Umstead Act so that it might maintain, operate, or lease an exhibition center, theater, conference center, restaurant or lodging facility within the park.

**BACKGROUND:** The Umstead Act (G.S. 66-58) prohibits state government agencies from engaging “directly or indirectly in the sale of goods, wares or merchandise in competition with citizens of the State, or to engage in the operation of restaurants, cafeterias or other eating places in any building owned by or leased in the name of the State, or to maintain service establishments for the rendering of services to the public ordinarily and customarily rendered by private enterprises, or to contract with any person, firm or corporation for the operation or rendering of any such businesses or services on behalf of any such unit, department or agency, or to purchase for or sell to any person, firm or corporation any article of merchandise in competition with private enterprise”.

Numerous exceptions have been made to this statute over the years including the snack bar and cafeteria in the Legislative Building, the Carolina Inn, university student stores, and the North Carolina State Fair.

**ASSUMPTIONS AND METHODOLOGY:** The North Carolina Zoological Park has plans to enter into a partnership with a private corporation to construct, operate, and maintain an entertainment complex comprised of an exhibition center (Earth Resources Center), theater, and conference center with lodging and restaurants. The first phase would be the construction of an IMAX theater (a six channel, multi-speaker motion picture system that projects images ten times larger than a conventional 35 millimeter frame) within the next three years, followed by the other buildings within eight years. The entire project will be receipt supported with no state funds to be used for the construction, operation or maintenance of the complex. The Zoo's contribution to the project would probably be a lease of Zoo property for the facilities.

With these new facilities, it is hoped that Zoo attendance will increase and that those tourists will stay an extra day at the Zoo. Park attendance for the 1995-96 fiscal year totaled 788,043 visitors and is expected to remain in the 780,000 range for the 1996-97 fiscal year. Increased receipts means less reliance on the General Fund for operating expenses.

**Background.** The Zoo's current authorized budget for the 1996-97 fiscal year totals \$12,117,845. Receipts comprise approximately 46% of the total budget, or \$5,636,298, and are derived primarily from food vending services and gate/admission fees. General Fund appropriations of \$6,541,547 complete the remaining requirements.

## **FISCAL RESEARCH DIVISION**

**733-4910**

**PREPARED BY:** Richard Bostic & Jennifer Herrera

**APPROVED BY:** Tom Covington **TomC**

**DATE:** May 5, 1997



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