

**NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE**

BILL NUMBER: SB 389
SHORT TITLE: BASEBALL PARK DISTRICTS
SPONSOR(S): SEN. HOYLE, McDANIEL, MARTIN (GUILFORD), SHAW
(GUILFORD)

FISCAL IMPACT

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

FY 1997-98 FY 1998-99 FY 1999-00 FY 2000-01 FY 2001-02
(See "Assumptions and Methodology")

REVENUES

PRINCIPAL DEPARTMENT AFFECTED: The tax will be collected by the Department of Revenue. The Department is to be reimbursed for the actual cost of collecting the tax from the tax proceeds.

EFFECTIVE DATE: When the bill becomes law.

BILL SUMMARY: Creates a local government entity named the North Carolina Triad Metropolitan Baseball District consisting of 12 counties in the Piedmont Triad. The finance implication of the bill is that the District **is permitted** to call a referendum on a one-year levy of an additional 1% local sales and use tax within the district. The tax can be levied only if district voters approve the levy and if a major league baseball franchise is approved for location within the district. The proceeds of the tax may be used to construct a major league baseball park but only to the extent that each \$2 of tax proceeds is matched by \$1 of private funds. In addition the district will be able to enter into installment financing contracts.

ASSUMPTIONS AND METHODOLOGY: Since the tax levy is permissive and subject to both voter approval and the awarding of the major league franchise, it is impossible to know when the levy will occur. For information purposes, a simulation was run for the 12-month period of April 1, 1998-March 31, 1999. The potential yield for this period is \$130.6 million if the tax is levied in all 12 counties. The simulation applied a conservative 3% annual growth assumption to data supplied by the Department of Revenue for sales tax collections by county for the period February 1, 1996-January 31, 1997.

FISCAL RESEARCH DIVISION (733-4910)

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