

**NORTH CAROLINA GENERAL ASSEMBLY  
LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** SB 447  
**SHORT TITLE:** Lumberton Economic Development District  
**SPONSOR(S):** Senator Weinstein, et al.

<b>FISCAL IMPACT</b>					
	Yes (X)	No ( )	No Estimate Available ( )		
	<u>FY 1997-98</u>	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>
<b>REVENUES</b>					
Lumberton GF.	\$11,000	\$11,200	\$11,500	\$11,700	\$12,000
<b>PRINCIPAL DEPARTMENT(S) &amp;</b> City of Lumberton General Fund					
<b>EFFECTIVE DATE:</b> When it becomes law					

**BILL SUMMARY:** The act creates an economic development district and a tourist district within the confines of the City of Lumberton and the sale of mixed beverages is authorized within this district.

The City of Lumberton sells spirituous liquor through ABC outlets. This act does not authorize the sale of liquor by the drink throughout the domain of the city but rather a small portion so designated as an economic development district.

**ASSUMPTIONS AND METHODOLOGY:**

The analysis is based on some cities and counties located on major highways in the State that sell liquor through retail outlets and by the drink. The percentages of mixed beverage sales to retail sales ranged from 6% for Wayne County along highway 70 east to 17% for the City of Henderson along Interstate 85 north. The percentage for Wilkesboro along highway 421 west was found to be 8%. Wayne County's population and that of Robeson County are both approximately 109,000. The district established by the act is only a portion of the municipality, therefore the most conservative percentage within the range was used. There are units of government whose percentage is greater than 17% and lower than 6% but their locations are either more metropolitan or more remote than Wayne County's.

In 1996, Lumberton's retail liquor sales were \$1.4 million. Six percent of this amount equals \$84,000. The revenue that Lumberton will get comes from the sell of mixed beverages. There is a mixed beverage surcharge of \$20.00 on four liter bottles of spirituous liquor sold for liquor by the drink sales. Local units of government receive \$9.00 of this amount. The amount of mixed beverage tax retained by Lumberton is estimated to be \$11,000 for fiscal year 1997-98. The growth in liquor sales, statewide, in 1995/96 was 2.25%; prior to this year sales were flat or declined statewide. The estimate assumes this growth will continue over the next five years.

**FISCAL RESEARCH DIVISION**

**733-4910**

**PREPARED BY:** H. Warren Plonk

**APPROVED BY:** Tom Covington

**DATE:** April 2, 1997



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