

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2011

Legislative Fiscal Note

BILL NUMBER: Senate Bill 107 (Second Edition)

SHORT TITLE: Tax of Improved Prop. in Roadway Corridors.

SPONSOR(S): Senators Brunstetter and Garrou

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2011-12</u></b>	<b><u>FY 2012-13</u></b>	<b><u>FY 2013-14</u></b>	<b><u>FY 2014-15</u></b>	<b><u>FY 2015-16</u></b>
<b>REVENUES:</b>					
General Fund	<b>*No General Fund Impact*</b>				
Local Governments	<b>*Approximate Annual Revenue Loss of \$550,000*</b>				
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> NC Department of Revenue; NC Local Governments					
<b>EFFECTIVE DATE:</b> Taxable Years on or after July 1, 2011.					

**BILL SUMMARY:**

Under current law, vacant property within a roadway corridor is taxable at 20 percent of its appraised value. Improved property is taxable at the appraised value. SB 107 would provide a 50 percent reduction in the taxable value of improved property in a transportation corridor.

**ASSUMPTIONS AND METHODOLOGY:**

The NC Department of Transportation identified the roadway corridors that are not scheduled for near-term right-of-way acquisition. The corridors included six projects located in five counties. Fiscal Research contacted the tax assessors for those counties to determine the potential revenue loss associated with SB 107. The table below provides the revenue loss by county.

<b>SB 107 Revenue Loss by County</b>	
Currituck	\$0 (no improved property in corridor)
Wake	\$44,588
Johnston	\$18,581
Pitt	\$99,826
Forsyth	\$385,714
<b>Total</b>	<b>\$548,709</b>

**SOURCES OF DATA:** Currituck County Tax Assessor; Wake County Tax Assessor; Johnston County Tax Assessor; Forsyth County Tax Assessor; Pitt County Tax Assessor

**TECHNICAL CONSIDERATIONS:** None

**FISCAL RESEARCH DIVISION:** (919) 733-4910

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**Fiscal Research Division**

**DATE:** March 23, 2011



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