

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**Session 2017**

**Legislative Fiscal Note**

**BILL NUMBER:** House Bill 175 (First Edition)

**SHORT TITLE:** DEQ/Emphasize Urban Env't'l Issues.

**SPONSOR(S):** Representatives Alexander and Harrison

<b>FISCAL IMPACT</b>					
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Estimate Available		
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
<b>State Impact</b>					
General Fund Revenues:	to	to	to	to	to
General Fund Expenditures:	\$1,450.0 to \$11,108.0	\$1,450.0 to \$11,108.0	\$1,450.0 to \$11,108.0	\$1,450.0 to \$11,108.0	\$1,450.0 to \$11,108.0
Special Fund Revenues:	to	to	to	to	to
Special Fund Expenditures:	to	to	to	to	to
State Positions:	to	to	to	to	to
<b>NET STATE IMPACT</b>	<b>(\$1,450.0) to (\$11,108.0)</b>	<b>(\$1,450.0) to (\$11,108.0)</b>	<b>(\$1,450.0) to (\$11,108.0)</b>	<b>(\$1,450.0) to (\$11,108.0)</b>	<b>(\$1,450.0) to (\$11,108.0)</b>
<b>Local Impact</b>					
Revenues:	to	to	to	to	to
Expenditures:	to	to	to	to	to
<b>NET LOCAL IMPACT</b>	<b>\$0.0 to \$0.0</b>	<b>\$0.0 to \$0.0</b>	<b>\$0.0 to \$0.0</b>	<b>\$0.0 to \$0.0</b>	<b>\$0.0 to \$0.0</b>
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b>					
Department of Environmental Quality					
<b>EFFECTIVE DATE:</b> When it becomes law					
<b>TECHNICAL CONSIDERATIONS:</b>					
None					

**BILL SUMMARY:**

The bill enacts G.S. 160A-459.2 to provide that an urban empowerment zone is an area designated within a city's corporate limits that is impacted by unemployment higher than the citywide average, average household income below the citywide average, or rates of personal and property crime above the citywide average.

The bill directs the Department of Environmental Quality (DEQ) to prioritize the restoration of creeks, streams, and wetlands within urban empowerment zones by working with State and local environmental organizations and local government environmental agencies to mitigate water and waste issues contributing to the degradation of urban streams within the urban empowerment zone.

The bill also directs DEQ to study air pollution issues associated with quarries and manufacturing activities located within an urban empowerment zone and recommend local ordinances or legislation necessary to address any issues.

Finally, the bill directs DEQ to annually convene a conference of local and State environmental organizations, elected officials, neighborhood groups, city and county governmental agencies, Chambers of Commerce and other business organizations, and the federal Environmental Protection Agency (EPA) to develop a comprehensive plan to improve air and water quality within identified urban empowerment zones.

**ASSUMPTIONS AND METHODOLOGY:**

The only portion of this bill anticipated to have a fiscal impact is the requirement for DEQ to convene an annual conference of stakeholders to develop a plan for addressing environmental concerns within urban empowerment zones. Urban empowerment zones are defined in the bill as being cities with populations greater than 275,000. According to the Office of State Budget and Management, only Charlotte, Raleigh, and Greensboro exceed this threshold.

DEQ anticipates hosting a one-day conference for 100 stakeholders as described in Figure 1:

Figure 1

Representatives	Charlotte	Raleigh	Greensboro	Other	Total
City/County Government	10	10	10		30
Neighborhood	5	5	5		15
Elected Officials	2	2	2		6
Business/Chamber of Commerce	5	5	5		15
Environmental Organizations				10	10
US Environmental Protection Agency				4	4
State Agency				20	20
<b>Total</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>34</b>	<b>100</b>

This analysis assumes that the meeting will be considered an “external conference” without registration fees and be subject to the limitations set forth in the North Carolina Budget Manual, Section 5.8, as updated January 1, 2017.

At a minimum, this analysis expects DEQ to rent non-State meeting space sufficient for all participants and to provide light refreshments throughout the meeting. The rental space is expected to cost \$1,000, and the refreshments will cost \$450 at the \$4.50 per participant State rate. **As such, the minimum expected cost is to be \$1,450.**

The Budget Manual allows State agencies to cover the costs of travel and meals for State and non-State employees on official State business, subject to the limitations and daily subsistence rates established in the budget manual. **Providing the likely maximum allowable subsistence would add \$9,658 to the figure above for a total cost of \$11,108 per meeting.**

Figure 2 below describes the likely maximum allowable subsistence. The calculations assume that members of the environmental organizations and DEQ staff will travel to a degree proportionate to

that of the local representatives; as such, they are broken into respective travel zones. The Environmental Protection Agency employees are expected to travel from the EPA office in Research Triangle Park.

The calculations also assume that only participants coming from the Charlotte area will meet the requirements for departure and arrival times dictated in the Budget Manual to be eligible to receive breakfast and dinner. State employees are excluded from being eligible to be receive lunch at conferences where no registration fees are charged per G.S. 138-6(a)(3). While these figures for meals may be used as direct reimbursement to participants for their expenses, it is also possible that DEQ may instead use these funds to contract for meals to be provided onsite. In the case of the latter, these figures represent an estimate of the total costs to provide the service using the State subsistence rates as a basis for the calculation.

Figure 2

	Charlotte	Raleigh	Greensboro	Total
<b>Participants (travel)</b>				
Local Representation	22	22	22	66
Environmental Organizations	3	4	3	10
EPA	-	4	-	4
State Agency	6	8	6	20
<b>Participant Total</b>	<b>31</b>	<b>38</b>	<b>31</b>	<b>100</b>
<b>Travel</b>				
Miles (per participant, round trip)	332	-	154	
<b>Mileage Reimbursement (\$0.535/mile)</b>	<b>\$5,506</b>	<b>\$-</b>	<b>\$2,554</b>	<b>\$8,060</b>
<b>Meals</b>				
Breakfast (\$8.30/participant)	\$257	\$-	\$-	
Lunch (\$10.90/participant)	\$273	\$327	\$273	
Dinner (\$18.70/participant)	\$468	\$-	\$-	
<b>Meals Total</b>	<b>\$998</b>	<b>\$327</b>	<b>\$273</b>	<b>\$1,598</b>
<b>Other</b>				
Snack (\$4.50/participant)	\$140	\$171	\$140	\$450
Room rental				\$1,000
<b>Grand Total</b>				<b>\$11,108</b>

\*Some figures may not total due to rounding.

**SOURCES OF DATA:** Department of Environmental Quality, North Carolina Budget Manual

**TECHNICAL CONSIDERATIONS:** None

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