

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: S.B. 1222 (Proposed Committee Substitute)

SHORT TITLE: Meck Neck

SPONSOR(S): Finance Committee

FISCAL IMPACT

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

FY 1998-99 FY 1999-00 FY 2000-01 FY 2001-02 FY 2002-03

REVENUES

No expected General Fund impact
Will redistribute approximately \$660,000 - \$760,000 in revenues and expenditures between Mecklenburg and Iredell Counties

EXPENDITURES

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: Mecklenburg County, Charlotte-Mecklenburg Schools, Iredell County, Statesville-Iredell Schools, Department of Public Instruction.

EFFECTIVE DATE: July 1, 1998

BILL SUMMARY: The bill will change the territory of Mecklenburg and Iredell Counties by incorporating into Iredell County the "Meck Neck" area (area of Mecklenburg County connected by land to Iredell County but not connected by land to Mecklenburg County) and certain portions of Lake Norman. The bill includes provisions dealing with the transfer of public school students, jury lists, and voting regulations. It mandates that all public records for the area filed after July 1, 1998 must be filed in Iredell County. All real and personal property in the Meck Neck area, that was subject to ad valorem tax on January 1, 1998, will be subject to taxes in Iredell County for the fiscal year beginning July 1, 1998, with some being subject to an adjustment factor. Mecklenburg County will retain property taxes on motor vehicles registered or listed between January 1 and June 30, 1998. The bill also transfers responsibility for a street assessment program in the area to Iredell, and clarifies that pending legal causes of action will continue in Mecklenburg County. Court jurisdictions will also be transferred.

ASSUMPTIONS AND METHODOLOGY: While the PCS changes the bill it does not change the general fund impact. Because there are only 12 public school students in the Meck Neck area, and all have the option of staying in Mecklenburg, it is assumed that there will be no significant cost to the state associated with student transfers. This is the only item in the bill that could have an impact on the General Fund.

The county impact assumes the following:

- 1) **Property taxes and valuation.** According to the Mecklenburg County Manager, the total value of property in the “Meck Neck” area is approximately \$88 million. The current property tax rate in Iredell county is a base of \$0.45/\$100.00 assessed value, with a fire assessment of \$0.05/\$100.00 assessed value. The expected rate in Mecklenburg County for 1998-9 will be approximately \$0.665/\$100.00, plus a law enforcement assessment of \$0.095/\$100.00. New construction growth in the “Meck Neck” area is approximately 2.14%.
- 2) **Other costs.** It is assumed that the costs associated with transferring documents, jury lists, etc. will be minimal. Because it is impossible to determine how many of the 12 school students will transfer to Iredell schools, no accurate estimate of the cost associated with the transfer is possible. Mecklenburg County pays a service contract of \$215,000 for the area, which they will not pay if the bill is passed. The remaining costs associated with the Street Assessment are approximately \$63,000.

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DATE: June 16, 1998



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