



NORTH CAROLINA GENERAL ASSEMBLY

Session 2019

Legislative Fiscal Note

Short Title: Various Transportation Changes.
Bill Number: House Bill 206 (Fourth Edition)
Sponsor(s): Representative Torbett

SUMMARY TABLE

FISCAL IMPACT OF H.B. 206, V.4

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>
State Impact					
General Fund Revenue	-	-	-	-	-
Less Expenditures	-	-	-	-	-
General Fund Impact	No Estimate Available - Refer to Fiscal Analysis section				
Highway Fund Impact					
Highway Fund Revenue	-	-	-	-	-
Less Expenditures	-	-	-	-	-
Highway Fund Impact	No Estimate Available - Refer to Fiscal Analysis section				
Special Fund Impact					
Special Fund Revenues	-	-	-	-	-
Less Expenditures	-	-	-	-	-
Special Fund Impact	No Estimate Available - Refer to Fiscal Analysis section				
NET STATE IMPACT	No Estimate Available - Refer to Fiscal Analysis section				
STATE POSITIONS	1.00	0.00	0.00	0.00	0.00

FISCAL IMPACT SUMMARY

This bill will affect the General Fund, Highway Fund, State Land Fund, and State Surplus Property Division internal service fund within the Department of Administration. However, there is no overall estimate available. The only available partial estimate is a gain to the Highway Fund of \$15,000 in fiscal year 2019-20 and a corresponding loss to the State Land Fund, but that change does not reflect the total overall impact. The largest likely impact is a change in amount of receipts into the Highway Fund resulting from two sources. The first is potential sales of Department of Transportation (DOT) real property not originally obtained with Highway Fund money. The second is changes to sales of DOT surplus equipment.

FISCAL ANALYSIS

Section 2(a) allows DOT to retain net proceeds from real property sales in the Highway Fund. DOT already retains net proceeds from sales of property originally purchased with Highway Fund money. The substantive impact of this change is unknown.

Section 2(b) exempts DOT from paying a service charge on real property sales. Those charges are currently deposited into the State Land Fund, a source of operating funds for the State Property Office within the Department of Administration. The current service charge, as directed by G.S. 146-15, may not exceed 10% of the gross amount generated from a land sale. The exemption will result in a potential gain to the Highway Fund and an equal loss to the State Land Fund. The estimated impact from upcoming sales is a \$15,000 increase to the Highway Fund and a corresponding decrease to the State Land Fund. There is no annual estimate available as this depends on the value of DOT real property sold each year.

Section 6 directs the State Surplus Property Agency of the Department of Administration (DOA-State Surplus) to conduct an auction pilot program wherein third-party contractors will sell DOT surplus equipment and motor vehicles via three auctions. DOA-State Surplus already facilitates three auctions each year for this purpose, but this pilot will transfer some auction responsibilities to a private contractor. The request for proposals (RFP) and pilot program directed by the bill are new requirements for DOA-State Surplus. Therefore, DOA-State Surplus will need to hire 1.0 temporary FTE dedicated to the new requirements. The total cost associated with that position is approximately \$66,000 in fiscal year 2019-20. DOA-State Surplus is an internal service fund that does not use General Fund appropriations to meet new operational needs, therefore there is no impact to DOA's General Fund appropriation.

Section 6 may also result in fewer receipts to the Highway Fund from DOT surplus equipment sales. Under the directed pilot program, a contractor would receive a buyer premium not to exceed 10% of the highest and final bid of each item up for auction. No such premium currently exists. There is no estimate available for lost revenues to the Highway Fund.

Section 7 allows Division of Motor Vehicles to waive fees for outstanding driver license restoration fees that exceed 10 years old. There is no estimate available as to the number or amount of fees owed currently on the books older than 10 years.

TECHNICAL CONSIDERATIONS

N/A

DATA SOURCES

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
DEPARTMENT OF ADMINISTRATION



LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

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