

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 988

SHORT TITLE: Drug Tax For Crimestoppers

SPONSOR(S): Representative Hurley

FISCAL IMPACT:	Expenditures:	Increase ()	Decrease ()
	Revenues:	Increase ()	Decrease (X)
	No Impact	()	
	No Estimate Available	()	

FUND AFFECTED: General Fund (X) Highway Fund () Local Govt. ()
 Other Funds ()

BILL SUMMARY: Currently, unencumbered proceeds of the Controlled Substances Tax are distributed as follows: 1) 75 percent to the law enforcement agencies that conducted the investigation that led to the assessment of the tax; and 2) 25 percent to the General Fund. Under the bill, of the 25 percent of the proceeds now distributed the General Fund, up to \$250,000 per quarter would be distributed among the counties of the State on a per capita basis. Counties could use the funds only to pay rewards under the Crimestoppers program. If the amount available for distribution were less than \$250,000, the entire amount would be distributed among the counties and the General Fund would get nothing.

EFFECTIVE DATE: July 1, 1995 for taxes collected after that date.

FISCAL IMPACT

	<u>95-96</u>	<u>96-97</u>	<u>97-98</u>	<u>98-99</u>	<u>99-00</u>
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REVENUES:

GENERAL FUND	Loss of \$1,000,000 annually
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ASSUMPTIONS AND METHODOLOGY: Recent quarterly distributions of Controlled Substance Tax proceeds to the General Fund generally have been greater than \$250,000. As such, it can be expected that the full amount will be lost to the General Fund each year.

FISCAL RESEARCH DIVISION

733-4910

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Official

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