

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: H.B. 937 Senate Finance Committee Substitute

SHORT TITLE: Regional Transit Authority

SPONSOR(S): Rep. Gray

FISCAL IMPACT

Yes () No () No Estimate Available ()

FY 1999-00 FY 2000-01 FY 2001-02 FY 2002-03 FY 2003-04

REVENUES

General Fund

*** No General Fund Impact ***

Piedmont Reg. Trans.

*** See Assumptions and Methodology ***

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: The Piedmont Regional Transportation Authority.

EFFECTIVE DATE: When it becomes law.

BILL SUMMARY: The bill makes several technical changes to the Regional Transportation Authority Act. First, it expands the area that may be included in the territorial jurisdiction and service area of the Piedmont Authority for Regional Transportation. Next, it adds to the Piedmont Authority board representatives of the two airport authorities or commissions serving the largest communities in the area. Third, it provides that a regional transit authority, including the Triangle Transit Authority or the Piedmont Authority for Regional Transportation, can create a special tax district. This district can include one or more entire counties within the authority's jurisdiction, and may levy taxes. These taxes must be used for public transportation.

ASSUMPTIONS AND METHODOLOGY: Only the special tax district portion of the bill has a potential fiscal impact. Under current law a regional transit authority, such as Triangle Transit or the Piedmont Authority, may levy within its jurisdiction a vehicle rental tax of up to 5% and a vehicle registration tax of up to \$5.00 to fund public transportation. This provision only applies if the authority has not yet levied either tax up to the maximum rate. If the authority has not yet levied the maximum rate, then the authority can create a special tax district within the authority jurisdiction, and collect the tax in that more limited area. The Triangle Transit Authority already levies the \$5.00 and 5% taxes, so the bill will only have an impact on the Piedmont Authority. The five counties that are included, at least in part, in the Piedmont Authority are Guilford, Forsyth, Davidson, Randolph, and Alamance.

Because the bill is permissive, Fiscal Research cannot determine which if any of the five counties that participate in the Piedmont Authority will participate. Therefore, no accurate fiscal estimate is possible. However, regional transportation officials indicate that *if* all five counties participated, the vehicle registration tax would generate an estimated \$4,625,000 annually. This is based on the estimate of approximately 925,000 registered vehicles in the five county services area, and assuming the levy of \$5 per vehicle. The same officials believe that the vehicle rental tax would generate an estimated \$2,500,000 annually, if all communities chose to participate. This is based on annual gross receipts at the Piedmont Triad International Airport of approximately \$30,000,000 and the assumption that 60% of the rental vehicle receipts would be generated at the airport and the full 5% tax would be levied.

FISCAL RESEARCH DIVISION 733-4910

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