

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2005

Legislative Fiscal Note

BILL NUMBER: House Bill 56 (First Edition)

SHORT TITLE: Update Legislative Mileage.

SPONSOR(S): Representative Womble

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
REVENUES					
EXPENDITURES	\$0	\$45,230	\$90,640	\$90,640	\$90,640
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	General Assembly				
EFFECTIVE DATE:	Upon the convening of the 2007 Regular Session				

BILL SUMMARY:

The legislation amends GS 120-3.1(a) to change the weekly roundtrip home-to-Raleigh mileage allowance of each member of the General Assembly, and the mileage reimbursement allowance for official trips on General Assembly business, by changing the standard for reimbursement from the 1993 Internal Revenue Service standard to the 2003 standard. This legislation is effective upon the convening of 2007 Regular Session.

Source: Bill Digest H.B. 56 (02/03/2005)

ASSUMPTIONS AND METHODOLOGY:

Since 1993, members of the NC General Assembly have been reimbursed for mileage at a rate of 29 cents per mile that was adopted by the IRS that year for business standard mileage. This legislation proposes an increase in the weekly roundtrip home-to-Raleigh mileage allowance for members in keeping with the rate set by the IRS in Rev. Proc. 2003-76, October 27, 2003. Per this directive, the rate for mileage was revised to 37.5 cents per mile. In FY 2003-04 members were reimbursed for 1,066,354 miles at a cost of \$309,243. The assumption is that annual mileage will remain fairly consistent. Therefore, applying the IRS rate adopted in October 2003 to total

mileage, the estimated cost would be \$399,883 or an increase in the annual expense of \$90,640. Since the increase in mileage is effective upon the convening of the 2007 Regular Session, the initial increase would affect six (6) months of expenditure in FY 2006-07 at a cost of \$45,230.

The FY 06-07 budget has sufficient funding allocated for travel in the recommended continuation budget for the 2005-07 Biennium. In subsequent years, the General Assembly's budget would need to maintain a funding level to meet the additional annual expense.

SOURCES OF DATA: General Assembly and IRS

TECHNICAL CONSIDERATIONS: None

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