

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

**BILL NUMBER:** House Bill 1813 (First Edition)

**SHORT TITLE:** State Take Cape Fear Locks/Dams 1, 2, and 3.

**SPONSOR(S):** Representative Dickson

<b>FISCAL IMPACT</b>					
	<b>Yes (x)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<u><b>FY 2007-08</b></u>	<u><b>FY 2008-09</b></u>	<u><b>FY 2009-10</b></u>	<u><b>FY 2010-11</b></u>	<u><b>FY 2011-12</b></u>
<b>REVENUES:</b>					
<b>EXPENDITURES:</b>	<b>See Assumptions and Methodology</b>				
<b>POSITIONS (cumulative):</b>					
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Department of Environment and Natural Resources; Department of Transportation					
<b>EFFECTIVE DATE:</b> When the bill becomes law.					

**BILL SUMMARY:** This bill provides that the State may accept from the federal government locks and dams #1, #2, and #3 on the Cape Fear River after they have been refurbished and rock arch fish ladders have been constructed. If the property is transferred from the federal government, the Council of State may allocate it to the Department of Transportation, the Department of Environment and Natural Resources, or any other appropriate department.

**ASSUMPTIONS AND METHODOLOGY:** The U.S. Army Corps of Engineers (USACE) currently operates and maintains Cape Fear Locks and Dams #1, #2, and #3. USACE is currently overseeing a study to look at what should be done with these locks and dams. The commercial use of these facilities has declined over the last few decades, and they are currently used mostly for water supply and recreational purposes; at each lock, there are picnic tables, comfort shelters, and boat ramps. The study will look at constructing fish passages, as well as evaluating which major repairs USACE needs to make.

The bill stipulates that the State will not take over the locks and dams until after the locks and dams have been refurbished and the fish ladders have been constructed. Before the State could take ownership of the locks and dams, USACE would need to complete the study, refurbish the locks and dams, and construct the fish passages. The U.S. Congress would also have to act on deauthorization to turn the locks and dams over to another party. USACE estimates that the earliest all of these steps could be completed is 2011, and it could take until 2014.

Over the past eight years, USACE has spent an average of \$705,125 annually for these locks and dams. The cost figure includes minimal dredging at the locks to facilitate fish lockage, caretaker operations, and maintenance of facilities, including repairs and renovations. USACE currently employs two full-time staff persons to operate and maintain the locks and dams. Using USACE data, it is estimated that the State would need to fund two (2.0) new positions and incur costs of \$783,870 (adjusted for inflation) annually. The earliest the State would begin to incur these costs is FY 2011-2012.

**SOURCES OF DATA:** U.S. Army Corps of Engineers; Moody's economy.com

**TECHNICAL CONSIDERATIONS:** None

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