



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 166** HLS 02A- 384
 Bill Text Version: **ORIGINAL**
 Opp Chamb Action:
 Sub Bill For:
 Proposed Amd:

Date: April 2, 2002 12:40 PM	Author: MURRAY
Dept/Agy: Economic Development	Analyst: Greg Albrecht
Subject: Expand Quality Jobs Program Tax Exemption	

TAX CREDITS OR -\$4,415,000 GF RV See Note Page 1 of 1

Adds to the list of industries which qualify for benefits through Quality Jobs Program

Adds professional basketball clubs to the list of industries which qualify for benefits through the Quality Jobs Program.

Effective July 1, 2002

EXPENDITURES	2002-03	2003-04	2004-05	2005-06	2006-07	5 YEAR TOTAL
State General Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Stat. Deds./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2002-03	2003-04	2004-05	2005-06	2006-07	5 YEAR TOTAL
State General Fd.	(\$4,415,000)	(\$4,415,000)	(\$4,415,000)	(\$4,415,000)	(\$4,415,000)	(\$22,075,000)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Stat. Deds./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	(\$4,415,000)	(\$4,415,000)	(\$4,415,000)	(\$4,415,000)	(\$4,415,000)	(\$22,075,000)

EXPENDITURE EXPLANATION:

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION:

The bill presumably allows into the Quality Jobs program the Charlotte Hornets NBA basketball organization in connection with the memorandum of understanding between the team and the state. The Legislative Fiscal Office is aware of two different calculations made by the Department of Economic Development with regard to the Hornets' access to the program that estimate the amount of annual payroll subsidy that the state might have to provide, should the team be made eligible for the program. These amounts are \$3.592 million per year for ten years or \$4.415 million dollars per year for ten years, and depend on the amount of training, infrastructure, and other costs that will ultimately be part of the agreement between the team and the state. The maximum cost calculated, of these two calculations, is shown above. The actual payroll subsidy amount will be determined by the specific Quality Jobs Program contract entered into with the team.

Dual Referral Rules

Senate

13.5.1 >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

House

6.8(F) >= \$500,000 Annual Fiscal Cost

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease per year

Gregory V. Albrecht
CHIEF ECONOMIST