

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** SB 1463 (Second Edition)  
**SHORT TITLE:** Dare Utility Underground Amendments  
**SPONSOR(S):** Senator Hoyle

**FISCAL IMPACT**

**Yes (X)      No ( )      No Estimate Available ( )**

**FY 2000-01 FY 2001-02 FY 2002-03 FY 2003-04 FY 2004-05**

**REVENUES**

Dare Co. Local Gov.    \$1,220,656    \$1,220,656    \$1,220,656    \$1,220,656    \$1,220,656

**EXPENDITURES**

**POSITIONS:**

**PRINCIPAL DEPARTMENT(S) &  
PROGRAM(S) AFFECTED:** Dare County Local Government

**EFFECTIVE DATE:** This act is effective when it becomes law.

**BILL SUMMARY:** This legislation allows Dare County to expand the purpose of special tax districts authorized in SL 1999-127 to include telephone and cable lines within the county.

**BACKGROUND INFORMATION:** Under SL 1999-127 Dare County is authorized to create one or more utility districts for the purpose of raising and expending funds to install underground electric utility lines in the district. A fee of \$1 per residential customer and \$5 per commercial customer is to be levied on electricity service clients within these utility districts. Though this plan has been established and authorized, it has not been fully implemented. Given the most current estimates of

residential and commercial electricity use within Dare County, the previously authorized legislation will raise approximately **\$552,400** per year.

**Electricity Lines:**

The monthly revenue from SL 1999-127 is \$46,034. The yearly revenue from this electricity line fee is \$552,408. Dare County has three major providers of electricity; NC Power, Tideland Electric, and Cape Hatteras Electric Membership Cooperative (CHEMC). Estimates of the number of customers for each of the three companies are provided by the Dare County Manager’s Office.

**Dare Co. Electricity Lines**

Dare Co. Customers	\$1/mth . Residential	\$5/mth Commercial	Revenue
<b>Residential</b>			
NC Power	20,699		\$ 20,699
Tideland	604		\$ 604
CHEMC	4,986		\$ 4,986
<b>Total</b>	<b>26,289</b>		<b>\$ 26,289</b>
<b>Commercial</b>			
NC Power		2,896	\$ 14,480
Tideland		106	\$ 530
CHEMC		947	\$ 4,735
<b>Total</b>		<b>3,949</b>	<b>\$ 19,745</b>
		<b>Total Rev.</b>	
		<b>monthly</b>	<b>\$ 46,034</b>
		<b>Yearly</b>	<b>\$ 552,408</b>

**ASSUMPTIONS AND METHODOLOGY:** This legislation authorizes Dare County to levy a fee of \$1 per residential and up to \$5 per commercial customer for telephone and cable service. These fees are in addition to the existing electricity fee. This fiscal note assumes the maximum \$5 fee authorized for all estimates. Expansion of utility fees to include telephone lines would generate **\$927,684** per year while the cable line fee would create **\$292,972** in yearly revenue. Combined, the two additional fees would generate **\$1,220,656** yearly.

## Telephone Lines:

Sprint is the bulk carrier for Dare County. Therefore, estimates for telephone fee revenues are generated using the number of customers serviced by this principal carrier within the utility district. The monthly revenue within Dare County from a telephone line fee would be \$77,307. The yearly revenue would be \$927,684

### Dare Co. Phone Lines

Dare Co. Accounts	\$1/mth Residential	\$5/mth Commercial	Revenue
Residential	28,322		\$ 28,322
Commercial		9,797	\$ 48,985
		<b>Total Rev. Monthly</b>	<b>\$ 77,307</b>
		<b>Yearly</b>	<b>\$ 927,684</b>

## Cable Lines

Charter Communications is the only cable service provider for Dare County. Therefore, cable fee estimates are generated using the number of cable subscribers for this primary carrier in the utility district. The total monthly revenue from a fee imposed upon cable subscribers in the county would be \$24,581. This translates into a yearly revenue of \$292,972.

**Dare Co. Cable**  
**Lines**

<b>Dare Co. Subscribers</b>	<b>\$1/mth Residential</b>	<b>\$5/mth Commercial</b>	<b>Revenue</b>
<b>Residential</b>	23,481		<b>\$ 23,481</b>
<b>Commercial</b>		220	<b>\$ 1,100</b>
		<b>Total Rev. Monthly</b>	<b>\$ 24,581</b>
		<b>Yearly</b>	<b>\$ 294,972</b>

**TECHNICAL CONSIDERATIONS:**

**FISCAL RESEARCH DIVISION 733-4910**

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**DATE:** June 15, 2000



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