

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 1443 (First Edition)

SHORT TITLE: Commerce ServiCenter

SPONSOR(S): Representatives Church and LaRoque

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>
REVENUES:					
EXPENDITURES:	\$222,968	\$216,321	\$219,744	\$223,238	\$226,804
POSITIONS:	4	4	4	4	4
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: The Department of Commerce					
EFFECTIVE DATE: Bill becomes effective when it becomes law.					

BILL SUMMARY:

May 13, 2004

H 1443. COMMERCE SERVICE CENTER. TO ESTABLISH A BUSINESS SERVICE CENTER IN THE DEPT OF COMMERCE. Enacts a new Part 20 in Art. 10, GS Ch. 143B, entitled Business Service Center. Establishes a Business Service Center within the Department of Commerce to serve as a clearinghouse for state business information, with specified duties and responsibilities. Requires the Center to adopt necessary rules and forms. Provides for the confidentiality of requests for assistance from the Center. Provides that the Secretary may report to the Joint Legislative Commission on Governmental Operations on proposals or revisions to improve state government communications and relations with the public. Amends GS 147-54.17, creating certain obligations of the business coordinators to the Center and making technical and conforming changes.

May 27, 2004

H 1443. COMMERCE SERVICENTER. Intro. 5/13/04. House committee substitute makes the following changes to 1st edition. Deletes changes to GS 147-54.17. Vests rulemaking authority related to the Business Service Center with the Secretary of Commerce. Changes reporting

provision in GS 143B-472.103 from permissive to mandatory. Requires the Business Service Center to designate a Small Business Ombudsman to work with the small business community to identify problems in state government related to unnecessary delays, inconsistencies between regulatory agencies, and the inefficient and ineffective uses of state resources.

June 2, 2004

H 1443. COMMERCE SERVICE CENTER. Intro. 5/13/04. House amendment makes the following changes to 2nd edition. Requires the Small Business Ombudsman to work with small businesses to ensure they receive timely answers to questions and timely resolution of issues involving state government. Authorizes ombudsman, on behalf of a business, to ask a state agency about the status of a business's inquiry and to convene representatives of state agencies to discuss issues raised by a business.

Source: Bill Digest H.B. 1443 (05/13/2004)

ASSUMPTIONS AND METHODOLOGY:

Note: H1414: 2004 Appropriations Act includes a funding for this bill.

In 2003, the Department of Commerce created a pilot program to assist North Carolina businesses with inquires. This Business ServiCenter was started as a cooperative program with funding provided by the Appalachian Regional Commission, Small Business Technology Development Center and the Department. The target area for the pilot was western North Carolina. In order to expand the ServiCenter to meet the needs of the entire state, the Department requires four new positions. The positions, salaries and benefits are detailed in the table below.

Position	Salary	Benefits	TOTAL
ServiCenter Manager	\$52,000	\$10,410	\$62,410
Small Business Specialist	\$40,000	\$8,880	\$48,880
Small Business Ombudsman	\$40,000	\$8,880	\$48,880
Small Business Assistant	\$30,000	\$7,458	\$37,458
TOTAL	\$162,000	\$35,468	\$197,468

Although Economy.com estimates average salary increases for most jobs to 4% on annually, the 10-year average salary increases for State employees has been 2.07%. There will be start up costs of \$10,000 and estimated annual operating expenses of \$15,500. The chart below details the estimated total cost, using a 2.07% inflationary increase for salaries.

	2005	2006	2007	2008	2009
Salaries	\$ 162,000	\$ 165,353	\$ 168,776	\$ 172,270	\$ 175,836
Benefits	\$ 35,468	\$ 35,468	\$ 35,468	\$ 35,468	\$ 35,468
Operating	\$ 25,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500
TOTAL	\$ 222,968	\$ 216,321	\$ 219,744	\$ 223,238	\$ 226,804

SOURCES OF DATA: Department of Commerce

TECHNICAL CONSIDERATIONS: None

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