



# NORTH CAROLINA GENERAL ASSEMBLY

Session 2021

## Fiscal Analysis Memorandum

**CONFIDENTIAL**

**Requestor:** Reps. Howard, Szoka, Setzer, and Bradford  
**Analyst(s):** Denise Canada  
**RE:** House Bill 110, V2, Increase Building Permit Exemption Threshold

### SUMMARY TABLE

#### FISCAL IMPACT OF H.B. 110, V.2

	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
<b>State Impact</b>					
General Fund Revenue	-	-	-	-	-
Less Expenditures	-	-	-	-	-
<b>General Fund Impact</b>	<b>No Fiscal Impact</b>				

#### NET STATE IMPACT

**No Fiscal Impact**

#### Local Impact

Local Revenue  
Less Local Expenditures

No Estimate Available - Refer to Fiscal Analysis section

#### NET LOCAL IMPACT

### FISCAL IMPACT SUMMARY

House Bill 110 would reduce local government fee revenue by raising the dollar threshold beyond which minor building projects require a building permit. The bill may also reduce local expenditures if the reduction in permit activity is significant enough for any local government to change its permit staffing. However, the overall change in permit activity cannot be predicted and therefore no revenue or expenditure estimates are available.

### FISCAL ANALYSIS

H110, Version 2, increases the exemption threshold for a building permit for minor activities in single family residential buildings and farm buildings. Under current law, these types of projects must be permitted by the local government if the total cost of the work will exceed \$15,000. The bill would raise that threshold to \$20,000, affecting local government finances in two ways:



- Local governments will no longer receive permit fee revenue for projects costing between \$15,001 and \$19,999, and
- Local governments will no longer incur expenses related to permitting projects in this same cost range.

No data is available on the number of building projects costing between \$15,000 and \$20,000 that would have required a permit if not for H110, V2. Therefore, no estimate is available.

## **TECHNICAL CONSIDERATIONS**

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N/A.

## **DATA SOURCES**

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None.

## **FISCAL ANALYSIS MEMORANDUM – PURPOSE AND LIMITATIONS**

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This document is a fiscal analysis of a bill, draft bill, amendment, committee substitute, or conference committee report that is confidential under Chapter 120 of the General Statutes. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts. This document is not an official fiscal note. If a formal fiscal note is requested, please email your request to the Fiscal Research Division at [FiscalNoteRequests@ncleg.net](mailto:FiscalNoteRequests@ncleg.net) or call (919) 733-4910.

