

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 1529 (Second Edition)

SHORT TITLE: Horse Promotion Assessment

SPONSOR(S): Rep. Brown

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>
REVENUES					
Horse Council Funds	\$200,000	\$200,000	\$200,000		
EXPENDITURES (to be determined by the Horse Council)					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Agriculture and Consumer Services					
EFFECTIVE DATE: The act is effective when it becomes law.					

BILL SUMMARY: The bill authorizes the North Carolina Horse Council to hold a referendum among horse owners on whether to levy a fee of up to \$2 a ton on commercial horse feed for the purpose of promoting the horse industry. If approved by a majority of the horse owners, the Department of Agriculture and Consumer Services will collect the fee from commercial feed dealers and distributors and remit the funds to the Horse Council on a quarterly basis. The assessment will be levied for no more than three years. Horse owners have a right to request a refund of the fee from the Horse Council if they do not wish to participate in the promotion effort.

ASSUMPTIONS AND METHODOLOGY: In the 1996 North Carolina Equine Survey, the Department of Agriculture and Consumer Services identified 33,000 equine owners and 132,000 head of equine in the state. The Department 's 1996 Feed Tonnage Report showed 97,279 tons of horse feed were purchased in the state. Horse feed sales grew 8.7% a year from 1993 to 1996, but the growth rate was only 4.4% from 1995 to 1996. Without data on the projected growth in the state's equine herd, it is impossible to predict what the future growth in feed sales will be. This note assumes a flat 100,000 tons of horse feed are purchased each year during the three

years that the assessment is in place. If the referendum is successful, this note assumes the Horse Council will assess \$2 per ton beginning in FY 1998-99 for revenues of \$200,000 per year.

FISCAL RESEARCH DIVISION

733-4910

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