

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 936 (First Edition)

SHORT TITLE: Waive Deadline for Troops

SPONSOR(S): Senator Kerr

FISCAL IMPACT					
	Yes ()	No ()	No Estimate Available (X)		
	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>
REVENUES					
General Fund			No Fiscal Impact		
Highway Fund			No Estimate Available		
Occupational Licensing Boards			No Estimate Available		
Local Governments			No Estimate Available		
EXPENDITURES					
POSITIONS: (cumulative)					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Transportation - Division of Motor Vehicles, Occupational Licensing Boards, City and County Governments, Community College System, The University of North Carolina, State Education Assistance Authority					
EFFECTIVE DATE: Sections 5 and 6 (Community college and UNC tuition and fees) apply only to FY 2002-03 and FY 2003-04. This act is effective when it becomes law.					

BILL SUMMARY:

This legislation waives deadlines, penalties, and fees for military personnel on active duty in support of Operation Iraqi Freedom. Troops will have 90 days from the end of their deployment to renew their driver's license, renew their motor vehicle liability insurance, renew an occupational license, pay current year property taxes, and list property for next year's property tax. The bill also directs the Community College System to refund tuition and fees for military personnel called to active duty and to help those students complete their course work through distance learning and other educational methodologies. The University of North Carolina is asked to consider the full refund of tuition and fees to military personnel on active duty. Active duty personnel will not be asked to repay their Legislative Tuition Grants to the State Education Assistance Authority.

BACKGROUND:

Similar bills were approved by the General Assembly in 1991 and 1995. In 1991, HB 745 (Chapter 160) provided a grace period for listing and paying property taxes for members of the armed forces involved in Operation Desert Storm. The soldiers involved in Bosnia's Operation Joint Endeavor received the same property tax grace period in SB 1179 (Chapter 691).

ASSUMPTIONS AND METHODOLOGY:

According to a May 2, 2003, report in the *Raleigh News and Observer*, approximately 29,950 military personnel from North Carolina bases and National Guard units have been deployed for assignments in the Middle East. Some of the units will return to their bases before the end of this fiscal year. For example, about 100 personnel from Seymour Johnson have returned and 1,200 members of the Army's 82nd Airborne Division will return by mid May.

Sections 3 and 4 may cause a delay in revenue collection from FY 02-03 to FY 03-04 for driver's licenses (Highway Fund), occupational licenses (Licensing Board Special Accounts), and property tax collections (local governments). However, it is not possible to estimate this temporary fiscal impact. The General Assembly's Fiscal Research Division does not have access to records of military personnel assigned to Operation Iraqi Freedom, nor could it easily match driver records, local tax records, and occupational license records to military personnel if such records were available.

Section 5 has no fiscal impact on the Community College System because in 1999, the System adopted administrative rules 23 NCAC 02D .0202 (f) and 23 NCAC 02D .0203 (e) to grant a full refund of tuition and fees to military reserve and National Guard personnel called to active duty or active personnel assigned out of state. The rules also allow textbook buyback and distance learning.

Section 6(a) has no fiscal impact on the University of North Carolina (UNC) because UNC developed guidelines in 2001 to issue a full refund of tuition and fees to students involuntarily called to active duty in the military. The guidelines are almost verbatim to the language in section 6(a).

Section 6(b) has no fiscal impact because no reversions of tuition grants from military personnel are budgeted by the State Education Assistance Authority.

SOURCES OF DATA: *Raleigh News and Observer* – May 2, 2003; UNC Guidelines for Refunds of Tuition and Fees for Students Serving in the Military or in Case of National Emergency; North Carolina Administrative Code

FISCAL RESEARCH DIVISION: (919) 733-4910
PREPARED BY: Richard Bostic

APPROVED BY: James D. Johnson, Director, Fiscal Research Division

DATE: May 6, 2003

Official
Fiscal Research Division
Publication



Signed Copy Located in the NCGA Principal Clerk's Offices