



Bulletin #13-07
Friday, March 15, 2013

Senate committee pulls lottery bill

S119 (Lottery Funds Used for Digital Learning) stalled in Senate Education on Wednesday, as a number of senators noted that most of the reduced county lottery allocation for school construction is already committed for debt service. S119 would provide local school and county commissioner boards with the option of using county lottery funds for school technology needs, and would require that a portion of these technology lottery dollars be used for educator professional development. Counties have supported the optional use of school construction lottery dollars for technology enhancements, but emphasize that expanded uses should be accompanied by a restoration of county lottery funds to pre-recession statutory levels.

While counties are statutorily due 40% of net lottery proceeds, equating to nearly \$180 million based on 2012-13 lottery sales, ongoing state budget challenges have reduced this allocation to \$100 million in each year of the current biennium. Furthermore, the corporate tax set aside for school construction, commonly known as the ADM Fund, has been redirected for school operating expenses for the past four years. All told, counties have lost nearly \$500 million in school construction funding over the past four years.

In committee, Sen. Harry Brown decried the huge burden on counties given the reduction in lottery funding, and noted that fewer dollars for public schools means more school systems suing counties. With "counties truly struggling," Senator Brown believed school construction needs would be going up, not down, and stated that all lottery funds should go to school capital. Senator Newton expressed his similar concerns, citing the difficulties that Johnston County, new to his senatorial district, was experiencing to fund school debt service. Senators Bryant, Robinson, and Wade each added comments regarding their counties' struggles with meeting school capital needs in light of decreased lottery allocations. Further concerns were raised about the mandated professional development funding provision, with several senators questioning whether these funds should be a limited percentage of any technology allocation as approved by the county board of commissioners.

Senator Tillman, chairing the committee, suggested pulling the bill and appointed a small workgroup to respond to members' concerns with regards to limiting spending on the professional development requirements. Senator Tillman noted that senate conversations continue around lottery allocations, including proposals to direct all or most lottery proceeds to school construction.

Bill would grant counties relief from medical costs for inmates

Senator Jim Davis, Senate Co-Chair of the General Assembly's County Caucus, introduced legislation on Wednesday that would fulfill a goal sought by counties for years – namely state action needed to help reign in jail inmate medical costs. **S321** (Contain Counties' Inmate Medical Costs) is co-sponsored by Senate Justice and Public Safety Appropriations chairs Sen. Buck Newton and Sen. Thom Goolsby. The bill would put county jail inmate medical costs processes on par with that afforded to state prisons. Counties could limit their reimbursement to medical providers and facilities for jail inmate treatment to the lesser of 70 percent of the provider's prevailing charge or twice the Medicaid rate, the same provision allowed for state prisoner medical expenses. Furthermore, counties can amend their medical care plans to allow for Medicaid reimbursement for those jail inmates deemed eligible for Medicaid and receiving in-patient hospitalization services. To ensure no state budget impacts, counties would be required to fund the non-federal share of the Medicaid services cost for these hospitalized jail inmates, in keeping with similar requirements on the N.C. Department of Public Safety for its state prisoners hospitalized in non-prison settings.

Bills to accomplish county legislative goals filed

Several bills were filed this week that would accomplish goals included in the county legislative agenda. **S307** would



extend the hold harmless funds that some counties receive because of the repeal of the intangibles tax. The bill would extend the hold harmless payments for another four years, phasing down the amount each county receives in 25 percent increments per year, until the annual payments end completely in August 2016. [H321](#) (Amend Local Solid Waste Planning), sponsored by Rep. Chuck McGrady, a former Henderson County Commissioner, would accomplish an NCACC legislative goal to "eliminate requirement for a 10-year solid waste management plan" by eliminating G.S. 130A-309.09A(b). It also adds several items that must be included in the required annual report, including a "description of the disaster debris management program," descriptions of scrap tires and white goods procedures and information on how the entity tries to prevent "illegal disposal and management of litter."

Bills of Interest

Bill: [H95](#)

Sponsors: Torbett (R108); Hall, L. (D29)

Title: STANDARD OF PROOF/PUBLIC SAFETY DISPATCHERS

Position: Support

Comments: This bill originally attempted to provide 911 or public safety telecommunicators or dispatchers with the same immunities as conferred on a sworn law enforcement officer for the performance of any lawful and prescribed actions associated with their assigned job duties. It was revised in committee to change the standard of protection to "clear and convincing evidence in a court of law." The committee deleted the two-year statute of limitations for someone to file a civil claim against a 911 or public safety telecommunicator resulting from an incident. It passed the House on March 11.

Bill: [H120](#)

Sponsors: Hager (R112); Brawley, W. (R103); Cotham (D100); Arp (R69)

Title: BLDING CODES: LOCAL CONSISTENCY/EXEMPT CABLE

Comments: This bill would restrict counties and cities from making "routine inspections of buildings or structures constructed pursuant to the North Carolina Residential Code for One- and Two-Family Dwellings in addition to the specific inspections required by the North Carolina Building Code without first obtaining approval from the North Carolina Building Code Council." The bill was referred to the Local Government Subcommittee of the House Committee on Regulatory Reform. The bill was amended in committee to exempt structures that support cable television operations from the building code. It passed the House on March 12.

Bill: [H150](#)

Sponsors: Dollar (R36); Brawley, W. (R103); Moffitt (R116); Jordan (R93)

Title: ZONING/DESIGN & AESTHETIC CONTROLS

Position: Oppose

Comments: This bill would prohibit a county from adopting zoning and subdivision development and aesthetic regulations concerning building design elements for one- and two-family dwellings, with some exceptions. The prohibition would not apply to areas designated as local historic districts, areas listed on the National Registry of Historic Places or in areas designated as local, state, or national historic landmarks, or regulations that are directly and substantially related to applicable safety codes under the North Carolina State Building Code or regulations that are required for participation in the National Flood Insurance Program. In addition, the regulations prohibited by this section cannot be applied in any zoning district, special use district, conditional use district, or conditional district unless consented to by all of the owners of all of the property to which they can be applied. It was amended in the committee to exempt its enforcement on restrictive covenants adopted by private homeowners or neighborhoods. It is scheduled to be voted on by the House on March 19.

- Johanna Reese, Government Relations Director
- David F. Thompson, Executive Director



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