



Bulletin #13-11
Friday, April 12, 2013

COURT COSTS BILL REVISED TO REFLECT COUNTY CONCERNS

A Proposed Committee Substitute (PCS) for [H343](#) (Courts/Procedure and Fee Amendments) was heard in House Judiciary Subcommittee A this week. As stated in last week's bulletin, the NCACC worked with Rep. Rena Turner (R-Iredell), the bill sponsor, and the Administrative Office of the Courts to develop language to address some of the counties' concerns regarding the advancement requirement and to codify the special provision enacted in 2011. The PCS would still require counties and municipalities to pay all costs and fees when making a filing with the court, but the clerk of superior court could allow 45 days for the costs and fees to be paid. If not paid within 90 days of the filing, the clerk would be required to withhold all facilities fees due to the county or municipality. In addition, the PCS would codify the special provision that exempts child support enforcement agencies from paying the \$20 fee for motions and the \$15 fee for alias and pluries summons and endorsements on an original summons when commencing or prosecuting a child support case. The PCS for H343 was unanimously approved by the committee and was re-referred to the House Finance Committee. The NCACC greatly appreciates Rep. Turner and AOC for their willingness to work with us on these changes.

County Assembly Day 2013

The NCACC has designated May 22, 2013, as County Assembly Day. [Registration](#) is now open for the event. County officials must pre-register by May 15 to get the early rate of \$95. After May 15, county officials must register on-site at \$125.



HOUSE BILLS IMPACT PRESENT-USE VALUE SYSTEM

A number of property tax bills emerged during the final days of bill filing in the House, including several that conflict with the origins of the present-use value system — namely to protect and sustain the family farm. By order to appearance with regards to PUV, [S511](#) (Modify PUV Application Ag Lands) would include the rearing of horses to qualify for the agricultural exemption, [S508](#) (Eliminate Initial Ownership Req. For PUV) would minimize ownership requirements for PUV qualification, [H586](#) (PUV/Repeal Forest Planning Requirement) would eliminate the requirement for a forest management plan to qualify for the forestry exemption, and [H874](#) (Broaden Agricultural Present Use Value) would decrease agricultural acreage from 10 to 5 acres.

Other property tax bills include [H453](#) (Correct Taxation of Computer Software) and its companion [S490](#), which would largely exempt computer software from the business personal property base and [H860](#) (Exempt Real Property for Burial Purposes), which would exempt all burial properties.

[H865](#) (Expand Property Tax Homestead Exclusion) increases the homestead exemption income levels to \$30,900 for individuals, from the current level of approximately \$28,100, which includes cost-of-living adjustments. The bill would also enable homebuyers to have the full amount of the increase in property values after a revaluation occurs, plus 50 percent of the property's value when it first became eligible for the exemption. This would mean that as property values increase, the percentage of the property exempt from taxation also increases, thereby reducing the overall property tax base.

HOUSE REMOVES COUNTIES FROM PAYING FOR CRIMINAL HISTORY CHECKS

The House overwhelmingly approved [H392](#) (Share Arrest Warrant Status/Pub. Assistance) on Thursday, after its sponsor, Rep. Dean Arp (R-Union), offered major modifications to the original language to make it clear that counties will not be responsible for any costs associated with criminal history checks of food stamp and TANF applicants and beneficiaries. In keeping with federal law, this new eligibility check would ensure that these applicants have no outstanding felony warrants or probation or parole violations, and would deny benefits if outstanding felony warrants were uncovered.

ELECTIONS BILLS ADDRESS COUNTY GOAL

Two bills were filed in the House this week that would address county concerns about the cost of holding second primary

(runoff) elections. **H648** (Vote Centers for Second Primaries) would allow a county to utilize no more than the voting places that were open for early voting, including the county board of elections headquarters, when conducting a second primary. The county would have to request permission from the State Board of Elections at least 90 days prior to the primary, would have to list which sites would be open and for how long, and would be required to educate voters about the changes for the second primary. The bill has bipartisan support and is co-sponsored by Rep. Jonathan Jordan (R-Ashe) and Rep. Mickey Michaux (D-Durham). **H766** (Simple Election Act) takes a more direct approach by eliminating the requirement that the winning candidate in a race where there are more than two candidates for one seat must receive at least 40 percent (a substantial plurality) of the vote. Instead, the candidate with the most votes would be declared the winner, with no runoff provision.

Counties have expressed concerns about the costs of opening all the precincts in a county for a runoff election, which typically has extremely low turnout. The statewide runoff in 2012 had a voter turnout of 3.6 percent, even though there were runoffs for five Council of State seats (Democrat for Commissioner of Labor and races for the Republican nomination for Superintendent of Public Instruction, Lieutenant Governor, Commissioner of Insurance and Secretary of State), three highly contested Republican runoffs for Congressional seats impacting 30 counties and three seats each in the N.C. House and N.C. Senate. Thirty counties had voter turnout of less than 2 percent for the runoff, and only two counties (Vance and Granville) had voter turnouts of higher than 10 percent. In 2008, turnout for the second primary was 1.8 percent statewide. The 2008 election featured only one Council of State race (Democrat nomination for Commissioner of Labor) and two legislative runoffs impacting six counties. Four counties in 2008 had a voter turnout of higher than 10 percent for the second primary (Davie, Gates, Greene and Yancey) and each of those counties had a local election that drove the turnout. Davie and Gates had countywide runoffs for a seat on the county commission, Greene had a countywide race for an N.C. Senate seat, and Yancey had a runoff for a seat on the Board of Education.

MORE BILLS INTRODUCED TO ADDRESS COUNTY GOALS

Several bills were introduced this week that would accomplish NCACC legislative goals, while one bill was introduced that would push counties closer to getting involved in transportation funding. Counties' No. 1 priority is to keep counties out of road construction funding. **H785** (Cost-Sharing/Transportation Improvements) adds additional responsibilities to counties in G.S. 136-28.6 (Participation by the Department of Transportation with private developers). In 2008, the General Assembly changed 136-28.6 to allow counties to contribute financially to "private engineering, land acquisition, and construction contracts for transportation projects" on the DOT's Transportation Improvement Plan if the county wanted to expedite a certain project. **H785**, sponsored by Rep. Frank Iler (Brunswick), Rep. William Brawley (Mecklenburg) and Rep. John Torbett (Gaston), would authorize the Department of Transportation to "create a statewide pilot program to participate in cost-sharing for transportation improvements. The Department may create a fair share allocation formula and other procedures to facilitate the pilot program. The formula shall uniformly determine the value of transportation improvements and apportion these costs among applicable parties including the Department, counties, cities, and private property developers."

H601 (Opt out of State Medicaid Transportation System) would allow a county to operate its own non-emergency medical transportation system if the state moves forward with a statewide contract for NEMT services. The county would be responsible if the state incurred any "additional costs" to its NEMT system if a county were to opt out of the state system. The legislation defines additional costs as "(i) the costs of overseeing the county's system above the amount that the State would have spent to administer transportation within the county through the statewide non-emergency medical transportation system and (ii) any State liability for misuses or abuses of the non-emergency medical transportation system within the county." Counties adopted a legislative goal to "Retain county management of non-emergency Medicaid transport." A special provision in the 2013 State Appropriations Act directed the N.C. Department of Health and Human Services to develop and issue a request for proposals to privatize the management of non-emergency medical transportation services for Medicaid recipients. A statewide transportation management brokerage firm could remove all coordination efforts currently in place to share transportation services costs amongst funding sources. North Carolina is recognized nationally for its coordinated system of community human services transit systems. Largely managed by professional transit administrators under the oversight of county management, these coordinated systems provide efficient trip scheduling and travel for an array of human services clients including veterans, elderly citizens, children in daycare, and Medicaid recipients. North Carolina's cost-effective per member per month (pmpm) cost of \$2.45 is one of the lowest in the nation. Other states have pmpm costs averaging \$6 and above.

H638 (Increase Membership of Area Boards) would accomplish an NCACC legislative goal to ensure that all counties continue to have representation on LME/MCO boards by extending to 30 the size of a board for a multicounty area authority that has at least 10 counties in its catchment area. Currently, boards are limited to 21 members. Legislation enacted in 2012 sets maximum size limitations of 21 members on LME/MCO boards and stipulates board membership composition for 10 of these members to specific consumer, health, insurance and finance disciplines. Counties participating in an LME/MCO with at least 12 county members cannot be assured of appointing one of its county commissioners to represent its interests and that of its constituents on the LME/MCO governance board. With continued emphasis from the state on consolidation, more counties will find themselves as members of authorities with 11 or more counties.

H857 (Public Contracts/Construction Methods/DB/P3) would allow all counties to use the “design-build” option for construction projects, accomplishing the NCACC legislative goal to "Authorize design build option for all counties." The bill has a sunset date of July 1, 2019.

SENATE CLARIFIES, PASSES RPO/MPO ETHICS BILL

S411 (Ethics Requirements for MPOs/RPOs) passed third reading in the Senate this week and was sent to the House for consideration. This legislation addresses issues raised when members of Metropolitan Planning Organizations (MPOs) and Rural Planning Organizations (RPOs) are made subject to the State Ethics Act. First, the bill clarifies that only members of MPOs and RPOs with voting authority are subject to the State Ethics Act. In addition, the bill clarifies conflict of interest requirements for covered MPO and RPO members. Individuals in MPOs and RPOs expressed concerns that conflict of interest requirements in the State Ethics Act would preclude them from participating in any actions pertaining to their counties. S411 requires MPO and RPO members to disclose conflicts of interest and permits participation in actions except when there would be a reasonably foreseeable financial benefit that would impair the member's independent judgment. MPO and RPO members who are subject to the State Ethics Act pursuant to S411 must file Statements of Economic Interest as well as a disclosure of real estate holdings.

HOUSE BILL DEADLINE RESULTS IN FLURRY OF ACTIVITY

Not to be outdone by their Senate counterparts, House members rushed to beat the bill deadline this week. House members introduced 147 bills on Wednesday and 94 more on Thursday, the final day to introduce public, non-appropriations bills. For the week, House members filed 351 bills. Senators introduced 145 bills on April 2, which was the deadline for Senators to introduce public bills and resolutions. Parents across the state can breathe a sigh of relief, as it appears that their children aren't the only people who wait until the last minute to turn in their assignments.

BILLS OF INTEREST

The Association maintains a [section on its website](#) to track bills of interest to county officials. For past editions of the Legislative Bulletin, visit the NCACC's Legislative Bulletin Blog at <http://www.ncacc.org/Blog.aspx?CID=3>.

Bill: [H321](#)

Sponsors: McGrady (R117); McElraft (R13); Graham, G. (D12); Speciale (R3)

Title: AMEND LOCAL SOLID WASTE PLANNING

Position: Support

Category: Legislative Goal

Comments: This bill 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." The bill was approved by the House Committee on Government on April 11.

Bill: [H593](#)

Sponsors: Daughtry (R26)

Title: REGISTER OF DEEDS HOURS

Comments: This bill would change the office hours for Registrars of Deeds to the same as the Clerk of Superior Court. Currently, boards of county commissioners set the office hours. In some counties, the Register of Deeds office has Saturday hours, which would be eliminated if this change is made.

Bill: [H659](#)

Sponsors: Moffitt (R116); Howard (R79); Brawley, W. (R103); Lewis (R53)

Title: COUNTY AND CITY ETHICS

Comments: This bill adds additional ethics requirements to city, county and school governing boards. Members of the board of commissioners would have to file a statement of economic interest each year, could not allow their name and position to be used in "nongovernmental advertising that advances the private interest of the member or others," and could not use public funds to purchase an "announcement in a newspaper, on radio, television, magazines, or billboards that contains that member's name, picture, or voice, except in the case of local, State, or national emergency and only if the announcement is reasonably necessary to the member's official function."

Bill: [H707](#)

Sponsors: Millis (R16); McElraft (R13); Warren, H. (R77); Tine (D6)

Title: ENSURE SAFE NAVIGATION CHANNELS

Position: Support

Category: Legislative Goal

Comments: This bill would address the NCACC goal to "Explore and authorize use of alternate, sustainable revenue options and funding sources for beach, inlet and waterway maintenance." The legislation would direct the Department of Environment and Natural Resources to "assist local governments in their pursuit of general permit authorizations from the [U.S. Army Corps of Engineers] to allow the local governments to dredge shallow draft navigation channels to depths and according to project designs authorized on the date this act becomes law" and to "assist local governments in their pursuit of individual permits under the State Coastal Area Management Act permits issued by the Corps to allow the dredging of shallow draft navigation channels to depths greater than authorized on the date this act becomes law and to allow the placement of dredged materials on beaches."

Bill: [H723](#)

Sponsors: Malone (R35); Avila (R40); Fulghum (R49); Davis, T. (R19)

Title: LEGAL NOTICES/REQUIRE INTERNET PUBLICATION

Comments: This bill would require a newspaper to post any governmental legal notices on the newspaper's website for free and on the same day of publication if the notices are advertised in the newspaper. The newspaper must provide a link to the notices on its main page. If a newspaper does not have a website, it must submit the notice to the N.C. Press Association, which will post it on a website they maintain that publishes legal notices. Newspapers will also have to offer an electronic notification subscription option so that users can sign up to be notified when a notice is placed on the website. In addition, if a legal notice paid for by a government entity is required to be published more than once in a newspaper, then the newspaper can only charge 85% of what it charged for the initial insertion for the second and all subsequent insertions.

Bill: [H765](#)

Sponsors: Dixon (R4)

Title: JURY INSTRUCTIONS FOR SCHOOL BUDGET DISPUTE

Comments: This bill specifies what instructions should be given to a jury in the event that a local board of education and a board of county commissioners cannot agree on the amount of county funding for the public school systems. The judge shall instruct the juries to examine "what amount of money is necessary from all sources to maintain a system of free public schools and what amount of money is needed from the county to make up this total. The jury shall be instructed that the board of county commissioners is required to provide the appropriation legally necessary to support a system of free public schools as defined by State law and State Board of Education policy, and that the jury shall consider the educational goals and policies of the State, the budgetary request of the local board of education, the financial resources of the county, and the fiscal policies of the board of county commissioners." Current law allows the jury only to consider "what amount of money is needed from sources under the control of the board of county commissioners to maintain a system of free public schools."

Bill: [H769](#)

Sponsors: Ramsey (R115); Burr (R67); Wray (D27)

Title: ZONING/LIMIT MANUFACTURED HOME RESTRICTIONS

Comments: This bill prohibits a county from adopting an ordinance that restricts mobile homes from being located on individual lots that are zoned for single-family residential use "other than in an historic district where uniform aesthetic and design standards are imposed or in any other area where the county has a compelling interest in preserving aesthetic and design standards."

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



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