



Bulletin #13-13
Friday, April 26, 2013

SENATE PASSES ELECTRONIC NOTICE BILL

The Senate passed [S287](#) (Notice Publication by Some Local Govs) on Tuesday. The bill is a pilot program that would allow Burke, Graham, Guilford, Haywood, Jackson, Macon, Mecklenburg, Swain, Union, and Wake counties and the municipalities located entirely within those counties, with the exception of Rolesville in Wake County, to begin posting public notices on their local government website in lieu of purchasing ads in a local newspaper. The bill gives the local governments the flexibility to choose which notices it wishes to publish in a newspaper. The bill increases the visibility of the public notices by requiring the local government to post the notices prominently on the website's main page and to keep them up for at least one year. In addition, the county must email or mail a notice to any citizen who has requested to receive public notices, and the county must meet all the existing deadlines for publishing the notices. The bill does not preclude newspapers from continuing to publish the notices in their newspaper or place them on their own website.

COMMITTEE PACE TO PICK UP IN ADVANCE OF CROSSOVER DEADLINE

By the Numbers (As of April 26)

- 1,729 – Number of bills filed
- 1,004 – Number of bills filed in House
- 725 – Number of bills filed in Senate
- 337 – Number of bills being tracked by NCACC that impact county governments.
- 42 – Number of bills that have become law

With the major bill filing deadlines passed, the focus now turns to Crossover Day, which is May 16. For any piece of legislation not related to appropriations or finance to continue to be eligible in either the 2013 Long Session or for the 2014 Short Session, it must have passed its chamber of origination – or “crossed over” to the other chamber – by May 16. As a result, committee activity is expected to pick up considerably over the next three weeks, and many issues impacting counties will be heard in various committees.

Several bills of interest to counties are scheduled for committee hearings next week, including [S575](#) (Counties May Fund Charter School Capital), which is up in the Senate Education Committee on Tuesday, April 30. This bill would authorize counties to spend up to \$250,000 per year per charter school for the capital needs of each charter school within its county. Counties currently do not have the authority to spend funds on charter school capital needs, and counties are not seeking this authority.

Another school capital bill that counties do support ([S236](#) – Counties Responsible for School Construction) is expected to be heard by the Senate Education Committee next week. The bill would accomplish an NCACC legislative goal by giving a county the option of deciding if and to what extent it wants to assume responsibility for school construction/maintenance projects. County governments provide funding for school capital needs, but current law assigns ownership of the facilities to the local school board.

A bill that would accomplish another NCACC legislative goal is scheduled to be heard in the House Government Committee next week. [H857](#) (Public Contracts/Construction Methods/Design-Build/Public Private Partnership) would authorize 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. [H837](#) (Government Transparency Act) would make more personnel records available to the public and would put additional record-keeping requirements that relate to personnel decisions on local governments. It is scheduled to be heard in the House Committee on State Personnel on Wednesday. [H768](#) (Pretrial Release/No Unsecured Bond) eliminates the options for unsecured appearance bonds as a condition of pre-trial release, which would cause more detainees to remain in county jails while awaiting trial. It is scheduled to be heard in House Judiciary Subcommittee A on Wednesday.

REVISED COUNTY OMNIBUS BILL APPROVED BY HOUSE COMMITTEE

The House Environment Committee on Thursday approved [H458](#) (Omnibus County Legislation) and referred it to the House Transportation Committee. The bill would further three NCACC legislative goals. The bill would require the Environment Management Commission to solicit comments from a county when the commission is considering an application to treat an area with "sludge resulting from operation of a wastewater treatment facility." The Association has a

legislative goal to "Authorize some county oversight of bio-solids application." The bill also extends to \$2.5 million from \$1.2 million the threshold for informal contracts for NCDOT projects. The NCACC has a goal to "Increase informal let bid threshold for NCDOT local projects." The bill also creates a "State Payment in Lieu of Taxes Study Commission" that would consist of 13 members, six of whom would be recommended by the NCACC. The Commission would study "the development of a State payment in lieu of taxes for State properties, including wildlife and games lands." The NCACC has a goal to "Compensate counties for property acquired by the state and removed from the ad valorem tax base." The original version of the bill contained a fourth section that would have prompted a study of the e911 fees, but that section was taken out by the committee. Association advocates are pursuing other means to address this goal.

COUNTY ETHICS BILL ADVANCES

A bill that adds additional ethics requirements to city, county and school governing boards passed the House Committee on Government on April 22. [H659](#) (County and City Ethics) would require members of the board of commissioners to file a statement of economic interest each year, would restrict them from allowing their name and position to be used in "nongovernmental advertising that advances the private interest of the member or others," and would not allow a local government to 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." The bill was re-referred to the House Committee on Appropriations.

BILL TO REQUIRE RECORDING OF CLOSED SESSIONS PASSES COMMITTEE

A bill that would require all governing bodies to record, either audio or video with audio, all closed sessions, in addition to the required general accounting of the meeting, passed the House Government Committee on Thursday. According to [H870](#) (Record Closed Sessions of Public Bodies), once the recordings become available to the public, the governing board would have to retain them for at least two years. Closed sessions relating to personnel issues are exempt from the requirement, and the bill does not change current laws related to client-attorney privilege. It has been re-referred to the House Judiciary Subcommittee A.

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: HB200

Sponsors: Brawley, W. (R103); Cotham (D100)

Title: REQUIRE CERTAIN GENERAL REAPPRAISALS

Comments: This bill would require counties to reassess property if several conditions are met: "the county has independent evidence that the majority of commercial neighborhoods in the county reviewed by a qualified appraisal company possess significant issues of inequity; the county has independent evidence that for residential neighborhoods instances of inequity or erroneous data had an impact on the valuation of the neighborhood as a whole; (and) the county's last general reappraisal was performed for the 2008 tax year, 2009 tax year, 2010 tax year, 2011 tax year, or 2012 tax year; (and) the independent, corroborating evidence resulted from a review performed by a qualified appraisal company selected and retained by the county and registered with the Department of Revenue and had a sample size of no less than 375 properties, the relevant characteristics of which were reviewed on location at the property." If a county reassesses property because all these conditions exist, then the county would have to backdate the new property values to the date of the last reassessment. Homeowners whose homes were overvalued would be eligible for a refund of the overpaid property taxes, plus interest. Homes that were undervalued would face paying additional taxes on the new value. The bill has been approved by the House Regulatory Reform Subcommittee on Local Government and has been referred to the House Finance Committee.

Bill: HB238

Sponsors: Cleveland (R14); Dockham (R80)

Title: MAINTAINING WATER & SEWER FISCAL HEALTH

Comments: This bill would enable the Local Government Commission to take over financial management of a local water system if the system is struggling financially. If "for three consecutive fiscal years, the audited financial statements of the unit or public authority demonstrate that the unit or public authority meets any one of the following three criteria: (i) the enterprise system experienced negative working capital; (ii) the enterprise system experienced a quick ratio of less than 1.0; or (iii) the unit or public authority experienced a net loss of revenue in the enterprise system using the modified accrual budgetary basis of accounting" then the Commission will study the financial operations of the system. If the Commission determines that the financial stability of the unit or public authority is threatened and that the administrative unit has not made changes in its operations after being warned by the Commissioner, then the Commission may assume control of the system. The Commission may notify the authority of its findings before the three fiscal years have passed. The bill passed the House on April 24 and has been referred to the Senate's

Bill: HB765

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." The bill passed the House Committee on Education on April 24 and has been re-referred to the House Judiciary Subcommittee A. The Association continues to work with the bill sponsors to develop language that will address county concerns.

Bill: HB769

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 a historic district. The bill was revised to include language that allows a county to adopt by ordinance "reasonable appearance criteria for manufactured homes. Such criteria shall be designed to protect property values, to preserve the character and integrity of individual neighborhoods within the county, and to promote the health, safety, and welfare of county residents." The bill passed the House Committee on Government on April 25 and has been placed on the House Calendar for April 30.

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



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