



**Bulletin #13-16**  
**Friday, May 17, 2013**

## **COUNTY GOALS SEE ACTION DURING CROSSOVER WEEK**

The General Assembly just completed a very active week, with the long session's "Crossover" deadline Thursday. This is the day when all bills that don't raise or decrease revenue or spend money must pass one chamber and "cross over" to the other to remain eligible for the biennium. NCACC had a mostly, but not completely, successful week, with a number of bills containing our goals reaching this milestone.

"Our advocacy team, led by Johanna Reese, has been working diligently to preserve and enhance county commissioners' ability to make decisions that best serve their constituents," said NCACC Executive Director David F. Thompson. "Their commitment to counties is a big reason why so many of our counties' legislative proposals are moving forward. The efforts of individual county commissioners from across the state have also been very helpful. We heard many legislators say that they had heard from their counties during committee and floor debates. That communication has a big influence on legislators."

Under the leadership of Union County Rep. Dean Arp, the counties' legislative goal to provide a design-build option for development and construction of county infrastructure moved forward successfully from the House to the Senate, garnering a unanimous vote on second and third readings. [H857](#), a consensus bill between counties, cities, state agencies, and the construction and engineering industries, provides several new tools for county consideration in construction and renovation projects, including design-build to streamline contract procurement, and public-private partnerships to facilitate private investment in public construction projects.

Another county bill garnering unanimous support in the House would achieve three county legislative goals in one fell swoop. [H458](#), sponsored by Rep. Pat McElraft, a former Carteret County Commissioner and current County Caucus member, would provide some county comment and oversight to application of bio-solids, increase the informal bid amount let for small transportation projects, and establish a study of a state payment-in-lieu-of-taxes program. Its Senate companion, [S372](#), crossed over last week.

The Senate took up the counties' legislative goal on school ownership ([S236](#)) on Wednesday, where it received favorable consideration as a local bill covering Beaufort, Dare, Davie, Guilford, Harnett, Lee, Rockingham, Rowan and Wake Counties. Former NCACC President Joe Bryan spoke on behalf of counties in Senate Education, joined by NCACC Executive Director David F. Thompson.

Two bills that would fulfill a longtime goal of the association ran into a significant roadblock this week. [H504](#) and [S287](#) are local bills that would allow several counties and municipalities the option to provide required legal notices by electronic means instead of publication in a printed newspaper, or to use a combination of both means of notice. The Senate bill successfully passed that chamber despite strong opposition from the NC Press Association, and both bills were scheduled for votes on the House floor this week after narrowly passing a House committee last week. Regrettably, several factors led to an inability to gain the required votes to pass the legislation in the House. Significant pressure by the NC Press Association at the General Assembly played a role; however, counties requesting to be removed from the bill weakened the NCACC position to a point where the best option was to re-refer the bill back to committee. The House bill did not meet crossover and is now considered ineligible to proceed during the 2013-2014 session. The Senate bill remains eligible, and bill sponsor Sen. Trudy Wade anticipates passage at a later date during the biennium. The NCACC would like to thank Rep. Chuck McGrady for all his strong efforts and hard work to help our counties attempt to achieve this NCACC membership adopted goal.

Many other measures outside of our goals moved and were modified this week. A bill to provide adequate funding for

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volunteer fire and rescue workers' compensation costs was amended to include an assessment to local governments should the set aside from the insurance gross premium tax be insufficient. While [H27](#) passed the House with little discussion, we are concerned that counties may now be paying for an employee's benefit package for non-county employees. NCACC advocates are working to mitigate this effort.

Below is a listing of all of the [county legislative proposals](#) that had legislation pass either the House or Senate prior to the crossover deadline. These bills will remain eligible for the rest of the 2013-2014 biennium. In addition, it is anticipated that many other county legislative priorities will be addressed in the state budget, once it is adopted.

- ENV-3: Authorize some county oversight of bio-solids application. ([S372](#) and [H458](#))
- IGR-2: Allow more cost effective methods for second primary elections. ([H648](#))
- IGR-6: Support legislation to grant counties the option to provide notice of public hearings and other legal notices through electronic means in lieu of required publication in any newspaper. ([S287](#))
- IGR-7: Increase informal let bid threshold for NCDOT local projects. ([S372](#) and [H458](#))
- JPS-1: Seek legislation to limit the amount that providers can charge counties for inmate medical care to no more than what is allowed by the Department of Correction. ([S321](#))
- JPS-2: Seek legislation to expand county governments' use of 911 funds, protect and enhance current funding streams and maintain full operational flexibility and autonomy. (H345)
- JPS-8: Request the reduction of detention center space requirements in existing and new detention center facilities in all counties in North Carolina, consistent with the language in N.C. G.S. 153A-221. ([S463](#))
- PE-5: Authorize the option for counties to acquire, own and construct traditional public school sites and facilities. ([S236](#) - local bill).
- TF-7: Explore and authorize use of alternate, sustainable revenue options and funding sources for beach, inlet and waterway maintenance. (H707 and [S58](#))
- TF-14: Authorize design build option for all counties. ([H857](#))
- TF-19: Compensate counties for property acquired by the state and removed from the ad valorem tax base. ([S372](#) and [H458](#))

## HOUSE UNVEILS TAX REFORM PLAN; SENATE BUDGET DUE OUT NEXT WEEK

The House released its tax reform plan ([H998](#) – Simplify Adjustment to Federal Taxable Income) on Thursday, in anticipation of committee hearings to follow in late May. At first glance, county taxing authority is essentially left intact, with a modest lowering of Article 40, the half-cent per capita sales tax, from .5% to .4%. Rule of thumb calculations (\$1 billion for every 1 cent levy) would show a \$100 million loss, which would be offset by an expansion in the sales tax base. Sales taxes would be extended to several services whereby a tangible property is already sold and subject to sales tax, such as car repair. Amusement services such as movies would also be subject to the expanded base. The county's corporate tax set aside for school construction, commonly known as the ADM Fund, would be permanently repealed. The bill's principal sponsor, Rep. David Lewis, acknowledged that a county by county comparison would be soon released, and that the House sought to keep counties and cities whole in its tax reform consideration. More details to counties to follow, once we fully understand all of the plan's components.

The Senate is expected to release its budget proposal Sunday night, and we hope to see several of our goals included in it. Senate Appropriations subcommittees will be meeting Monday, the full committee meets Tuesday, and a first vote on the budget bill will likely occur Wednesday. Please watch for Legislative Alerts requesting that you contact your local legislators in support or opposition of various measures.

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## 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:** [H273](#)

**Sponsors:** Hardister (R59); Malone (R35); Brandon (D60); Stam (R37)

**Title:** CHARTER SCHOOL/LEA ACCOUNTING OF FUNDS

**Comments:** This bill requires local education agencies to transfer its allotment of revenues from the state's current expense appropriation within 30 days after the local school board receives its allotment. Each charter school must provide a preliminary enrollment projection, and any adjustments to the amount due the charter school based on the school's certified average daily membership as determined by the State Board of Education must be made within 30 days after the state board makes its determination. Local school administrative units would be subject to paying interest if the funds are not transferred to the charter school as specified by the deadlines. The bill also expands the uses for these funds by charter schools to include operational loans in addition to facilities and equipment loans. The bill passed the House on May 16.

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**Bill:** [H378](#)

**Sponsors:** Floyd (D43); Lucas, M. (D42); Hanes (D72); Graham, C. (D47)

**Title:** STUDY OVERSIGHT OF MPOS

**Comments:** This bill creates the Study Committee on Metropolitan Planning Organizations and Rural Transportation Planning Organizations, which will consist of five members of the House of Representatives and five members of the Senate. The Committee "shall study the organization, structure, and oversight of Metropolitan Planning Organizations and Rural Transportation Planning Organizations, the role they play in transportation planning, and the way the organization, structure, and oversight might be revised to better match their role in transportation planning while maintaining compliance with federal transportation requirements." It passed the House on May 15.

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**Bill:** [H593](#)

**Sponsor:** Daughtry (R26)

**Title:** REGISTER OF DEEDS HOURS

**Comments:** This bill would require the Register of Deeds to post its office hours "prominently in the office, on a county government Web site" and on a website to be established by the Secretary of State. It passed the House on May 15.

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**Bill:** [H765](#)

**Sponsor:** 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. 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 revised bill requires the judge or jury to consider "the facts as to the following in order to maintain a system of free public schools as defined by State law and State Board of Education policy: (i) the amount of money legally necessary from all sources and (ii) the amount of money legally necessary from the board of county commissioners. In making the finding, the judge or the jury shall consider the educational goals and policies of the State and the local board of education, the budgetary request of the local board of education, the financial resources of the county and the local board of education, and the fiscal policies of the board of county commissioners and the local board of education." The bill passed the House on May 13.

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**Bill:** [S85](#)

**Sponsor:** Clodfelter (D37)

**Title:** ORDINANCE FIRST READING VOTE

**Comments:** This bill would provide that in order to qualify for the three exceptions to the requirement that an ordinance be passed unanimously in order to be adopted at the meeting at which it is first introduced, the Board of Commissioners must have held any required public hearing at least seven calendar days before the vote. This bill passed the Senate on May 15.

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**Bill:** [S674](#)

**Sponsors:** Daniel (R46); Hise (R47); Brown, H. (R6)

**Title:** PROHIBIT COSTLY LOCAL GOVERNMENT LITIGATION

**Position:** Support

**Category:** Legislative Goal

**Comments:** This bill would give county commissioners the "sole authority to determine the maximum amount to be spent" when a local school board wishes to buy a site for a new school. Currently, if the school board and board of commissioners disagree on how will be spent to acquire a site, the school board can take the commissioners to court under G.S. 115C-431 (Procedure for resolution of dispute between board of education and board of county commissioners). Counties adopted a legislative goal to give counties the option to decide if they would like to have control over the siting, acquisition of land and building and/or maintaining of public school facilities since counties are the entity that actually pay for the school facilities.

- Johanna Reese, Government Relations Director

- David F. Thompson, Executive Director



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