



Bulletin #13-17
Friday, May 24, 2013

COUNTY OFFICIALS CONVERGE ON LEGISLATURE

More than 250 county officials gathered in Raleigh on Wednesday for the NCACC's annual County Assembly Day. Attendees heard from Speaker of the House Thom Tillis and Sen. Bob Rucho during the morning session, then spent the afternoon walking the halls of the General Assembly to push for more lottery funding for school construction.

Speaker Tillis reiterated his commitment that state government will not pass down unfunded mandates to counties. "We are going to balance our budget in a way that makes the state responsible for the state's part in funding services," he said. "When I came before you in 2011, we had a \$2.5 billion structural deficit. We had new leadership ... but we managed to do it in the worst economic crisis since the Great Depression."

Sen. Rucho, a former Mecklenburg County commissioner, was on hand to discuss his chamber's plan for revising and modernizing the state tax code. Various elements of the Senate plan have been discussed, and Rucho told attendees he expected the actual legislation to be unveiled next week. Rucho said his chamber's plan included broadening the sales tax base, lowering the overall sales tax rate slightly while eventually eliminating personal income taxes and reducing corporate income tax rates. The House released its plan last week that includes a more modest broadening of the sales tax base and increased exemptions in personal income taxes, among other elements.



to face contact is always a good thing," said Rep. Carney. Rep. McGrady said each legislator has a personal communications style, and he urges commissioners to learn which method of communication works best for that legislator. He also stressed the importance of building relationships with legislators while they are back in the district and between sessions, instead of waiting until they are in Raleigh and swamped with the hectic pace of the Legislature.

A major focus of the day was to push for counties to receive the full share of lottery proceeds that are dedicated to school construction needs. When the lottery was originally approved, the legislation called for counties to receive 40 percent of net proceeds to help with growing school construction needs. Counties have received less than the full 40 percent in each of the past three years, and the budget proposals announced by Governor Pat McCrory and the Senate have so far continued this trend by allocating just \$100 million in lottery proceeds to counties in 2013-14. Tillis said he would favor keeping the statutory language in place so that counties will have a dedicated amount of lottery proceeds for school construction needs. "Why don't we provide the certainty that keeps the funds from a certain source dedicated to a certain purpose," said Tillis when asked about the Senate's plan to eliminate the lottery statutes that dictate how the revenues are spent. "Keeping that in the statutes is very important."

The Association's weekly legislative television update, This Week at the General Assembly, includes an extensive report

This Week at the General Assembly

Watch the latest episode of This Week at the General Assembly on the NCACC's [YouTube Channel](#). The show is uploaded each Friday afternoon and features a recap of the week's news from the Legislature as well as interviews with key state lawmakers and Association lobbyists. The program is also broadcast on many PEG channels across the state.

from County Assembly Day with quotes from Speaker Tillis and Sen. Rucho.

SENATE BUDGET REWRITES LOTTERY STATUTES TO ELIMINATE GUARANTEED SHARE OF LOTTERY PROCEEDS FOR SCHOOL CONSTRUCTION

The Senate accepted some of the governor's recommendations while rejecting other gubernatorial priorities when it approved its budget this week. Total state spending of \$20.6 billion would be roughly \$20 million below that recommended by Governor McCrory. In comments to the Senate's full Appropriations Committee, Senate budget writers noted that most new dollars were once again consumed by Medicaid cost overruns. The Senate agreed with the governor to prioritize rainy day reserves and increase funding for repairs and renovations.



Of greatest concern to counties is the rewrite of the state's lottery statutes to eliminate the guarantee of 40 percent of net lottery proceeds to county school construction. Removing the statutory intent to guarantee the 40 percent may result in future Legislatures using the county share of lottery proceeds for expenses other than school capital needs. Furthermore, while counties are appreciative that the Senate maintained \$100 million in the county school construction appropriation for each of the next two fiscal years, especially in light of the unexpected Medicaid cost overruns, counties ask that a step up in school construction lottery dollars be made available as the state's revenue picture improves. Counties across the state use the lottery proceeds to issue debt services to build new schools, like the new Midway High School recently built in Sampson County (pictured), or to accumulate funds to pay for renovation and repair projects. Since the inception of the lottery, counties have received \$870 million and have committed \$806 million to capital projects approved by the N.C. Department of Public Instruction.

Another county concern is the Senate's plan to eliminate general fund support for workers' compensation costs for volunteer fire and rescue squads. Instead, a portion of the insurance premium surcharge would be directed for workers' comp costs – but if these funds are insufficient, counties and cities would be assessed the difference. While the NCACC is unsure of the potential cost exposure, requiring counties to fund non-county employee benefits is a troubling precedent.

The Senate moved quickly through the adoption process. The Senate's plan was released Sunday night, discussed by the Appropriations Committee on Tuesday and voted on Wednesday and Thursday. The budget now goes to the House. After the House finishes its work, the Senate and House will then put together a conference committee to hash out the final details of the state spending plan for the next two fiscal years. The state budget must be finished and approved by Governor McCrory before midnight on June 30.

- Click [here for a more detailed analysis](#) of the Senate budget proposal, including a comparison with Governor McCrory's budget.

REP. WARREN TOUTS IMMIGRATION LEGISLATION TO AGRICULTURE STEERING COMMITTEE

Rep. Harry Warren (Rowan) addressed the NCACC Agriculture Steering Committee on Tuesday to speak about [H786](#) (Reclaim NC Act), which attempts to address issues caused for the agriculture community by illegal immigration. "When you look at the issues facing the state, most people are concerned about jobs, the economy, education and regulation reform. Immigration is really down the line," he said. "If we did nothing about it during this session, there probably wouldn't be an uproar. But it doesn't address the impact that this silent subject is having on our state, in agriculture, in the restaurant business and in so many other industries."

Rep. Warren (at right in the photo) pointed out that nearly half of the immigrants who are considered illegal originally came to the United States legally, but have overstayed their work or student visa. He said the legislation is not an attempt to round up all the illegal immigrants in the state so they can be deported, but is rather targeted at those who are engaging in illegal activities by increasing criminal penalties for various offenses.

"This bill is a law enforcement and public safety bill," he said. "It does address people who are here illegally ... but it's not specifically targeting people we have come to rely on in our workforce in various industries. It is really going after those in the illegally present community that are engaged in more hardened criminal activity."



The bill would require people who are in the state illegally to apply for either a restricted driver's permit or a restricted N.C. ID. The permit would only authorize the individual to drive and could not be used as a proof of ID to sign up for entitlement programs. Applicants would have to submit to a criminal background check, prove they have been in the state for at least one year, provide proof of prepaid car insurance for a year, and then pass the driver's license and vision exams administered by the DMV.

The bill, which is not subject to the crossover deadline, passed the House Finance Committee on Tuesday. The bill next goes to the House floor.

Rep. Warren's comments were recorded and played to the NCACC Intergovernmental Relations Steering Committee, which met Thursday along with the Public Education Steering Committee.

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 www.ncacc.org/Blog.aspx?CID=3.

Bill: H254

Sponsors: Glazier (D44); Lewis (R53); Szoka (R45); Lucas, M. (D42)

Title: ZONING CHANGES/NOTICE TO MILITARY BASES

Comments: This bill would require counties and cities to give notice to the commander of a military base if the local government is adopting or modifying its zoning map or if it is proposing any changes to "proposed subdivisions, telecommunications towers, or windmills" on land within five miles of the perimeter boundary of the military base. The board of commissioners would have to "provide written notice of the proposed changes by certified mail or by any other means reasonably designed to provide actual notice to the commander of the military base or the commander's designee not less than 10 days nor more than 25 days before the date fixed for the public hearing." Any comments made by the military on the proposed changes would have to be taken into consideration by the county before it makes a final determination on the ordinance. This bill passed the Senate on May 15 after being revised slightly, and the House voted May 21 to concur with the Senate changes.

Bill: S368

Sponsors: Bingham (R33)

Title: INMATES PRESCRIPTIONS/PISTOL PERMITS

Comments: This bill authorizes a sheriff to charge a \$10 fee for each pistol permit application and authorizes a sheriff to charge up to a \$10 copay for a prescription refill for an inmate in a county jail. The bill passed the Senate on May 1. It was heard by the House Judiciary Subcommittee B on Wednesday.

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



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