



## The pace picks up significantly

It has been a whirlwind week of legislation morphing and expanding in scope, possible tax reform progress, and the restart of budget negotiations. The General Assembly appears to be planning for adjournment as signals of a possible deal on tax reform are appearing coupled with Senate Rules Committee chairman's announcement Thursday that the Senate would try to wrap up work by the end of next week. This bulletin contains updates on activity surrounding legislation affecting counties; please take particular note of action items needed from our membership in the following days.

Tax reform meetings between the Governor's Office, House and Senate have been occurring daily, but those involved in negotiations are tight-lipped. The NCACC continues to advocate for a final plan that does not harm counties. Discussions between the two chambers on a final budget for the 2014-15 biennium have restarted in earnest. Budget negotiators will be working over the weekend. Several sweeping policy issues re-surfaced in unexpected places and in modified forms, while procedural moves and intense debates have strained the patience and tested the temperament of all involved in the legislative process.

*Action needed: Contact your legislators to advocate for the following items in the final budget act:*

- *Retain the statutory requirement to dedicate a portion of lottery funds for school construction.*
- *Support the House provision to limit and delay county exposure to fund non-county employee workers compensation costs.*
- *Extend the Article 44 sales tax hold harmless provision for one year.*
- *Provide HAVA maintenance-of-effort funding.*

## Regulatory Reform bill passes House

On Wednesday the House Regulatory Reform Committee rolled out a greatly expanded version of [S112](#) (Amend Environmental Laws), now titled Create Jobs Through Regulatory Reform. It passed that committee and was re-referred to the committee on Commerce and Job Development, where it emerged with further modifications that same day. The full House heard the bill Thursday, made several amendments, and passed it after lengthy debate. It requires one final vote for concurrence in the Senate. Of particular concern is language severely limiting local governments' ability to enact environmental ordinances. Provisions of the bill that most affect counties are listed below.

- Section 6(a) prohibits a county from bringing a zoning violation against a property owner if the use causing the violation was in effect before the zoning requirement was in place and the county does not discover the violation before 10 years have passed.
- Section 9(b) prohibits local governments from regulating the repair or reconstruction of billboards with permits from the N.C. Department of Transportation as long as the size of the advertising surface is not increased, in effect creating a grandfather provision for billboards when zoning changes occur.
- Section 13.2 prohibits counties from enacting any environmental ordinance more stringent than state or federal laws or rules without meeting certain criteria and advancing through an

onerous approval process. The county must demonstrate that the ordinance is necessitated by a unique geographic, meteorological or environmental condition; three-fourths of the commissioners voting must have adopted the ordinance; and the county must receive approval from whatever state agency regulates the subject of the ordinance within 60 days. If the agency does not grant approval within 60 days, the request is deemed denied.

- Section 26(b) requires all lodging facilities to install carbon monoxide detectors in certain spaces.
- Section 30 directs the Commission for Public Health to clarify its smoking ban rules regarding the definition of “enclosed area” in restaurants and bars.

*Action needed: Contact your Senate members to oppose limiting local government authority to enact ordinances addressing environmental issues in individual communities.*

## **Inmate medical hits another obstacle**

As reported in last week’s bulletin, the NCACC agreed with the N.C. Hospital Association to include language in [S321](#) (Contain County Inmate Medical Costs) to address its concerns regarding the custody of persons brought to the hospitals by county law enforcement officers for emergency medical treatment. The NCACC later received word from one county that the agreed upon language was problematic and could potentially expand a county’s current payment responsibilities. To allow time for us to thoroughly vet this concern, we have asked the bill sponsor to hold off on moving S321. Late in Thursday’s House session, the bill was re-referred to the Rules Committee, where it currently resides. If the bill is not passed this session, it remains eligible for consideration in the short session. The NCACC will continue working to try to resolve these issues and move S321 forward.

## **Fate uncertain for school construction bill**

A local bill allowing boards of county commissioners to own, site and construct school facilities failed to pass out of the House Government Committee Thursday. A proposed committee substitute for [S236](#) (Counties Responsible for School Construction), which covered Dare, Guilford, Harnett, Lee, Moore, Nash, Rockingham, Rowan and Wake counties, was amended in committee to remove Wake County from its coverage. Then, after a vigorous debate and testimony from advocates on both sides of the issue, a motion to give S236, as amended, a favorable report was voted down by the committee. During session late Thursday evening, the House Rules chairman moved to re-refer the bill from the Government Committee to the Rules Committee. When several House members objected to the motion, another spirited debate ensued. Following 30 minutes of debate and a complex series of parliamentary maneuvers, the House voted to approve the re-referral to Rules. The fate of S236 is unclear, but the NCACC advocacy team will continue to work on this issue.

## **County Omnibus bill moves forward**

A bill addressing three association goals, [S372](#) (Omnibus County Legislation), is nearing the end of its legislative journey. This bill increases the Department of Transportation informal bid limit, requires notification to county commissioners before a permit for bio-solids is issued, and directs a study of the Payment in Lieu of Taxes issue. The House passed the legislation on Wednesday. It requires a final concurrence vote in the Senate before heading to the Governor’s Office.

## **Other goals see action**

The goal to eliminate the 10-year solid waste management plan ran into a snag last week. Unbeknownst to the bill sponsor, the Senate amended [H321](#) (Amend Local Solid Waste Planning), and concerns remain about the full impact of that amendment. It is on the House calendar for concurrence Monday night. If the House does not concur, differences will have to be worked out in a committee of several House and Senate members.

Negotiations continue on the specifics of language in [H857](#) (Public Contracts/Construction Methods/DB/P3), the bill to authorize local governments to use the design-build method of construction. It has passed the House and one Senate committee, and currently sits in the Senate Finance Committee. The bill sponsor remains committed to see this one through this session.

*Action needed: Contact Senate Finance Comm. members to encourage passage of H857 this year.*

[S463](#) (Jail Dormitory Minimum Standards) furthers a county legislative goal in the area of justice and public safety. The Secretary of Health and Human Services has adopted an administrative rule stating that a jail dormitory that satisfies certain specifications may house no more than 40 inmates. Since the rule's adoption, the General Assembly has enacted legislation permitting certain county detention facilities to house up to 64 inmates in a dormitory if the county meets a certain population threshold. S463 would extend this exception to all counties, regardless of population. The bill passed the House Government Committee on Thursday. It will be heard on the House floor early next week.

## **DMV fee increase and paper ballot bills heard in committee**

After sitting in the House Finance Committee for several weeks, [S305](#) (DMV Commission Contract Changes) was scheduled for a hearing Thursday. Debate on other legislation occupied the entire time of the committee, but the fact it was scheduled shows that the chairs of the committee intend to hear the legislation. This bill will greatly increase the cost to counties of the new vehicle property tax collection system by raising the fees paid to the DMV contract tag agents for collection of the tax. Because of the anticipated short time until adjournment, the bill will likely move quickly from committee to the House floor for a vote.

*Action needed: Contact your House members to oppose S305.*

[H607](#) (Require Use of Paper Ballots) made its first appearance in committee this week. The original bill would require counties to use voting systems with some sort of paper ballot beginning with all elections held after January 1, 2014. The current version directs the legislature to study requiring the use of paper ballots and places a temporary moratorium on the purchase of new touch-screen machines.

Language from [H8](#) (Eminent Domain), which passed the House in February but has not moved in the Senate, appeared in an unrelated bill, [S636](#) (Wildlife Resources Comm. Penalty Changes). The language requires a voter referendum to amend the state constitution to prohibit condemnation of private property except for a public use.

- Johanna Reese, Government Relations Director
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