



## Legislature Adjourns

The General Assembly finished up its work for the 2013 Long Session on Friday, two days after adopting the 2013-15 state budget. The Senate left town shortly after midnight Friday, while the House returned Friday morning and wrapped up its business shortly before noon. The adjournment resolution states the convening date for the 2014 session as May 14 at noon. The resolution also established the local bill deadlines for the 2014 session as Wednesday, May 21, 2014, at 4 p.m. for the House of Representatives, and at 4 p.m. Wednesday, May 28 for the Senate. A local bill must be "accompanied by a certificate signed by the principal sponsor stating that no public hearing will be required or asked for by a member on the bill, the bill is noncontroversial, and that the bill is approved for introduction by each member of the House of Representatives and the Senate whose district includes the area to which the bill applies."

## State budget deal reached

The General Assembly adopted a state budget Wednesday after weeks of behind-the-scenes negotiations among Senate and House leaders. The final plan passed largely along party lines. The budget for 2013-14 will spend \$20.6 billion and largely protects county budgets. Legislative leaders kept their pledge to not shift unfunded mandates to counties, but they did remove the statutory provisions that dedicated a portion of lottery proceeds to counties for school construction needs and other items (scholarships and teachers). The budget does appropriate \$100 million of lottery proceeds to counties for school construction for 2013-14. Like other advocacy groups, counties will now be forced to lobby for an appropriation of lottery proceeds every year.

The budget extends by one year the Article 44 hold harmless funds with counties receiving a reduced allocation (50 percent of what the actual hold harmless would be). The budget also provides for state maintenance of effort elections funds to draw down \$4.1 million in federal HAVA funds in 2014-15, accomplishing the legislative goal to "Support release of Help America Vote Act (HAVA) funds to assist counties with election costs." The Legislature also increased county food and lodging inspection fees by \$20 per inspection.

The budget continues daycare administrative funding at 4 percent of subsidy amounts, with an additional 2% for fraud investigations, and eliminates state funding for the N.C. Rural Center and redirects Golden Leaf tobacco settlement payments to the general fund. The budget establishes the Rural Economic Division in Commerce to administer new infrastructure grant programs and a new Water Infrastructure Authority in DENR to administer water and sewer grants while limiting both grant programs to Tier 1 and 2 counties

**Note:** The Association will provide a more detailed analysis of the state budget and its impacts to counties on the NCACC website next week.

## Inmate Medical Bill passes

The bill to contain counties' inmate medical costs completed its long, arduous journey this week. **S321** (Contain Counties' Inmate Medical Costs) passed both the House and Senate after several unrelated provisions were removed. Beginning Sept. 1, counties will now be limited to paying 70% of the provider's prevailing rate, or twice the Medicaid rate, for services to inmates for medical care outside the confinement facility. The legislation also allows a county to use Medicaid coverage for inpatient hospitalization provided that the county reimburses to the state the state portion of Medicaid costs incurred by the inmate.

The bill directs the Department of Health and Human Services, Division of Medical Assistance to work with the NCACC to develop a uniform method to implement this act by July 1, 2014. This bill is expected to significantly reduce inmate medical costs for counties and was a legislative goal for counties.

## **Design-Build, solid waste reporting goals pass**

Two more NCACC legislative goals received final approval this week. [H857](#) (Design-Build/Public-Private Partnership Construction Contract) authorizes to counties the options of using design-build or public-private partnerships for construction of public infrastructure projects. Rep. Dean Arp (Union) played a key role in helping the stakeholders reach consensus on this new authority. This bill accomplishes the NCACC legislative goal to "Authorize design build option for all counties."

[H321](#) (Amend Local Solid Waste Planning) accomplished 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."

## **Regulatory Reform bill reinstates restrictions on local governments**

A section that restricts counties' ability to adopt more stringent environmental regulations reappeared this week in the final version of [H74](#) (Regulatory Reform Act of 2013) after it had been removed late last week. The new section prohibits a local government from enacting an environmental ordinance unless the ordinance is approved by all members present at a meeting of the local governing board. This prohibition would be effective when the act becomes law, would apply to ordinances enacted on or after that date, and would expire Oct. 1, 2014. This section would also direct the Environmental Review Commission to study the circumstances under which local governments should be authorized to enact environmental ordinances that are more stringent than State or federal environmental laws. The Environmental Review Commission will report its findings and recommendations to the 2014 Short Session.

## **Elections bill requires paper ballots, restricts special elections**

The Legislature passed its comprehensive elections reform bill this week. While much of the attention given to [H589](#) (VIVA/Election Reform) focused on the new Voter ID requirements and a reduction in the number of early voting days, the legislation also includes provisions that could prove costly to counties. The bill requires the use of paper ballots beginning Jan. 1, 2018, meaning that some counties will need to purchase new elections equipment. The estimated statewide cost to the 35 counties that currently use electronic record machines is approximately \$11 million. This estimate does not include any costs that counties may incur for training employees to use the new equipment, costs for storing the paper ballots after an election and other ancillary costs.

The bill established a separate primary date for North Carolina's Presidential Primary. It is estimated that it will cost counties \$4 million to conduct a separate Presidential primary election.

The bill also eliminates a county's ability to hold a special election for a bond referendum or local sales tax option by requiring these elections to be held on the date of the primary election in even-numbered years or on the same date as a state or local general election. The bill also directs the Joint Legislative Elections Oversight Committee to study ways to reduce the need for second primary elections. The Association has a goal to "Allow more cost-effective methods for second primary elections."

## **Electronic notice bill sees whirlwind week**

The local bill to allow Guilford County and its municipalities to publish legal notices by electronic means, in lieu of or in addition to publication in the newspaper, underwent several significant changes this week. On Wednesday, the House amended [S287](#) (Notice Publication by Guilford County Local Governments) during floor debate to eliminate a local government's ability to post the notices electronically. Instead, the House voted to require newspapers to publish notices on their website if

the local government advertised the notice in the newspaper. The amendment was sponsored by Rep. Marilyn Avila (Wake).

After the Senate failed to agree with the changes made by the House, the conferees appointed by the Senate and House reinstated the original electronic notice provisions for local governments and extended the bill to include Mecklenburg County and its municipalities. The Senate approved the revised bill Thursday night, but the House did not vote on the conference report and it remains eligible for the 2014 Short Session, which will convene at noon on May 14, 2014.

## Other bills of interest

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**Bill: HB392**

**Sponsors:** Arp (R69); Horn (R68); Starnes (R87); Burr (R67)

**Title:** WARRANT STATUS/DRUG SCREEN PUBLIC ASSIST

**Comments:** This bill has been presented to the governor. It was revised to clarify that counties are not 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.

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**Bill: HB726**

**Sponsors:** Elmore (R94); Burr (R67); Hollo (R73)

**Title:** WAKE COUNTY COMM. RESP. FOR SCHOOL CONSTR

**Comments:** This bill was converted to a local bill that would have given the Wake County Board of Commissioners the authority to assume responsibility for school construction. Currently school boards have this authority. The House did not concur with the Senate changes.

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**Bill: SB463**

**Sponsors:** Woodard (D22); McKissick (D20)

**Title:** JAIL DORMITORY MINIMUM STANDARDS

**Position:** Support

**Category:** Legislative Goal

**Comments:** This bill would accomplish the NCACC legislative goal to reduce "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." The bill passed the Senate on May 15 with a stipulation that the requirements applied only to counties with a minimum population of 250,000. The House amended the bill to make it applicable to all counties and added a new section to make it a felony for an inmate to escape from a county detention facility while being held on a felony charge or as a result of being convicted of a felony. It was not approved by the House, but it will be eligible for action during the 2014 Short Session.

- Johanna Reese, Government Relations Director

- David F. Thompson, Executive Director

