



Bulletin #04-05

Thursday, June 3, 2004

GUESSING GAMES

It happens every time. At least once each year, we predict or guess at what will happen in coming days or weeks. It is, after all, what we spend a great deal of time doing on a day-to-day basis; i.e., predicting and planning how to cope with anticipated events. When we commit such speculation to writing, however, events will almost always prove how fruitless this guesswork is. Last week, legislative observers and participants – most of us – expected presentation of the House version of the state’s 2004-05 Budget amendments. The proposal was not presented and budget leaders went back to the drawing boards, prompted by concern about spending reductions in the areas of human services and education. The same anticipation has surfaced in the middle of this week: that the House Appropriations Committee would review and act on a budget proposal and send it to the floor early next week. We make no predictions. Once a year is enough.

FIRST PRINCIPLES

At the core of the Association’s efforts to advocate on behalf of counties is the defense of two principles critical to the integrity of local government: protection of the local revenue base and protection of local autonomous decision making authority with respect to areas where local determination is appropriate and traditional. A bill scheduled for committee consideration next week directly violates the second of these basic principles. [S1056](#), introduced by Sen. Walter Dalton (Rutherford) would project the state into local land use decisions by limiting cities’ and counties’ ability to phase out outdoor advertising (billboards) that do not conform to local land use plans. Traditionally, local governments eliminate such non-conforming uses through “amortization,” allowing continued use, and income generation, for a fixed period (usually 8-12 years) after the use becomes non-conforming and before it has to be removed or altered. This system, upheld by our courts as just compensation for the owner, protects the owner’s income stream for a reasonable period and eliminates the local government’s need to come up with a payment to compensate the owner at the point when the use becomes non-conforming. The bill would outlaw amortization and create a complex system to determine how much the owner must be paid by the county or city. In reality, the difficulty of coming up with the compensation sum would result in continuation of the non-conforming use in perpetuity, thus reducing the practical ability of the local government to control local land use. **The Association opposes this inappropriate intrusion into local decision-making authority and urges defeat of S1056 in its current form.**

STUDIES

At the end of the 2003 legislative session, the bill including a compendium of studies to be conducted in the interim between sessions got caught up in House-Senate wrangling and remained on the table without action. The importance of studies as ways to investigate issues and review policy choices and consequences in a setting more deliberative than the rush of the legislative session has much debated. There are, in addition, many ways to prompt studies aside from ratifying the “study bill.” This year, the bill introduction deadline that came and went last week has prompted a number of study proposals that, presumably, will be included in a “2004 Study Bill.” A number of these are of interest to counties. Three of particular interest – of long term interest – are described below:

- Identical bills introduced by Sen. Dan Clodfelter (Mecklenburg) and Rep. Doug Yongue (Scotland) would create a commission to examine North Carolina’s system of local financing of school facilities. A serious examination of this system is appropriate, particularly in light of the increasing difficulty of poor counties to finance school construction.
- Rep. Marian McLawhorn (Pitt) has proposed that the Joint Legislative Education Oversight Committee study the issue of low-wealth school funding. A long-term goal of the Association, this study is particularly timely in view of the pending Leandro lawsuit brought by low wealth counties.
- Sen. David Hoyle (Gaston) and others have proposed that the Legislative Research Commission study “the relationship between the state and local governments regarding the provision of services required by state law, funding allocations and responsibility for services, and local government revenue options.” This study is most welcome and, most recently, was urged by the Association’s Fiscal Task Force.

We do not know what will happen to this year’s “study bill.” We hope, however, that these studies will be undertaken in the relative quiet of the interim period between sessions. **Our thanks to the sponsors and co-sponsors of these study proposals.**

BILLS OF INTEREST

CORRECTIONS AND LAW ENFORCEMENT

Introductions

S1332 “**To increase and adjust fees in the General Court of Justice.**” Sen. Dan Clodfelter (Mecklenburg). This bill would increase a number of fees: for use of court rooms, for pretrial release services, and for support of the General Court of Justice. It was referred to the Senate Finance Committee.

S1393 “**To appropriate funds for the local Juvenile Crime Prevention Councils.**” Sen. Martin Nesbitt (Buncombe). This bill would appropriate \$2 million for the purpose indicated. It was referred to the Senate Appropriations Committee.

H1665 “To require the dispositional hearing of a juvenile who is in residential treatment be held in the county in which the juvenile is receiving treatment and to appropriate funds.” Rep. Philip Frye (Avery). This bill would provide the required venue noted in the title. It would also require the Department of Juvenile Justice and Delinquency, in cooperation with the Administrative Office of the Courts, to develop and implement a plan for supervision, services, and treatment of juveniles in residential treatment or foster care in counties or districts other than their counties of residence. The bill was referred to the House Rules Committee.

ENVIRONMENTAL PROTECTION

Introductions

S1373 “To authorize governmental units to enter into guaranteed water savings contracts that provide for the installation of water conservation measures in existing facilities, to authorize the funding of these contracts in the same manner as guaranteed energy savings contracts, to raise the cap for financing contracts for energy and water conservation measures, to expand the state’s energy policy and life-cycle cost analysis to include water conservation, and to make conforming changes.” Sen. Dan Clodfelter (Mecklenburg). This bill authorizes actions by local governments to contract for water savings in the same manner as now permitted for energy savings in government buildings. The bill was referred to the Senate Finance Committee.

S1404 “To authorize the issuance of special indebtedness to address statewide critical infrastructure needs by providing funds for grants to local government units for water supply systems, wastewater collection systems, wastewater treatment works, and water conservation and water reuse projects.” Sen. John Kerr (Wayne). This bill would provide funds for grants to local governments as indicated in the title. It was referred to the Senate Finance Committee.

GENERAL GOVERNMENT

Introductions

S1336 “To authorize the Legislative Research Commission to study the relationship between the state and local governments regarding the provision of services required by state law, funding allocations and responsibility for services, and local government revenue options.” Sen. David Hoyle (Gaston). This bill would appropriate \$25,000 for the study described in the title. It was referred to the Senate Rules Committee.

HUMAN RESOURCES

Introductions

S1346 “To require the Department of Health and Human Services to establish a local health department voluntary accreditation program and to establish the Local Health Department Accreditation Board; and to appropriate funds to implement this act.” Sen. Fletcher Hartsell (Cabarrus). This bill would establish a voluntary accreditation program for local health departments. The Commission for Health Services would adopt rules establishing accreditation standards for local health departments that address the local health department’s capacity to provide essential public health services as defined by the Centers for Disease Control and Prevention and the health department’s governance, facilities, administration, staff competencies, and training procedures. The accreditation process would also include a self-assessment of specified services. The bill would establish a Local Health Department Accreditation Board to assign accreditation status to local health departments that apply for accreditation. The Board would be comprised of 15 members, eight appointed by the General Assembly, six by the Secretary of Health and Human Services, and one by the Secretary of Environment and Natural Resources. The bill appropriates \$255,597 to carry out the project. It was referred to the Senate Committee on Health and Human Services.

S1361 “To require the Department of Health and Human Services to establish a local health department voluntary accreditation program; and to appropriate funds to implement this act.” Sen. Fletcher Hartsell (Cabarrus). This bill is similar to **S1346** (above) except that the accreditation process would be established and implemented by the North Carolina Institute for Public Health within the School of Public Health at the University of North Carolina at Chapel Hill. The bill was referred to the Senate Committee on Health and Human Services.

S1362 “To appropriate funds to implement four pilot projects that establish voluntary regional public health partnerships in northeastern North Carolina.” Sen. Robert Holloman (Hertford). This bill would appropriate \$2.25 million to the North Carolina Institute for Public Health in the School of Public Health in the School of Public Health at the University of North Carolina at Chapel Hill to coordinate the development of “public health incubators” to assist public health departments in underserved regions of the state. Funds would be spent to improve capacity to conduct epidemiological investigations, to monitor health disparities, to conduct community health assessments and to raise public awareness of health-related issues in partnership communities. The bill was referred to the Senate Appropriations Committee.

PERSONNEL Introductions

[H1707](#) **“To reinstate the purchase of service credit for certain periods of active military duty by members of the Local Governmental Retirement System.”** Rep. Rick Glazier (Cumberland). This bill would authorize purchase of service credit upon completion of 10 years of prior and current membership service. The bill was referred to the House Committee on Pensions and Retirement.

[H1711](#) **“To provide that creditable service for law enforcement officers in the Local Governmental Employees’ Retirement System shall include periods of employer-approved leaves of absence when in receipt of workers’ compensation benefits as a result of certain injuries incurred in the line of duty.”** Rep. Rick Glazier (Cumberland). This bill would provide that creditable service at retirement would include a period of up to one year of employer-approved leaves of absence when a member who is a law enforcement officer is in receipt of workers’ compensation benefits as a result of an injury incurred in the line of duty by another person’s felonious criminal action with a deadly weapon. The bill was referred to the House Committee on Pensions and Retirement.

PUBLIC EDUCATION Introductions

[S1372](#) **“To establish the Local School Construction Financing Study Commission.”**

[H1778](#) Sen. Dan Clodfelter (Mecklenburg), Rep. Doug Yongue (Scotland). This bill would create an 18-member commission to examine the present system of local financing for school facilities and alternatives for financing local school construction and repair, including public-private partnerships and private and commercial financing arrangements. **S1372** was referred to the Senate Rules Committee. **H1778** was referred to the House Rules Committee.

[H1706](#) **“Directing the Joint Legislative Education Oversight Committee to study the issue of low-wealth school funding.”** Rep. Marian McLawhorn (Pitt). This bill would appropriate \$50,000 for the study cited in the title. It was referred to the House Rules Committee.

TAXATION AND FINANCE Updates

[H1420](#) **“To extend to local governments acting jointly the same setoff debt collection procedures currently allowed to local governments acting alone.”** Rep. Stephen LaRoque (Lenoir). (Bulletin #04-03, May 20). This bill was favorably reported in the House on May 26. It was approved on second and third reading June 2.

[H1465](#) **“To allow farmland owned by a family business to keep its present-use value tax status when leased for farm use.”** Rep. Harold Brubaker (Randolph). (Bulletin #04-03, May 20; Bulletin #04-04, May 27). This bill, approved by the House last week, was referred to the Senate Finance Committee. It was favorably reported in the Senate on June 2.

TAXATION AND FINANCE
Introductions

H1667 “To extend to sanitary districts the setoff debt collection procedures currently available to counties and cities.” Rep. Lucy Allen (Franklin). This bill would amend G.S. 105A-2(6) to add sanitary districts to the list of entities eligible to participate in the setoff debt collection program. It was referred to the House Rules Committee.

H1680 “To expand the homestead exclusion by providing for an income tax credit for property taxes paid on a primary residence by elderly and disabled persons whose taxable incomes are not more than twenty-five thousand dollars as adjusted annually.” Rep. Cary Allred (Alamance). This bill would allow for the income tax credit cited, equal to 50 percent of the property taxes. It has been referred to the House Finance Committee.

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