



Bulletin #05-04

Thursday, Feb. 17, 2005

SENATE BILLS PROPOSE MEDICAID RELIEF FOR COUNTIES

Bills introduced in the Senate this week would provide relief to counties with respect to Medicaid program costs and **would accomplish the Association's top priority Legislative Goal.**

S117, introduced by the Sen. Bill Purcell (Scotland), would provide relief from Medicaid program costs in three ways:

- It would phase out the county share of the non-federal share of Medicaid program costs over a six-year period, beginning in the upcoming fiscal year.
- It would cap county costs for Medicaid at the 2004-05 level.
- It would provide relief for counties disproportionately affected by Medicaid responsibilities by targeting counties in which more than one-fourth of the population is eligible for Medicaid and making the share for those counties two-thirds of the reduced share for that year. (In 2004-05, 20 counties would qualify for this relief.)

S117 is identical to **H132**, introduced last week by Rep. Edd Nye (Bladen). Rep. Nye and Sen. Purcell co-chaired the Blue Ribbon Commission on Medicaid Reform and the proposal incorporated in both bills represents the Blue Ribbon Commission's recommendation.

S105, introduced by Sen. Andrew Brock (Davie), would also provide relief to counties. The bill would initiate the phaseout one year later, beginning July 1, 2006, but would phase out county participation by reducing the 15 percent county share by 3 percent each year. The Blue Ribbon Commission bills begin the phaseout one year sooner but reduce the 15 percent county share by 2½ percent each year.

H149, introduced last week by Rep. Julia Howard (Davie), also provides significant relief for counties. It uses the 3 percent annual reduction to phase out the county share as well as the July 1, 2006, starting date, but also incorporates the 2004-05 cap recommended by the Blue Ribbon Commission.

The bills enjoy broad support in both chambers of the Legislature, with more than half of all legislators signing as co-sponsors. In the House, 87 of 120 members signed one or both House proposals. In the Senate, 28 of 50 members signed one or both of the Senate bills.

The Association has created a special link on our Web site titled "Medicaid Relief" (www.ncacc.org/Medicaidrelief.html).

HOUSE COMMITTEES NAMED

House Speaker Rep. Jim Black (Mecklenburg) and Speaker Pro-tem Richard Morgan (Moore) announced committee assignments on Tuesday, Feb. 15. Both Finance and Appropriations Committees will be co-chaired by six members of the House. Each group of co-chairs includes four Democrats and two Republicans. House Appropriations will be co-chaired by Reps. Debbie Clary (Cleveland), Jim Crawford (Granville), Beverly Earle (Mecklenburg), Edd Nye (Bladen), Bill Owens (Pasquotank) and Wilma Sherrill (Buncombe). House Finance will be co-chaired by Reps. Martha Alexander (Mecklenburg), Pryor Gibson (Montgomery), Julia Howard (Davie), Paul Luebke (Durham), Dan McComas (New Hanover) and William Wainwright (Craven). A full list of House Committee chairs will appear in next week's Legislative Bulletin.

BILLS OF INTEREST

HUMAN RESOURCES

Introductions

- S105** **“To phase out the county share of the non-federal share of Medicaid costs over a five-year period.”** Sen. Andrew Brock (Davie). This bill would reduce the county share of the non-federal share of Medicaid program costs by 3 percent each year beginning July 1, 2006, until the county share reaches 0 percent. See page 1. The bill was referred to the Senate Appropriations Committee.
- S117** **“To phase out the county share of the non-federal share of Medicaid costs over a six-year period, to provide that the total county share during the phaseout period shall not exceed the county share paid by each county for the 2004-05 fiscal year, and to further provide that in certain counties the county share shall be further reduced based on the number of Medicaid-eligible individuals in the county, as recommended by the Blue Ribbon Commission on Medicaid Reform.”** Sen. William Purcell (Scotland). This bill is identical to **H132**, introduced by Rep. Edd Nye (Bladen) and described in **last week's Legislative Bulletin**. **If enacted, it would accomplish a top priority Association goal.** See page 1. The bill was referred to the Senate Finance Committee.

PERSONNEL

Introductions

- H129** **“To provide cost-of-living increases for members of the Teachers' and State Employees' Retirement System and the Local Governmental Employees' Retirement System.”** Rep. Thomas Wright (New Hanover). This bill would increase compensation to local government retirees by 4 percent. The bill was referred to the House Committee on Pensions and Retirement.
- H142** **“To allow the Law Enforcement Officers who are members of the Teachers' and State Employees' Retirement Systems or the Local Governmental Employees' Retirement System to retire with unreduced benefits after completing 25 years of service.”** Rep. Tim Moore (Cleveland). This bill would grant additional retirement benefits to law enforcement officers, with significant cost to local government. The bill was referred to the House Committee on Pensions and Retirement.

PUBLIC EDUCATION
Introductions

H223 **“Authorizing a referendum for the establishment of an education lottery.”** Rep. Bernard Allen (Wake). This bill provides for a statewide referendum, date to be determined, with net proceeds to be used for education: a statewide pre-kindergarten program reduced class sizes and more one-on-one instruction. The bill was referred to the House Rules Committee.

TAXATION AND FINANCE
Introductions

H116 **“To clarify present-use value eligibility and to amend the period for appeal of a present-use value determination or appraisal.”** Rep. Harold Brubaker (Randolph). This bill would provide that, to qualify as a single unit of farm land for use value purposes, multiple tracts of agricultural, horticultural or forest land must both be under the same ownership and be of the same type of classification. It would allow an owner to qualify newly acquired land for use value taxation only if the land was appraised at its present use value at the time title passed to the new owner. (Current law permits newly acquired land to qualify if it was appraised or **eligible for** appraisal at use value). The bill would also permit an owner to qualify newly acquired land without assuming liability for deferred taxes (“roll back”) if, at the time title passed, the land was already being used for the same purpose and had the same classification as other land already owned by the new owner and the new owner files a timely application for use value taxation. The bill would also establish a 60-day period within which a taxpayer would have to appeal an assessor’s decision on use value classification and would permit the taxpayer to submit additional information to revise a decision disqualifying property for use value classification. The bill was referred to the House Finance Committee.

H139 **“To increase the property tax exclusion for the residence of a disabled veteran.”** Rep. Harold Brubaker (Randolph). This bill would increase from \$36,000 to \$48,000 the amount of the property tax exclusion for the residence of a disabled veteran. The bill was referred to the House Committee on Military and Veterans Affairs.

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