



Bulletin #05-07

Thursday, March 10, 2005

FOCUS SHIFTS TO BUDGET PREPARATION

With legislators eyeing a mid-April presentation of the Senate budget proposal, Appropriations subcommittees began serious work this week. **County officials should contact senators, particularly those who serve on the Appropriations Committee, to urge inclusion in the budget of funds to relieve counties of the increasingly burdensome responsibility to pay for Medicaid services.**

MEDICAID BILL TO BE DISCUSSED

The House Health Committee may discuss a proposal to relieve counties of some of the responsibility for Medicaid services next week. [H149](#), introduced by Rep. Julia Howard (Davie), could be on the committee's agenda Tuesday or Thursday. The bill would cap county Medicaid responsibility at the current year's level and would begin phasing out county participation.

County officials who are interested in attending the committee meeting at which the Medicaid proposal is to be discussed should contact Association headquarters at (919) 715-2893 early next week (Monday) to determine more specifically when the bill will be heard in committee. Once the committee officially puts the item on its agenda, the NCACC will send out a Legislative Alert via e-mail.

BILLS OF INTEREST

GENERAL GOVERNMENT

Introductions

[S393](#) **“To clarify the Public Records Laws with respect to economic development and to require the Department of Revenue to publish annual reports regarding use of economic development tax incentives.”** Sen. David Hoyle (Gaston), Rep. Jennifer Weiss (Wake). Each of these identical bills would amend the Public Records Law to provide that once a proposed expansion or location of a specific business or industrial project has been announced by the state, local government or specific business, provisions of the subsection allowing public records to be withheld would no longer apply. The bill would require the Department of Revenue to publish annual reports regarding the use of economic development tax incentives. [S393](#) was referred to the Senate Judiciary No. 1 Committee. [H507](#) was referred to the House Commerce Committee.

S396 **“Allowing counties to make changes in service districts created pursuant to Article 16 of Chapter 153A of the General Statutes.”** Sen. David Hoyle (Gaston). This bill would authorize a board of county commissioners to adopt a resolution to relocate boundary lines between adjoining service districts if the districts were established for substantially similar purposes. The board would have to hold a hearing on any request to change districts and prepare a report. The bill was referred to the Senate Finance Committee.

H471 **“To enhance the deadlines for passage of budget items relating to critical matters such as education and items that impact local budgets.”** Rep. Trudy Walend (Transylvania). This bill would require the General Assembly to enact, prior to June 1 of each year, legislation appropriating funds for time-sensitive budget issues related to fiscal year funding, such as pay increases, school enrollment, and funding that affects local government budgets, as well as appropriations to meet federal matching fund requirements. The bill would instruct budget conferees to give priority to these items and specifies that such funding could be included in separate budget bills if necessary to meet the deadlines. The bill was referred to the House Appropriations Committee.

HUMAN RESOURCES

Introductions

S362 **“To phase out the county share of the cost of the state-county special assistance program in certain counties conditioned upon the county maintaining local funding levels for public school students.”** Sen. Walter Dalton (Rutherford). This bill would reduce the county share of the nonfederal costs of Medicaid services paid to adult care homes under the State-County Special Assistance Program for certain qualifying counties by 10 percent each fiscal year that the county achieves its per-student expense appropriation from the preceding fiscal year, and until the county share reaches 0 percent. The bill would define “qualifying county” as a county in which the county share of nonfederal costs exceeds 1 percent of county expenditures, and county expenditures of county funds do not exceed \$100,000 in a fiscal year. It would require a 10 percent decrease in the amount the county share is reduced, and a 10 percent increase in the county share for counties that have attained 0 percent share status, if a qualifying county fails to maintain its per-student expense appropriation for a fiscal year. The bill was referred to the Senate Appropriations Committee.

PLANNING, DEVELOPMENT AND LAND USE

Introductions

S405 **“To establish wildlife and other conservation land as a special class of property subject to present-use value and to make other changes regarding present-use value.”** Sen. Fletcher Hartsell (Cabarrus). This bill would provide that a tract of 10 or more acres of wildlife land (land actively managed for conservation of natural resources) is eligible for property tax appraisal at its present use value. It would provide that other types of use value property could include wildlife land and extend to bargain-sale conservation easement property an exception from certain use value requirements that currently applies to donated conservation easement property. The bill would also extend to bargain sale property certain exceptions from the deferred taxes requirement that currently apply to donated property and increase from three years to 10 years the period that deferred taxes remain a lien on use value property and become immediately payable when the property no longer qualifies for use value taxation. The bill was referred to the Senate Finance Committee.

S406 **“Requiring the interconnection of public water systems or wastewater systems to regional systems when necessary to promote public health, protect the environment, and ensure compliance and to require that an analysis of reasonable alternatives be done before constructing or altering a public water system.”** Sen. Fletcher Hartsell (Cabarrus). This bill would provide that no permit for a new or expanded municipal or human waste treatment system could be issued unless the applicant: (1) has adopted a plan to implement a program to reduce demand and manage existing capacity by reducing or eliminating stormwater and groundwater infiltration and intrusion into collection lines; (2) submits an analysis of reasonable alternatives to the proposed new or expanded system; and (3) can demonstrate that the proposed new or expanded waste treatment facility will be designed and constructed to accommodate eventual interconnection with adjoining or regional systems. The bill was referred to the Senate Committee on Agriculture, Environment and Natural Resources.

PUBLIC EDUCATION

Introductions

H493 **“To create a North Carolina lottery for education.”** Rep. Hugh Holliman (Davidson). This bill would establish a statewide lottery without a referendum. Net revenues (total proceeds less prizes, 50 percent, and administrative costs, 16 percent) would be allocated for educational scholarships to help North Carolina students attend North Carolina colleges and universities, both public and private. The bill was referred to the House Rules Committee.

TAXATION AND FINANCE

Introductions

S322 **“To promote efficiency in government by allowing a sales-and-use tax exemption for local government units rather than a sale and use tax refund.”** Sen. Dan Clodfelter (Mecklenburg). This bill would exempt cities, counties and school boards from sales and use taxes when items are purchased for the government’s use. **The bill, if enacted, would accomplish an Association Legislative Goal.** It was referred to the Senate Rules Committee.