



Bulletin #05-11

Thursday, April 7, 2005

MEDICAID AND COUNTY BUDGETS

County managers from across North Carolina will gather in Raleigh next week to provide detailed information on the effects of county Medicaid responsibilities on local budgets and the capacity of counties to provide services. Legislators familiar with county government suggested that other members of the General Assembly need to be made more aware of how much the Medicaid mandates impair the ability of counties to meet citizens' needs. In addition, the impact of fund balance requirements that are imposed on counties is an area of misunderstanding by legislators without local government experience, who sometimes refer to fund balance as "extra" or "surplus" revenue. We are relying on our managers to help our legislators understand these issues.

HOUSE PASSES LOTTERY

On a vote of 61-59, the House passed a lottery bill Wednesday afternoon. Principal elements are as follows:

- The lottery would be enacted without a referendum of any kind.
- 50 percent of the net proceeds would be used for school capital outlay.
- 25 percent would be used for need-based post-secondary institutions scholarships.
- 25 percent would be used for "education enhancement."

GENERAL GOVERNMENT

Introductions

S1143 "To restore immunity protection to municipalities and counties and their officers and employees when performing duties in furtherance of public safety and when performing activities related to building inspections." Sen. Fletcher Hartsell (Cabarrus). **This bill, if enacted, would accomplish an Association Legislative Goal.** It would restore the "public duty doctrine" by providing immunity for county and city employees charged with performing duties in furtherance of public safety or activities relating to building inspections unless the acts or omissions of the employees amount to gross negligence or intentional wrongdoing. The bill was referred to the Senate Judiciary Committee #2.

H1013 "To reduce the requirement so that one hundred fifty applications need to be received before the Division of Motor Vehicles may issue a county commissioner special registration plate." Rep. Dewey Hill (Columbus). This bill would reduce from 300 to 150 the number of applications necessary for the Department of Motor Vehicles to issue special registration plates for county commissioners. The bill was referred to the House Finance Committee.

PERSONNEL
Introductions

H929 **Amending the Labor Laws of North Carolina to allow public safety officers employed by the state or its political subdivisions to organize for the purpose of collective bargaining.”** Rep. Deborah Ross (Wake). This bill would permit governmental units to enter into lawful contracts with labor organizations representing public safety officers notwithstanding the general prohibition against these contracts. The new provision would apply to employees of public safety agencies who are law enforcement officers, firefighters and EMS personnel, but not supervisory personnel. The bill was referred to the House Rules Committee.

PLANNING, DEVELOPMENT AND LAND USE
Introductions

H894 **“To impose an advance disposal fee on new and used mobile homes, to require counties to develop plans that provide for the deconstruction of obsolete mobile homes and the removal of reusable or recyclable components, and to provide for the abatement of nuisance obsolete mobile homes.”** Rep. Howard Hunter (Hertford). This bill would establish a mobile home privilege tax of \$1,000 for each new double-wide mobile home, \$750 for a new single-wide, \$500 for a used double-wide, and \$250 for a used single-wide, applicable to sales that occur on or after January 1, 2006. Net proceeds would be deposited quarterly in the Mobile Homes Management Account, established in the Department of Environment and Natural Resources, Division of Waste Management. The bill would also (1) **require counties, as part of their comprehensive solid waste management plans, to develop written plans for management of abandoned mobile homes;** (2) authorize counties to contract for this management; (3) establish a process for county abatement of nuisances caused by abandoned manufactured homes; and (4) create and specify permissible use of the Mobile Homes Management Account. It was referred to the House Finance Committee.

S951 **“To require a unit of local government that displaces a private company that is providing collection services for solid waste or recovered materials to give notice of its intent to do so and to provide compensation to the displaced private company.”** Sen. David Hoyle (Gaston). This bill would specify the notice to be required before a private waste collection company could be displaced, both public notice and written private notice to affected companies. If a local government begins services that displace a private company within two years after the date of the first public notice, the local government would have to provide compensation to the company, up to 18 months of gross receipts for the company. If the government fails to act within six months after the initial public notice, the notice process would begin again. The bill would also allow governments to not renew contracts or terminate agreements for breaches that are specified in the bill. It was referred to the Senate Judiciary Committee #1.

S1046 **“To provide for the issuance of bonds by the State of North Carolina for the purposes of ensuring that North Carolina will have adequate water and sewer infrastructure necessary for public health and economic development, providing additional assistance to local governments for the replacement of outdated and inadequate public school facilities and construction of new facilities to respond to rapid growth in school-age populations, providing funds for a statewide “Land for**

Tomorrow” program to acquire, protect, and manage critical open spaces and recreational areas; to call for a referendum to authorize the issuance of such bonds; and to provide for a dedicated permanent source of funding for the repayment of such bonds.” Sen. Dan Clodfelter (Mecklenburg). This bill, with no substantive provisions when introduced, could become legislation to authorize a statewide bond issue to finance water and sewer facilities, school construction and acquisition and preservation of open space. The bill was referred to the Senate Rules Committee.

S1049 **“To replace the tax credits generally available under the William S. Lee**
H947 **Quality Jobs and Business Expansion Act with more narrowly focused credits for job creation and business investment; and to extend the job development investment grant program.”** Sen. David Hoyle (Gaston), Rep. Bill Owens (Pasquotank). Each of these identical bills would revise the state’s economic development incentive system by replacing the tax credit system currently referred to as the “Bill Lee Act” with a new system of tax credits. County ad valorem tax value per capita would be an additional factor in ranking counties into economic development tiers. **S1049** was referred to the Senate Finance Committee. **H947** was referred to the House Commerce Committee.

S1091 **“To provide funding to address the critical infrastructure needs relating to water supply systems, wastewater collection system, wastewater treatment works, and water conservation and water reuse projects; to make various amendments to the North Carolina Clean Water Revolving Loan and Grant Act including the following: expand both the projects and applicants that are eligible to receive loans and grants from the revolving loan and grant fund; to allow the Department of Environment and Natural Resources to set lower interest rates and extend repayment terms to thirty years of the expected life of a project; to direct the Department of Environment and Natural Resources to negotiate with the Environmental Protection Agency to develop an integrated priority system that will address both point and non-point source wastewater projects and to make other clarifying, technical, and conforming changes; to clarify that stormwater planning projects and water supply planning projects are purposes that may be funded by the Clean Water Management Trust Fund; and to establish the Rural Center Water Supply And Wastewater Treatment Fund to be administered by the Rural Economic Development Center and to be used to award loans and grants to local governments, public systems, and private nonprofit systems for water supply systems, wastewater treatment systems, and stormwater projects.”** Sen. John Kerr (Wayne). This bill would double the state land transfer (“Deed Stamp”) tax with additional revenues earmarked for the Clean Water and Drinking Water Revolving Loan and Grant Fund, the Rural Center Water Supply and Wastewater Treatment Fund, and the Clean Water Management Trust Fund. The bill was referred to the Senate Committee on Agriculture and Environment.

TAXATION AND FINANCE Introductions

H988 **“To exclude highway use taxes as a factor in determining the true value in money of motor vehicles for property tax purposes.”** Rep. Curtis Blackwood (Mecklenburg). This bill would exclude highway use taxes and lower motor vehicle values for property tax purposes. It was referred to the House Finance Committee.

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