



Bulletin #05-17

Thursday, May 19, 2005

MEDICAID ISSUES CONTINUE TO PERCOLATE

As the budget focus shifts from the Senate to the House and the revised (June 2) “crossover deadline” looms, efforts to provide relief for counties with increasing Medicaid costs have intensified. In recent days, Association representatives have been working closely with legislators and legislative staff to provide alternative funding options to provide relief. Key elements of all alternative relief packages remain the same elements that are part of the Association’s top Legislative Priority:

- Capping growth in the increasing county Medicaid cost;
- Relief for counties that bear a disproportionate burden because of high concentrations of Medicaid-eligible citizens; and
- A phaseout of the county role in paying for Medicaid services.

ENVIRONMENT Introductions

H1730 “To codify and make permanent the swine farm animal waste management system performance standards that the General Assembly enacted in 1998 and to phase out the use of the lagoon and sprayfield animal waste management system for swine farms.” Rep. Carolyn Justice (Pender). This bill would accomplish the purposes stated in the title and would require North Carolina State University and the University of North Carolina at Chapel Hill to jointly develop an implementation plan to convert animal waste management systems on swine farms that use anaerobic lagoons and sprayfields to alternative systems that meet standards of act and that the implementation plan be presented to the Environmental Review Commission by April 1, 2006. It would appropriate \$200,000 to develop the plan. The bill was referred to the House Environment Committee.

H1765 “To establish a recycling program for certain electronic devices, to require manufacturers of electronic devices to either (1) develop and implement product management plans for the proper reuse or recycling of discarded electronic devices and to pay an annual program fee or (2) to pay a tax on the sale of electronic devices sold in the state in order to fund the program, and to provide local governments with funds to enable them to recycle electronic devices.” Rep. Joe Hackney (Orange). This bill would require manufacturers of electronic devices sold in North Carolina to develop product management plans, which must be approved by the Department of Environment and Natural Resources. Each plan would include provisions under which the manufacturer finances collection and transportation, and reuse, recycling, treatment or disposal of electronic devices discarded in North Carolina. The bill sets out minimum recovery rates for the plans, reaching an annual recovery of amount of devices equal to 90 percent of manufacturer’s annual sales in North Carolina within 10 years. The bill would also create an electronic device

privilege and excise tax on new electronic devices purchased or used in North Carolina. Proceeds would be placed in a recycling account with 90 percent of account funds to be distributed to counties that include sections on recycling of electronic devices in their solid waste plans and to municipalities if the counties in which they are located do not take the action by Jan. 1, 2008. The bill was referred to the House Environment Committee.

GENERAL GOVERNMENT Updates

H399 **“To allow counties with no incorporated municipalities to exercise most municipal functions.”** Rep. Bill Owens (Pasquotank). ([Bulletin #06](#), March 3, 2005; [Bulletin #08](#), March 18, 2005; [Bulletin #12](#), April 14, 2005; [Bulletin #15](#), May 5, 2005). After being signed by the governor, this bill has been enacted as [SL 2005-35](#). **Final approval of the bill accomplishes an Association Legislative Goal.**

H635 **“To require at least one public comment period per month at a regular meeting of a local board of education, county board of commissioners, or municipal governing board.”** Rep. Earl Jones (Guilford). ([Bulletin #08](#), March 18). This bill was favorably reported as a committee substitute in the House on May 3. As rewritten, the bill would require each board of county commissioners to “provide at least one period for public comment per month at a regular meeting of the board.” Each board would be able to adopt rules “governing the conduct of the public comment period.”

Introductions

H1768 **“To amend the Workers’ Compensation Act and to appropriate funds for new positions to assist the North Carolina Industrial Commission to ensure that the Commission has adequate resources.”** Rep. Pryor Gibson (Montgomery). This bill is very similar to Workers’ Compensation reform legislation introduced in the Senate ([S984](#)) and described in [Legislative Bulletin #10](#). It also appropriates funds to the Industrial Commission for positions to implement the provisions of the legislation. The bill was referred to the House Insurance Committee.

PUBLIC EDUCATION Introductions

H1745 **“An act to provide students in the public schools with a sound basic education as required by the Constitution of North Carolina.”** Rep. Rick Glazier (Cumberland). This bill would appropriate \$16.5 million in 2005-06 and \$58.5 million in 2006-07 for supplemental funding for low wealth counties. Funds would be used for recruiting and retention of teachers, mentors, additional positions and salary supplements. It would appropriate \$100 million in 2005-06 and \$200 million in 2006-07 as supplemental funding for disadvantaged students. Plans to use the funds would be developed by each school system. The bill was referred to the House Appropriations Committee.

TAXATION AND FINANCE
Introductions

H1777 “**To authorize a municipality to levy a one-half cent local sales and use tax and to use the revenue generated by the tax to expand the Homestead Exemption to all senior citizens in the municipality.**” Rep. Dan McComas (New Hanover). This bill would authorize cities to levy a local option one-half cent sales tax. A city that does so could extend the Homestead Exemption to all persons 65 or older rather than those who now qualify on the basis of income. The bill was referred to the House Finance Committee.

H1779 “**To create a combined motor vehicle registration renewal and property tax collection system.**” Rep. Dale Folwell (Forsyth). This bill would modify the system for collecting property taxes on automobiles. Taxes on a vehicle would be paid at the same time as vehicle registration fees. Taxes and fees would be paid to the Division of Motor Vehicles, an agent of the division or a county tax collector. The bill would appropriate \$10 million to the Department of Transportation to develop and implement an integrated computer system to implement the collection system. The bill was referred to the House Finance Committee.

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