



Bulletin #05-26

Thursday, July 21, 2005

HOUSE UTILITIES COMMITTEE RESPONDS TO NCACC'S 911 CONCERNS

Responding to concerns voiced by many counties and emergency program operators about the proposed elimination of the current 911 funding system, the House Public Utilities Committee on July 20 agreed to keep in place the current method of funding county 911 systems through a surcharge on telephone subscriber bills. Committee members further agreed that numerous related issues need further study.

Rep. Harold Brubaker (Randolph), who is one of the principle sponsors of [H1638](#), or "911 Service Taxes," addressed the committee and acknowledged that the proposed special use tax raised some collection issues for counties that would be difficult to address. He continued by saying that the current funding mechanism would remain in place but that a study of issues raised in the discussion is needed. **H1638** is co-sponsored by Rep. Drew Saunders (Mecklenburg), who chairs the Public Utilities Committee. As originally proposed, it would eliminate the current surcharge paid by telephone subscribers on their phone bills and authorize counties to enact a local special use tax in its place.

Upon motion of Rep. Nelson Cole (Rockingham), the committee agreed to bring back to a future meeting a proposed committee substitute that will outline issues and concerns raised for study during the committee's deliberations. Noted issues raised by committee members included:

- wide variations in the surcharge rates from county to county;
- the need for training for 911 employees, preferably through the community colleges;
- the absence of a cap on the amount of the land line surcharge a county can set, compared to the wireless surcharge, which is capped at 70 cents;
- other general differences between the wireless and land line systems, including the distribution formula for wireless funds and the presence of an oversight board; and
- lack of clarity in allowed expenditures with the funds collected.

Please express your appreciation to all members of this committee, especially the bill sponsors, for hearing our concerns. A proposed committee substitute will be brought to the committee for its consideration at a future date.

BUDGET DISCUSSIONS ONGOING

Negotiations between the House and Senate continue to plod along. The Legislature enacted its second Continuing Resolution on July 19 to keep state government operating until Aug. 5. There is purportedly a significant difference between the House and Senate on the how much to raise the tobacco tax (the House is pushing for a 25-cent increase, while the Senate wants a 35-cent increase). This difference, of course, affects the amount of revenue available to cover some of the remaining expenditure differences, most notably the amount of pay increases to grant to state employees. Discussion about a lottery is also still a part of the negotiations, with the governor continuing to press for this method of financial support for education. We continue to hear expressions of support for the \$15 million in Medicaid relief contained in the House budget. If your senators are involved in the budget negotiations, please help us keep this need in their hearts and minds.

All Senate committees have ceased meeting in an effort to free budget negotiators from other responsibilities. House committees continue to work through non-budget related bills.

VEHICLE TAX COLLECTION BILL ON COMMITTEE SCHEDULE FOR JULY 26

We expect [H1779](#) by Rep. Dale Folwell (Forsyth) to be heard in the House Finance Committee on July 26. This bill, "Property Tax Paid with Vehicle Registration," **would accomplish an Association Legislative Goal** by streamlining the vehicle tax collection system.

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