



**Bulletin #05-28**

**Friday, Aug. 5, 2005**

### **YOU'VE GOT A FRIEND**

In the midst of this week's state budget frenzy, our hats are off again to the General Assembly's "County Coalition" – a bipartisan, bicameral round table of former county commissioners now serving as state legislators. Under the leadership of Reps. Becky Carney (Mecklenburg) and Carolyn Justice (Pender), this group has been meeting weekly as needed to focus on legislative issues impacting county government.

In recognition of their fine work, the Association President Breeden Blackwell has announced that Reps. Carney and Justice are to be the first recipients of the NCACC "Friend of the County" Award, created to honor individuals or organizations not directly associated with county government or the NCACC that have been instrumental in advancing county interests.

NCACC Executive Director David Thompson attended his first meeting of the coalition on Aug. 3. The group discussed strategies for Medicaid relief and elections equipment funding, as well as bills that are detrimental to county government – especially [S508](#) "Exempt Builders' Inventory," [H900](#) "Enhance On-Site Wastewater Approvals," and [S951](#) "Public Private Solid Waste Collection."

Coalition members expressed their disappointment with budget negotiators' decision to remove the \$15 million in county Medicaid relief that was included in the House budget.

### **NO ONE KNOWS WHAT GOES ON BEHIND CLOSED DOORS**

In the hallways outside of Room 612, where budget negotiators have been meeting, rumors abound regarding progress in reaching a budget agreement between the House and Senate. The latest buzz has it that the conferees have reached agreement on the more contentious issues such as state employees' salary increases, the lottery, University vs. Board of Governors authority, and the cigarette tax.

The General Assembly enacted a third continuing resolution, [S191](#) "Continue Budget Authority," on Aug. 4 to keep state government alive and well through Aug. 10, giving budget negotiators a few more days to hammer out any remaining differences between the two chambers. Senate leadership noted that the conferees fully intend to have a conference report the week of Aug. 8-12, and a finance package within the budget is expected.

Regrettably, one item in agreement is the exclusion of \$15 million in county Medicaid relief, unless the hearts and minds of budget negotiators are swayed by the collective pervasive, persuasive county voice. The NCACC Executive Committee is scheduled to meet with Sen. Tony Rand (Cumberland) on Monday, Aug. 8, to discuss further options for long-term Medicaid relief. Sen. Rand has been concerned about the lasting impact of Medicaid costs on county government and has been instrumental in helping the NCACC continue a dialogue about this issue. **It is important to continue your discussions with legislators regarding the need for county Medicaid relief.**

## HUMAN ERROR

Senate and House budget negotiators were surprised to learn that a computational error sharply underestimated the amount of funds needed to keep Health Choice afloat for the 2005-06 fiscal year. Health Choice, a federal and state funded program, provides health coverage for the children of the working poor – those who earn too much to qualify for Medicaid under current income eligibility limits. The Health Choice program does not require a county match.

To maintain health coverage for children currently enrolled in Health Choice, the budget negotiators are proposing to move 30,000 children under the age of 6 from Health Choice funding to Medicaid. This would be accomplished by expanding Medicaid eligibility for children ages 0-5 to 200 percent of the federal poverty level (\$32,180), which is the current income threshold for Health Choice. By shifting children to Medicaid, county Medicaid costs increase \$3 million. Current Association policy only supports funding increases if those increases do not require additional expenditures of county funds. **Remind your senators and representatives once again of the impact escalating Medicaid costs have on your county!**

## BEEP, BEEP

The House approved legislation Aug. 1 to reform the system used to collect property taxes on motor vehicles. [H1779](#) “Property Tax Paid with Vehicle Registration,” introduced by Rep. Dale Folwell (Forsyth), would fund an upgrade in the computer technology used by the Division of Motor Vehicles (DMV) and allow the collection of property taxes at the time vehicles are registered. It is estimated that, under the new system, approximately \$80 million would be collected that is not now collected in county, city and special district taxes.

This legislation culminates two years of study and debate by county tax administrators, Association staff, and state Department of Revenue and DMV representatives to improve property tax collections on motor vehicles. The Senate held first reading on Aug. 2 and referred the bill to its Finance Committee.

## UNDER THE APPLE TREE

Legislation currently in House committee could serve as a builders’ end-run around local ordinances regulating clear-cutting and development buffers. During negotiations on [S681](#) “Clarify Regulation of Forestry,” by Sen. David Hoyle (Gaston), the NCACC, League of Municipalities and Forestry Association agreed that counties and cities could delay site development and permitting approval for five years after timber harvest. This delay would be allowed if the harvest results in the removal of all or most of the trees that would otherwise be protected under county building regulations. A last-minute floor amendment during Senate debate in mid-May reduced this waiting period to a mere two years.

**S681** may be heard early next week in the House’s Environment and Natural Resources Committee. **Please contact any and all members of this committee and urge restoration of the agreed-upon five-year waiting period.**

### **Environment and Natural Resources Committee members**

Chairmen        Rep. Harrell        Rep. Justice  
Vice Chairmen   Rep. L. Allen        Rep. Harrison        Rep. McComas  
Members        Rep. Blackwood, Rep. Capps, Rep. Carney, Rep. Culp, Rep. Daughtridge,  
Rep. Gibson, Rep. Gillespie, Rep. Goodwin, Rep. Gulley, Rep. Hackney,  
Rep. Haire, Rep. Insko, Rep. LaRoque, Rep. Luebke, Rep. Martin, Rep.  
McGee, Rep. McMahan, Rep. Owens, Rep. Preston, Rep. Stiller, Rep.  
Underhill, Rep. Weiss, Rep. Womble

### **DEVOTED TO YOU**

The Senate approved [S223](#) “Public Confidence in Elections,” by Sen. Ellie Kinnaird (Orange), on July 28 with nary a dissenting word about the \$20 million unfunded state mandate on counties. As reported (Bulletin #27, July 28, 2005), the Senate Appropriations Committee removed \$20 million from the bill, after the Senate Judiciary Committee I had approved the bill with the appropriation included.

The House Election Law and Campaign Finance Reform Committee heard the bill Aug. 3 but time constraints prevented committee action, including consideration of a county-friendly amendment offered by Rep. Joe Kiser (Lincoln). Rep. Kiser’s amendment would require state reimbursement of county expenses incurred by state and federal voting equipment requirements if county expenses exceed the federal Help America Vote Act (HAVA) Election Fund balance.

**S223** may be heard again next week in the House’s Election Law Committee. **Please contact members of this committee and urge adoption of the Kiser amendment to reimburse counties for costs associated with implementing state and federal voting equipment requirements.**

### **Election Law and Campaign Finance Reform Committee members**

Chairmen        Rep. Moore        Rep. Ross  
Vice Chairmen   Rep. Kiser        Rep. Luebke        Rep. Michaux  
Members        Rep. Blust, Rep. Church, Rep. Harrison, Rep. Holliman, Rep. Holmes,  
Rep. Lewis, Rep. Nye, Rep. Starnes

**Rebecca Troutman**, Director of Research and Public Technology  
**David F. Thompson**, Executive Director