



Bulletin #06-08

Thursday, June 29, 2006

CONFEREES CONTINUE DELIBERATIONS

House and Senate budget negotiators continued this week in efforts to resolve differences between the two. Among issues **rumored** to be dividing the two are state employee salaries, capital projects, a Senate proposed moratorium on landfill permits, and relief for counties on **Medicaid**. At issue with respect to Medicaid is whether a freeze or cap on county expenditures at 2005-06 levels should be permanent or one-time assistance. Budget conferees had hoped to conclude negotiations before the end of the fiscal year Saturday. We shall see.

LOCAL RETIREMENT BOARD TO INCLUDE LOCAL OFFICIALS

A bill given final legislative approval this week will add local representation to the board governing the Local Governmental Employees' Retirement System. Originally introduced by Rep. Russell Tucker (Duplin), **H1237** was approved by the House during the 2005 session. Following House concurrence in Senate changes, the bill has been sent to the governor for signature. The bill adds seven local government representatives to the local Retirement Board of Trustees, including a county commissioner and a county manager, two municipal officials and three local government employees or former employees. All seven would be appointed by the governor. **Approval of H1237 accomplishes a goal adopted by the Association at our Legislative Goals Conference in January 2005.**

EMINENT DOMAIN BILLS MOVE

Two bills to alter North Carolina's laws relating to eminent domain were considered by the General Assembly this week. **H1965**, originally proposed by a House Select Committee appointed by Speaker Jim Black in late 2005, was approved by the House on June 6. It was favorably reported in the Senate on June 22 and then re-referred to the Senate Judiciary Committee #1 on June 26.

H2213, a bill to revise the state's eminent domain procedures through a proposed constitutional amendment, was discussed in the House Judiciary Committee #3 on June 26. The bill, introduced by Rep. Paul Stam (Wake), was reported without prejudice and re-referred to the House Rules Committee on June 28.

VIDEO SERVICES PROPOSAL APPROVED BY HOUSE

The House this week approved and sent to the Senate its version of changes in the way the state franchises and regulates video services. **H2047** includes provisions to distribute portions of taxes collected on video programming services to counties and cities to replace local franchise tax revenues and to support public access programming. The bill has been referred to the Senate Finance Committee.

'TIS THE SEASON

With negotiations on state budget amendments nearing conclusion, the General Assembly has begun to look toward adjournment. In the last weeks of the session, a number of ideas spring forth from obscure and previously quiet places. Last week saw an attempt to exempt about one-fourth of the value of motor vehicles from property taxation, thus depriving cities and counties of about \$144 million in property tax revenue. Rumors suggest we can expect an effort to raid the local revenues currently a part of the video services proposal (see above) to fund a program that is currently state-supported, as well as an end of session attempt to provide property tax relief to owners of waterfront property. There will be others.

It is definitely the season.