



Bulletin #06-11

Thursday, July 20, 2006

ADJOURNMENT ELUSIVE

The General Assembly continues to work through the remaining business of the session in hopes of adjournment *Sine Die* sometime next week. Expectations are that the 2005-06 session will conclude – at the earliest – after the middle of the week.

Significant legislation remains in play, including state legislative and administrative ethics and lobbying reform measures, which have been combined into one comprehensive bill (**H1843**) by the Senate. The Senate passed the bill July 19 and returned it to the House with multiple and substantive amendments. While the effect of this legislation on the NCACC is minimal (our expense reports will be submitted more frequently), it is important in that the need for its passage derives from the public's perception of the abuse of power and influence in legislative and executive decision-making. The House failed to concur in the Senate changes, and conferees from both chambers will work to iron out differences over the next few days.

The Senate on July 20 finalized its changes to **H1965**, Eminent Domain Restrictions. A Senate amendment has the effect of prohibiting local governments from condemning non-blighted properties in the proximate area of blighted buildings or parcels, which is similar to an issue in Connecticut's *Kelo* case. **H1965** has been returned to the House for concurrence.

An effort led by Rep. Nelson Cole (Rockingham) to repeal the provisions of the motor vehicle property tax changes enacted in 2005 (Session Law 2005-294) through **S600**, Repeal Combined Motor Vehicle Registration Renewal and Tax System, remains in play. The 2005 legislation, which accomplished an Association legislative goal, enables counties to improve the collection of property taxes on motor vehicles by requiring that the property taxes be paid at the time of purchase instead of "in arrears." **S600** has been re-referred to the House Finance Committee, where it has reposed all week. There are procedures that could be used to bring the bill to the floor rapidly, and the NCACC legislative team is keeping a vigilant eye on the legislation.

Amendments to the solid waste franchise statutes (**S1564**) passed second reading in the House on July 20. The bill establishes notice requirements for a required public hearing before a local government can issue a franchise or other contract for construction or operation of a sanitary landfill. It further requires that the franchise be consistent with a local solid waste management plan and authorizes a local government to award a preliminary franchise, and clarifies that awarding of a franchise is permissive rather than mandatory. An objection to third reading required that the bill remain on the calendar; once it has passed third reading it will be sent to the Senate for concurrence in the House amendments.

Requirements related to contracts with solid waste haulers were finalized this week when the House Committee substitute for **S951**, Public-Private Solid Waste Collection, was passed by the House. The Senate concurred in the House amendments on July 20, and the bill is now on its way to the governor for his signature. Interest in the enacted changes derived from the effect of annexation on providers of solid waste collection services. The bill requires that if a firm's franchise agreement would be terminated due to an annexation, the firm would be granted a contract for a period of two years following the annexation, or the local government would have to pay compensation for economic loss to the franchisee. The bill also sets out public notice and hearing requirements that must be followed. The act becomes effective Jan. 1, 2007, and applies to annexations for which the resolution of intent is adopted after that date.

A bill modifying the Bill Lee Act's tier system, which has been in effect for many years, has been sent to the governor for his signature. **H2170** reduces from five to three the number of tiers that are used as indicators of economic distress. Tier 1 – indicating the highest level of distress – and Tier 2 each have 40 counties, and Tier 3 has 20

counties. The Senate Committee substitute for the House bill deletes the requirement that county tax records be used to measure assessed property value and adds a provision that any county with a population of less than 50,000 and more than 19 percent of its population below the federal poverty level be automatically ranked as one of the 40 highest counties. The bill directs the Department of Commerce and the N.C. Rural Center to develop strategies to enhance economic growth in Tier 1 areas.

Finally, other issues of importance to counties are the adoption of a “study” bill, which is the vehicle through which all studies between now and the 2007 session are authorized, and the “technical corrections” bill, which is a mechanism for cleaning up any technical errors of omission or commission during the session (and which often provides an opportunity for unanticipated mischief). The study bill is important to counties because our negotiated settlement on Medicaid relief included the promise of a study of ways to provide permanent relief. We expect that after Friday the Senate to conduct its business with a skeleton delegation from Wake County until such time as the House has completed its work on the ethics legislation, so if you have the opportunity to see your legislators, please remind them of their commitment to a legislative study on permanent Medicaid relief.

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