



Bulletin #07-13

Thursday, April 19, 2007

## FOOD FOR THOUGHT

*It's not often there's anything approaching unanimous agreement on substantive legislation, given the sharp ideological differences lawmakers often bring with them to Raleigh. So it's worth noting that all but one of the 120 members of the N.C. House has signed on to a bill granting significant Medicaid cost relief to all 100 counties – and extra help to low-wealth counties. The non-signer is the House speaker, who normally doesn't sponsor bills. It's an overdue approach to help counties pay the fast-increasing cost of healthcare for those who can't afford it. – The Charlotte Observer editorial, April 17*

### **DON'T REST ON YOUR LAURELS – WE HAVE THE BILL, NOW WE NEED THE MONEY!**

The House is working feverishly to complete its budget proposal by May 4. What this means to counties is that we must have a \$100 million appropriation to implement H1424, the permanent cap on county Medicaid costs with targeted relief to those counties hardest hit by Medicaid. Every House member save the Speaker signed onto this legislation last week when it was introduced. The Speaker does not typically sign bills.

In anticipation of a full court press on County Assembly Day, which will be held May 2 in Raleigh, county commissioners are urged to call and talk with their House delegation to gain their personal commitment that these monies will be made available in the budget. House members deserve our hearty thanks for their support of H1424. Now we need their support of a budget appropriation to implement county Medicaid relief. We're glad that this request is occurring in a favorable economic climate – the state anticipates more than \$800 million in revenue over-collections for this fiscal year to be available in next year's budget.

### **BILL FILED TO GIVE SCHOOL BOARDS TAXING AUTHORITY, IF WE AGREE**

Counties would have the option of granting taxing authority to local school boards under a bill filed this week. H1740, School Board Fiscal Accountability Act, would enable school boards that are elected rather than appointed to levy taxes for the support of public schools provided that the school board and the board of county commissioners each pass resolutions authorizing the school board to levy taxes. If a county school board were to be given this authority, it would become a unit of local government under G.S.159-7(b)(15). The act would take effect for the fiscal year 2008-09.

A local board of education that has been given this authority would "have the same authority as a board of county commissioners has for purposes of public education to levy and collect taxes on property having situs within the local school administrative unit." The bill, filed by Rep. Rick Glazier (Cumberland), would abolish any supplemental taxes for public schools in school units that are granted the authorization to collect and levy taxes. The bill would also require counties to share a portion of their sales taxes with the school boards based on the ad valorem method in G.S. 105-472(b)(2). The municipal share of local sales taxes would not be affected. In other words, the county would still divide the total sales taxes with the cities, and then would divide the remainder with the school board based on the ad valorem method.

## BILLS OF INTEREST

The Association has created a section on its Web site to track bills of interest to county officials. Visit [www.ncacc.org/legislation/about.html](http://www.ncacc.org/legislation/about.html) for updates on key legislation, including the bills listed below.

Bill: HB1134  
Sponsors: Tolson (D23); Haire (D119); Justice (R16); Allen, L. (D49)  
Title: CLEANUP OF ABANDONED MANUFACTURED HOMES  
Status: 03/28/2007 – House Committee On Environment and Natural Resources  
Position: Support  
Priority: Medium  
Category: Legislative Goal

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Bill: HB1424  
Sponsors: Michaux (D31); Owens (D1); Yongue (D46); Stam (R37)  
Title: MEDICAID COUNTY SHARE REDUCED  
Status: 04/12/2007 – House Committee On Appropriations  
Position: Support  
Priority: High  
Category: Priority Goal  
Comments: Every member of the House of Representatives signed on to H1424, which would permanently cap county Medicaid costs at 2005-06 levels and provide additional, targeted relief each year to counties with the highest percentage of Medicaid-eligible citizens. The bill was sponsored by Reps. Bill Owens (Pasquotank), Mickey Michaux (Durham), Paul Stam (Wake) and Doug Yongue (Scotland). The bill calls for \$100 million for 2007-08 and \$154 million for 2008-09. The bill estimates that it will cost approximately \$90 million to fund the cap in 2007-08 and \$139 million in 2008-09, leaving \$10 million and \$15 million in each year for targeted relief.

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Bill: HB1439  
Sponsors: Cleveland (R14)  
Title: MISDEMEANOR/NOT PRODUCE PUBLIC RECORDS  
Status: 04/16/2007 – House Committee On Judiciary I  
Position: Oppose

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Bill: HB1561  
Sponsors: Underhill (D3)  
Title: WIRELESS 911 GRANT FUND  
Status: 04/18/2007 – House Committee On Public Utilities

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Bill: HB1574  
Sponsors: Allred (R64)  
Title: EXTEND ETHICS LAW TO CITY/CO. OFFICIALS  
Status: 04/18/2007 – House Committee On Ethics  
Comments: This bill would make all elected local officials as well as appointed municipal and county managers, clerks and attorneys, subject to the recently enacted State Government Ethics Act.

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Bill: HB1688  
Sponsors: Folwell (R74)  
Title: AMEND COMBINED MV REGISTRATION AND PT SYSTEM  
Status: 04/18/2007 – Filed in the House

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Bill: HB1834  
Sponsors: McElraft (R13)  
Title: LOCAL GOVERNMENT ECONOMIC IMPACT  
Status: 04/18/2007 – Filed in the House  
Comments: This bill, filed by former NCACC Board of Directors member Rep. Pat McElraft, would specify "procedures for the preparation and distribution of fiscal information on bills, resolutions, amendments to bills and resolutions or rules which if enacted or adopted would have a fiscal impact on the units of local government of this State."

– NCACC Legislative Team