



**Bulletin #07-20**

**Thursday, June 7, 2007**

### **FOOD FOR THOUGHT**

*"We've got to do it before we leave," – Senate President Pro Tem Marc Basnight (Dare) on relieving counties of the Medicaid burden (The Associated Press – June 3).*

### **MEDICAID RELIEF DRIVES BUDGET TALKS**

Legislative leaders remain committed to county Medicaid relief and have acknowledged that little can be done to settle differences between House and Senate budget proposals until the county Medicaid relief crisis is resolved. The Association's executive officers, led by President Terry Garrison of Vance County, met with General Assembly leaders June 6 to advocate for Medicaid relief and received assurances that a compromise proposal for permanent Medicaid relief is forthcoming.

### **SENATE BUDGET: WHAT COUNTIES NEED TO KNOW**

As mentioned in [Legislative Bulletin #07-19](#), the Senate stated intent to completely and permanently relieve counties of Medicaid in its budget proposal, and House and Senate leaders are negotiating an exact plan for relief. In addition to Medicaid relief, major differences include whether or not to allow temporary sales and income tax rate increases to sunset, and capital funding. Among items that impact counties:

- Lottery proceeds for school construction. The Senate changes the allocation for operating funds, increasing the allocation for More at Four and lowering the allocation for reduced class size. This change will provide More at Four with the amount of funds expected – yet unrealized – in this year's lottery revenues. The Senate appropriates an additional \$37.5 million to offset the loss in classroom size reduction. Additionally, the Senate concurs with a special provision (Sec. 5.2) that authorizes the state's budget director to decide which of the four permissible categories would receive any revenues in excess of the appropriation. The Senate concurs with the House in appropriating \$350 million of anticipated lottery proceeds to education, with \$140 million set aside for school construction. This is lower than the appropriated amounts of \$425 million and \$170 million for 2006-07, reflecting revised (and lower) sales estimates.
- Funding for courts. The Senate increases court fees by \$37 million to fund more than 550 new court positions and provide recurring dollars for court technology.
- Funding for courthouse telephone systems. A special provision (Sec. 14.16) would require counties to fund the systems out of facilities fees. To free up recurring dollars and to ensure greater program oversight, the Senate substitutes non-recurring dollars for recurring in a number of programs, and requires a "continuation review," to be led by the Appropriations Committee during off-session meetings (Sec. 6.21). Of concern to counties are the Criminal Justice Partnership and Juvenile Crime Prevention programs.
- Funding for the regional councils of governments: COG funding would be made non-recurring and reduced 5 percent.

Senate and House budget conferees – comprised of almost all Democrats in both chambers – began meeting June 7 in appropriations subcommittees on Education, Health and Human Services, Natural and Economic Resources, Justice and Public Safety, and General Government, to review spending differences between the House and Senate budget proposals. While today was an information session, subcommittees will reportedly begin in earnest to resolve line item changes beginning June 12. An in-depth analysis of the Senate budget is available online at [www.ncacc.org/senatebudget\\_060707.html](http://www.ncacc.org/senatebudget_060707.html).

### **SOLID WASTE BILL NEGOTIATIONS ONGOING**

Local government, business and state agency representatives continue to negotiate [S1492](#), the "Solid Waste Management Act of 2007." The working group, scheduled to meet again June 7, continues to discuss multiple

proposals – a \$2.50 per ton tax on solid waste disposal, double liners in sanitary landfills, an increase in permit fees, clarification of circumstances under which a permit may be denied, expanding the scope of environmental compliance review requirements – that would greatly impact counties’ ability to site and operate landfills. The bill is expected to be heard in the Agriculture/Environment/Natural Resources Committee within the next couple of weeks before moving on to Senate Finance.

### 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:** [H944](#)

**Sponsors:** Lewis (R53)

**Title:** HARNETT/SUBDIVISION RECREATION FACILITIES

**Status:** 06/06/2007 – Passed in the House

**Position:** Support

**Comments:** This bill expands a county’s ability to use subdivision control fees charged to developers to “develop and construct recreational facilities or public libraries.” Currently, local governments are limited to purchasing land in the immediate area of the subdivision to be served.

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**Bill:** [H1433](#)

**Sponsors:** Brubaker (R78); Howard (R79); Ross (D38); Williams (D6)

**Title:** FIRE AND RESCUE WORKERS’ RETIREMENT

**Related:** S1142

**Status:** 06/06/2007 – House Committee on Appropriations

**Comments:** Passed the House Committee on Pensions and Retirement on June 6 and was re-referred to Appropriations. This bill drops the retirement age from 65 to 55 for firefighters and EMS personnel with five years of full-time service, making the benefit identical to that for law enforcement personnel. If this bill passes, local governments would have to provide an additional 0.85 percent of payroll for firefighters and rescue squad workers. The estimated annual cost to local governments would be approximately \$5.2 million for 2007-08 and \$5.5 million for 2008-09.

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**Bill:** [H1519](#)

**Sponsors:** Glazier (D45); England (D112); Williams (D6); Cotham (D100)

**Title:** MODIFY SCHOOL FUNDING MEDIATION LAW

**Status:** 06/06/2007 – Passed in the Senate

**Comments:** The Senate unanimously passed the bill after amending it to remove the provision concerning the payment of interest. The bill returns to the House for consideration of the Senate change. If the House does not concur, a conference committee will be appointed to work out the differences.

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**Bill:** [H1587](#)

**Sponsors:** Brubaker (R78); Howard (R79); Saunders (D99); Holliman (D81)

**Title:** THE LOCAL GOV’T FAIR COMPETITION ACT

**Status:** 06/07/2007 – House Committee On Finance

**History:** 06/07/2007 – H Reported favorably by committee substitute.  
06/07/2007 – H Re-referred To House Committee On Finance.

**Comments:** H1587 attempts to prevent cities from providing both wired and wireless communication services – i.e., cable TV, telephone, and broadband Internet services – by requiring a special election to be held prior to providing services, and places numerous restrictions on system operations. Ironically, the same proponents that refused the inclusion of “build out” requirements during the 2006 deregulation of local government cable franchises are now attempting to prevent local governments from serving those that the private telecommunication providers are unwilling to serve.

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**Bill:** [H1755](#)

**Sponsors:** Brubaker (R78); Howard (R79); Saunders (D99); Holliman (D81)

**Title:** COORDINATE STATEWIDE ENHANCED 911 SYSTEM

**Status:** 06/07/2007 – Senate Committee On Finance

**History:** 06/06/2007 – H Passed 3rd Reading.  
06/07/2007 – S Referred To Senate Committee On Finance.

**Comments:** Legislation that would standardize all e-911 monthly service charges – both wireline and wireless – at the current wireless charge of 70 cents or below has been approved by the House. H1755 also consolidates administration of the charges under the state e-911 Wireless Board, renamed and expanded as the 911 Emergency Locating Board. Any wireline fund balance that exists prior to the bill’s effective date would be transferred to the local government’s general fund, to be used for any lawful purpose. In addition, the bill would hold each PSAP’s (Public Safety Answering Points) e-911 revenue harmless at 2005-06 levels. Use of these funds would be expanded to include mostly in-state training of 911 personnel, achieving an NCACC Legislative Goal. The bill will significantly impact

county e-911 programs.

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**Bill:** [S831](#)

**Sponsors:** Hoyle (D43)

**Title:** WIRELESS TELECOMMUNICATIONS FACILITIES

**Status:** 06/05/2007 – Senate Committee On Finance

**History:** 06/05/2007 – S Committee substitute adopted.  
06/05/2007 – S Re-referred To Senate Committee On Finance.

**Comments:** This bill severely limits the ability of local governments to regulate the size, location and design of cell towers and other wireless facilities - including in residential districts. The 1996 Telecommunications Act specifically provides authority to local governments to regulate towers. Parties pushing the bill have assured Association representatives that the bill will not move further without full-blown negotiations with local government representatives.

**– NCACC Legislative Team**