



**Bulletin #07-21**

**Thursday, June 14, 2007**

## **COUNTY MEDICAID RELIEF – A PROMISE TO KEEP**

As time draws nigh in state budget negotiations, county commissioners all over the state should task themselves to place one more call to their representatives and senators at their homes this weekend to encourage support and action on permanent Medicaid relief. Remind them of their earlier commitment, and ask that they honor it. Highlight how Medicaid is impacting your budgets and whether you've had to increase property taxes or defer other community priorities. Describe your infrastructure needs and relate how freeing up Medicaid dollars will allow infrastructure investments to grow economic development. Acknowledge their concerns on maintaining state financial health and emphasize that counties are not asking something for nothing. Be polite but firm, reiterating that this year presents the opportunity to fix this problem once and for all. Above all, take this on as a personal responsibility. Your involvement has put us in this position, and it will make a difference.

## **HOUSE AND SENATE CONFEREES CONTINUE BUDGET CONVERSATIONS**

Joint appropriations subcommittees received their spending targets this Tuesday and were under orders to settle specific differences between House and Senate budget proposals by tomorrow, although rumor now has it that this time frame is being relaxed. Accompanying the spending targets were a set of rules to guide their discussion. Funding recommendations must fall within the range of House and Senate line item amounts, no changes are allowed to those items not in controversy, no new items or provisions should be entertained, and unresolved items would be handled by the "big chairs," e.g. House and Senate leadership, including full appropriations and finance chairs.

Major sticking points continue to revolve around an extension of the quarter-cent sales tax and upper income tax bracket – taxes that are set to expire June 30. The House budget keeps these taxes in place for two more years, while the Senate budget allows these revenues to sunset as under current law. Also in contention are capital projects – what should be funded and how they should be funded. And, of course, COUNTY MEDICAID RELIEF.

## **PARTNERSHIP GETS A BOOST**

The Association has recently joined a loose-knit group of organizations called the Partnership for North Carolina's Future. Members of the group have different priorities among the state's many infrastructure needs – schools, water and sewer, housing, open space – but all agree on two fundamental principles: our infrastructure needs are critical and new revenues are needed to begin addressing these critical needs. Last week, word came of a new member of the Partnership: KB Home, a major statewide residential developer. This act of corporate courage stands in stark contrast to the constant and very public opposition expressed by a coalition of organizations representing those who develop and sell real estate.

Unfortunately, the opposition to any growth-related tax, and the vitriol and misinformation with which this opposition has been expressed, has generated a perception of homebuilders, and to a greater degree realtors, as greedy, self-serving and irresponsible.

We don't believe that this perception is accurate with respect to the vast majority of realtors and developers. We believe these North Carolinians understand the needs embraced by the Partnership for North Carolina's Future, for several reasons:

- 1) Realtors and developers are members of the community, and often leaders. They send their kids to school, drive our roads, depend on clean water and understand our infrastructure needs.

- 2) Even more than others in our communities, these folks sell the quality of life we all enjoy and know how much this quality of life depends on the quality of our infrastructure.
- 3) Members of the real estate and development community pay the property taxes we all pay, understand the difference between an annual property tax (the real "home tax") and a tax paid only on the sale of real estate. Moreover, these folks understand how much more burdensome it will be to fund infrastructure development through property tax increases as opposed to a "growth" tax.
- 4) Finally, and from the perspective of self interest, members of the real estate and development communities understand the degree to which quality infrastructure – schools, parks and water and sewer facilities – increases the value of their "product," properties that are developed and brokered by homebuilders and realtors.

The decision of KB Home to join the Partnership for North Carolina's Future is a courageous one. Rumors are circulating that others within the development community share this vision. Time will tell if courage is contagious.

### 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.

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<b>Bill:</b>	HB1519
<b>Sponsors:</b>	Glazier (D45); England (D112); Williams (D6); Cotham (D100)
<b>Title:</b>	MODIFY SCHOOL FUNDING MEDIATION LAW
<b>Status:</b>	06/12/2007 – Passed in the Senate
<b>History:</b>	06/12/2007—H House concurred in Senate committee substitute.
<b>Comments:</b>	The Association was successful in lobbying for the removal of the provision regarding payment of interest in the Senate, and the House unanimously concurred with the Senate's version June 12.
<b>Bill:</b>	SB1290
<b>Sponsors:</b>	Snow (D50)
<b>Title:</b>	ALCOHOL MONITORING SYSTEMS FOR DWI OFFENDERS
<b>Status:</b>	06/13/2007 – Reported by House committee
<b>History:</b>	06/13/2007—H Reported favorably by committee substitute. 06/13/2007—H Calendared pursuant to House Rule 36(b). 06/13/2007—H Placed On Calendar For 6/14/2007.
<b>Scheduled:</b>	06/14/2007—House Calendar, 1:00 p.m., House Chamber
<b>Comments:</b>	This bill allows judges to require persons convicted of an alcohol-related driving offense to remain alcohol-free for at least 30 but no more than 60 days as part of their probation. The defendant is responsible for paying for the "continuous alcohol monitoring system" needed to verify that they have abstained from alcohol. However, if a defendant can't pay for the monitoring system, "the court shall not impose the use of a continuous alcohol monitoring system unless the local governmental entity responsible for the incarceration of the defendant in the local confinement facility agrees to pay the costs of the system." This gives counties the option of paying for the monitoring system or incarcerating the defendant. This bill has already passed the Senate and is expected to pass the House.

– NCACC Legislative Team