



Bulletin #07-24

Thursday, July 5, 2007

THIS MESSAGE REMAINS LOUD AND CLEAR: MEDICAID RELIEF MUST MOVE FORWARD

County Medicaid relief efforts are at a critical stage now, as the House and Senate try to reach a specific plan of agreement that addresses the needs of all counties. The Association has asked county officials to make personal contact with their state senators and representatives over the Fourth of July break to reiterate the essential need for Medicaid relief this session. The Senate, the House and the governor have all committed to resolving this Medicaid crisis. County officials cannot allow those commitments to waiver at this crucial juncture.

GROWTH IN MEDICAID, POPULATION REARS ITS HEAD IN PROPERTY TAX RATES

As counties anxiously awaited word on a Medicaid relief plan in late June, many were forced to adopt budgets with a property tax increase in light of county Medicaid costs that are expected to grow to \$517 million statewide in 2007-08 and infrastructure demands caused by the state's influx of new citizens. According to the Association's annual survey of county property tax rates, at least 48 counties raised property taxes for 2007-08, the largest number of counties with an increase in a single year in at least five years. These counties represent nearly 6 million of the state's projected 8.86 million-plus residents. Three counties – Greene, Martin and Sampson – adopted interim budgets while awaiting the state budget. For a county-by-county listing of 2007-08 property tax rates, visit www.ncacc.org/taxrates08.html.

TRY TO DO MORE WITH LESS

Despite a growing burden on county property tax revenues, a number of proposals that could narrow the county property tax base are likely to be considered beginning next week. So far, just one property tax relief bill has moved from committee: **H1499**, "Increase Homestead Income Limit to 25K," which currently resides in Senate Finance. The Association was amenable to H1499 moving through the House as a reasonable response to rapidly appreciating real estate values on the coast and in the mountains. There are more than 20 other property tax relief bills currently in committee. Other than the passage of a study bill, the Association remains steadfastly opposed to any further intrusions on the property tax base.

SOLID WASTE BILL SHOWING ITS MIGHT

A bill that would significantly increase the cost of operating a solid waste facility and ultimately spike the overall price to dispose of solid waste for North Carolina consumers and businesses could be heard in the Senate Agriculture/Environment/Natural Resources Committee on Tuesday. **S1492** is the General Assembly's response to the existing moratorium on the siting of landfills that is set to expire Aug. 1. A large working group has struggled to develop a consensus piece of legislation. County concerns are numerous and remain in negotiation. Several points of concern stand as follows:

- Counties may continue to meet financial responsibility requirements by means of the local government test or capital reserve fund requirement.
- Environmental compliance review will no longer include managers or elected officials.
- Double liners will be required for municipal solid waste landfills.
- Alternative liner systems may be permissible for construction and demolition landfills.
- Landfill area and volume restrictions have been expanded.
- State-level review of multi-jurisdictional landfills has been removed and will likely be converted to a study.
- New landfill design standards will apply only to future permits.
- Immunity exists for counties for assessment and remediation costs for pre-1983 landfills.

- The solid waste tipping tax is \$2.50 per ton: \$1.05 for assessment and remediation of pre-1983 landfills; \$1.05 for local recycling program grants; and 40 cents for litter prevention.

Of primary concern to the Association is the proposed tipping tax, as well as the nature, extent and applicability of the landfill design standards.

PARITY OFFERS HOPE IN PAYING FOR TREATMENT OF MENTAL ILLNESSES

A long-awaited mental health “parity” bill is closer than ever to being enacted. [H973](#) would require insurers to treat certain mental illnesses the same as physical illnesses for purposes of insurance coverage. The bill has now passed the House and Senate, although there are some differences between the two chambers’ versions, mainly in terms of applicability. The House version exempts employers of less than 25 employees; the Senate version removes this exemption. The House version applies to a wider range of mental illnesses than does the Senate version. The Senate version also allows group health plans to apply certain limits to coverage for those mental illnesses not specifically granted parity, as long as limits are also applied to certain physical illnesses or injuries. In such a case, the limits (duration of treatment, co-pays, deductibles, etc.) between the physical and mental illnesses can differ. Neither version extends parity requirements to substance abuse-related mental illnesses.

The Senate Health Care Committee completed its modifications to the bill last week, and the full Senate gave its approval July 3. The NCACC supports passage of this legislation and has offered its support to a multitude of advocacy groups that have fought long and hard to achieve equal treatment for those suffering from mental illnesses. At the present time, it is uncertain whether the House will concur in the Senate amendments or ask for appointment of conferees to resolve their differences. No votes will be taken by the Legislature today, so it will be early next week before we know how the bill will proceed. However, it appears virtually certain that some form of mental health parity legislation will be enacted this session.

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 for updates on key legislation, including the bill listed below.

Bill: [H1583](#)

Sponsors: Coates (D77); Goforth (D115); Brown, L. (R73); Blue (D33)

Title: RESTORE CONTRACT RIGHTS TO STATE/LOCAL ENTITIES

Comments: This bill would eliminate the prohibition on collective bargaining for state and local governmental employees that has been in effect since 1959. The bill was thought to be dead for this session – the crossover deadline has passed and the bill was not scheduled to be heard in the House Judiciary II Committee – but it was amended to include a monetary component and passed out of committee to be referred to House Appropriations. The Association remains opposed to the bill.

– NCACC Legislative Team