



Bulletin #07-28

Thursday, August 2, 2007

SOLID WASTE LEGISLATION PALATABLE TO COUNTIES

The Association has accepted the solid waste legislation package that consists of **S1492** and its companion "patch" bill **S6** for the counties. At the end of a session-long negotiation on solid waste facilities and the potential extension of the landfill moratorium, county interests are protected in **S1492**. For a number of reasons, this package serves the interests of counties:

1. All new environmental and landfill site design standards do not apply to vertical and horizontal expansions, amendments or modifications of landfills permitted on or before June 1, 2006.
2. All new environmental and landfill site design standards do not apply to permits to operate a new landfill if the construction permit was issued on or before June 1, 2006.
3. All new environmental and landfill site design standards do not apply to permits to construct a new landfill that was permitted on or before June 1, 2006.
4. A state-led clean up of pre-1983 landfills is established, with the state assuming potential liability from county governments effective immediately upon passage of the legislation. The immunity granted to county governments applies to cost recovery related to assessment and remedial action on pre-1983 landfills, unless the county fails to cooperate with the assessment and implementation of control and mitigation measures on the site.
5. 37.5 cents per ton is returned on a per capita basis to counties to assist in the provision of solid waste services – note this is not a grant, but revenue sharing.
6. The authority of counties to charge availability fees is clarified.
7. Additional grant money is provided for waste reduction programs to the Solid Waste Management Trust Fund.
8. Options are provided for counties on the development of construction and demolition landfills.
9. The double-liner requirement is eliminated for new municipal solid waste landfills.
10. A fair playing field is maintained as to the permitting of new landfills by preventing the creation of new game lands simply to stop the siting of a landfill.
11. Funding is provided for DENR to improve the application review process, with reasonable timeframes for application determinations.

Overall, the Association assessment is that there is more positive than negative for the counties in this legislation. The bill was still being debated in the House as this edition of the Bulletin was sent out

PERMANENT AND COMPLETE COUNTY MEDICAID RELIEF IS SIGNED INTO LAW!

When Gov. Mike Easley signed the 2007 budget into law Tuesday, it set in motion the end of county financial participation in Medicaid. Easley emphasized that the "budget not only sets priorities for people, but sets priorities for counties." The relief package "helps the poorest counties by taking away the Medicaid burden, truly building one North Carolina. Low-wealth counties can get out of poverty and invest in themselves. And, with additional revenue authority, property taxes will not continue to rise." Easley went on to congratulate legislative leadership, noting that Medicaid relief and additional local authority were accomplished with "grit and determination."

The budget provides for a three-year phaseout of county Medicaid expenses in exchange for a gradual assumption of a half-cent local sales tax. In the first year alone, counties will enjoy more than \$86 million in Medicaid relief, with \$19 million in additional state aid to guarantee that all counties receive at least \$500,000 in benefits under the plan. To help offset some of these new state costs in the first year, the General Assembly is withholding roughly 50 percent of the Public School Building Capital Fund (ADM Fund) for 2007-08 only. Counties will make up the difference through their Medicaid savings and hold harmless payments.

When fully implemented in 2010-11, counties will be relieved of \$671 million in Medicaid costs by foregoing \$410 million in revenues. Any county in which the sales tax revenue stream exceeds its Medicaid expense would be held harmless in perpetuity based on actual Medicaid expenses and actual foregone revenues, with a guaranteed benefit of at least \$500,000, providing an additional \$42 million in state funding to counties. Counties would hold cities harmless – \$153 million in 2010-11, with growth included in their hold harmless payments mirroring the remaining local sales taxes.

The General Assembly and the Governor's Office also recognized the need for additional revenue authority for counties to meet their growing infrastructure demands for schools, courthouses, jails and other critical capital investments. To manage the expected influx of newcomers and to renovate and restore existing infrastructure, the budget includes authority for counties to levy either a 0.4 percent land transfer tax, estimated to generate \$310 million annually, or a quarter-cent sales tax, estimated to generate \$250 million annually, subject to voter referendum. The NCACC is researching the how-tos of election requirements and will report back to its membership.

The 2007 legislative session is truly a banner year for counties! In one fell swoop, the three priority goals adopted by our membership in January – permanent Medicaid relief, additional infrastructure funding, and additional revenue authority – were made available to all 100 counties. Please be sure to thank your legislators and Gov. Easley.

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 bills listed below.

Bill: HB1499

Sponsors: Holliman (D81); Martin (D34); Warren, R. (D88); Braxton (D10)

Title: PROPERTY TAX AND PUV CHANGES AND STUDIES

History: 08/02/2007 – H House concurred in Senate committee substitute.

Comments: This bill has been amended to not only include an increase in the income threshold to qualify for the Homestead Exemption from \$19,000 to \$25,000, but also to institute a circuit breaker property tax exemption for qualifying individuals and to expand the present-use value system to include some non-agricultural lands. This bill could have drastic repercussions on the county property tax base.

Bill: SB831

Sponsors: Hoyle (D43)

Title: WIRELESS TELECOMMUNICATIONS FACILITIES

History: 08/01/2007 – S Senate concurred in House amendment(s) 1.

Comments: This bill was drastically altered after local governments expressed concern over the impact the original legislation would have on existing land-use regulations. Proponents of the bill wanted to limit how much control local governments could exert over the placement of new towers and put a cap on consultant fees. The approved bill did not contain the provisions that the industry wanted.

– NCACC Legislative Team