



Bulletin #08-01

Thursday, May 15, 2008

BILL INTRODUCED TO REPEAL COUNTIES' LAND TRANSFER TAX AUTHORITY

A bill was introduced Wednesday to repeal counties' authority to levy a land transfer tax. The language of the bill ([H2097](#)) refers to counties' ability to levy a "one-fourth cent local land transfer tax." The General Assembly granted to counties last year the authority to levy either a quarter-cent sales tax or a land transfer tax of up to 0.4 percent. The bill was referred to the Committee on Rules, Calendar, and Operations of the House. Clay County (June) and Polk County (November) have already scheduled future referendums on the land transfer tax.

GOVERNOR'S BUDGET RESTORES COUNTY JCPC AND CJPP FUNDING

After favorable continuation reviews, the Governor's budget proposes to restore recurring funding for the Juvenile Crime Prevention Program and the Criminal Justice Partnership Program. His proposal includes \$22.7 million for JCPC and \$9.2 million for CJPP in 2008-09, and also makes those items recurring. These programs had been given non-recurring funds in 2007-08 and were subject to a review that would determine whether or not they would be continued.

The joint appropriations subcommittees are tasked to report their recommendations for funding to the appropriations chairs by May 22 with House action on the budget by June 1. Former Legislative Budget Analyst Dave Crotts told the Association's Board of Directors on May 14 that he believes the General Assembly may be finished with the budget by July 1.

MENTAL HEALTH OVERSIGHT COMMITTEE MAKES RECOMMENDATIONS

Sen. Martin Nesbitt (Buncombe) introduced a bill Wednesday ([S1610](#)) to implement changes to the mental health system as recommended by the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services. Among the bill's recommendations are nearly \$60 million in new spending and greater service oversight for LMEs. The recommendations include \$6 million to "support LMEs in establishing" local substance abuse programs and \$30 million to "expand the Hospital Utilization Pilot Program statewide in a manner that maintains local control of funds and bed allocations." In addition, the bill would return the service authorization, utilization review and utilization management functions to LMEs on July 1, 2009, and would prohibit DHHS from forcing any LMEs to merge prior to Jan. 1, 2010, except for LMEs that do not meet the existing catchment area requirements. Instead, the Legislature is asking the DHHS Secretary to develop a "detailed plan for General Assembly review" on any recommendations to "merge, consolidate, or establish regional arrangements or consortia of LMEs." Rep. Verla Insko (Orange) appeared before the NCACC's Board of Directors during its May 14 meeting and said the General Assembly was in line with recommendations to continue funding for the state psychiatric hospitals and also to increase resources for crisis services. "We are completely on board with what the secretary wants to do, and most of the money that we will put into the system this year will probably go into those two functions," she said.

ANNEXATION COMMITTEE EXPECTED TO RECOMMEND MORATORIUM

The House Select Committee on Municipal Annexation will possibly recommend a moratorium on involuntary and voluntary satellite municipal annexations (including those already in process), as well as a

legislative study, for consideration during the 2008 General Assembly Short Session at its next meeting on Monday, May 19. At its May 14 meeting, the NCACC Board of Directors approved a position supporting a moratorium on the initiation of involuntary municipal annexations, as well as a legislative study to inform the 2009 General Assembly on a range of issues regarding annexation.

COMMITTEE DECIDES AGAINST REDIRECTING SECONDARY ROAD MONEY

The 21st Century Transportation Committee finalized its recommendations for the session May 13. Highlights include ending the Highway Trust Fund transfer and using the proceeds to provide funding for a proposed transportation bond (\$800 million to \$1.8 billion) and gap funding for toll roads. The proposal to redirect approximately half of the secondary road construction funding (\$81 million) for debt service on the proposed transportation bond was removed from the final package – after lobbying by county commissioners from all corners of the state. It is unclear what the General Assembly will do on transportation finance during the current session, and county officials should remind their legislators that funding the construction and maintenance of the state's secondary road network is the state's responsibility. Please thank the legislative members of the 21st Century Transportation Committee for removing the secondary road funding transfer from the final package.

LOCAL BILL DEADLINES ESTABLISHED

The House and Senate have established deadlines for local bills. Local bills must be submitted to the Bill Drafting Division of the Legislative Services Office by 4 p.m. on Wednesday, May 21, and must be introduced in the House of Representatives or filed for introduction in the Senate by 4 p.m. on Wednesday, May 28. The principal sponsor must submit a signed certificate that states that no member will require or ask for a public hearing, that the bill is noncontroversial and that each House and Senate member whose district includes the area to which the bill applies has approved the bill.

Bills of Interest

Bill: HB2090
Sponsors: Crawford (D32); Jeffus (D59); Farmer-Butterfield (D24)
Title: FUNDS FOR PUBLIC LIBRARIES
Summary: An Act to Appropriate Funds to the State's Public Library Systems for Public Library Collections.
Status: 05/14/2008 – House Committee On Appropriations
Comments: This bill would appropriate \$5 million to all library systems eligible to receive funds from the Aid to Public Library Fund. These additional funds would be used for public library collections. Each library system would receive a base grant of \$10,000, with the remaining funds distributed to all eligible systems based on the population of the library system's service area.

Bill: HB2112
Sponsors: Allred (R64)
Title: HOMESTEAD EXEMPTION/\$30K/REIMBURSEMENT
Summary: An Act to Increase the Income Eligibility Limit for the Homestead Exclusion to Thirty Thousand Dollars and to Repeal Changes to the Definition of Income for Purposes of the Homestead Exclusion.
Status: 05/14/2008 – Filed in the House
Comments: This bill would increase the income limit to qualify for the Homestead Exclusion from \$25,000 to \$30,000 effective July 1, 2009, and would repeal a change that is to take effect this year regarding how the income is determined. Effective July 1, 2008, people who wish to qualify for the Homestead Exclusion must take into account all their income. The bill seeks to change back to a system where the adjusted gross income from the federal tax return is used instead.

– NCACC Legislative Team