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Legislative Bulletin #08-02

Thursday, May 29, 2008

HOUSE BUDGET TAKING SHAPE

The House appropriations subcommittees rolled out their recommendations for expansion items and budget cuts May 29, with plans for a complete budget proposal to be assembled over the weekend for full appropriations committee and floor action next week. Those reports we reviewed contained few surprises but much welcome relief for county-based services. Monies for the Juvenile Crime Prevention Councils and Criminal Justice Partnership Programs were restored as recurring items, and \$41 million was made available for additional mental health services in local communities. These include additional mobile crisis intervention teams, walk-in crisis and psychiatric services, local psychiatric hospital beds, developmental disabilities and enhanced substance abuse services. Special provisions retain and expand LME oversight of local services.

While funds were made available for the proposed changes in the foster care system – direct payment and a standard board rate increase – a special provision was added to hold counties harmless for their 50 percent match for any placements as of Jan. 1, 2009. The hold harmless provision continues through the life of the placement.

County ADM funds appeared to be left intact in the education subcommittee's recommendations, while a special provision would use lottery reserve funds to provide all counties the same school capital lottery ADM allocation, including those whose effective tax rates are below the statewide average.

\$50 million would be made available for local government water and sewer grants through the Rural Center, along with \$10 million for the Rural Center's Economic Infrastructure Fund.

The budget proposals did not include any recommendations on salary increases for state employees and teachers, a budget item left to the "big chairs" and House leadership. Indications are that there will be more parity between teachers and state employees than what was proposed by Gov. Mike Easley.

Legislative Bulletin #08-04 will include more information following the release of the complete House proposal is released.

STORMWATER NEGOTIATIONS CONTINUE

Two bills have been introduced, [S1967](#) (Sen. Boseman) and [H2138](#) (Rep. Gibson), that would prevent proposed coastal stormwater rules approved by the Environmental Management Commission and the Rules Review Commission from taking effect. If the General Assembly does not pass a bill to disapprove the rules during the Short Session, the rules will become effective. The proposed rules will greatly impact the extent of stormwater control required on virtually every development project in the 20 coastal counties covered under the Coastal Area Management Act by increasing costs and restricting how property owners can utilize their land. The Association has requested more time to examine the issues involved by passing a study bill this session, and a stakeholder negotiation process is under way.

BILLS EMERGE TO DERAIL COMBINED VEHICLE REGISTRATION/TAX PROGRAM

H2706 (Reps. Cole and Allred) and **S2078** (Sen. Jenkins) would repeal the combined motor vehicle registration and property tax collection system promoted by counties over the past four years and enacted into law in 2005. North Carolina is one of the few states where property taxes on automobiles are not collected when the vehicle's registration is renewed. As a result, property tax collections on automobiles in North Carolina are very low. A combined system would generate an additional \$80 million in local government revenues, increase efficiency through the use of technology, and greatly reduce collection costs. The Association opposes the bills, which have been referred to their respective committees on finance.

ATWATER FILES BILL TO REPEAL COURTHOUSE PHONE SYSTEM COST SHIFT

S2092 was filed this week by Sen. Bob Atwater (Chatham) and would repeal the requirement that counties provide telephone equipment and infrastructure for court facilities. The bill becomes effective June 30, 2008. Section 14.16 of S.L. 2007 323, the 2007 state budget, mandated that counties begin paying all costs for court telephones and related infrastructure beginning on July 1 of this year. The House Justice and Public Safety Appropriations Subcommittee discussed the mandated cost shift of \$3.6 million in costs Thursday but was unable to find the funds within its allotted revenues to restore the funds previously removed from the budget of the Administrative Office of the Courts to pay these costs. Numerous members of the House JPS Appropriations Subcommittee expressed concern about the cost shift to counties, but no action was taken to restore funding to AoC to pay the costs. Counties are urged to contact their House members and argue that this is a significant unfunded mandate that is just one more step toward eroding the help they gave us with Medicaid relief last year.

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: **H2778**

Sponsors: Allred (R64); Bordsen (D63); Ray (R95)

Title: LOCAL PARKS AND REC PARTICIPANT RECORDS

Summary: An Act to Limit Access to Identifying Information of Minor Participants in Park and Recreation Programs of Certain Local Governments in Alamance County and the Town of Mooresville.

Status: 05/29/2008 – House Committee On Judiciary I

Comments: This bill would protect private information on minors who are participating in sports leagues or other programs offered through local government parks and recreation departments. Currently, this information is considered a public record and must be provided to anyone who requests it. The bill would exempt the minor's name, address, age, date of birth, telephone number, the name or address of that minor participant's parent or legal guardian, or any identifying information on a park or program application to participate in such program, from the public records law. The N.C. Press Association has come out in opposition to this bill. It is currently a local bill that applies only to Alamance County and several municipalities in that county, but other counties and municipalities have expressed an interest in being added to the bill.

Bill: **S1884**

Sponsors: Clodfelter (D37)

Title: INCREASE PER DIEM REIMBURSEMENT TO COUNTIES

Summary: An Act to Increase Reimbursement to Counties for State Inmates Housed in Local Confinement Facilities.

Status: 05/22/2008 – Senate Committee On Appropriations/Base Budget

Position: Support

Comments: If passed, this bill would increase the daily per diem reimbursement for State inmates serving sentences of 30 days or more in local confinement facilities from \$18 per day to \$90 per day. The bill appropriates \$37 million for 2008-09 fiscal year but does not reference future years.

– NCACC Legislative Team