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Legislative Bulletin #08-04

Thursday, June 5, 2008

HOUSE BUDGET INCLUDES MILLIONS FOR LOCAL MENTAL HEALTH SERVICES, EXTRA LOTTERY FUNDS AND SHIFTS COURT PHONE FUNDING BACK TO STATE

The House began debating its budget proposal in earnest Wednesday, and several items of interest to counties were included in the proposal that passed third reading in the House by a 104-10 vote Thursday morning. The House budget was sent to the Senate, which is expected to begin its deliberations next week. The budget remains on a fast track, and it is believed the Senate will act quickly.

The House budget:

- includes more than \$60 million in new mental health funding;
- shifts the courthouse phone funding responsibility back to the state and sets up a study commission to examine how the courthouse phone systems should be funded in the future. The amendment was offered by Rep. Tim Moore (Cleveland). The Administrative Office of the Courts had estimated that shifting the responsibility from the state would have cost counties approximately \$3.6 million in 2008-09. Many House members had been contacted by county officials from around the state and were eager to support overturning the provision. Earlier in the week during a meeting of the Appropriations Subcommittee on Justice and Public Safety, Rep. Joe Kiser (Lincoln) offered an amendment to repeal the provision.
- includes a 3 percent raise for teachers;
- appropriates \$385.5 million for the lottery for 2008-09 and directs an additional \$21.3 million from the lottery reserve fund to counties that do not qualify for the 35 percent pot of the school construction lottery funds designated to counties with an effective tax rate higher than the state average. This is a one-time payment to these counties and is designed so that all counties receive an equal amount of lottery funds distributed on the basis of average daily membership.
- grants a property tax exclusion for honorably discharged veterans who are permanently and totally disabled due to a service-connected issue. The exclusion is \$48,000 or 50 percent of the appraised value of the residence. The cost to local governments is estimated at around \$8.6 million, and the budget includes a hold harmless provision to local governments that is to be paid by May 31 of each year.
- Restores recurring funding of \$9.2 million for the Criminal Justice Partnership Programs (CJPP) and \$22.7 million for the Juvenile Crime Prevention Councils (JCPC) for 2008-09 with an increase of \$1 million for JCPC and \$500,000 for CJPP;
- increases the foster care standard board rate and standardizes the payment system as of Jan. 1, 2009. Under the proposal, counties would become responsible for 50 percent of "the nonfederal share of the cost of care for a child placed by a county department of social services or child placing agency in a family foster home or residential child care facility." Counties would be held harmless for any cost increases for those children who are "in a family foster home or residential child care facility until the child leaves foster care or experiences a placement change" as of the effective date. The current cost-share arrangement differs markedly from county to county and provider to provider.

House Speaker Joe Hackney ruled out of order two amendments that could have proven harmful to counties. One amendment would have repealed the land transfer tax authority granted to counties in the 2007-09 budget. The other would have repealed the combined motor vehicle-property tax collection system that was passed in 2005.

BILL TO MAKE FOUR-YEAR REVAL MANDATORY HEARD IN COMMITTEE

Sen. Dan Clodfelter (Mecklenburg) has introduced a bill that would mandate a four-year revaluation cycle for counties, beginning in 2011. [S1878](#) specifies which counties would reappraise in 2011, 2012, 2013 and 2014 and every four years thereafter. Counties would have the flexibility to revalue more often, but there currently is no escape clause to allow counties to delay the reappraisal. The proposal is also designed to improve the collections of property taxes on manufactured housing. The bill was heard in the Senate Finance Committee this week, and senators raised many questions about the impact the bill would have on counties. Senators also asked about devising a way to give counties the flexibility to opt out of the four-year schedule provided certain conditions existed.

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: [HB2541](#)

Sponsors: Gibson (D69); Allen, L. (D49); Harrison (D57)

Title: DELAY SOLID WASTE TAX EFFECTIVE DATE

Summary: An Act to Delay the Effective Date of the Solid Waste Disposal Tax Imposed by Article 5g of Subchapter I of Chapter 105 of the General Statutes, as Enacted by S.L. 2007-550 and Amended by S.L. 2007-543, from 1 July 2008 to 1 January 2009, as Recommended by the Environmental Review Commission.

Status: 05/26/2008 – House Committee On Finance

Comments: This bill reflects the position of the NCACC Board of Directors to push back implementation of an additional \$2 per ton tipping tax at county landfills and transfer stations from July 1, 2008, to Jan. 1, 2009, in order to work out kinks in the system. If your county is among those experiencing implementation problems, contact the NCACC (Paul Meyer at 919-715-4369 or Anthony Allen at 919-715-1430).

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