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Legislative Bulletin #08-10

Thursday, July 17, 2008

### SESSION WINDING DOWN

All signs point to the General Assembly adjourning the session by Friday. The House is scheduled to convene Friday morning at 9 a.m., and the Senate is also expected to meet on Friday. Sen. Marc Basnight said Thursday on the Senate floor that the two chambers are going to try to finish by noon on Friday. Among the major issues left to be resolved that would impact counties is the drought legislation ([H2499](#)).

### COUNTIES RECEIVE ADDITIONAL METHOD TO FINANCE INFRASTRUCTURE NEEDS

High-growth counties were given new authority to finance infrastructure needs in a bill that passed the House and Senate on Wednesday. [H1770](#) (Future Conveyances/Special Assessments) includes a new Article 9A, "Special Assessments for Critical Infrastructure Needs." This article enables a city or county to finance any of several capital needs – sanitary sewer systems; storm sewers and flood control facilities; water systems; public transportation facilities; school facilities; or streets and sidewalks – through revenue bonds that will be paid by issuing special assessments on the affected properties. To impose a special assessment, the Board of Commissioners must receive a petition for the project to be financed by the assessment signed by at least a majority of the owners of real property to be assessed. Those owners must represent at least 66 percent of the assessed value of all real property to be assessed.

### WILDLIFE MANAGEMENT BILL APPROVED

The House concurred with Senate changes to [H1889](#) (Present-Use Value System Modifications) on Tuesday. The legislation creates a new property tax deferral program for landowners who manage their land for wildlife conservation purposes. Qualifying land must consist of at least 20 contiguous acres and no more than 100 acres and must be owned by the same owner for the previous five years. According to the legislation, "the land must be managed under a written wildlife habitat conservation agreement with the North Carolina Wildlife Resources Commission." The land must "protect an animal species that lives on the land and ... is on a North Carolina protected animal list published by the Commission under G.S. 113-333" or "conserve any of the following priority animal wildlife habitats: longleaf pine forest, early successional habitat, small wetland community, stream and riparian zone, rock outcrop, or bat cave." The legislation does not allow a business entity that is a corporation whose shares are publicly traded or has a member that is a corporation whose shares are publicly traded to qualify for the wildlife conservation benefit. The Association worked with the stakeholders to remove some of the more harmful provisions contained in earlier versions.

### BUILDING MORATORIUM AMENDMENT REMOVED FROM HOUSE BILL

An amendment that would have limited a local government's ability to enact a building moratorium to give the local government time to update or adopt a local ordinance was removed from [H2313](#) (Permitting and Building Code Changes) before the bill passed the House and Senate on Wednesday. The amendment attempted to rewrite G.S. 153A-340(h)(1) and G.S. 160A-381(e)(1) by inserting the sentence: "A county may not adopt an ordinance imposing a development moratorium on the sole basis that an existing ordinance is outdated or in need of amendment or that there is a need for a new ordinance." The Association thanks the many county officials who discussed with their legislators over the weekend the impact the amendment would have had on their county's ability to deal with growth.

## NEW TIPPING TAX BILL PASSES; DELAY NOT INCLUDED

The House and Senate overwhelmingly passed [H2530](#), Solid Waste Tax Changes, on Thursday on second reading. The conference report changes the schedule for counties to remit the tax to a quarterly basis and also allows counties to receive a credit for bad debts in the event that an operator does not pay his account balance. It was estimated by Fiscal Research that the tax would raise approximately \$24.5 million annually, with 37.5 percent of the revenues to be redistributed to local governments. Changing the remittance system to a quarterly basis will reduce overall revenues for 2008-09 by about \$6.1 million because only three quarterly payments will be made during the fiscal year. The conference report also clarifies that local governments that do not operate solid waste programs are not eligible to receive any funds from the tax "unless it is served by a regional solid waste management authority established under Article 22 of Chapter 153A of the General Statutes." The bill is scheduled for third reading on Friday.

## HOUSE, SENATE FINALLY CONCUR ON REAPPRAISAL CHANGES

The House and Senate reached a consensus on changes to a bill that would impact when a county must reappraise its real property. When [S1878](#) (Property Tax Modifications) was passed by the Senate, it required counties to reappraise their property when their sales/assess ratio reached .90 or was above 1.10. The House modified the trigger on the sales/assess ratio to less than .70 or greater than 1.10. The conference report that was taken to the House and Senate on Thursday changed the trigger to when the sales/assess ratio is lower than .85 or greater than 1.15, but only for counties whose population is 75,000 or greater. Counties with a population of less than 75,000 would still be required to perform a revaluation at least once every eight years. The House on Thursday passed the conference report 110-1 on second reading. The Senate passed the report 45-0 on Thursday. It will have to be voted on again in both chambers on Friday.

## 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](http://www.ncacc.org/legislation/about.html) for updates on key legislation, including the bills listed below.

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**Bill:** HB1134**Sponsors:** Tolson (D23); Haire (D119); Justice (R16); Allen, L. (D49)**Title:** CLEANUP OF ABANDONED MANUFACTURED HOMES**Position:** Support**Category:** Legislative Goal**Comments:** This bill provides counties the necessary resources to clean up abandoned manufactured homes by earmarking \$1 million annually from the Solid Waste Management Trust Fund. Reimbursement grants cannot exceed \$1,000 for each unit. Counties who are designated as a development tier one or two area pursuant to G.S. 143B 437.08 may recover up to 50 percent of the costs above \$1,000. Before granting a supplement funding request, the Department of Environment and Natural Resources "shall consider the efficiency and effectiveness of the county program in making the supplemental grant."

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**Bill:** HB2350**Sponsors:** McLawhorn (D9); Bell (D21); Warren, R. (D88); Spear (D2)**Title:** STUDY LEO 25-YEAR RETIREMENT**Comments:** The bill would allow law enforcement officers to retire with full benefits after 25 years of service, unlike other local government employees. The Association has traditionally been opposed to this enhanced benefit for law enforcement personnel. The bill was converted to a study.

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**Bill:** HB2367**Sponsors:** Luebke (D30); Goforth (D115); Steen (R76); Dollar (R36)**Title:** INVOLUNTARY ANNEXATION MORATORIUM**Comments:** The bill passed the House and implements a nine-month suspension on all involuntary annexations, including those in which cities have already taken steps to initiate the process. No action can take place on any annexations during the nine-month period from August 31, 2008, through May 31, 2009. The moratorium includes cities that have already started the annexation process through either a resolution of intent or consideration. The bill was referred to the Senate Rules Committee. The Senate, which was not involved in the legislative study commission that originally recommended the moratorium, does not appear willing to tackle the issue this session. The NCACC Board of Directors supports a moratorium on new involuntary

annexations and the formation of a study committee to further examine the issue of annexations and the impact on citizens and local governments.

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**Bill:** [SB212](#)

**Sponsors:** Kinnaird (D23)

**Title:** LOCAL PARK AND REC PARTICIPANT RECORDS

**Comments:** This bill exempts certain identifying records for juveniles who are participating in local government sponsored recreation leagues from the public records laws. It passed both the House and Senate.

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**Bill:** [SB845](#)

**Sponsors:** Albertson (D10)

**Title:** AMEND ENV. LAWS/ENV. TECH. CORRECTIONS 2008

**Comments:** This environmental technical corrections bill adds a section requiring counties to test for the following chemicals when inspecting a well: "methyl tert-butyl ether, ethylene dibromide, 1,2-dichloroethane, 1,2-dichloropropane, isopropyl ether, benzene, toluene, ethylbenzene, xylenes, trichloroethylene, and tetrachloroethylene." This could drive up the cost for conducting an inspection by as much as \$200. It was debated in the Senate on Thursday, July 17, and its chances of passing this session are unclear.

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**Bill:** [SB1271](#)

**Sponsors:** Snow (D50)

**Title:** FIREFIGHTER/EMS PAYROLL DEDUCTIONS

**Comments:** This bill remains in the House Local Government II committee, but its chances of movement this session remain slim. The bill passed the Senate largely along party lines in 2007. It first came up in the House Local Government II Committee on Wednesday, June 18, but failed to receive a favorable report. The bill would require counties to deduct union dues for certain personnel if requested. The bill originally targeted firefighters, EMS workers and police officers, but the scope of the bill was expanded in committee to include any employee organization with at least 2,000 members statewide, at least 500 of whom are law enforcement officers. The bill is part of a larger unionization effort being led by the State Employees Association of North Carolina.

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**Bill:** [SB1704](#)

**Sponsors:** Hartsell (R36)

**Title:** REV LAWS TECH., CLARIFYING, & ADMIN CHANGES

**Position:** Support

**Comments:** This bill continues advancing the combined motor vehicle registration/property tax collection system that was passed in 2005. It also contained a technical correction to the Medicaid/sales tax swap from last session. It was passed by the House and Senate

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**Bill:** [SB1951](#)

**Sponsors:** Hoyle (D43)

**Title:** REPEAL COUNTY LAND TRANSFER TAX

**Position:** Oppose

**Comments:** This bill was approved by the Senate on June 19. It repeals the 0.4 percent land transfer tax authority that was given to counties last year as part of the Medicaid deal in the state budget. The bill was referred to the House Committee on Rules, Calendar and Operations, where it has remained. Speaker of the House Joe Hackney (Chatham) is committed to preserving the option for counties.

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**Bill:** [SB2056](#)

**Sponsors:** McKissick (D20)

**Title:** COURT FEE EXEMPTION

**Position:** Support

**Comments:** This bill passed the House on third reading 113-1 on Thursday and will be sent to Gov. Mike Easley. The bill repeals a special provision included in the 2007-09 budget passed last session that forces counties to pay various court fees up front. The provision went into effect July 1 and particularly affects child support services personnel, who sometimes in the interest of an abused child, for example, require a court action late in the night and do not have funds in hand.

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**Bill:** [SB2064](#)

**Sponsors:** Hoyle (D43)

**Title:** OPEN GOVERNMENT ACT

**Comments:** The bill would require local governments to pay "reasonable" attorneys' fees for the opposition if a local government is sued because it refused to grant a public records request and ordered to turn over the public records. It creates a Department of Justice "Open Government Unit" that would mediate public record and open government disputes. The bill was passed by the Senate on Monday, but it does not appear that it will be given a hearing in the House this session.

**– NCACC Legislative Team**