



Bulletin #09-01

Thursday, January 29, 2009

FOOD FOR THOUGHT

In September 2007, the state's economy was listed as the top state issue by 19 percent of respondents in a poll conducted by Public Policy Polling, a Raleigh-based pollster. The same firm recently released its January 2009 poll, and the economy was ranked No. 1 by 64 percent of respondents.

GENERAL ASSEMBLY CONVENES

The General Assembly convened for its long session Wednesday, Jan. 28. As expected, Sen. Marc Basnight was re-elected as Senate president pro tempore. He will serve his ninth term as the leader of the Senate. Rep. Joe Hackney was re-elected as the Speaker of the House for a second term. Three of the newly elected House members are former county commissioners. Pearl Burris-Floyd of Gaston County, David Guice of Transylvania County and Efton Sager of Wayne County.

The Association urges all county officials to become actively involved in helping counties achieve the 40 legislative goals that were approved by the membership during the Legislative Goals Conference by meeting with your legislators on a regular basis. If you need any background information for your meetings, or you would like information about a specific bill, please do not hesitate to call on your Association staff. We have also created a special section on our Web site to track bills of interest to county officials. Please visit this site frequently for updates on key legislation:

www.ncacc.org/legislation/about.html

BUDGET WOES TO DOMINATE SESSION

Money, or lack thereof, was the buzzword in both the Senate and House chambers during opening session ceremonies on Wednesday. In comments made following re-election to their respective leadership positions, Senate President Pro Tem Marc Basnight and House Speaker Joe Hackney both referenced the enormous challenges facing the state, which is facing its worst financial crisis in years. With state revenues down 6.6 percent through the first six months of 2008-09, and sales tax collections down 8 percent in the second quarter, the oft-touted April surprise will be unpleasant at best, if history is any indicator. According to Fiscal Research, the state's 2001-02 year-to-date shortfall doubled in April 2002. All told, the state could be looking at a \$2 billion gap in 2008-09 revenue collections, or 10 percent of the state's general fund budget, with an additional \$300 million needed to shore up the State Health Plan.

In one of her first official duties, Governor Bev Perdue issued Executive Order 6, which directed state agency 2008-09 allocations be reduced by seven percent (less for education and human services), greatly curtailed travel and purchase orders, placed on hold all pay-go capital projects, and froze vacant positions. These expenditure reductions, expected federal largess from the economic stimulus package, and tapping the rainy day fund should manage this year's shortfalls, but ...

With more bad news in store for 2009-10, including projected budget deficits nearing \$3 billion, or 15 percent of the state's general fund budget, Senate and House leadership acknowledge that difficult and painful choices lie ahead of budget negotiators. The Senate initiates the legislature's budget cycle this biennium. Governor Perdue has ordered her executive agencies to provide recommended cuts of up to 7 percent for 2009-2010 in anticipation of the \$3 billion revenue shortfall. NCACC staff will be meeting with the governor's staff to review reductions to date and those offered up via departmental recommendations. Early indications suggest a gubernatorial budget request to be released in mid-March.

LOCAL BILL DEADLINES SET

The House and Senate have set their deadlines for local bills. For the House, local bills must be submitted to the bill drafting division by 4 p.m. on Wednesday, March 18. The bill must be filed in the House by 3 p.m. on Wednesday,

April 1. For the Senate, local bills must be in bill drafting by 3 p.m. on Tuesday, March 3, and must be filed in the Senate by 3 p.m. on Wednesday, March 11.

While the Association does not advocate on behalf of local legislation, we know how important these bills are. We can provide information for you on the status of any local bills in which you have an interest on an informal basis. Let us know if we can help you in this way.

NCACC LEGISLATIVE BULLETIN SCHEDULE

The Legislative Bulletin will be communicated either electronically or in hard copy format to county officials, legislators and other interested recipients every Thursday during the Legislative Session. Additionally, as events warrant, the Association sends e-mail alerts to the Legislative Bulletin e-mail list.

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: HB2

Sponsors: Weiss (D35); Holliman (D81); Barnhart (R82); Glazier (D45)

Title: PROHIBIT SMOKING IN PUBLIC & WORK PLACES

Status: 01/29/2009 – House Committee On Rules, Calendar, and Operations of the House

Scheduled: 01/29/2009 – House Calendar, 11:00 a.m., House Chamber

Comments: House Bill 2 would amend Article 23, Chapter 130A to prohibit smoking in all public places and places of employment, defined as those enclosed spaces that invite or permit the public or that employees use. H2 would also authorize local governments to adopt local laws governing smoking that are more restrictive than state law. Local health departments must enforce the article's provisions and rules to implement the article. Local health directors would be authorized to impose certain administrative penalties on owners, managers, or operators of public places and places of employment who violate the Article's provisions, but these violations are not punishable as criminal violations.

Bill: HB3

Sponsors: Allred (R64); McCormick (R92)

Title: DISAPPROVE JORDAN LAKE RULES

Status: 01/29/2009 – House Committee On Rules, Calendar, and Operations of the House

Scheduled: 01/29/2009 – House Calendar, 11:00 a.m., House Chamber

Position: Support

Category: Legislative Goal

Bill: SB2

Sponsors: Snow (D50)

Title: LOTTERY SCHOOL CAPITAL FUND FORMULA

Status: 01/29/2009 – Senate Committee On Appropriations/Base Budget

Scheduled: 01/29/2009 – Senate Calendar, 11:00 a.m., Senate Chamber

Comments: This bill would distribute all the lottery proceeds designated to counties for school construction on an ADM basis. It would also allow a county to retire indebtedness for "school construction projects incurred on or after Jan. 1, 2000." Current law sets the date for Jan. 1, 2003.

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