



Bulletin #09-05

Thursday, February 26, 2009

## LOCAL FUNDS DIVERTED TO STATE BUDGET

The State's budget problems have made their way to the county level. On Wednesday, without any forewarning, the state diverted nearly \$300 million of state and local funds to help the state through what is being called a temporary cash-flow problem. The state took \$50 million from the lottery reserve – the entire amount in the reserve – \$50 million from the Public School Textbook Fund, \$100 million from the Clean Water Management Trust Fund (CWMTF) and \$100 million from the ADM Fund, including the \$43.3 million of quarterly payments from the lottery and corporate income taxes that were scheduled to be distributed to the Public School Building Capital Fund this week. School districts were informed of the action via an e-mail from the Department of Public Instruction that contained the following language: "We do need to let you know that a reduction has been made to your capital funds. The latest quarterly distribution for lottery capital funds and ADM capital funds will be redirected to help address the budget shortfall. These funds have not been (nor will be) allocated to local school districts."

There was \$316 million in the ADM and school construction lottery funds prior to the state action, and \$251 million in the Clean Water Management Trust Fund. The CWMTF makes grants to local governments, state agencies and conservation non-profits for projects that address water pollution. Local governments are reimbursed for their expenses from the CWMTF, meaning that current projects being funded could be in danger of not receiving reimbursements.

## WELL-TESTING BILL PASSES SENATE

The Senate on Monday passed [S141](#) (Limit Well Water Testing for VOC's) and sent it to the House of Representatives. This bill removes the mandate that county health departments test for a series of man-made chemicals in all new private wells and instead allows the Health Department to determine if the additional tests are necessary. The act becomes effective Oct. 1. The bill passed first reading in the House on Tuesday and has been referred to the House Committee on Environment and Natural Resources. The bill would accomplish an NCACC legislative goal.

## ANIMAL EUTHANASIA BILL HEARD IN COMMITTEE

[H27](#) (Regulate Euthanasia Of Animals) was heard by the House Agriculture Committee on Wednesday, but no action was taken. The bill, sponsored by Rep. Cullie Tarleton (Watauga) would ban counties from using carbon monoxide gas to euthanize dogs and cats, but would allow it for wild animals. Committee chair Rep. Dewey Hill (Columbus) said the committee will discuss [H6](#) (Davie's Law/Humane Euthanasia in Shelters) next week before the committee will vote on either proposal. [H6](#), sponsored by Rep. Cary Allred (Alamance) would ban entirely the use of carbon monoxide and would require counties to destroy their gas chambers. Counties remain concerned about the cost of implementation and the safety of animal control workers who could be exposed to dangerous animals while attempting to inject them with a lethal sedative.

## SALES TAX EXEMPTIONS SOUGHT FOR SCHOOLS, COMMUNITY COLLEGES

Several bills have been filed to restore the sales tax refund to public school systems and to extend the refund to community colleges. [H228](#) (Community College Sales Tax Refund), sponsored by Rep. Joe Tolson (Edgecombe), and [S313](#) (Community College Sales Tax Refund), sponsored by Sen. A.B. Swindell (Nash), would extend the sales tax refund to community colleges. [H299](#) (Reinstate LEA Sales Tax Refund), sponsored by Rep. John Blust (Guilford), and [S312](#) (LEA Sales Tax Refund), also sponsored by Sen. Swindell, would restore the sales tax refund eligibility to public school systems. Counties adopted a legislative goal to grant the refund to public school systems during the Legislative Goals Conference in January. The Joint Legislative Education Oversight Committee recommended making community colleges and public schools eligible for the refund.

## BILL TO INCLUDE LOCAL OFFICIALS IN ETHICS ACT FILED

Local elected and appointed officials would be covered by the state Ethics Act under a bill filed Tuesday. [H287](#) (Extend Ethics Law To City/County Officials), sponsored by Rep. Cary Allred (Alamance) and Rep. Bill McGee (Forsyth) would subject county commissioners and the county manager, clerk, attorney and finance officer to the state ethics act. The law would become effective Jan. 1, 2010.

## EMERGENCY MANAGEMENT COMMITTEE FILES SERIES OF BILLS

A series of recommendations from the Joint Select Committee on Emergency Preparedness and Disaster Management Recovery showed up as Senate bills this week, all sponsored by Sen. John Snow (Cherokee). [S252](#) (Strengthen Local Emergency Management) makes several changes to the state's emergency management general statutes affecting counties. It requires the Division of Emergency Management to review local emergency management plans at least biannually to ensure compliance with state and federal standards. It also allows counties to form joint emergency management agencies with other counties. [S254](#) (Allows Mutual Aid Between State & Local Gov) authorizes the governor to enter into mutual aid agreements with local governments. It also requires local governments that enter into mutual aid agreements with local governments in another state to ensure that the agreement is consistent with the state's Emergency Management program. [S255](#) (Authorize Emergency Mgmt. Certification Prog) authorizes the Division of Emergency Management to establish a voluntary Emergency Management Certification Program for emergency management personnel. The bill establishes the Emergency Management Training and Standards Advisory Board "to provide oversight of training and certification programs established pursuant to this Article." [S256](#) (Clarify Local Government Evacuation Authority) would give cities and counties more authority when ordering an evacuation in certain emergencies, including the ability to "control ingress and egress of a disaster area, the movement of persons within the area, and the occupancy of premises therein." [S258](#) (Authorize Voluntary Medical Registry Program) asks the state emergency management program to establish a model registry for use by cities and counties to identify medically fragile persons who would be in need of special assistance during an emergency or disaster. Any health information obtained would be considered confidential and would not be covered under public information statutes. It authorizes cities and counties to coordinate the voluntary registration of functionally and medically fragile persons.

## 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: HB269**

**Sponsors:** Gulley (R103); Hilton (R96); Cleveland (R14); Burr (R67)

**Title:** CONCEALED HANDGUN PERMIT VALID IN PARKS

**Status:** 02/24/2009 – House Committee On Judiciary III

**Comments:** Preempts local authority to adopt an ordinance prohibiting individuals from carrying concealed handguns into parks.

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**Bill: HB275**

**Sponsors:** Justus (R117); Mobley (D5); Randleman (R94)

**Title:** SEX OFFENDERS CAN'T BE EMS PERSONNEL

**Status:** 02/25/2009 – House Committee On Judiciary I

**Comments:** Prohibits an individual who is required to register as a sex offender under Article 27A of Chapter 14 of the General Statutes from receiving emergency medical services training or renewing certification.

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**Bill: HB311**

**Sponsors:** Wainwright (D12); Yongue (D46); Johnson (R83); Glazier (D45)

**Title:** CONTINUE SCHOOL CONSTRUCTION FUNDING

**Status:** 02/25/2009 – Filed in the House

**Scheduled:** 02/26/2009 – House Calendar, 1:00 p.m., House Chamber

**Comments:** This bill eliminates the sunset on the earmarks for public school capital needs in the Articles 40 and 42 half-cent sales taxes. The 30 percent set-aside in Article 40 and the 60 percent set-aside in Article 42 would be made permanent.

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**Bill: SB265**

**Sponsors:** Rand (D19)

**Title:** FUND ONLY ONE SCHOOL SYSTEM PER COUNTY

**Status:** 02/24/2009 – Senate Committee On Education/Higher Education

**Comments:** This bill would require the state to fund only one school administrative unit per county, with the exception of the "Nash-Rocky Mount School Administrative Unit, the Edgecombe County School Administrative Unit, the Cleveland County School Administrative Unit, or the Gaston County School Administrative Unit." The bill directs the state to change formulas "that allot funds on a per local school administrative unit basis to formulas that allot funds on a per county basis." The Association's Public Education policy statement supports the funding of "no more than one school system per county in order to better utilize school facilities and financial resources."

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**Bill:** SB281

**Sponsors:** Purcell (D25)

**Title:** FUNDS FOR HEALTHY CAROLINIANS

**Status:** 02/24/2009 – Senate Committee On Appropriations/Base Budget

**Comments:** This bill appropriates \$1.01 million for each of the next two fiscal years and directs that \$10,000 be given to each county health department to "support the necessary infrastructure in the county to create or maintain health promotion partnerships to carry out locally defined initiatives inclusive of women and children, minority populations, and aging populations." Counties must meet three criteria to be eligible for the funds: obtain certification as a member of the Healthy Carolinians Partnership, ensure that its partnership meets established standards developed by the Governor's Task Force for Healthy Carolinians, and ensure that its partnership aligns with the North Carolina 2010 health objectives.

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