

Legislative Bulletin

Bulletin #09-09

Thursday, March 26, 2009

FOOD FOR THOUGHT

As North Carolina continues its climb to a projected population of more than 12.2 million by 2030, the perceived divide between the “two North Carolinas” is widening. The July 2008 population estimates, released March 19 by the U.S. Census Bureau, reveal that between April 2000 and July 2008, 25 Tar Heel counties either grew by less than 1 percent or decreased in population. Union County grew by a whopping 56 percent during that same timeframe and 15 others grew by more than 20 percent.

HOUSE COMMITTEE PASSES SMOKING BAN

A bill to ban smoking in all public places and places of employment was passed by the House Judiciary I Committee on Tuesday and has been sent to the House. **H2**, Prohibit Smoking in Public and Workplaces, also provides local governments the ability to adopt local ordinances governing smoking that are more restrictive than state law. The committee revised the bill to remove enforcement responsibility for all the provisions of the bill from local health directors. Instead, local health directors are only given the authority to impose administrative penalties on a person who “manages, operates or controls a public place or place of employment.” Individuals who violate the no-smoking prohibition are subject to a \$50 fine, but it will not be a criminal offense.

ON THE ROADS AGAIN

A bill that would transfer authority for secondary roads from the state to counties has been filed in the Senate. **S758** (Transfer Secondary Roads to Counties) is sponsored by Sen. Bob Rucho (Mecklenburg). The Association has a legislative goal to “oppose legislation shifting the state’s existing responsibility for funding transportation construction and maintenance projects to county governments.” The bill has been referred to the Senate Committee on Appropriations/Base Budget.

SENATORS PLAYING WITH THE LOTTERY

Without a lot of money to spend, some legislators are spending time trying to figure out new ways to spend existing revenues, and the lottery has drawn their attention. **S771**, Reallocate Lottery Funding, sponsored by Sen. Eddie Goodall (Mecklenburg), would eliminate the 50 percent of lottery proceeds that are devoted to class-size reduction measures and divert those proceeds to the Public School Building Capital Fund, meaning that 90 percent of the lottery proceeds would be devoted to county school capital needs. **S899**, introduced by Sen. David Rouzer (Johnston), would require that the proceeds from the education lottery are first distributed to the Public School Building Capital Fund. Once the PSBCF has received its appropriated share (40 percent of the net proceeds), then the remaining proceeds go to the other two uses – 50 percent for class-size reduction and 10 percent for college scholarships. **S1014**, Lottery Trust Fund, introduced by Sen. Doug Berger (Franklin) calls for a constitutional amendment to establish a Lottery Trust Fund that would be immune to the governor’s powers to balance the state budget. If the amendment is approved by the citizens, the funds could not be “diverted to other purposes.”

HOMESTEAD EXCLUSION BILL PASSES COMMITTEE

A bill that would raise the income limit to qualify for the Homestead Exclusion passed the House Ways and Means/Broadband Connectivity Committee on Wednesday. **H396**, Raise Income Limit For Homestead Exclusion, is co-sponsored by Reps. Mark Hilton (Catawba), Mitch Setzer (Catawba), Fred

Steen (Rowan) and Ray Warren (Alexander). The bill would increase the income limit from \$25,000 to \$35,000. The General Assembly raised the income limit from \$20,500 to \$25,000 in 2008. No fiscal note with an estimate of the cost to local governments has been prepared, but a fiscal note for a similar bill in 2007 that would have raised the income limit from \$20,500 to \$30,000 estimated the annual revenue loss to local governments to be more than \$35 million.

BILL FILED TO REPEAL LAND TRANSFER TAX OPTION FOR COUNTIES

Sen. David Hoyle (Gaston) filed a bill Thursday (**S915** – Repeal County Land Transfer Tax) to repeal the 0.4 percent land transfer tax authority given to counties in 2007. A similar bill, also introduced by Sen. Hoyle, passed the Senate in June 2008, but no action was taken on it by the House of Representatives.

PUBLIC RECORDS, OPEN MEETINGS BILLS FILED

A series of bills impacting the state's public records and open meetings laws were filed last week, including one that would make it a criminal act to deny access to a public record. **H644**, sponsored by Reps. George Cleveland (Onslow) and Justin Burr (Stanly), makes it a Class 2 misdemeanor if the custodian of public records does not "permit any record in the custodian's custody to be inspected and examined at reasonable times and under reasonable supervision by any person ... [or] as promptly as possible, furnish copies thereof upon payment of any fees as may be prescribed by law." **H734**, sponsored by Reps. Cary Allred (Alamance), John Blust (Guilford) and Cleveland, requires a public agency to pay for the opposing party's attorneys' fees in a public records case in which a court compels the agency to release records. It also provides the court the discretion to impose a civil penalty of up to \$50 per day when a "public officer or official (State or local) violated the public access requirements of this Chapter without good cause." The bill also authorizes the creation of an Open Government Unit within the Department of Justice that would provide training for public agencies, mediate public records disputes and study open meetings laws in other states, among other duties. **S698**, sponsored by Sen. Julia Boseman (New Hanover), would require cities and counties to provide public notice if the local government imposes or increases "rates, fees, charges, or penalties for the use of or the service provided by the county or any public enterprise." The notice must be posted on the local government's Web site at least seven days prior to the date the imposition or increase will take effect. If the local government does not have a Web site, then it must publish the notice in a "newspaper having general circulation in the county."

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: HB449

Sponsors: McGee (R75)

Title: REAL PROPERTY SALES INFORMATION

Status: 03/09/2009 – First reading in the House

Comments: This bill requires that a sales information report be filed with the county whenever property changes hands. The information will be used to assist the N.C. Department of Revenue to determine its sales-assess ratio for each county. This bill is identical to S405.

Bill: HB798

Sponsors: Brown, L. (R73)

Title: ANNEXATION/COUNTY COMMISSIONER APPROVAL

Status: 03/25/2009 – Filed in the House

Comments: This bill would require approval from the boards of county commissioners in all areas affected by an annexation. If a municipality attempted to incorporate across a county line, then the boards of commissioners in each county would have to approve before the annexation could occur.

- David F. Thompson, Executive Director
- Jim Blackburn, General Counsel