



Bulletin #09-11

Thursday, April 9, 2009

## FOOD FOR THOUGHT

*The Reverend Mike Morris asked God to help the University of North Carolina's men's collegiate basketball team to win the national championship during his opening prayer in the Senate on April 6. Considering the Senate chaplain's clout with the man upstairs, perhaps county officials should lobby Reverend Morris to pray that county revenues – including ADM Fund payments – not be diverted in the final 2009-10 biennium state budget.*

### ANOTHER PROPERTY TAX RELIEF BILL – THESE ARE GETTING ‘OLD’

A bill filed Wednesday would institute a new classification of property tax relief for senior citizens, provided the state's voters approve it as a constitutional amendment. [H1130](#) (Senior Prop 13 Property Tax Relief) is sponsored by Reps. Annie Mobley (Hertford) and Larry Womble (Forsyth). The state constitution requires that all property be taxed uniformly across the state at fair “market value” and that property taxes are applied uniformly. The proposed constitutional amendment would make two changes: it would allow the state to institute an appraisal cap during a general reappraisal and would allow counties to “vary the increase of the growth in the assessed value of a permanent residence on the basis of whether the owner has occupied the property as a permanent residence for at least five years.” An appraisal cap would mean that properties that saw an increase in value greater than the cap would be given a tax break that would not apply to property that did not increase in value greater than the established limit, thereby skirting the current requirement that all property be taxed at “market value.” In addition, the bill establishes a “Senior Homestead Tax Relief” for seniors who are at least 70, have lived in the house as a permanent resident for at least five years and are residents of North Carolina. Homeowners meeting these requirements would be exempt from any increase in value as a result of a general reappraisal. This exemption would take place for reappraisals conducted after July 1, 2010. The bill sets the date for the constitutional amendment as Nov. 2, 2010. As of yet, no fiscal note has been produced by the General Assembly to estimate how much of a revenue hit this would be to counties and municipalities.

### SENATE BUDGET DIVERTS ADM FUNDS FOR BIENNIUM

The Senate's budget plan ([S202](#)) diverts some county revenues to fill the state's projected \$6 billion-plus revenue gap for the next two fiscal years. Specifically, the Senate budget diverts the part of the corporate income tax that is dedicated to counties for school capital needs (known as the ADM Fund) to the state's general fund. This would cost counties approximately \$125 million over the next two fiscal years. Governor Beverly Perdue withheld the February lottery and ADM Fund payments to counties (approximately \$43 million) to help the state balance its budget for the current fiscal year. Losing the ADM funds for the next two years would further exacerbate this unexpected revenue loss. Counties are also concerned that this will not be a two-year fix but rather will become a permanent taking of this valued revenue source for counties and school districts. County officials are urged to contact their state legislators to let them know how much counties need the revenue source to keep up with demand for classroom space and to pay existing debt service costs. County officials are also asked to let legislators know what steps counties are already taking to balance their budgets for the current fiscal year and for 2009-10, such as furloughs, reductions-in-force, cuts to schools, etc.

### HOUSE TAKES UP SENATE PLAN FOR OPEN GOVERNMENT UNIT

A new bill backed by some powerful members of the House of Representatives picks up where a Senate plan was stopped in 2008. [H1134](#), Open Government Act, is co-sponsored by Reps. Deborah Ross (Wake) and William Wainwright (Craven). Ross is chairman of the House Judiciary I Committee, while Wainwright is Speaker Pro Tem of the House of Representatives. The bill would create an Open Government Unit in the Department of Justice that would mediate public records and open meetings disputes, among other duties. The Senate passed a similar bill in July 2008, but it did not receive a hearing in a House committee before the General Assembly adjourned. The bill also sets up three exemptions that would not allow a court to assess “reasonable” attorneys' fees in a case in which a

party “successfully compels the disclosure of public records.” The court could not assess the fees if it found that a governmental body or unit acted upon “(1) A judgment or an order of a court applicable to a governmental unit or governmental body; (2) The published opinion of an appellate court; or (3) A written opinion, decision, or letter of the Attorney General.”

### 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.

**Bill:** [HB1007](#)

**Sponsors:** Love (D51)

**Title:** HARNETT/SUBDIVISION RECREATION FACILITIES

**Status:** 04/02/2009 – House Committee On Local Government I

**Category:** Local bill with statewide interest

**Comments:** This bill would allow Harnett County to charge a development fee of up to \$500 per residential unit for recreation purposes and expands the use of the funds to include construction and development of recreation facilities, not just the purchase of land.

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**Bill:** [SB256](#)

**Sponsors:** Snow (D50)

**Title:** CLARIFY LOCAL GOVERNMENT EVACUATION AUTHORITY

**Status:** 04/07/2009 – Passed in the Senate

**Comments:** The bill 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." The changes are part of a series of recommendations from the Joint Select Committee on Emergency Preparedness and Disaster Management Recovery. This bill was passed by the Senate on April 7.

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**Bill:** [SB996](#)

**Sponsors:** Jenkins (D3)

**Title:** REPEAL COMBINED MV REGISTRATION/TAX SYSTEM

**Status:** 03/26/2009 – Senate Committee On Finance

**Position:** Oppose

**Priority:** High

**Category:** Priority Goal

**Comments:** This bill would repeal legislation enacted several years ago that forces citizens to pay their property taxes on their automobiles when they renew their registration. Currently, North Carolina collects property taxes on automobiles in arrears, resulting in a very low collection rate. This system would increase property tax collections on automobiles by a significant amount.

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