



Bulletin #09-15

Thursday, May 7, 2009

911 BILLS MOVING AHEAD

Two local bills that would expand the permitted uses of 911 fees are moving. **S521**, sponsored by Sen. Jim Forrester (Gaston), expands the permitted use of 911 fees for Lincoln and Wayne counties to include "the lease or purchase of an additional communications tower, a multisite simulcast system, microwave connectivity between the sites, site monitoring and alarm system, base stations, and grounding and lightning protection." It was passed by the Senate on May 4 and has been referred to the House Public Utilities Committee. The House Ways and Means and Broadband Connectivity Committee approved without prejudice **H59** on May 4. This bill would expand how Burke, Catawba, Franklin, Halifax, Nash and Pitt counties can spend 911 fees. The bill, sponsored by Rep. Lucy Allen (Franklin), would allow the counties to use the money for "the purchase, lease, and maintenance of consoles, and telephone and communications equipment owned or operated and physically located within and for the use of the 911 public safety communications center." The bill originally started as a local bill for Franklin County only, but the other counties were added to the bill. Currently, counties can only spend revenue from the 911 Fund for the "lease, purchase, or maintenance of emergency telephone equipment, including necessary computer hardware, software, and database provisioning, addressing, and nonrecurring costs of establishing a 911 system." The Association has a legislative goal to allow greater flexibility in the use of 911 funds, but the goal has been opposed by telephone companies. **H1480**, which began as a statewide bill to expand the use of 911 fees, has been converted to a study bill that would create a House Select Committee on the Use of 911 Funds. It was reported favorably May 5 by the Public Utilities Committee and is now in Finance.

ONE PUBLIC NOTICE BILL MOVES FORWARD, ANOTHER STALLS

Two House bills involving electronic notification of public meetings met different fates this week. **H81**, sponsored by Rep. George Cleveland (Onslow), was passed by the House on May 4 and has been sent to the Senate Judiciary I Committee. This bill adds e-mail to the list of ways in which a local government can notify the media or others that have requested notification regarding the scheduling of an unscheduled meeting or an emergency meeting of a governing body. For unscheduled meetings, it also requires a governing body to post the notification on the door of the building or in an area otherwise accessible to the public in the building where the meeting will be held if that building is typically closed during the 48-hour period prior to the meeting. The bill requires public bodies that have Web sites to post their regular meeting schedule on the Web site and to post any notices of special meetings on the Web site if it is maintained "by one or more of its employees." **H193** (Electronic Notice of Public Hearings), sponsored by Rep. Paul Stam (Wake), was pulled from the House Judiciary I Committee on Thursday due to opposition from the N.C. Press Association. The bill was reported favorably by the House Local Government II Committee on Feb. 4. The bill enables a local government to post notices of upcoming public hearings on its official Web site in lieu of purchasing costly advertisements in newspapers. If a local government operates a government access television channel, it would also be required to advertise notice of the public hearings on the channel. The bill does "not supersede any State law that requires notice by mail to certain classes of persons or the posting of signs on certain property, nor shall there be any alteration of the publication schedule required by State law." The proposal attempted to rewrite what was local legislation passed in 2007 that applied to three towns in Wake County and make it a statewide bill for counties with a population of at least 100,000. Another local bill has been introduced for the Town of Clayton in Johnston County (**H710**, sponsored by Rep. Leo Daughtry). Counties could try to be added to that bill, which has already passed the Local Government I Committee and has been sent to the Judiciary I Committee.

BILLS AIM TO EXPAND DISABLED VETERANS PROPERTY TAX EXEMPTION

Two bills were filed in the House this week that would impact the property tax exemption currently provided for honorably discharged disabled veterans. **H1629** (Modify Disabled Vet Property Tax Exclusion), sponsored by Rep. Margaret Dickson (Cumberland), would expand the current property tax exclusion for permanently and totally disabled veterans from the first \$45,000 of the property's value to the full value of the property, thereby eliminating property

taxes completely. **H1639** (Expand Disabled Vet Homestead Exclusion), sponsored by Rep. Alice Underhill (Craven), would create an exemption for partially disabled veterans (defined as “a veteran who is not totally disabled and has a certification by the United States Department of Veterans Affairs or another federal agency that he or she has a service-connected, permanent disability of thirty percent (30%) or greater.”). Partially disabled veterans meeting this requirement would receive an exemption of \$10,000 from their property value. Two bills – **H594** (sponsored by Rep. Marvin Lucas of Cumberland) and **S177** (sponsored by Sen. Jerry Tillman of Randolph) – would expand the current exemption from \$45,000 to \$65,000 for permanently and totally disabled veterans. According to a fiscal note prepared by Fiscal Research, the \$20,000 increase would cost local governments \$1.9 million per year in lost property tax revenues. Another bill was introduced earlier this week that would authorize the Revenue Laws Study Committee to study the effects on local governments of the various property tax relief programs and exemptions that have been enacted, including the homestead exemption, the circuit breaker, the disabled veterans’ homestead exemption and the present-use value program. **H1587** is sponsored by Rep. Paul Luebke (Durham) and would accomplish an Association legislative goal.

INSURANCE BENEFITS FOR FORMER COUNTY COMMISSIONERS BILL DELAYED

A Senate bill (**S468**) that would make it legal for local governments and school boards to provide health insurance benefits for former officers (i.e. county commissioners, school board members or city council members, etc.) is being converted to a local bill for Durham County only. The bill, sponsored by Sen. Floyd McKissick, was originally introduced as a statewide bill because many local governments are apparently offering this benefit to former officers. A recent opinion by the Attorney General’s office concluded that they do not currently have the authority to do so. The bill was scheduled to be heard in the Senate Committee on Pensions & Retirement and Aging on May 6 but was delayed because many counties are expressing an interest in being added to the bill. Counties currently offering this benefit to former commissioners are urged to contact their senator and ask to be added to the bill. The bill is subject to the crossover deadline of May 14, meaning that action must be taken by next week.

DEEPER AND DEEPER

More bad financial news greeted the Joint Appropriations Committee on Tuesday. Given the 40 percent decline in April 15 personal income tax payments, fiscal analysts pointed to a \$4.6 billion shortfall in the revenue forecast relative to the 2009-10 continuation budget, or roughly \$1.5 billion less than what was included in either the Governor’s or Senate’s spending proposal. To put that in perspective, the \$1.5 billion additional shortfall represents a 7.5 percent overall cut in the Senate’s plan, 50 percent of the state’s Medicaid or UNC system budgets and all of the recovery dollars available for 2009-10. In more bad news, analysts project a “U-shaped” economic recovery, with less than 1 percent growth forecast for the fourth quarter of 2009, and minimal growth – less than 2 percent – for all of 2010. Even if normal growth resumes in 2011-12, it will not be until 2013-14 that state revenues approach those budgeted in 2008-09

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: HB388

Sponsors: Earle (D101); Lucas, M. (D42); Carney (D102); Parmon (D72)

Title: CAMPAIGN DISCLOSURE

Scheduled: 05/11/2009 – House Committee on Judiciary I, 3:00 p.m., 1228 LB

Comments: This bill would require all candidates running for public office in North Carolina to file campaign disclosure forms relating to their fundraising. Currently, candidates who agree to raise less than \$3,000 and spend less than \$3,000 for their campaign are not required to file the various reports with the State Board of Elections. A committee substitute lowers the threshold to \$500 for municipal offices, but apparently excludes county offices from the exemption. The bill passed the House Committee on Election Law and Campaign Finance Reform on May 6.

Bill: HB1134

Sponsors: Wainwright (D12); Ross (D38); Dickson (D44); Wilkins (D55)

Title: OPEN GOVERNMENT ACT

Comments: This bill would require the payment of reasonable attorneys’ fees if a local government loses an open records lawsuit, with a few exceptions, and would create an Open Government branch in the Attorney General’s office that would serve as a mediator in any open record disputes. The bill passed the House Judiciary I Committee on May 4 and has been referred to the House Finance Committee.

Bill: HB1476

Sponsors: Glazier (D45); Blue (D33)

Title: GOV. IMMUNITY/ADEQUACY OF REMEDIES

Position: Oppose

Comments: This bill would greatly curtail a local government's ability to claim governmental immunity. It passed the House on May 6.

Bill: HB1601

Sponsor: Mackey (D99)

Title: CAREER FIRE AND RESCUE 25-YEAR RETIREMENT

Comments: This bill would allow EMS workers and full-time firefighters with 25 years of service in the local retirement system, including at least the last five years as an EMS worker or firefighter, to retire with full benefits.

Bill: SB44

Sponsor: Kinnaird (D23)

Title: APPEALS OF QUASI-JUDICIAL LAND-USE DECISIONS

Comments: This bill would dramatically alter the appeals process for land-use decisions by local governments. It passed the Senate on May 7.

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