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THIS WEEK AT THE GENERAL ASSEMBLY

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the General
Assembly

Brought to you by the
North Carolina Association
of County Commissioners

Be sure to watch "This Week at the General Assembly" on the Association's YouTube channel (www.youtube.com/ncacc1908). Video updates are posted each Friday afternoon and are accessible anytime.

911, ABC BILLS CONTINUE TO MOVE

The House Finance Committee on Thursday passed **H1691** (Use of 911 Funds), which would accomplish two Association legislative goals – to expand the ways counties can use money collected from the 911 service charge and to equalize the representation on the state 911 Board by adding two local government representatives to the board. The bill, which passed the House Public Utilities Committee last week, will now go to the full House, which could consider the legislation as early as next week. The revised bill adds a new section requiring the House Select Committee on the Use of 911 Funds to study the funding of secondary PSAPs (Public Safety Answering Point) and whether secondary PSAPs should be eligible to receive distributions from the 911 Board.

The ABC reform bill (**H1717** – Modernization of the State ABC System) passed the House State Government Committee on Wednesday. It was scheduled to be heard in the House on Thursday but was delayed until Tuesday, June 22. The Senate Committee on Judiciary II, which will likely receive the bill once it crosses from the House, got a preview of the bill when it met on Tuesday. Committee members discussed the Senate companion version (S1112) to become familiar with the bill's contents but did not vote.

STATE BUDGET EXPRESS MAY BE HEADING FOR UNSCHEDULED STOPS

After flying out of the station and rolling down the tracks in the first six weeks of the short session, the State Budget Express showed some signs this week that it may not reach its final destination on schedule. Legislators hope to get a 2010-11 budget passed on June 29, before the end of the current fiscal year. Now, with growing concern about whether or not the federal government will deliver on \$500 million of additional Medicaid relief for the first two quarters of 2011 – funds that were included in both the House and Senate versions of the budget – state legislators are eyeing the possibility of making further cuts to an already lean budget or further grabs of county funds to make up for the potential shortfall.

Legislators are believed to be considering taking even more of the county share of lottery funds for 2010-11. The Senate did not touch the county share in its version of the budget but did give counties the flexibility to use lottery funds to protect classroom

teachers. The House also gave counties this flexibility and took approximately \$46 million of county lottery funds. The Association heard rumblings this week that budget conferees are considering taking an even larger share of the county lottery funds to help make up for state cuts to public education. Typically, conferees are limited to debating the differences between issues in controversy, but budget writers have given the committees the authority to make changes beyond the range of what is in controversy.

With state – and local – revenues not expected to rebound drastically in the next year or two, and the state facing the loss of hundreds of millions of dollars in federal stimulus funds next year, any temporary diversion of county lottery funds to the state could likely become a long-term shift and, potentially, a permanent shift. Counties lost approximately \$200 million for the 2009-11 biennium when the state diverted the corporate income tax payments previously dedicated to counties for school capital expense (the ADM Fund) to the state. If counties lose the entire share of lottery proceeds for 2010-11, the total loss of school capital funds to counties would be more than \$370 million.

WATER BILLS GOING FORWARD

The House this week approved a package of bills to implement recommendations of the Water/Wastewater Infrastructure Study Committee. The bills are designed to improve the state's ability to understand and prioritize its infrastructure needs, improve planning as needs expand, and coordinate criteria that are part of infrastructure grant applications. The bills acted on this week included:

- **H1743**, approved by the House June 10, requiring the Department of Environment and Natural Resources to work with the Local Government Commission to evaluate the benefits of monitoring the financial condition of water systems and wastewater systems, to set benchmarks and evaluate the sufficiency of rates to maintain infrastructure operations and meet debt service obligations.
- **H1744**, approved by the House June 9, modifying the common criteria applicable to loans and grants for water and wastewater infrastructure projects. It would include asset management planning, regionalization, and drought management among common criteria that receive priority for funding.
- **H1746**, approved by the House June 17, directing the Department of Environment and Natural Resources to establish a taskforce to: 1) develop a statewide survey to supplement the current information used to assess the state's water and wastewater infrastructure needs; 2) develop a plan for incorporating the information compiled from the U.S. Environmental Protection Agency survey into the state water supply plan; and 3) develop recommendations regarding a statewide water and wastewater infrastructure resource and funding database.
- **H1747**, approved by the House June 17, requiring a local government that provides public water service or a community water system to revise its local water supply plan to address foreseeable future water needs when 80 percent of the water system's available water supply has been allocated or when seasonal demand exceeds 90 percent.
- **H1748**, favorably reported by the House Agriculture Committee June 16, requiring the Department of Agriculture and Consumer Affairs to work with the Farm Bureau and other groups to: 1) develop a plan to identify and report agricultural water infrastructure needs; 2) encourage voluntary practices that conserve and protect water resources; and 3) design a cost-share program to assist farmers and agricultural landowners who implement best management practices to conserve and protect water resources related to agricultural use.

BILLS OF INTEREST

The Association maintains 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.

Bill: HB80

Sponsors: Goodwin (D66)

Title: AN ACT TO BAN THE USE OF ELECTRONIC MACHINES AND DEVICES FOR SWEEPSTAKES PURPOSE

Scheduled: 06/21/2010 – Senate Calendar, 07:00 p.m., Senate Chamber.

Comments: The Senate is moving quickly on a bill to ban video sweepstakes machines. The Senate Judiciary I committee on Thursday passed this bill, which it says clarifies a 2006 ban on video poker machines and includes specific definitions of the types of machines used to simulate video poker that would be banned.

Bill: HB1921

Sponsors: Weiss (D35); Dollar (R36); Jackson (D39); Heagarty (D41)

Title: WAKE EMAIL ADDRESS LISTS/ELECTRONIC ACCESS

Scheduled: 06/22/2010 – House Committee On Judiciary I, 10:00 A.M., 1228 LB

Comments: This is a local bill that applies only to Wake County and its municipalities, but it has statewide interest. If a local government maintains a list of e-mail addresses used to communicate with citizens, those lists are considered public records and can be requested by citizens. Public records laws require the government to provide the list in electronic format, making it easy on the person who is making the request to send an unsolicited e-mail to the names on the list. This bill changes the requirement so that the government has only to make the list available for inspection and does not have to make the list available in an electronic format. It also clarifies that a local government can only use the list for the purpose for which it is intended or in case of a public health or public safety emergency.

Bill: HB2067

Sponsors: Faison (D50)

Title: CASWELL INTERNET

Comments: This bill would allow Caswell County to operate a cable television system, which would include broadband Internet services. An amended version of this bill being considered by the House Ways and Means/Broadband Connectivity Committee would add Nash and Franklin counties to the list and would clarify that the counties could only add services to the unserved areas.

Bill: SB887

Sponsors: Vaughan (D27)

Title: AMEND ELECTRONICS RECYCLING LAW

Comments: The bill establishes a fund to provide grants to counties to help fund electronics recycling. Computer manufacturers will have to pay an annual fee of either \$2,500, \$7,500 or \$15,000 - depending upon how strongly they recycle their own products. The revenue generated by the fees is expected to be less than \$1 million annually. The bill passed the Senate in 2009 and is working its way through the House. The House Environment Committee passed the bill Wednesday and it has been re-referred to the House Finance Committee.

– David F. Thompson, Executive Director
– Kevin Leonard, Director of Government Relations
– Sharon Scudder, Executive General Counsel