

If you are having problems viewing this e-mail, please visit our Web site to view [this bulletin](#).



Bulletin #11-06

March 4, 2011

## TWEET OF THE WEEK

*"Unfortunately lawmakers missed vote on prank call ban bec. they had to see if their refrigerators are running."*  
[@ChrisMillerWBT](#), news reporter for WBT-AM/FM in Charlotte. Follow [@ncacc](#) on Twitter.



## NCACC EXECUTIVE COMMITTEE MEETS WITH TILLIS, BERGER

The NCACC Executive Committee, consisting of President Joe Bryan (Wake County), President Elect Kenneth Edge (Cumberland County), First Vice President Howard Hunter III (Hertford County), Second Vice President Mary Accor (Cleveland County) and Executive Director David F. Thompson, met separately with Speaker of the House Thom Tillis (Mecklenburg County) and Senate President Pro Tem Phil Berger (Rockingham County) on March 3 to discuss county legislative priorities and the state budget. Both Tillis and Berger told the Executive Committee that they did not support shifting costs and responsibilities to counties as a way to balance the state budget. First Vice President Hunter told both Tillis and Berger that the items contained in the budget proposal from Governor Beverly Perdue would force Hertford County to raise property taxes by at least 5 cents.

Speaker Tillis and Sen. Berger each indicated that their chambers were likely to approve the repeal of the local-option land transfer tax that was granted to counties as part of the 2007 Medicaid swap. Speaker Tillis said he would like to have an earnest discussion about responsibility for secondary roads with counties in the future, and Sen. Berger reiterated his desire to have counties involved with the annexation reform discussions.

## HOUSE FINANCE COMMITTEE PASSES REPEAL OF LAND TRANSFER TAX

The House Finance Committee voted March 3 to support [H92](#) (Repeal Land Transfer Tax). The bill takes away county authority to implement a land transfer tax of up to 0.4 percent, provided voters approve it in a referendum. The state granted additional revenue options to counties in 2007 in exchange for taking from counties the Article 44 half-cent sales tax. Passage of this bill would restrict a county's ability to lessen its reliance on property taxes and design a revenue system best suited for its tax base.

Intergovernmental Relations Director Rebecca Troutman told the committee that counties wished to preserve the land transfer tax option and that counties' No. 4 priority goal, as adopted by the membership at the 2011 Legislative Goals Conference in January, is to "preserve the existing local revenue base."

"Counties know that the real home tax is the annual property tax," Troutman told committee members, referencing opposition from homebuilders and realtors groups that had dubbed the land transfer tax the "home" tax. Troutman said a land transfer tax option would give counties an alternative to continual increases in the property tax rate to fund essential county services.

Twenty-one counties have put the 0.4 percent land transfer tax on the ballot since 2007, and all have failed. The last county to

attempt the referendum was Avery County in 2009, and it failed by only 35 votes. Reps. Paul Luebke (Durham), Jennifer Weiss (Wake) and Becky Carney (Mecklenburg) spoke against the repeal, pointing out that the authority requires counties to hold a referendum on the matter, giving citizens the ultimate say on whether or not the tax is a viable option for a county.

The bill is scheduled for second and third reading on the House floor on March 7.

## ANNEXATION MORATORIUM BILL PASSES SECOND READING IN SENATE

**S27** (Involuntary Annexation Moratorium) passed second reading in the Senate on March 3 after a committee substitute was passed in Senate Finance Committee two days earlier. The substitute version adds a section to allow a municipality that has adopted its budget for 2010-11 to change its budget ordinance, including establishing a different tax rate, if its property tax base is reduced because of the moratorium. This could impact a municipality with an annexation scheduled to come online before the end of the current fiscal year, if that municipality had anticipated collecting additional property tax revenue in its 2010-11 budget from the newly annexed property owners.

The bill had been sent back to the Finance Committee last week after a couple of municipalities with ongoing non-controversial annexations scheduled to become effective by June 30 asked if they could be excluded from the moratorium. The committee initially came up with an option to exclude certain annexations from the moratorium but eventually decided not to grant any exclusions and instead give municipalities the ability to adjust their property tax rates if an anticipated annexation is delayed by the moratorium.

## CHECK US OUT ON YOUTUBE, TWITTER AND FACEBOOK

The Association has several ways members can receive up-to-date legislative information. The NCACC's Twitter feed has more than 420 followers. Sign up to follow us at [twitter.com/ncacc](https://twitter.com/ncacc). You can also view our latest Twitter posts on the NCACC Web site ([www.ncacc.org](http://www.ncacc.org)). If you are on Facebook, search for "NCACC" and click on the "Like" button to receive our updates. The Association posts breaking news on both the Twitter and Facebook pages. The Association is also creating weekly legislative video reports for the NCACC's YouTube Channel ([www.youtube.com/ncacc1908](http://www.youtube.com/ncacc1908)). "This Week at the General Assembly" will be posted each Friday afternoon and will feature interviews with legislators and NCACC staff, reports on legislation impacting counties and updates on county legislative priorities.

## 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](http://www.ncacc.org/legislation/about.html) for updates on these and other bills we are tracking. Bills added this week:

Bill	Title	Committee
<a href="#">H195</a>	ETJ/Clarify Definition of Bona Fide Farm	Agriculture
<a href="#">H196</a>	Goldsboro Deannexation	Intergovernmental Relations
<a href="#">H197</a>	School Calendar Flexibility/Inclement Weather	Public Education
<a href="#">S164</a>	Modify Property Tax Base Exclusions	Tax and Finance
<a href="#">S167</a>	Allow Expansion of Capitated Waiver	Health and Human Services

---

**Bill:** [S167](#)

**Sponsor:** Hartsell (R36)

**Title:** ALLOW EXPANSION OF CAPITATED WAIVER

**Status:** 03/02/2011 – Senate Committee On Health Care

**Comments:** This bill allows the Department of Health and Human Services to expand the capitated 1915(b)/(c) Medicaid waiver "to any additional local management entity catchment area upon demonstrating to the satisfaction of the General Assembly that the expansion (i) is allowable under Medicaid, (ii) will result in savings to the State, and (iii) will provide outcomes equal to or better than those that could be achieved without the proposed expansion."

– David F. Thompson, Executive Director  
– Kevin Leonard, Director of Government Relations