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Bulletin #11-14

Friday, April 29, 2011

WE SAID IT

“Uh, no.” – NCACC Director of Government Relations Director Kevin Leonard, when asked by Governor Beverly Perdue if counties were receptive to a provision in the House budget to place more misdemeanants in county jails if the state increased court fees to provide more funds to counties to house the inmates.

PERDUE MEETS WITH LOCAL LEADERS

Governor Beverly Perdue met with her Local Government Advisory Committee Thursday at the Albert Coates Local Government Center. The LGAC consists of the officers from the North Carolina Association of County Commissioners and the North Carolina League of Municipalities as well as other appointed elected city and county officials. Governor Perdue continued to emphasize the partnership between the state and local governments. During the 90-minute meeting, local officials pointed to the many bills that would usurp authority from cities and counties that are being considered by the General Assembly and asked Governor Perdue to consider vetoing some of these bills if they reach her desk. “I feel very strongly that what has helped build North Carolina is the (intergovernmental) team concept we have,” she said. “None of us are the King or Queen. North Carolina is only as strong as our towns and counties. We want strong leadership there.”

Perdue encouraged local officials to reach out to their members, and she noted both the high number of freshmen legislators and the fact that those in leadership positions in both chambers are new to those positions of influence. “I ask you to wrap your arms around your members and give them the sage advice you have learned from your years of leadership and service” at the local level, she said. NCACC staff had the opportunity to brief the governor on the Association’s top legislative goals and focused specifically on lottery funding and shifting misdemeanants to county jails. Governor Perdue expressed her support to make sure that any county using lottery funds to pay for debt service should not lose its lottery funds. NCACC President Joe Bryan relayed to the governor that it is important to remain focused not only on the short-term legislative items that were raised as issues by the NCACC and NCLM staff, but also on longer-term issues. President Bryan offered the Association’s support to work together with the state and cities to continue to explore how best to transform government on all levels, making sure that future state and local leaders have a clearer understanding of the roles, responsibilities and authority granted to state and local governments. The governor was very receptive to this initiative and indicated that this proposal may be a suitable objective for study during the interim between the legislative sessions.

HOUSE BUDGET PROPOSAL TRIMS COUNTY LOTTERY PROCEEDS TO \$55.2M

The House rolled out its budget proposal ([H200](#)) on Wednesday and largely kept in place the subcommittee recommendations reported during the previous week. All told, the \$19.3 billion budget is \$600 million below that recommended by the governor and honors leadership pledges to let expire the

1 percent sales tax and the income tax surcharge. The budget bill is expected to hit the House floor next week. House budget writers agreed with Governor Perdue's plan to reduce the county share of lottery funds to \$55.2 million, which is insufficient to cover ongoing school debt service payments or pay for those committed projects already in process, and distribute all funds on a per pupil basis. Like Governor Perdue's budget, the House chose to discontinue the corporate tax set aside for school construction, which will cost counties about \$72 million for each year of the biennium, The House plan, however, only eliminates the fund for the duration of the 2011-13 biennium, whereas Governor Perdue's proposal eliminated the set aside permanently.

The House budget proposal also:

- rejects shift of school workers' compensation costs, school bus replacements and tort claim costs;
- fully funds school enrollment, low wealth and small schools;
- increases the school flexibility cut by \$42 million to \$347 million;
- reduces on a non-recurring basis school bus replacements by \$20 million, leaving intact sufficient funds for half of replacements needed;
- fully funds community college enrollment growth;
- reduces community mental health funding by \$20 million non-recurring and requires LMEs to replace another \$25 million cut by spending down fund balances, again on a non-recurring basis;
- reduces county daycare admin from 5 percent to 4 percent – higher than the governor's recommendation of 3 percent;
- eliminates the \$5.5 million in state aid to county DSS admin costs, however rejects the governor's proposal to reduce state aid to county health departments;
- repeals \$100 million in statutory appropriations for the Clean Water Trust Funds and appropriates \$10 million instead;
- authorizes counties to enact up to \$250 for food and lodging inspections, with 10 percent of the fee going to state coffers. Counties will also be required to begin collecting the fee;
- proposes shifting state misdemeanants with sentences less than 180 days to county jails, and increases several judicial fees to help offset cost shift, contingent on passage of Justice Reinvestment ([H642](#));
- eliminates community work crews and reports that no local government has paid the \$150 crew per day fee;
- reduces state aid to libraries by 15 percent;
- eliminates veterans affairs funding to counties;
- shifts local government commission staff and Department of Revenue local government staff to receipts support from local sales taxes;
- authorizes the Senate and House Appropriations committees to meet monthly outside of session to review state agency operations and compliance with budget law and intent;
- eliminates the Health and Wellness and Tobacco Trust funds; and
- diverts Golden Leaf Funds for the biennium to the state's general fund.

A GOOD SIGN? REVISED BILLBOARDS BILL PASSES SENATE COMMITTEE

[S183](#) (Selective Vegetation Removal/State Highways) received a favorable report from the Senate Transportation Committee on Wednesday after it was amended to retain local control over the conversion of billboards to digital or electronic billboards. The original version would have overridden local control regarding conversion to digital billboards and placement of digital billboards. The version approved by the committee does not include any of the provisions pertaining to digital billboard conversion or placement, thus maintaining local control. The approved bill does increase the area of vegetation that may be cleared from in front of billboards to 340 feet on interstates through municipalities and to 380 feet in unincorporated areas. The committee raised some concerns about the lack of specific requirements for replanting vegetation in cleared areas. NCACC staff is working with other groups to ensure that S183 contains sufficient replanting requirements. The bill also increases some permitting fees that must be paid by billboard companies. The bill now goes to the Senate Finance Committee.

THE CLOCK THAT NEVER STOPS TICKING

[H806](#) (Zoning Statute of Limitations/Ag. Dist. Change) was introduced by Reps. Jonathan Jordan, Paul Stam, Tim Moffitt and

Sarah Stevens and heard in the House Judiciary B Committee this week. This bill changes the statute of limitations for actions contesting the validity of any zoning or unified development ordinance to two years. In addition, it says that the two-year period begins when the party bringing the action first has standing to challenge the ordinance, meaning that the ordinance would be open-ended. This provision generated a great deal of committee discussion since it would allow a person or developer to purchase land after an ordinance is passed and then have two years to challenge the validity of the ordinance. NCACC staff is working with committee members on an amendment to this provision of the bill. In addition, H806 prohibits the adoption of an ordinance that would prohibit single-family detached residential uses on lots greater than 10 acres in zoning districts where more than 50 percent of the land is in use for agricultural or forestry purposes. The bill further prohibits the adoption of an ordinance that would require lots greater than 10 acres have frontage on a public road or county approved private road or be served by public water or sewer lines in order to be developed for single family residential purposes. H806 will go to the House floor next week.

HUMAN SERVICES BILL OVERWHELMINGLY PASSES SENATE

The Senate approved [S433](#) (Local Human Services Administration) in its third reading Wednesday by an overwhelming 40-9 vote. The bill would accomplish an NCACC legislative goal to allow counties flexibility when organizing local human services delivery systems. The bill was amended on the floor to place the director of the consolidated human services agency under the county manager, and to require the county manager to approve any staff appointed by the human services agency director.

ELECTRONIC NOTICE BILL RESCHEDULED

[H472](#), sponsored by Reps. Chuck McGrady (Henderson) and Bill Owens (Pasquotank) – two former county commissioners – as well as House Majority Leader Paul Stam (Wake) and Rep. Darren Jackson (Wake), would authorize any county or municipality at its option to publish required public notices on the local government’s website instead of purchasing expensive ads in local newspapers. It is estimated that counties and cities would save more than \$6 million in local taxpayer dollars statewide if this bill were to be enacted. The bill was originally scheduled to be heard in the House General Government Committee on April 28, but was postponed due to the House budget debate that took place this week. We anticipate that the bill may be heard this coming week. The N.C. Press Association is fighting to protect this taxpayer subsidy and is lobbying hard to defeat this bill. Newspapers across the state are running ads claiming that “politicians” are attempting to keep information from the public. Please contact your members who serve on the committee and let them know you support this NCACC Legislative Goal.

House Government Committee members

Rep. Alma Adams	(919) 733-5902	Alma.Adams@ncleg.net
Rep. Martha Alexander	(919) 733-5807	Martha.Alexander@ncleg.net
Rep. Jeffery Barnhart	(919) 715-2009	Jeff.Barnhart@ncleg.net
Rep. James Boles	(919) 733-5903	jamie.boles@ncleg.net
Rep. Alice Bordsen	(919) 733-5820	Alice.Bordsen@ncleg.net
Rep. Glen Bradley	(919) 733-5860	Glen.Bradley@ncleg.net
Rep. Marcus Brandon	(919) 733-5825	Marcus.Brandon@ncleg.net
Rep. Larry Brown	(919) 733-5607	Larry.Brown@ncleg.net
Rep. Rayne Brown	(919) 715-0873	Rayne.Brown@ncleg.net
Rep. Justin Burr	(919) 733-5908	justin.burr@ncleg.net
Rep. George Cleveland	(919) 715-6707	George.Cleveland@ncleg.net
Rep. Jeff Collins	(919) 733-5802	Jeff.Collins@ncleg.net
Rep. Tricia Cotham	(919) 715-0706	Tricia.Coatham@ncleg.net
Rep. Beverly Earle	(919) 715-2530	Beverly.Earle@ncleg.net
Rep. John Faircloth	(919) 733-5877	John.Faircloth@ncleg.net
Rep. Susan Fisher	(919) 715-2013	Susan.Fisher@ncleg.net
Rep. Elmer Floyd	(919) 733-5959	elmer.floyd@ncleg.net
Rep. Dale Folwell	(919) 733-5787	Dale.Folwell@ncleg.net
Rep. Phillip Frye	(919) 733-5661	Phillip.Frye@ncleg.net
Rep. Rosa Gill	(919) 733-5880	rosa.gill@ncleg.net
Rep. Ken Goodman	(919) 733-5823	Ken.Goodman@ncleg.net
Rep. W. David Guice	(919) 715-4466	david.guice@ncleg.net
Rep. Mike Hager	(919) 733-5749	Mike.Hager@ncleg.net
Rep. Pat Hurley	(919) 733-5865	Pat.Hurley@ncleg.net
Rep. Dan Ingle	(919) 733-5905	dan.ingle@ncleg.net
Rep. Bert Jones	(919) 733-5779	Bert.Jones@ncleg.net
Rep. Carolyn Justice	(919) 715-9664	Carolyn.Justice@ncleg.net
Rep. Patsy Kever	(919) 733-5746	Patsy.Keeper@ncleg.net

Rep. J. H. Langdon (919) 733-5849
 Rep. Paul Luebke (919) 733-7663
 Rep. William McGee (919) 733-5747
 Rep. Grey Mills (919) 733-5741
 Rep. Annie Mobley (919) 733-5780
 Rep. Tim Moffitt (919) 715-3012
 Rep. Rodney Moore (919) 733-5606
 Rep. Diane Parfitt (919) 733-9892
 Rep. Earline Parmon (919) 733-5829
 Rep. Mitchell Setzer (919) 733-4948
 Rep. Harry Warren (919) 733-5784

James.Langdon@ncleg.net
Paul.Luebke@ncleg.net
william.mcgee@ncleg.net
grey.mills@ncleg.net
Annie.Mobley@ncleg.net
Tim.Moffitt@ncleg.net
Rodney.Moore@ncleg.net
diane.parfitt@ncleg.net
earline.parmon@ncleg.net
Mitchell.Setzer@ncleg.net
Harry.Warren@ncleg.net

BUILDUP BEGINS FOR COUNTY ASSEMBLY DAY

We hope that counties are finding the “Meeting in a Box” materials to be useful during their meetings with legislators in advance of County Assembly Day, which is scheduled for May 25. We are asking counties to keep us updated once you schedule your meetings and once you have concluded the meeting. A map and meeting materials are also available on our website at www.ncacc.org/legislation/virtualmeeting/index.html. We look forward to hearing your feedback on County Assembly Day. Visit www.ncacc.org/countyassemblyday.html for more information and to register.

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 500 followers. Sign up to follow us at twitter.com/ncacc. You can also view our latest Twitter posts on the NCACC Web site (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). “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 website to track bills of interest to county officials. Visit www.ncacc.org/legislation/about.html for updates on these and other bills we are tracking. Bills added this week include:

S640	Enhance Donations Of Conservation Land	Tax and Finance
S645	Remove Cap On Energy Credits	Tax and Finance
S646	Annexation Law Omnibus	Intergovernmental Relations
S650	Spending Reduction With Medical House Arrest	Justice and Public Safety
S653	Eliminate Agency Final Decision Authority (H623)	Intergovernmental Relations
S654	WC/Adjust Organ Injury Benefit Annually	Intergovernmental Relations
S657	Voting Integrity	Intergovernmental Relations
S658	21st Century Tax Modernization Plan	Tax and Finance
S660	LRC Study Consolidating Local Special Districts	Intergovernmental Relations
S661	License Plate Agency Contracts	Intergovernmental Relations
S664	Law Enforcement Officer Fairness Act (H602)	Justice and Public Safety
S674	Civil Justice System Reforms	Intergovernmental Relations
S675	Require Community Service/Work First Program	Health and Human Services
S676	Clarify Water and Well Rights/Private Property	Environment
S677	NC Conservation Trust Fund Commission	Environment
S681	Require Quid Pro Quo for Agency Rule Making	Intergovernmental Relations
S683	Residential Building Inspections	Intergovernmental Relations
S692	Workers Comp Act Amendments	Intergovernmental Relations
S701	TSERS/LGERS Return of Contributions	Tax and Finance
S705	Require NC Use-Value Ad Bd Manual for Puv.	Tax and Finance
S709	Energy Jobs Act	Environment
S715	Repeal Remote Retailer Click-Through	Tax and Finance
S722	Tax Fines and Forfeitures to County of Crime	Tax and Finance

Bill: [H332](#)

Sponsors: Mills (R95); Killian (R105); Crawford (D32); Hamilton (D18)

Title: CLARIFY DEVELOPMENT MORATORIA AUTHORITY

Status: 04/28/2011 – Passed in the House

Position: Oppose

Comments: This bill would take away a county's authority to implement a temporary moratorium on planning/development requests while it updates its ordinances. This bill passed the House on April 28.

Bill: [S572](#)

Sponsor: Davis (R50)

Title: OMNIBUS COUNTY BILL

Status: 04/27/2011 – Senate Committee On Finance

Position: Support

Category: Legislative Goal

Comments: This bill would accomplish three Association legislative goals. First, it would establish a Records Preservation Modernization Commission, which would consist of 13 members - four appointed at the recommendation of the NCACC. The commission would study "issues relating to records preservation standards, procedures, and techniques." The bill would also establish June 1 as the deadline to apply for a property tax exemption or exclusion. Finally, the bill directs "taxpayers required to make monthly prepayments of sales and use taxes pursuant to G.S. 105-164.16(b2)" to use the nine-digit zip codes of the purchaser when reporting sales. The bill was approved by the State and Local Government Committee on April 27 and referred to the Finance Committee at the request of committee members.

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

