

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



Bulletin #11-17

Friday, May 20, 2011

SENATE READIES FOR ITS TURN AT THE BUDGET

Rumor has it that the Senate plans to roll out its budget proposal next week and has scheduled all of its Appropriations subcommittees on Tuesday to receive its version of [H200](#) (State Appropriations Act). Other Senate committee meetings are being cancelled, signaling that all eyes and ears will be on the Senate spending plan. Senate leadership is expected to include an education reform plan as a part of its budget proposal in an effort to improve early grade reading skills. K-3 class size reductions would set one teacher for every 15 students, compared to the current 1-to-18 ratio. Five teacher workdays would be turned into additional instructional days, and a pay-for-performance plan may be initiated for the 2012-13 school year.

HOUSE ANNEXATION REFORM BILL MOVES TO SENATE

It is now the Senate's turn to take up annexation reform. [H845](#) passed the House this week by a vote of 107-9. H845 provides a petition process by which citizens who live in the area to be annexed can protest the annexation. If 60 percent of the property owners within the annexed area sign the petition within 130 days of the adoption of the resolution, the annexation is stopped and the municipality must wait three years before it can try to annex the area again. The bill also requires cities to provide water and sewer services within three and a half years, and requires municipalities to provide the installation of water and sewer connections to annexed residents at no charge if at least 50 percent of the property owners in the area to be annexed sign up for the service within 65 days of receiving notice of the annexation.

While [S627](#) (Annexation Reform) represents each part of the Association's annexation goals, it is apparent after discussions with Senate and House leadership that H845 is viewed as the vehicle for annexation reform. In addition, a number of grassroots anti-annexation groups, including the John Locke Foundation, Fair Annexation, Freedom Works, and Stop NC Annexation, have announced their support for the annexation reform proposal. The NCACC does not oppose H845. Since the session convened, the Association has been in discussions with House and Senate members and leadership on this issue and has been working to include elements of our annexation goals into the bill that will ultimately become the final version of annexation reform. This week, the Association's Government Relations staff met with Senate leadership to review our annexation concerns, focusing mainly on two points: requiring that a board of commissioners approve any annexation that crosses over the county line, and requiring cities to reimburse counties for sales taxes lost as a result of annexation. Now is the time for action in the Senate. We encourage commissioners who have an interest in this legislative goal to contact their senators this coming week and request that they include these items in the final annexation reform bill.

ELECTIONS BILL TAKES AWAY COUNTY AUTHORITY

The NCACC made its opposition to [H366](#) (Special Election Dates) known this week in a letter to members of the County Coalition, the group of former county commissioners and managers who serve in the General Assembly. The House proposal, which passed

and was sent to the Senate on Thursday, limits a county's authority to set a special election date to a few dates – any general election date or the May primary election in even-numbered years. There are exceptions that take into account public safety and/or public health concerns. The bill sponsor, Rep. Harry Warren (Rowan), introduced the bill as an effort to limit local governments from picking an election date that is perceived as creating an advantage to the local government (i.e. selecting a date in the summer when many voters may not be available to vote) for such issues as a bond referendum or a local-option sales tax referendum. Forcing these elections onto the ballot of a general election will make it exceedingly difficult for a community to fully understand and discuss the issue because so much attention will be focused on the other races.

NCGA PROGRAM EVALUATION DIVISION ROLLS OUT COUNTY SOCIAL SERVICES ADMINISTRATION FLEXIBILITY REPORT

The year-long effort by General Assembly Program Evaluation Division (PED) to explore opportunities for consolidating county social services administration culminated with a report that recommends counties be given greater flexibility to organize human services. The study identified statutory and perceived barriers that inhibit counties from considering alternate structures for administering social services. Further, the report emphasizes the benefit of county-administered social services in lieu of state administration, and noted that counties pay more than \$520 million in social services administration – or 49 percent of the total – while the state contributes a mere 3 percent. It recommends that the General Assembly remove the 425,000 population threshold for counties to establish a consolidated human services agency and permit counties to organize social services through a regional model similar to that for regional health authorities.

The removal of the 425,000 population threshold to allow counties to restructure human services is a county priority goal in the health and human services arena. [S433](#) (Local Human Services Administration), sponsored by Sen. Fletcher Hartsell (Cabarrus), received overwhelming support in the Senate. It awaits hearing in the House Health and Human Services Committee.

CANSLER, BARNHART ADDRESS NCACC HEALTH AND HUMAN SERVICES STEERING COMMITTEE

The NCACC Health and Human Services Steering Committee met May 19 and discussed the statewide expansion of the 1915 (b)(c) waiver via [H916](#). Bill sponsor Rep. Jeff Barnhart, a former Cabarrus County commissioner and current House Appropriations co-chair, and DHHS Secretary Lanier Cansler led committee members through the purpose and timeframe for implementing a capitated system of managed care for community mental health services. Local Management Entities would face further consolidation to meet population thresholds of 300,000 by July 2012 and 500,000 by July 2013. Full implementation would be in place prior to January 2014, when major components of the federal healthcare reform initiative become effective. Counties would not be financially liable for waiver cost overruns, a concern expressed in earlier conversations regarding waiver expansion.

NCACC TAX AND FINANCE PRIORITY GOAL ADVANCES

[S537](#) (Increase in In Rem Foreclosure Fee) received a favorable report in Senate Finance on Tuesday and was passed unanimously by the full Senate on Wednesday. Sponsored by Sen. Fletcher Hartsell, a former Cabarrus County attorney, the bill would increase a county's administrative fee for in rem foreclosure from \$50 to \$250. The fee has not been increased since its inception in 1987. The in rem foreclosure measure provides a more streamlined and cost effective method to enforce a lien for delinquent property taxes than the more traditional mortgage foreclosure.

ATTORNEY FEES BILL IMPROVES

A proposed committee substitute to [H687](#) (Local Abuse of Authority Attorneys Fees) met with committee approval in the House Judiciary A Committee on Wednesday. The PCS changed the bill's title to Attorney Fees for City or County Action Outside Authority and allows the court – rather than requires the court – to award reasonable attorney's fees and costs if a court finds that the local government acted outside the scope of its legal authority.

REGIONAL SOLID WASTE AUTHORITIES APPROVED FOR DEBT SETOFF

[H605](#) (Expand Setoff Debt Collection Act), which would also accomplish an NCACC Tax and Finance goal, received a favorable

report in House Finance on Wednesday and unanimously passed the House on Thursday. Sponsored by Rep. Pat McElraft, a former Carteret County commissioner, H605 would permit regional solid waste authorities to participate in NCACC's successful Debt Setoff Program, which is already open to counties, cities and numerous local government authorities. Since its inception nine years ago, the Local Debt Setoff Clearinghouse has returned more than \$125 million to local governments to recoup unpaid taxes and fees.

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 550 followers. Sign up to follow us at twitter.com/ncacc. You can also view our latest Twitter posts on the NCACC website (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.

Bill: [H36](#)

Sponsors: Warren, H. (R77); Cleveland (R14); Folwell (R74)

Title: GOVERNMENT CONTRACTORS MUST USE E-VERIFY

Status: 05/19/2011 – Reported by House committee

Comments: This bill would require all counties to use the federal E-Verify program to screen prospective new hires. It would also require contractors and subcontractors who receive county contracts to use E-Verify for employees who work on the contract.

Bill: [H572](#)

Sponsors: Justice (R16); Sager (R11); Stevens, S. (R90); West (R120)

Title: ACCOUNTABILITY FOR PUBLICLY FUNDED NONPROFITS

Status: 05/19/2011 – Passed in the House

Comments: This bill requires corporations that receive funds or in-kind donations from a local, state or federal government to provide statements describing how the public funds were used by the corporation to any member of the public who makes a written request for the information. The corporation would be required to provide a copy of its latest annual financial statement and its most recent Internal Revenue Service Form 990. A corporation may comply with this act by posting the required information on its website or another website where the information is made available free of charge.

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

