

2019 End of Session Report



2019 NC Legislative Session Highlights

New Laws Impacting Counties

- Session Law 2019-19 authorizes the Local Government Commission to establish minimum standards for local government finance officers and makes other important changes related to local government finance offices.
- Session Law 2019-246 includes a provision requiring marketplace facilitators meeting certain sales thresholds to collect and remit sales tax on behalf of third-party online sellers beginning February 1, 2020.
- Session Law 2019-169 prohibits, effective July 1, 2019, any county from placing more than one quarter-cent local sales tax referendum on the ballot within one year.
- Session Law 2019-111 makes important changes to land use laws and also consolidates city and county land use and development statutes into GS Chapter 160D. As a result, local governments will need to amend their local ordinances by January 1, 2021, to conform to the new law.

More legislation, organized by specific topic area, is detailed in this report.

The briefs highlight provisions of interest to counties, which may be included in larger, wide-ranging pieces of legislation.

Finance & Budget

- **Session Law 2019-19 (HB 233)** authorizes the Local Government Commission to establish minimum standards for local government finance officers, and authorizes finance officers to contract with outside entities, like CPAs, COGs, or other units of government to fulfill the duties of the finance office.
- **Session Law 2019-169 (SB 523)** includes a wide range of tax code and other revenue law amendments. The legislation also includes a provision, effective July 1, 2019, that prohibits any county from placing more than one quarter-cent local sales tax referendum on the ballot within one year. To hold a subsequent Article 46 referendum, the county must wait at least one year before going back to the voters.
- **Session Law 2019-246 (SB 557)** compiled multiple finance law changes, and one portion of the legislation directs marketplace facilitators to collect and remit sales tax. The N.C. Department of Revenue had previously required all online sellers with gross sales above \$100,000 or with 200 or more separate transactions to collect and remit sales tax. This new law will require marketplace facilitators meeting those same sales thresholds to collect sales tax on behalf of third-party online sellers beginning February 1, 2020.

Regulatory Reform

- **Session Law 2019-111 (SB 355)** makes important changes to land use laws in Part One, which became effective July 11, 2019. Part Two consolidates city and county land use and development statutes into GS Chapter 160D. As a result, local governments will need to amend their local ordinances by January 1, 2021, to conform with the new law.
- **Session Law 2019-174 (HB 675)** makes various changes to building code requirements including preempting local governments from requiring certain information from licensed engineers and architects, requiring developers to bury existing above-ground power lines, or requiring a minimum square footage for residential structures. The bill would void any inconsistent local ordinances, and also requires local governments to complete residential plan reviews within 15 business days.
- **Session Law 2019-182 (SB 290)** relaxes a number of regulations for distilleries and allows tastings at stores, among other things. Of interest to county operations is the provision in the law that would restrict the creation of new ABC boards, by prohibiting any jurisdiction in a county that already has a board from holding an ABC board election unless they negotiate a merger with an existing board. This section became effective September 1, 2019.

2019 Legislative Session Timeline

January 9, 2019

The NC General Assembly convenes the 2019-2020 legislative session.

February - May 2019

The chambers hold committee meetings, craft the state budget bill, and debate various pieces of legislation, including approval of a \$2 billion pay-as-you-go school construction funding plan in the Senate and approval for a \$1.9 billion school construction bond referendum in the House.

June 2019

The General Assembly approves the 2019-2021 state budget. After Governor Cooper vetoes the budget bill, a continuation budget goes into effect. The impasse means that the school capital funding measures do not receive approval.

July 1, 2019

The continuation budget begins, which funds expenditures, generally, at the same level as the previous fiscal year under G.S. 143C-5-4.

Broadband

- **Session Law 2019-17 (SB 310)** is a piece of a multi-part solution to NCACC's priority goal of expanding broadband to unserved and underserved communities. The bill eliminates, effective May 28, 2019, restrictions on electric co-operatives providing high speed broadband services and allows them to access federal funds to do so.
- **Session Law 2019-230 (HB 387)** is a "mini-budget" pledging \$150 million over a 10-year period (\$15 million per year) for the GREAT grant program to make awards to expand broadband access in rural communities as defined in the bill.

Justice & Public Safety and Health & Human Services

- **Session Law 2019-171 (HB 108)** makes changes to data and cost recovery practices for health care provided to inmates transferred from local jails to the state prison system under safekeeping orders.
- **Session Law 2019-198 (SB 584)** is part of a long-term project to reorganize North Carolina's Criminal Code, initiated by last year's House Bill 379 Recodification Working Group. The law extends the report filing deadline to November 1, 2019, limits the report requirement to counties with a population of 20,000 or more according to the last federal decennial census, and cities or towns with a population of 1,000 or more, and prohibits any ordinance adopted on or after January 1, 2020 and before January 1, 2022 by a county or city required to submit a report from including a criminal penalty unless that county or city submitted the required report by November 1, 2019.
- **Session Law 2019-240 (SB 537)** extends the deadline for submission of local area crisis services plans by LME/MCOs, which shall include county involuntary commitment transportation agreements, to no later than August 1, 2020; postpones deployment of the NC FAST system for case management functionality for the child welfare system and aging and adult services programs; and establishes the Rural Health Care Stabilization Program to provide loans under certain conditions for the support of eligible hospitals located in rural areas that are in financial crisis.

July - October 2019

The General Assembly continues to meet and pass additional pieces of legislation as well as "mini-budgets," which include several provisions from the compromise budget approved by the legislature in June.

September - November 2019

The General Assembly redraws state legislative maps and, later, Congressional maps following findings of partisan gerrymandering and court orders.

October 31, 2019

The General Assembly adjourns the 2019 legislative long session until January 14, 2020.

January 14, 2020

The General Assembly reconvenes the 2019 long session, however the Senate does not take action on the budget veto override or other veto override votes. The legislature then adjourns the 2019 legislative long session, and will return to convene the 2020 short session on **April 28, 2020**.

**A note on the transition to Medicaid Managed Care: The NC Department of Health and Human Services suspended the transition to Medicaid managed care pending the passage of funding and other legislation to operationalize the change.*

Elections

- Session Law 2019-22 (HB 646) establishes rules for voter photo ID implementation—including the use of government and university identification. However, on December 31, 2019, a federal district court issued an order halting the voter ID law, and county boards of elections are prohibited from issuing free Voter ID cards at this time.
- Session Law 2019-239 (SB 683) is related to the security of absentee ballots. Additionally, the legislation restores the last Saturday of early voting and extends the deadline for the decertification of DRE voting machines used by a number of counties to July 1, 2020. The legislation also allows counties to test new machines during a simulated election.

Other Laws

- Session Law 2019-200 (HB 217) requires local governments, effective August 9, 2019, to report any cybersecurity incident as defined in the law to the NC Department of Information Technology within 24 hours of the incident by calling the 24-hour hotline at 919-799-3300 or by submitting an online form at: it.nc.gov/report
- Session Law 2019-241 (SB 433) authorizes the Local Government Commission to issue grant funds for public water and sewer systems operating at a deficit.
- Session Law 2019-250 (HB 200) directs funds to recovery and resiliency efforts related to Hurricanes Dorian, Matthew, Florence, and Michael.



Online Resources

- To search for Session Laws from the 2019-20 legislative session, visit: www.ncleg.gov/Laws/SessionLaws
- To access this report online with links to session laws, go to: www.ncacc.org/2019sessionreport
- For more background on 2019 legislative session bills, view previous NCACC legislative briefs at: www.ncacc.org/legislativebriefs

NCACC Policy Team



Amy Bason
Deputy Director and
General Counsel
(919) 715-1430
amy.bason@ncacc.org



Neil Emory
Outreach Associate
(910) 985-1140
neil.emory@ncacc.org



David Nicholson
Outreach Associate
(828) 606-5628
david.nicholson@ncacc.org



David Baker
Director of Tax and
Revenue Outreach
(919) 715-4365
david.baker@ncacc.org



Amber Harris
Director of
Government Relations
(919) 715-7654
amber.harris@ncacc.org



Adam Pridemore
Legislative Counsel
(919) 715-7665
adam.pridemore@ncacc.org



Alisa Cobb
Policy Assistant
(919) 715-2685
alisa.cobb@ncacc.org



Kevin Leonard
Executive Director
(919) 715-4369
kevin.leonard@ncacc.org



Paige Worsham
Associate General Counsel
(919) 715-6245
paige.worsham@ncacc.org