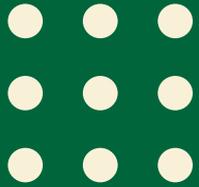
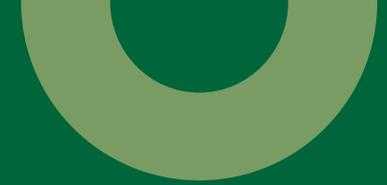


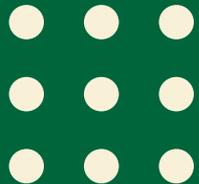


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2022 Legislative Update

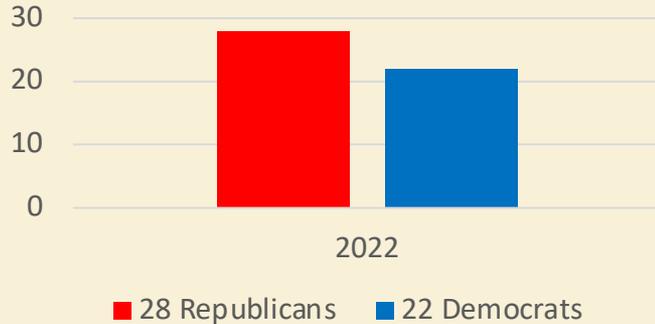
August 27, 2022



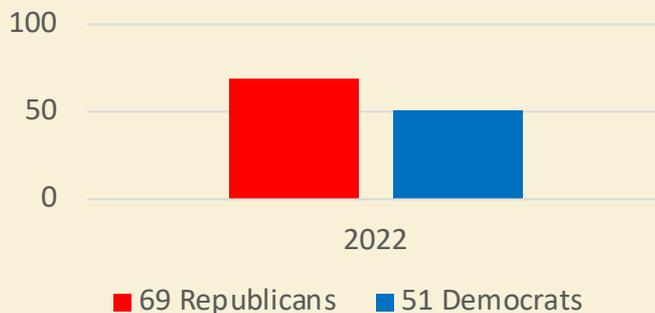


NCGA by the Numbers

Senate Partisan Breakdown



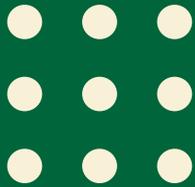
House Partisan Breakdown



**36 former
commissioners:**

27 HOUSE, 9 SENATE

Republicans *do not* hold a veto proof majority. As a result, some level of bipartisan agreement between legislators or the executive branch is required for legislation to become law.



Since We Last Talked in February

- 2021 Legislative Long Session was On-Going

- Legislative Maps

- Another Redraw Later This Year?

- Senate Bill 173 Free the Smiles Passage and Veto

- Allows parents to opt their children out of any mask mandates imposed in K-12 public schools, regardless of any state or local law to the contrary mandating masks to be worn in public and/or indoor places.

- Senate Joint Resolution 748 Adjournment Resolution to a Date Certain

- Approved March 10, 2022, setting forth the General Assembly's schedule until commencement of the 2022 Legislative Short Session on May 18, 2022.



Legislative Short Session v. Long Session

- “Long Session”

- Long Session takes place in odd numbered years
- Legislators (usually) adopt a two-year budget and begin work on big sweeping policy goals that might take a while to work through the legislative process

- “Short Session”

- Short Session takes place in even-numbered years
- Legislators often revise the 2nd year of the two-year budget and tackle more non-controversial items.



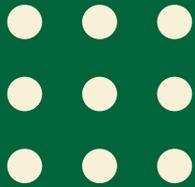
Controversies

- **Medicaid Expansion**
 - Despite different proposals from both Republican-controlled chambers, Medicaid Expansion was not agreed to, and negotiations are on-going.
- **Medical Marijuana**
 - Senate passed a bill to allow the use of medical marijuana for qualified patients with medical conditions, was not considered in the House.
- **Online Sports Wagering**
 - Senate passed a bill allowing online sports wagering. The House had a mix of opposition and it ultimately failed in a floor vote 50-51. Potentially revived by the end of the year.
- **Parents' Bill of Rights**
 - Senate passed a bill to prohibit instruction on sexual orientation or gender identity in grades K-3 and give parents additional rights. Not considered in the House.



Budget Adjustment

- Increased Revenue
 - Higher than expected tax revenues netted the state an additional \$6 billion over this fiscal year
- Conference Report
 - The usual process of enacting a budget was set aside so that House and Senate leaders could come to a consensus in a Conference Report and vote up or down on it in both Chambers.
- Passed the General Assembly and Signed by the Governor
 - The budget passed both chambers of the General Assembly with veto-proof majorities. Signed by Governor Cooper on 7/11/2022.



What's in the Budget?

- Increased state spending by 7.2% -- increasing from \$25.9 Billion to \$27.9 Billion
- Transfers \$1.6 Billion to the State's "Rainy Day" Fund and creates a new \$1 Billion Stabilization and Inflationary Reserve for unforeseen capital project overruns.
- \$777.2 Million cash infusion to the SCIF
- \$120.8 Million in additional capital grants to local governments and non-profits
- \$883 Million for water/wastewater infrastructure projects; total of \$2.5 Billion over the biennium
- \$300 Million to build a new government complex in downtown Raleigh housing the Governor's Office and all of the state's education administrations
- \$38.1 Million for capital improvements to 10 airports across the State



What's in the Budget? (Part 2)

- Lottery Revenue/K-12 Funding

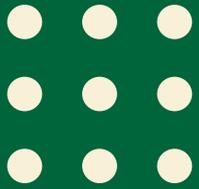
- \$581 Million in lottery funds dedicated to K-12 construction; 48% of funds
 - \$100M in Public School Building Capital Fund
 - \$431M in Needs-Based Public-School Capital Funds
 - \$50M in Public School Repair and Renovation Fund

- Tax and Finance Provisions

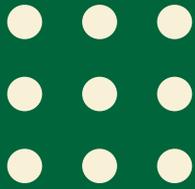
- Creates recurring transfers of some State sales tax revenue from the General Fund to the Highway Fund and Highway Trust Fund.
 - The transfer is estimated to start at **\$193 million** in FY 2022-23 and will grow significantly in the out years.
 - This would **NOT** impact or reduce local sales tax revenue or distributions



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Enacted Legislation Affecting Counties



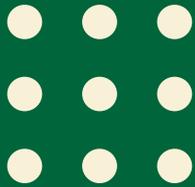
Alcohol Beverage Control

- 2022 ABC Omnibus (SL2022-44):
 - Allows a distillery to obtain a beverage permit to sell mixed beverages containing liquor at the distillery, notwithstanding the results of local mixed beverages elections.
- Social District/Common Area Clarifications (SL2022-49):
 - Allows the designation for common area entertainment permits and social districts
 - Allows property owners subject to an interlocal cooperation agreement that are denied connection to water/sewer to seek water/sewer from another unit of local government
 - These property owners can petition a court for appropriate relief if a court order impacts the provision of water and sewer to real property



Environment

- Amend Environmental Laws (SL2022-43):
 - Entities that received directed infrastructure grants for water/sewer projects, as well as stormwater infrastructure, in the 2021 budget must provide a complete request for funding to DEQ no later than June 30, 2023, or those allocated funds will revert on July 1, 2023.
 - Aligns Coastal Area Management Act (CAMA) public notice requirements for land-use plan hearings with existing local government notice requirements and allows a local government to post the proposed plan/amendment at a designated county or local government office, instead of in the county courthouse.



Finance

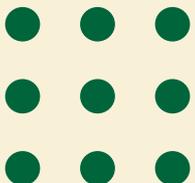
- Require DNA for Various Convictions/Other Matters (SL2022-50):
 - Authorizes a county board of commissioners to delegate to the county manager, county finance officer, or both, the ability to grant a refund of an overpayment of the deed stamp tax if the request is filed within 6 months after the date the tax was paid.
- Bond Information Transparency (SL2022-53):
 - Requires local units of government to disclose information about bonds before holding referenda
 - Requires local units to report events that may impact the unit's fiscal health or operations to the Local Government Commission
 - Limits the length and amount of contracts that local units of government on the Unit Assistance List may enter into to three or more years and \$50,000

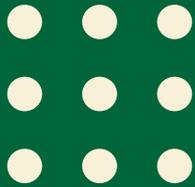


Finance (Continued)

- NC Farm Act of 2022 (SL2022-55):

- Clarifies that for the purposes of county zoning, buildings used primarily for the storage of agricultural products is considered a farm purpose whether or not the building is located on the same property as the property where the products were produced
- Makes changes to tax collection statutes to ensure that, in the event property with a conservation easement attached is foreclosed on, the easement conveys with the property





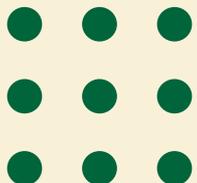
Justice & Public Safety

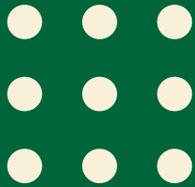
- Arson Law Revisions (SL2022-8)
 - Requires a county to ensure that any county, city or other local government, or incorporated volunteer fire department with whom the county contracts obtain a criminal history record check of any person who applies for a paid or volunteer position with the fire department.
- Terminations of States of Emergency (SL2022-57):
 - When prohibitions and restrictions have been imposed during a local state of emergency and that emergency terminates or expires, directs local governments to:
 - Post a notice of expiration or termination of the prohibition or restriction on the local government's website (if the local government has one)
 - Submit a notice of expiration or termination of the prohibition or restriction to the DPS WebEOC critical incident management system.



Land Use, Planning, and Zoning

- Electrical Lic./Bld. Code/Dev. Reform 2022 (SL2022-11):
 - Made changes to various electrical licensing, wastewater, building code, and development laws. Signed into law and effective June 29, 2022.
- GSC Postponement/Judicial & Execution Sales (SL2022-60):
 - Allows judicial sales and execution sales to be postponed up to 90 days.
 - Former law provided for postponement of these sales for up to 6 days and the bill aligns the postponement authority for judicial and execution sales with that of sales under a contractual power of sale clause





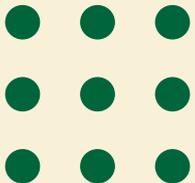
Regulatory Reform

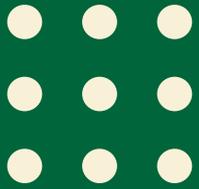
- Regulatory Reform Act 2.0 (SL2022-75):
 - Broadens the exclusion from public records disclosure for detailed plans and drawings of public buildings and infrastructure facilities to include information storage systems or geographic information system (GIS) databases.
 - Excludes from disclosure as a public record the specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure (both physical and virtual) for energy utilities.
 - Authorizes cities and counties to enter into intergovernmental support agreements with military installations
 - -Effective 7/11/22 – became law without Governor’s signature



Transportation

- Various Motor Vehicle and Transportation Law Changes (SL2022-68):
 - Makes changes to the State Transportation Improvement Program (STIP)
 - Projects with certain route designations will not be redesignated for a new funding category until the change has been reflected in plans by the MPO/RPO, Board of Transportation, and by the Department of Transportation.





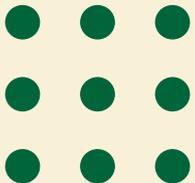
Legislation Vetoed by Governor Cooper

- Require Cooperation with ICE (S101):
 - Required that jail administrators query U.S. Immigrations and Customs Enforcement if unable to determine the immigration status of individuals in custody
- Concealed Carry Permit Lapse (H49):
 - Provided a concealed carry permittee with a lapsed permit to renew their permit without the requirement to take another firearms safety and training course.
- Child Advocacy Centers/Share Information (H823):
 - Established criteria for Children's Advocacy Centers to receive State funds and established requirements for sharing info. and access to records held by Children's Advocacy Centers and multidisciplinary teams
- Schools for the Deaf and the Blind (S593):
 - Created a board of trustees for each of the schools for the deaf and blind and uniform admissions process.



Adjournment Resolution

- Senate Joint Resolution 917 Adjournment Resolution
 - Approved July 1, 2022, bringing an end to the majority of work for the 2022 Short Session...but
 - Provides for General Assembly to return monthly throughout the rest of the year
 - Provides what items General Assembly may consider upon return





On-Going Issue: Online Marketplace Regulation

A BILL TO BE ENTITLED
AN ACT PROVIDING THAT COUNTIES AND CITIES SHALL NOT REGULATE
CERTAIN ONLINE MARKETPLACES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 23 of Chapter 153A of the General Statutes is amended by adding a new section to read as follows:

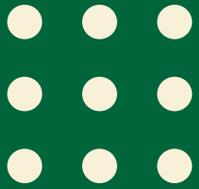
"§153A-460. Online marketplace.

(a) A county shall not do either of the following:

- (1) Regulate the operation of an online marketplace.
- (2) Require an online marketplace to provide personally identifiable information of users unless pursuant to a subpoena or court order.

(b) For purposes of this section, the term "online marketplace" means a person or entity that does all of the following:

- (1) Provides for consideration, regardless of whether the consideration is deducted as a fee from the transaction, an online application, software, website, system, or other medium through which a good or service is advertised in this State or is offered to the public as available in this State.
- (2) Provides, directly or indirectly, or maintains a platform for goods or services by performing any of the following:
 - a. Providing a payment system that facilitates a transaction between two platform users.
 - b. Transmitting or otherwise communicating the offer or acceptance of a transaction between two platform users.
 - c. Owning or operating the infrastructure, whether electronic or physical, or technology that brings two or more users together.
 - d. Providing a virtual currency that users are allowed or required to use to transact.
 - e. Providing software development or research and development activities related to any of the activities described in this subdivision."

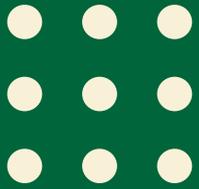


State of Emergency Order

- Governor Cooper rescinded his COVID State of Emergency order
 - Starting August 15, 2022 Governor Cooper's emergency order for a state of emergency in North Carolina will be lifted.
 - Counties no longer have the explicit authority to hold remote meetings.



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I'm Curious, How Are Counties Handling...



Criminal Ordinances

- Session Law 2021-138

PART XIII. DECRIMINALIZATION OF CERTAIN ORDINANCES

SECTION 13.(a) G.S. 153A-123 reads as rewritten:

"§ 153A-123. Enforcement of ordinances.

...

(b) ~~Unless the board of commissioners has provided otherwise,~~ Except for the types of ordinances listed in subsection (b1) of this section, violation of a county ordinance is may be a misdemeanor or infraction as provided by G.S. 14-4. G.S. 14-4 only if the county specifies such in the ordinance. An ordinance may provide by express statement that the maximum fine, term of imprisonment, or infraction penalty to be imposed for a violation is some amount of money or number of days less than the maximum imposed by G.S. 14-4. Notwithstanding G.S. 153A-45, no ordinance specifying a criminal penalty may be enacted at the meeting in which it is first introduced.

(c) ...



Commissioners and Non-Profit Service

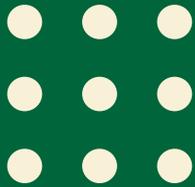
- Session Law 2021-191

SECTION 4.(a) Article 31 of Chapter 14 of the General Statutes is amended by adding a new section to read:

"§ 14-234.3. Local public officials participating in contracts benefiting nonprofits with which associated.

(a) **No public official shall knowingly participate in making or administering a contract, including the award of money in the form of a grant, loan, or other appropriation, with any nonprofit with which that public official is associated. The public official shall record his or her recusal with the clerk to the board, and once recorded, the political subdivision of this State may enter into or administer the contract.**

(b) **Anyone knowingly violating this section shall be guilty of a Class 1 misdemeanor. The exceptions listed in G.S. 14-234(b) and (d1) through (d5) shall apply to this section.**



Looking Ahead: Election 2022

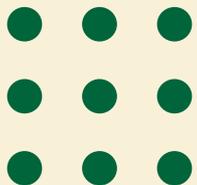
- Balance of Power Up for Grabs:
 - Will Republicans Regain Veto-Proof Majorities?
 - Can Democrats Hold Their Ground or Make Gains?
 - What Issues Will be in Play During the Election?
 - During the 2023 Long Session?



Legislative Goals Process

- Have you run into a problem or want to get a law changed?

Legislative Goals Process Timeline	
When	What
May – September	Submission of county goal proposals
June	Review of Guiding Principles by Steering Committees (non-voting session)
Mid-September	Review and voting of goal proposals and Guiding Principles by Steering Committees
October	Legislative Goals Committee reviews Steering Committee recommendations, approves Core Values and package of goals for Board of Directors Board of Directors finalizes package to be presented to full membership
November	Membership adopts goals at Legislative Goals Conference

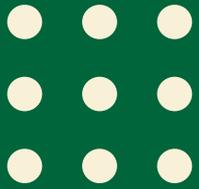


Submissions can be sent to communications@ncacc.org





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Opioid Litigation and Funds Update



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Litigation Outcome

McKinsey (States Only)

US

- \$574M over 5 years

NC

- \$19M over 5 years

Distributors + J&J

US

- \$26B over 18 years

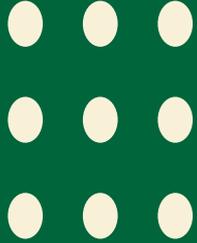
NC

- \$750M over 18 years
- Front-loaded



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Litigation Overview



	Manufacturers	Distributors	Pharmacies	Consultants
Bankruptcies	Purdue Pharma Mallinckrodt Insys			
Settlements	Johnson and Johnson (subsidiary Janssen)	Cardinal McKesson AmerisourceBergen		McKinsey
Not Bankrupt, Not Settled	Allergan Endo Teva		CVS Rite Aid Walgreens Walmart	

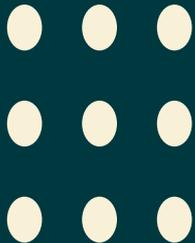


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Opioid Settlement Assistance Program

Goals

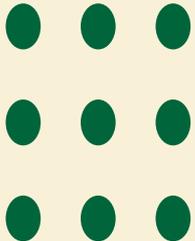
To assist and support NC counties in planning for and utilizing national opioid settlement funds, managing strategic health initiatives, and maximizing resources through outreach, education, and collaboration.





Remediation Strategies

- MOA offers local governments two options
 - **Option A:** One or more strategies from a shorter list of evidence-based, high-impact strategies to address the epidemic
 - **Option B:** One or more strategies from a longer list of strategies after engaging in a collaborative strategic planning process with diverse, local stakeholders





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NC MOA: High Impact Abatement Strategies (Option A)



Collaborative
strategic
planning

Evidence-based
addiction
treatment

Recovery
support

Housing

Employment

Early
intervention

Naloxone

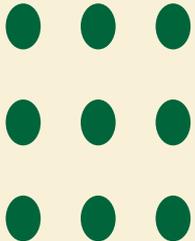
Post-overdose
response

Syringe service
programs (SSPs)

Legal system
diversion

Addiction
treatment for
incarcerated
persons

Reentry
programs





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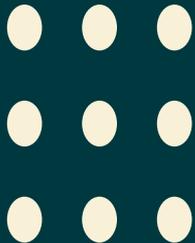
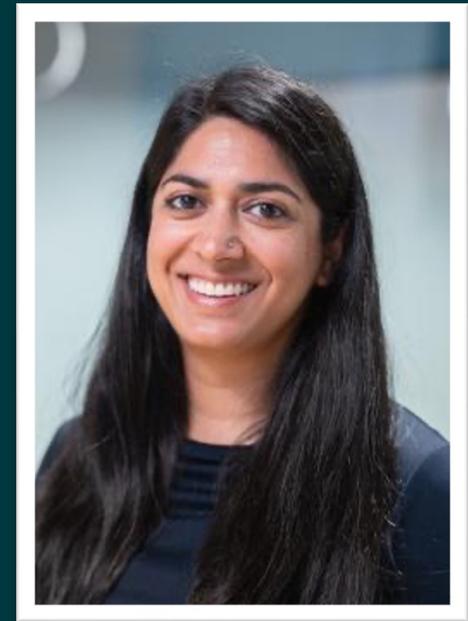
Nidhi Sachdeva, MPH

Director of Strategic Health and Opioid Initiatives

Strategic Member Services

NC Association of County Commissioners

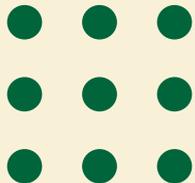
Nidhi.Sachdeva@ncacc.org | 919.719.1114

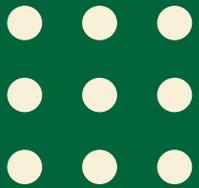




ARPA Update

- **US Treasury**
 - [updated its FAQs](#) July 27 (FAQs 13.14; 13.15)
 - No subawards under Revenue Replacement Category
 - Cost Principles scaled back
 - UG Exemptions
- **Broadband**
 - Working with US Treasury; NC DIT; UNC SOG
 - Upcoming DIT info session – GREAT grant; CAB program
- **Technical Assistance**
- **Strategic Member Services Coordinators**





Anderson Creek Partners, L.P. v. Cnty.of Harnett

62PA21; August 19, 2022

“capacity use” fees; constitutional review

NC NAACP v. Moore, Berger

261A18-3; August 19, 2022

racial gerrymandering; amendments

Ashe County v Ashe County Planning Bd

COA18-253-2; August 2, 2022

Proposed asphalt plant did not qualify for permit; Reversed court order to issue permit



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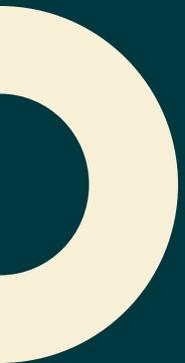


See You Next Summer!

Buncombe County

July 6 – July 8, 2023

Asheville Renaissance Hotel





North Carolina Association
of County Commissioners

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