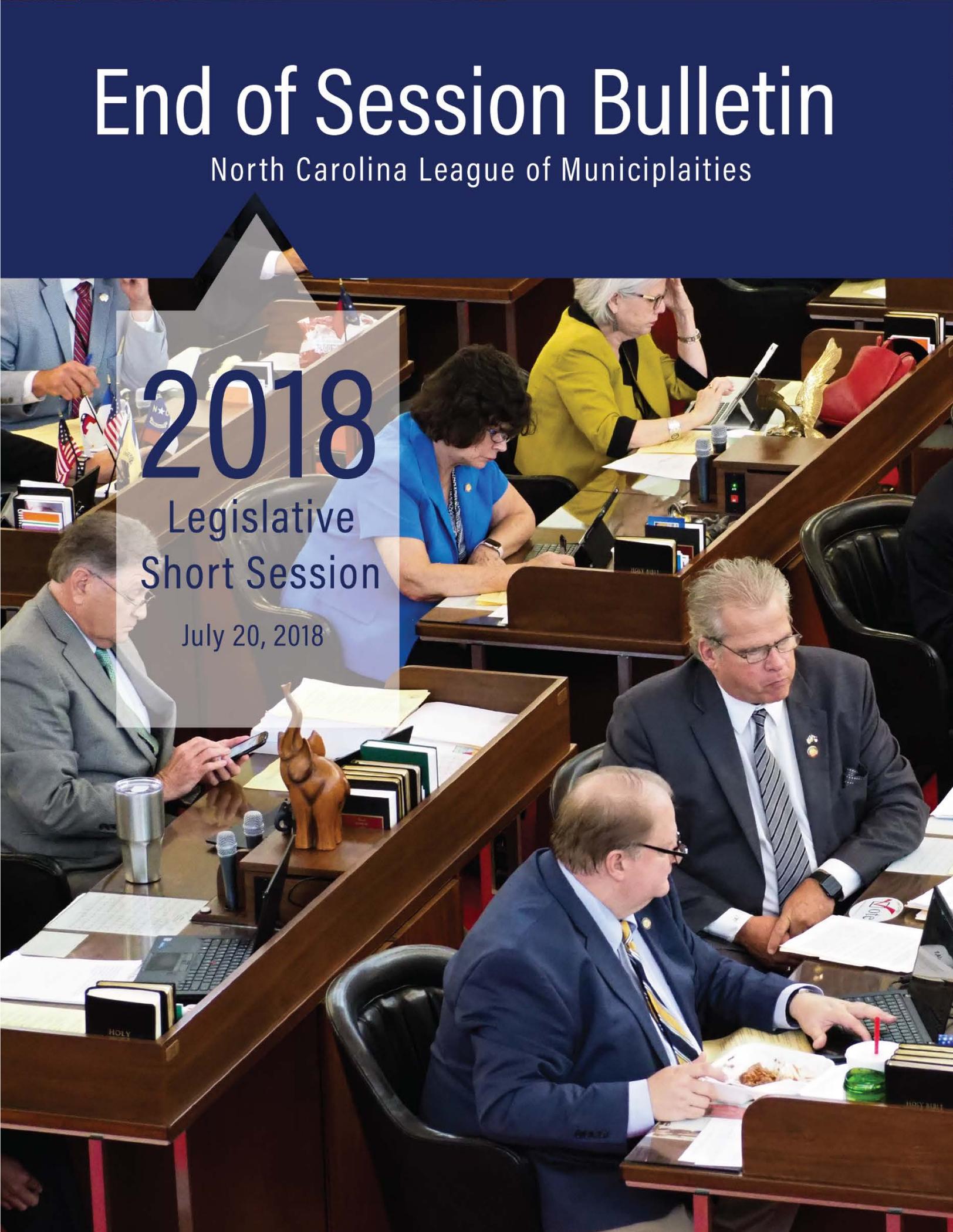


End of Session Bulletin

North Carolina League of Municipalities



2018

Legislative
Short Session

July 20, 2018

NC LEAGUE OF MUNICIPALITIES

Fellow Municipal Officials of North Carolina,

The 2018 short session of the North Carolina General Assembly began May 16 and concluded June 29 – the legislature's quickest span of work in recent memory. Still, lawmakers delivered on big proposals and passages, including adjustments to the biennial state budget, the priority focus for most of the session, setting out numerous wins for cities and towns. Your eagerness to stay focused on legislative issues important to cities and towns – exhibited by your correspondence, direct contact with lawmakers, presence at the Legislative Building in Raleigh and participation in League activities – helped immensely in the passage of beneficial provisions, along with the parking of proposals that could have done harm.

Beginning on page 11 of this document, you will find descriptions of bills affecting municipalities and the outcome of each.

Short sessions come every even-numbered year as an opportunity for lawmakers to adjust the biennial budget they crafted the previous year and to move new legislation. "Short" doesn't mean inconsequential, though, which is why League members and staffers worked well ahead of time on positioning, sitting in on meetings of interim legislative committees to see what proposals would be coming forth and keeping a flow of positive communication with local House and Senate members. This diligence, without question, made a difference for your constituents.

What also stood out was the sense of fellowship nurtured at the League's first-ever Town & State Dinner in May. Held at the Raleigh Convention Center at the end of a busy day for the General Assembly, the event saw mayors, city council members and municipal staffers breaking bread and strengthening relationships with their senators and representatives while the state's top leaders discussed priorities and the need to work together. "Well-run cities are a key to the vitality of our state," House Speaker Tim Moore said at the dinner. Expanding his comment in a tweet, he added that "we have exceptional leaders in our state's municipalities."

When the final gavel fell, cities and towns in partnership with their legislators brought home good news for transportation projects, water and sewer work, downtown revitalization, economic development efforts, disaster recovery and parks. They instituted a new approach to fighting blight. They issued consensus updates to legislation put into law the previous year with regard to water and sewer system development fees. They gained new resources in the battle against opioid abuse, one of the greatest scourges of our time. And they signaled support for one of our leading priorities: adequate broadband access for all.

But there were challenges, too. This year, House and Senate leaders set out a different process for budget adjustments that minimized opportunity for outside comment, meaning organizations across the board, including the League, essentially could not meaningfully impact language proposed in the chambers' plans. As such, their shared budget proposal was swiftly adopted and put into law after an overridden veto. Some other proposals followed a similar course. In the end, the finished picture of the 2018 short session included misguided ideas that will remain at our attention as we move into 2019.

That means your participation at the legislative level remains as important as ever, and we ask that you please stay informed by reading the League's weekly Legislative Bulletins, among other communications, and heeding calls to action. We thank our Public and Government Affairs Team and the leadership of League Executive Director Paul Meyer for the admirable work completed this year. They're here to help you, so please don't hesitate to contact them with any questions or to discuss any issues of concern to your hometown. (Contact information for team members can be found on page 38.) We again thank you for your hard work this session. You held the banner high for us, and we're better off because of it.

Sincerely,

The Officers of the League's Board of Directors



*Michael Lazzara, 2018 NCLM President,
Jacksonville Mayor Pro-Tem*



*William Pitt, 2018 NCLM Vice-President,
Washington Councilmember*



*Bob Matheny, NCLM Immediate Past
President, Mayor of Zebulon*

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Legislative Session in Context

Every legislative session is different, typically with competing agendas that shift and move, and political forces that have little to do with policy that can dictate the flow of legislation.

The 2018 legislative session certainly fit that formula.

This year, the session came and went as quickly as any in recent memory, as legislators were intent on getting back home as quick as possible given a very uncertain political landscape headed into the fall elections.

That early ending came with the help of a truncated budget process that left individuals and organizations, including the League, with much less opportunity to weigh in on the budget's components before the package received floor votes in the House and Senate. While the governor vetoed the approved budget, the legislature's supermajority quickly cast override votes and put the plan in law.

Legislative Wins

Cities and towns did see wins, however.

The adjusted budget maintained funding levels for municipal transportation projects and water and sewer work. It provided more than \$3 million in revitalization grants for certain downtowns. It identified specific local economic development projects for aid. It transferred \$60 million to disaster recovery, including \$10 million for infrastructure grants that local governments can access. It funded a number of local parks projects while boosting the total of the state Parks and Recreation Trust Fund beyond \$20 million.

Also, the state Film and Entertainment Grant Fund saw an increase in the maximum amounts of the fund that can be awarded to films and television series (along with a reduction in the maximum investment required to receive funds). Coastal storm damage mitigation projects received help in a \$5 million transfer from another account.

Outside of the budget, there were consensus updates to last year's legislation that put into law uniform authorization for water and sewer system development fees, also called development impact fees. The updates include clarifying the authority to use system development fee revenues to repay bonds, shortening the window of time for projects to be included in the financial analysis that informs the fee amount, and stating more precisely the timing for payment of the fees. The changes will bring more clarity to the 2017 legislation, which marked a clear victory for cities and towns in the wake of a harmful state court ruling.

Local governments also picked up a new tool for fighting commercial, industrial and residential blight, in a bill setting up a new process called "vacant building receivership."

It will allow a local government, under certain circumstances, to petition the court to appoint a receiver to take over management of the property and make improvements. The legislation follows months of work on the proposal by League staff.

With cities' and towns' urgent focus on the opioid-abuse crisis, the passage of two bills promises some help in that fight.

The HOPE Act, building upon previous legislation, both tightens criminal penalties and creates procedures to allow law enforcement to better access pharmacy and other information that could indicate violations. The plan will also invest annually in naloxone supplies and community-based drug treatment and recovery services, while funding efforts to destroy unneeded prescription drugs. The SBI would get a new special agent to coordinate with local drug investigators.

Separately, another approved bill affecting substance abuse would help address a League goal of lessening the strain on local law enforcement when it comes to custody of those with behavioral and mental health issues. The legislation gives law enforcement officers more flexibility when they take custody of and transport individuals subject to an involuntary commitment order. It also calls for more collaboration between local mental health management entities and law enforcement in developing plans for how these commitments work.

A Tough Environment

Relative to previous legislative sessions over the last few decades, the number of bills taken up were relatively few. Nonetheless, that aforementioned truncated budget process – and just six weeks of meeting time and really only four in which standard, statewide legislation was taken up – created both a hectic pace and a difficult environment to seek changes in legislation.

League staff and leadership spent time letting legislators know of specific concerns created by budget provisions that received little vetting, and of plans to continue working to address them.

The budget does include clear recognition that the state needs to better address broadband access across the state, with a provision to establish a \$10 million broadband grant program. That money, however, would be directed mainly at private internet providers and utility cooperatives, and not help to create the public-private partnerships and cooperation envisioned by the League as a crucial means of addressing the gap in broadband access in the state.

While the budget bill includes some language from the 2017 BRIGHT Futures Act, with a stated goal of improving the landscape for broadband public-private partnerships, a provision would actually prevent a key feature of those partnerships. The League plans to continue to work with legislators to take steps to minimize this unintended consequence.

A separate budget provision that received little scrutiny would allow cities and towns to spend property tax revenue for public education and allow local school boards, charter schools and other education entities to request appropriations directly from a municipality. A dramatic change in statewide policy, it would go into effect in this new fiscal year. It is important to note that the statewide provision was unexpected, even as there had been discussion of local legislation allowing a handful of municipalities to potentially set up or contribute to local charter schools.

The League raised concerns that the major policy shift received little vetting prior to floor debate, and will continue to discuss the effects of the change with members and legislators.

While the 2018 legislative session may be unique in many respects, it was not in this regard: The major issues raised during the session will continue to play out in new debates and through new legislative proposals both next year and in the years ahead.

And the League will continue to work with its members in trying to best position cities and towns for the best results possible.



Paul Meyer, NCLM Executive Director

North Carolina's cities and towns, to one degree or another, are a reflection of the vision of local residents. Chopping away at local decision-making authority undermines the ability of local residents to pursue that individual vision of each community. And each of those visions, collectively, help to create a diverse state that attracts and encourages an array of economic activity.



Advocacy Goal Achievements

- **Goal: Seek legislation to increase state-level funding for municipal infrastructure needs**

SB 99, the state budget bill, provided increased state funding to draw down more federal dollars to fund water projects, boosted by \$4 million grants going to local parks and recreation projects, increased by \$4 million the money for the Clean Water Management Trust Fund, appropriated \$60 million for various disaster recovery activities, and includes roughly \$7 million for specific downtown revitalization, park, water and sewer and economic development projects. Meanwhile, approval of SB 758 Build NC Bond Act will help facilitate more and faster road building.



- **Goal: Support sufficient funding for competitive films incentives, historic preservation tax credits, and Main Street Solutions Fund**

SB 99, the state budget bill, reduces the maximum investments required of film projects in an effort to lure more such projects. It also directs \$3 million in downtown revitalization grants to 46 municipalities.



- **Goal: Support legislation to bolster the state’s mental health and intellectual/developmental disabilities (I/DD) treatment resources, including resources and solutions to lessen the strain on sworn law enforcement officers when providing custody of those in crisis**

Passage of SB 630 Revise IVC Laws to Improve Behavioral Health provides law enforcement more flexibility regarding custody and transport of those subject to an involuntary commitment order, lessening the strain on local law enforcement agencies as they cope with an increase in these types of orders.



- **Goal: Support legislation which defends the fiscal integrity of the Local Government Employees’ Retirement System and its defined benefit structure**

Approval of HB 1056 FAIR 2018 will better ensure that LGERs can recover any improperly paid benefits and restricts the practice of purchasing forfeited service.



- **Goal: Support municipal authority over municipal personnel issues**

A House version of SB 153 Military Retiree State Income Tax Relief would have created an unfunded mandate to pay a new employee benefit. It failed to pass.



Significant Municipal-Related Legislation

[HB 573 Business/Regulatory Changes](#)

This bill, passed into law with significant work by the League, allows cities to use a new tool to deal with blight, creating a “vacant building receivership” process to address abandoned or vacant structures that have been deemed a nuisance.

[HB 826 Clarify System Development Fees](#)

This consensus bill, worked on by the League along with development interests and passed into law, clarifies the system development fees legislation passed last year after a court decision threatened the viability of those water and sewer-related infrastructure fees. The updates include clarifying the authority to use fee revenue to repay bonds and stating more precisely the timing of fee payments.

[HB 507 Land-Use Regulatory Changes](#)

This legislation, opposed by the League, includes several provisions that would have curtailed the ability of local government adequately oversee development, undermining “performance guarantees” that ensure subdivision infrastructure is completed and incentivizing land-use litigation. It did not advance for a floor vote.

[HB 948 Building Code Regulatory Reform](#)

The League negotiated significant changes more favorable to cities and towns in this legislation. Passed into law, it would establish a pool of statewide building inspectors within the Department of Insurance, with contractors and local governments able to tap the pool under certain circumstances.

[SB 630 Revise IVC Laws to Improve Behavioral Health](#)

This legislation, corresponding to a League goal and passed into law, would give law enforcement more flexibility regarding custody and transport of those subject to an involuntary commitment order. Doing so, it will lessen the strain on local law enforcement agencies as they cope with an increase in these types of orders.

[SB 616 HOPE Act](#)

Building on legislation passed last year, this bill further addresses the opioid abuse crisis by tightening criminal laws related to possession and distribution of opioids and provides law enforcement with additional access to pharmacy opioid information.

[SB 153 Military Retirees State Income Tax Relief](#)

A provision in this legislation, opposed by the League, would have created an unfunded mandate to provide an additional retirement benefit for firefighters and rescue squad workers. The bill did not advance for a floor vote.

SB 99 Appropriations Act of 2018 (Schools Provision)

A provision included in the budget bill would allow municipalities to use property tax revenue and other revenues to fund public education, a major shift in North Carolina government finance policy. Because the provision was included in the budget bill, and that bill was passed using a truncated process, there was little to no opportunity for vetting the provision.

SB 99 Appropriations Act of 2018 (Broadband Provisions)

The budget included provisions to create a \$10 million grant program aimed at improving rural access to broadband, although local governments could not access that grants. Meanwhile, other language damaged the ability of some types of public-private broadband partnerships to proceed.

SB 99 Appropriations Act of 2018/SB 335 Budget Technical Corrections & Study (Light Rail Provisions)

A provision originally included in the budget bill would have damaged the ability of a Durham-Orange County light rail project, as well as any future projects, to proceed. It was reversed in a provision passed in SB 335.



Bill Summaries

Bills tracked by the Public and Government Affairs
team throughout the 2018 Short Session

Bill Summary – Overview

Over the course of the 2018 session of the North Carolina General Assembly that concluded on June 29, the League’s Public and Government Affairs Team tracked 112 bills in its online tracking system. Of those, 16 were deemed as being of “High” importance to cities. You will find summaries of many of those bills below, including descriptions of how key provisions affect the operation and governance of cities and towns, as well as the legislative politics that accompanied their consideration. The bill numbers and titles are linked below. The links will take you to each piece of legislation on the General Assembly’s website. Beside each bill number and title is a designation: Law or Not Passed.

The designations indicate the following:

- **Law:** Passed by the General Assembly and now Session Law, either with the Governor’s signature, the Governor’s inaction regarding the bill, as a local bill over which the Governor has no say, or as legislation that the Governor vetoed but then saw the General Assembly override that veto.
- **Not Passed:** These are bills that were not approved by either or both chambers of the General Assembly. Because the General Assembly did not adjourn sine die, or “without day,” but instead passed a resolution calling legislators to reconvene on Nov. 27, following the General Election, these bills remain eligible for consideration at that time.
- **Vetoed:** This was a single bill vetoed by the governor in which the legislature did not vote to override that veto. It technically still could do so when legislators reconvene on Nov. 27.

Bills below are divided into five general categories: Tax & Finance, Local Bills, General Government, Planning & Land Use, and Environment and Utilities. If you do not see a bill summarized that you are interested in, please contact any member of the League’s Governmental Affairs team or visit the League’s bill tracking site. Several bills address advocacy goals chosen by cities and towns as their top legislative priorities for 2017-18. For a full list of Municipal Advocacy Goals, see Appendix II.



Tax & Finance

[HB 9 Allow Election Day Service - Retired LEOs](#) (Rep. Fraley) – Law – SL 2018-25 effective various dates

This new law allows county boards of elections to employ retired law enforcement officers on any election day, without causing suspension of the officer's special separation allowance.

[HB 284 25-Year LEO Retirement Option](#) (Murphy, McNeill, Rogers, Malone) – Law – SL 2018-22 effective various dates

After passing the House in the 2017 Session, HB 284 received final legislative approval in the short session. Under the new law, law enforcement officers could retire after 25 years of service, regardless of age, but would receive a reduced retirement benefit. The proposal also allows the employer to offer and negotiate a separation buyout to an officer who chooses to retire prior to reaching eligibility for the special separation allowance.



Sen. Rick Gunn leads a committee meeting at the Legislative Building.

The League remained neutral on the bill, but expressed appreciation to legislators for finding an additional retirement option that is revenue neutral for employers.

HB 284 was one of two proposals that emerged this biennium regarding the pension benefits that officers would receive if they retire after 25 years of service, instead of 30 years. [SB 199 Law Enforcement Officer Retirement/25 Years](#) was opposed by the League and received no consideration in the Senate. It would provide officers their full pension benefit after 25 years of service, which would have resulted in increased costs to the retirement system – one that would be paid by employers through a significant increase in the contribution rate they pay to the pension system for officers. The retirement system that provides benefits to employees of cities, towns, counties and other entities of local government is the Local Governmental Employees' Retirement System (LGERs). It's funded by investment earnings, employee contributions, and employer contributions. Employers and employees make these contributions so that, upon an employee's retirement from either system, he or she is able to receive a

consistent, defined benefit based on salary and years of service. The fund's fiscal solvency is crucial to public support for a defined benefits system.

[HB 931 UI Technical Changes](#) (Reps. Howard, Arp, Bumgardner, Warren, and Clampitt) – Law – SL 2018-94 effective various dates/[SB 717 UI Technical Changes](#)** (Sens. Meredith, Wells, Newton) – Not Passed**

HB 931 makes other changes to the unemployment insurance system, including lowering the threshold for employers that must file quarterly tax and wage reports from the current 25 employees to 10 employees. Also delays until January 1, 2019, the date after which employers must respond to unemployment insurance claims within 10 days, a time period that was shortened from the current 14 days.

[HB 985 Retirement Technical Corrections Act of 2018.-AB](#) (Reps. Dulin, Ross, and McNeill) – Law – SL 2018-85 effective various dates/ **[HB 977 Admin. Changes Ret. System/Treasurer - 2018.-AB](#) (Reps. Ross, McNeill, and Dulin) – Law – SL 2018-84 effective various dates**

HB 985 and 977 are the Treasurer’s Office’s technical and administrative changes to statutes governing state-administered pension systems, including correcting statutory citations, reformatting language, eliminating annual reports, and other technical fixes. Both bills became law.

[HB 1056 FAIR 2018.-AB](#) (Reps. Collins, Dulin, Ross, and McNeill) – Law – SL 2018-52 effective various dates/ **[HB 1055 Retirement Complexity Reduction Act of 2018.-AB](#) (Reps. Collins, Ross, Dulin, and McNeill) – Vetoed**

HB 1056 is the Treasurer’s Office’s suggested statutory changes to promote financial accountability, integrity, and recovery of assets of the state-administered pension systems, the disability income plan, and the state health plan. This law includes a provision to allow the retirement system to attach or garnish the employer's credit card receipts or other third-party payments in payment of the amount owed to the state. HB 1055 included provisions proposed by the Treasurer’s Office to reduce the complexity of the state-administered pension systems and add value to the retirement benefits of public



Hundreds of public servants attended the League's first-ever Town & State Dinner.

employees; however, the bill was vetoed by Governor Cooper and not taken up by the legislature for a veto override.

SB 75 Const. Amd. – Max. Income Tax Rate of 7.0% (Sens. Tucker, Brock, and Tillman) – Law – SL 2018-119 effective June 28, 2018

The language in SB 75 is one of six constitutional amendments that will be on the ballot come this November’s general election. If approved by voters, this amendment would constitutionally cap North Carolina’s income tax rate at 7 percent, down from the current cap of 10 percent. The current personal income tax rate is 5.499 percent and is scheduled to fall to 5.25 percent in 2019. The corporate income tax rate is currently 3 percent and is scheduled to drop to 2.5 percent next year. As such, this amendment would not likely have an immediate impact on the state’s income tax rates. Concerns have been raised about future impacts, and whether reducing the state’s flexibility to respond to economic crises and fund needed services would result in funding responsibility being transferred to local governments. Voters will ultimately decide the fate of this potential change to the state’s constitution. If passed, the cap would go into effect for taxable years beginning on Jan. 1, 2019.

SB 99 Appropriations Act of 2018 (Sens. Lee, Meredith, and Ford) – Law – SL 2018-5 effective on various dates

HB 979 2017 Appropriations Act (Rep. Dollar) – Not Passed

SB 743/HB 980 Governor’s Budget (Sens. B. Jackson, Brown and Harrington; Reps. Dollar, Johnson, Lambeth, and McGrady) – Not Passed



Rep. Jay Adams (center) at the Town & State Dinner.

At least three bills related to a proposed state budget were filed this year in the form of House bills 979 and 980, and Senate Bill 743. However, the vehicle for this year’s budget ended up being Senate Bill 99, which passed both chambers of the legislature in 2017 as an insurance-related bill but was not resolved by a conference committee before last year’s adjournment. Using an unpassed conference report as the budget bill allowed legislative leaders to debut an agreed-upon appropriations act in a bill that lawmakers could not proposed amendments to, with legislative rules allowing only for Yes and No votes on conference reports. Following this process, Gov. Roy Cooper vetoed SB 99, but that veto was quickly overridden by both the House and the Senate, allowing the budget to become Session Law 2018-5. The \$23.9 billion spending plan

included pay raises for teachers and state employees, and another one-time cost-of-living supplement for state retirees.

It also included a number of provisions impacting municipalities. Perhaps most significant is a change in longstanding state law that now allows municipalities to spend property tax revenues on local schools. Though related to [HB 514 Permit Municipal Chart School/Certain Towns](#) – a local bill that the League did not oppose – the provision applies to all municipalities statewide. Municipalities are not obligated to fund any schools, but the law specifies that local boards of education and charter schools can all request appropriations from municipal governing boards. The law does not provide an additional funding source for any potential appropriations to schools, and does not specify that any local school must use municipal funding to supplement, rather than replace, any funds. The League was not consulted on the inclusion of this provision in the budget, and as a conference report there was no opportunity to amend this provision before the budget's passage. The League will continue to work with its members and with legislators to address concerns regarding this new funding option for municipalities in the coming months.

Numerous other provisions in the budget bill will impact municipalities in various ways. Powell Bill funding remained consistent at \$147.5 million statewide. Dozens of individual municipalities received millions in direct appropriations for specific projects. Changes to light rail funding, municipal reimbursement of school-related streets improvements, the county tier ranking system, and inspections-related reporting requirements all passed as part of SB 99. Some of these provisions were later amended further in the budget technical corrections

bill, but others remain law. The League produced a report summarizing budget provisions impacting municipalities; [go to the League's website](#) to read that report.

[SB 153 Military Retiree State Income Tax Relief](#)
(Sens. Rabin, Sanderson, and Britt) – Not Passed



League Executive Director Paul Meyer joins in applause for local, state leaders.

SB 153 was amended unannounced in the House Finance Committee in the last few weeks of the session to

include, among others, provisions from [HB 340](#) that were introduced in the 2017 session that would provide firefighters and rescue squad workers a new post-retirement benefit called a "special separation allowance." The benefit would be in addition to the firefighter's pension and would serve as a gap-filler from the time of retirement until the age of social security eligibility. It would be paid solely by the firefighter's last employer and presents a substantial unfunded mandate on local governments. It would also create a disincentive for employers to hire late-career firefighters. According to General Assembly staff, the estimated cost to provide this benefit, over time, to all current local government employees who would be eligible is roughly \$300 million. In remarks to the committee about the proposal, the League explained that without a funding mechanism this benefit is an unfunded legislative mandate on the local government employer. SB 153 received approval from the House Finance Committee, but it was not taken up for consideration by the full House.

[SB 220 Motor Fuel Tax Exemption for Joint Agency](#) (Sen. Sanderson) – Law – SL 2018-39 effective Oct. 1, 2018

SB 220 originally passed the Senate in 2017 but did not make it through the House prior to that year's adjournment. Currently municipalities and counties are exempt from paying motor fuel taxes; this law expands that exemption to any agency created by an interlocal agreement between two or more governmental units for the purpose of providing police, fire, or emergency services. SL 2018-39 applies to any such joint agency, but there is only one agency in the state that is currently known to meet the law's criteria.



Sen. Warren Daniel (center) meets with colleagues at League event.

[SB 563 Commerce to Assign County Distress Factors](#) (Sens. Barringer, Newton, Lee)—Not Passed

This House proposal directly addressed a League policy goal to revise the tier method of measuring levels of economic distress. While it did not advance to passage, this bill took meaningful steps to focus the way the state measures economic distress by more effectively targeting symptoms, and it separated the measurements into two factors.

The first factor evaluated a local government's ability to provide necessary services, while the second factor assessed individuals' ability to provide for themselves. Rather than implement a new system at

once, the bill instead directed the N.C. Department of Commerce to rank counties by these two measurements and provide that data to legislators. It also directed all state agencies that relied on the current economic tier system for various funding programs to submit reports to the legislature that justified their use of the current tier system in making funding and other programmatic decisions.

SB 729 Advanced Cert. Service Purchase Option/LEOs (Sen. Randleman) – Not Passed

Allows law enforcement officers who hold an advanced law enforcement officer certificate and who have completed five years of membership service in a state-administered retirement system to purchase up to two years of creditable service. SB 729 was not taken up for consideration by a committee.

Local Bills

[HB 514 Permit Municipal Charter Schools/Certain Towns](#) (Rep. Brawley) – Law – SL 2018-3 effective upon passage

This legislation provides four Mecklenburg County municipalities the authority to open and operate charter schools. The bill initially passed the House last year allowing two municipalities – Matthews and Mint Hill – to operate the schools. Cornelius and Huntersville were added in the Senate version passed this year, with those changes agreed to by the House. The approval followed the inclusion of a provision in the state budget allowing municipalities statewide to fund publication after constitutional concerns were raised regarding the ability of municipalities to commit tax dollars under certain circumstances without it. That provision led to League communication expressing concerns about its long-term implications and that it had received little vetting before appearing in a budget document that could not be amended. The changes took effect immediately.

[HB 930/SB 769 Apex Annexation](#) (Rep. Williams/Sen. Barringer) – Law – SL 2018-53 effective June 30, 2018

[HB 942 Kinston Deannexation Corrections](#) (Rep. Bell) – Law – SL 2018-54 effective June 30, 2018

[HB 943 Taylortown Deannexation](#) (Rep. Boles) – Not Passed

[HB 946 Mooresville Deannexation](#) (Rep. Fraley) – Law – SL 2018-55 effective June 30, 2018

[HB 955 Eden/Thoroughbred Annexation Agreement](#) (Rep. Jones) – Law – SL 2018-18 effective upon passage

[HB 956 Eden/Duke Energy Annexation Agreement](#) (Rep. Jones) – Law – SL 2018-19 effective upon passage

[HB 971/SB 752 Winston-Salem Deannexation](#) (Rep. Conrad/Sen. Krawiec) – Law – SL 2018-57 effective June 30, 2018

[HB 978 Hemby Springs/Stallings Corporate Limits](#) (Rep. Arp) – Law – SL 2018-58 effective June 30, 2018 and as otherwise stated

[HB 1015/SB 775 Black Mountain/Montreat Corporate Limits](#) (Rep. Ager/Sen. Edwards) – Law – SL 2018-108 effective June 30, 2018 and as otherwise stated

[SB 531 Deannex: Towns of Stanfield/Badin/Red Cross](#) (Sen. Tucker) – Not Passed

[SB 776 Hendersonville Deannexation](#) (Sen. Edwards) – Law – SL 2018-109 effective June 30, 2018

SB 802 Mineral Springs Deannexations (Sen. Tucker) – Law –SL 2018-122 effective June 30, 2018

The 2018 legislative session saw two controversial de-annexation measures filed. Provisions in one, SB 802 Mineral Springs Deannexations, which would have de-annexed property in Wesley Chapel against the town’s wishes and



Sen. Floyd McKissick of Durham at the Town & State Dinner.

without its input, were ultimately dropped from the final bill. SB 531 Deannex: Towns of Stanfield/ Badin/Red Cross was a piece of legislation that had been altered in the House by Rep. Justin Burr and included measures to remove property from several Stanly County towns with opposition from the towns. The bill moved through a House committee and was placed on the House floor for a vote several times before finally being removed for good and not voted on. Other bills annexing or de-annexing property within municipalities were not controversial, although one proposal – HB 942 Kinston Deannexation Corrections – was clean-up legislation to a bill that passed in 2017 which de-annexed an entire Kinston neighborhood over the objections of the city.

HB 947 Municipal Local Option Sales Tax (Rep. Fraley) – Not Passed

This bill would have allowed the Town of Mooresville to levy a quarter-cent municipal-only sales tax for use on street improvements. The levy of the tax would have been subject to a voter referendum. The legislation’s introduction followed a statewide bill allowing a municipal-only sales – a bill pushed by the League – which received a favorable committee vote before being set aside.

HB 958/SB 749 Powell Bill for Parks/Tobaccoville (Rep. Conrad/Sen. Krawiec) – Not Passed

The Town of Tobaccoville would have been able to use Powell Bill dollars for uses beyond transportation. Under the proposal, which was never voted on by a committee in either legislative chamber, the town could have used the funding for the planning, construction and maintenance of parks and recreation facilities.

HB 990 Rockingham Cty/Publish Notices Electronically (Rep. K. Hall) – Not Passed

This bill would have expanded 2017 legislation to include Rockingham County local governments among those that would be allowed to publish legally-required notices online, on their own websites, removing a requirement that they be published in local newspapers. In 2017, legislators passed such a measure for Guilford County and municipalities within the county. The 2018 legislation did not receive a committee hearing.

[HB 1087 Asheville/Body-Worn Cameras](#) (Reps. Hardister, Blust, Brockman, and Quick) – Not Passed

A local bill that would allow disclosure of body-worn camera footage to the Asheville City Council without following statewide procedures for disclosure, if done in closed session only. In this situation, council members must sign a confidentiality statement, and images may only be released to the public upon a court order.

[SB 220 Motor Fuel Tax Exemption for Joint Agency](#) (Sen. Sanderson) – Law – SL 2018-39 effective Oct. 1, 2018

SB 220 originally passed the Senate in 2017 but did not make it through the House prior to that year's adjournment. Currently municipalities and counties are exempt from paying motor fuel taxes; this law expands that exemption to any agency created by an interlocal agreement between two or more governmental units for the purpose of providing police, fire, or emergency services. SL 2018-39 applies to any such joint agency, but there is only one agency in the state that is currently known to meet the law's criteria.

[SB 809 Greensboro Criminal Justice Advisory Comm](#) (Sen. Robinson) – Not Passed/[HB 1085 Greensboro Criminal Justice Advisory Comm](#) (Reps. Harrison, Faircloth, Hardister, and Quick) – Not Passed/**[HB 1080 Guilford Co. Animal Control Records](#) (Reps. Hardister, Blust, Brockman, and Quick) – Law – SL 2018-105 effective June 26, 2018******

SB 809 and HB 1085 were not considered by their respective chambers and therefore did not become law, but both would have allowed the release of certain information to any board or committee overseeing the police disciplinary process for the City of Greensboro. However, HB 1080 was amended late in session to allow the Greensboro city manager, the chief of police, or their designees to release the disposition of disciplinary charges against a police officer (and the facts for which the charges were based) to the Criminal Justice Advisory Commission and the Police Community Review Board. Rep. John Faircloth said the bill would act as an "experiment" to see if allowing the appointed commission to have access to the information is a viable approach to police footage.

[SB 813 Asheville City Council Districts](#) (Sen. Edwards) – Law – SL 2018-123 effective June 29, 2018

The law amends the Charter of the City of Asheville to provide for the election of five city council members from districts effective beginning with the 2020 municipal election, shifting elections to even-numbered years; the mayor and one other member of council would run citywide.

General Government

[HB 388 Modernize Mutual Assistance Statutes](#) (Reps. McNeill, Faircloth, and Meyer) – Law – SL 2018-87 effective June 25, 2018

HB 388 amends the state’s mutual assistance statutes to allow a law enforcement agency to provide assistance to another law enforcement agency unless specifically prohibited or limited by ordinance.

[HB 779 ABC Elections](#) (Reps. Brody, Williams)—Law—SL 2018-28

In an update to laws governing local alcohol and beverage control elections, this measure made it easier for certain small towns to hold a malt beverage or unfortified wine election. Specifically, the law loosened threshold requirements a town must meet to be eligible to hold such a referendum.



The League Board of Directors in session this year in Raleigh.

[HB 967 Telemedicine Policy](#) (Reps. Lambeth, Dobson)—Not Passed

Among other provisions related to the practice of telemedicine, this bill directed a comprehensive broadband infrastructure study conducted by the

Department of Health & Human Services and the Department of Information Technology, which houses the state’s Broadband Infrastructure Office. The study was intended to include recommendations for a plan to ensure that all N.C. residents have sufficiently advanced internet connectivity to receive health care services via telemedicine. Considerations for the study also included recommendations for the best manner to incentivize investment in broadband infrastructure and to reduce barriers to deployment of that infrastructure. The bill also required an examination of initiatives to create community-based broadband adoption and utilization initiatives. This study focused on many of the same policy recommendations made by the League in its recent [broadband infrastructure report](#). Although the bill passed the House, the Senate did not act on it.

[HB 1064 Req. Implementation of Text/SMS 911 for PSAPs](#) (Reps. John, Quick, B. Richardson, and W. Richardson) – Not Passed

HB 1064 would require all public safety answering points (PSAPs) to receive requests for emergency assistance by text if the PSAP has the capability to receive text messages, authorizing a state technical assistance position to assist PSAPs in implementing this requirement. The bill was not considered by the House.

[SB 124 LEO Managed CBD Oil Drop Box](#) (Sens. D. Davis and Hise) – Law – SL 2018-36 effective December 1, 2018

SB 124 requires that all residual oil from hemp extract that is lawfully possessed by a caregiver for treatment of a patient diagnosed with intractable epilepsy must be disposed of at a secure collection box that is managed by law enforcement.

[SB 595 Strengthening Victims' Rights](#) (Sens. Barringer, B. Jackson, and Daniel) – Not passed/[HB 551 Strengthening Victims' Rights](#) (Reps. Dollar, R. Turner, Destin Hall, and Earle) – Law – SL 2018-110 effective June 26, 2018 (if chosen by the majority of voters, it will be effective August 31, 2019)****

SB 551 was one of the six constitutional amendments passed by the legislature at the end of session that will be placed on the November 2018 ballot. If approved by the voters, the constitutional amendment in SB 511 will expand the rights of victims of certain crimes and acts of delinquency, adding to the offenses that trigger victims' rights and guaranteeing victims certain rights.



Rep. John Torbett on the House floor.

[SB 616 Heroin & Opioid Prevention & Enforcement Act](#) (Sen. J. Davis) – Law – SL 2018-44 effective various dates

SB 616 builds on legislation passed last session to address the state's opioid epidemic and, among other provisions, tightens criminal laws related to opioid possession and distribution and creates procedures to allow law enforcement access to pharmacies' opioid prescription information,

[SB 630 Revise IVC Laws to Improve Behavioral Health](#) (Sens. Hise, Krawiec, and Randleman) – Law – SL 2018-33 effective various dates

SB 630, among other things, revise the process for law enforcement officials that take custody of and transport individuals subject to an involuntary commitment order to their first commitment examination and gives officers more flexibility. This law partially achieves an NCLM advocacy goal of lessening the strain on law enforcement when taking custody of and transporting individuals to commitment examinations.

[SB 721 Required Training Police Telecommunicators](#) (Sens. Rabin, Alexander, and Sanderson) – Not passed/[HB 961 Required Training Police Telecommunicators](#) (Reps. Faircloth, Brenden Jones, Boles, and Speciale) – Not Passed

As recommended by the Joint Legislative Emergency Management Oversight Committee and supported by the 911 Board, SB 721 and HB 961 would require all police telecommunicators to receive training and meet the eligibility requirements for telecommunicators as set forth in the N.C. Sheriffs' Education and Training Standards Commission. The bills were not considered.

[SB 722 Local Law Enforcement/Citizens Academies](#) (Sens. Rabin, Alexander, and Sanderson) – Not passed/[HB 960 Local Law Enforcement/Citizens Academies](#) (Reps. Faircloth, Boles, and Speciale) – Not Passed

Companion bills SB 722 and HB 960 would allow local law enforcement agencies to establish programs to educate community members about the operations of the agency and to train participants as volunteers that can support the operations of the department. The bills were not considered.

[SB 723 Clarify Prevention/Emergency Management Act](#) (Sens. Rabin, Alexander, and Sanderson) – Not passed/[HB 963 Clarify Prevention/Emergency Management Act](#) (Reps. Faircloth, Speciale, Boles, and Brenden Jones) – Not Passed

SB 723 and HB 963 as introduced would have added “prevention” to the list of emergency management activities that fall under the state’s Emergency Management Act, widening the scope of the program and allowing local governments to apply emergency management funds to a larger number of activities. While neither bill became law, SB 723 was later amended to add that responses to acts of violence are also within the scope of the Act, to include a variety of other measures some related to human-caused emergencies in public schools, and to require all incorporated municipalities to establish an emergency management contact. Neither bill passed and HB 963 was not considered at all by the House.

[SB 758 Build NC Bond Act of 2018](#) (Sens. Rabon, Harrington, J. Davis)—Law—SL 2018-16 effective January 1, 2019

[HB 1010 Build NC Bond Act](#) (Reps. Torbett, Iler, Presnell, Shepard)— Not Passed

Lawmakers eventually chose SB 758 as the legislative vehicle to authorize the issuance of state "Build NC" transportation bonds.

Modeled after the federal GARVEE bond program, this new funding source would allow the state to borrow money for local transportation priorities and repay the bonds using future state transportation dollars allocated to the Highway Trust Fund. Build NC bond proceeds may fund transportation projects prioritized at the regional and division levels of the state's transportation funding system. These projects are suggested by local officials, who also have the most input in deciding which of these projects to prioritize. The measure includes borrowing limitations, however, including an overall program cap of \$300 million.

[SB 772 VIPER - Survey/Outreach/In-Kind Contributions](#) (Sens. Edwards and Foushee) – Not passed/[HB 1041 VIPER - Survey/Outreach/In-Kind Contributions](#) (Reps. Hurley, R. Turner, and Lucas) – Not Passed

SB 772 and HB 1041 would implement recommendations from an interim legislative oversight committee designed to improve intergovernmental communication with respect to the statewide VIPER public safety communications system. Directs a "customer satisfaction" survey of VIPER users, including local chiefs of police, as well as more regional meetings of state and local public safety officials. Also directs a valuation of all in-kind donations of property made by governmental entities to support VIPER operations. The bills were not considered.



House Speaker Tim Moore presides over a floor session.

Planning & Land Use

[HB 379 Recodification Working Group](#) (Reps. Riddell, Millis, Bradford, and Brenden Jones) – Law – SL 2018-69 effective June 25, 2018

In an attempt to have a complete statewide compendium of crimes, HB 379 requires certain state entities to submit information regarding criminal offences. All local units of government must create a list of all misdemeanor ordinances enforced as a criminal offense, with a description of that conduct, and submit the list to two legislative oversight committees by December 1, 2018.

[HB 507 Land-Use Regulatory Changes](#) (Reps. Jordan, J. Bell, Conrad, W. Richardson)—Not Passed

In a repeat of the debate on a similar proposal in the 2015-16 session, this omnibus land use bill advanced over the League’s objections through supportive House and Senate votes before ultimately failing to achieve passage. As in the last biennium, this session’s measure would make substantial changes to existing law that would curtail the ability of local governments to negotiate with and hold developers accountable for the impacts of their developments on neighboring landowners and the community at large. The League and other local government interests intensely opposed this proposal. Primarily, the bill addressed how land use lawsuits are litigated, with a result of incentivizing litigation at local taxpayer expense. The measure also weakened the rights of new developments’ neighboring property owners, and it undermined infrastructure performance guarantees that protect new property owners and local taxpayers, among other related provisions.

[HB 573 Business/Regulatory Changes](#) (Reps. Faircloth, Ross, Blust, Brockman)—Law—SL 2018-65 effective on various dates

One of the provisions in this larger package of statutory revisions gave local governments another tool to address blight and clean up vacant properties. Modeled on a longstanding legal concept called receivership, Section 1 of this law created a new process by which a superior court judge oversees improvements to vacant commercial, industrial, and residential properties. The process first requires the local government to undertake rigorous code enforcement actions under existing law. If those enforcement actions are unsuccessful, then the local government may petition the court to appoint a receiver to take over management of the property and make improvements. The process respects private property rights by maintaining the original property ownership throughout the process and by giving owners multiple opportunities to comply with the law and improve their properties. A large workgroup of League members worked in cooperation with realtors’ interests to bring forward this consensus proposal, which received nearly unanimous votes in both the House and Senate.

**HB 826 Clarify System Development Fees (Reps. Riddell, Saine, Dulin, Fraley)—
Law—SL 2018-34 effective on various dates**

In a follow-up to last year's [comprehensive system development fee law](#), this consensus



House colleagues deliberate before an afternoon of voting.

bill made beneficial updates to allow for easier implementation of the 2017 law by both local governments and development interests. The updates included clarifying the authority to use fee revenues to repay bonds, shortening the window of time for projects to be included in the financial analysis that informs the fee amount, and stating more precisely the timing for payment of the fees. To address an issue related to the calculation of fees, the law also directs the N.C. Department of Environmental Quality to update its rules regarding a default number for daily water and wastewater usage. Those numbers are used in calculating system development fees, and they were last updated in 2006.

HB 948 Building Code Regulatory Reform (Reps. Brody, Riddell, Cunningham, Potts)—Law—SL 2018-29 effective on various dates

Before whisking this bill to final passage, legislators adopted significant

improvements that took into account some of the concerns raised by the League and other local government stakeholders. With those changes, the omnibus building inspections measure was updated to include extensive detail about how the N.C. Department of Insurance (NCDOI) would implement a new program to offer building inspections services from a pool of licensed inspectors maintained by the department. Contractors and local governments alike could utilize the pool inspection option under the circumstances described in the bill.

The final bill also created two new reporting requirements affecting local governments. First, it referenced a budget provision requiring local finance officers to provide detailed



League President and Jacksonville Mayor Pro Tem Michael Lazzara leads a press conference in Raleigh.

reports on the total revenue received from building inspections, and how those monies were spent, directing reports to begin with those due June 30, 2019. And secondly, it required local inspections departments to forward to NCDOL a copy of framing inspections reports in which the inspector found 15 or more violations. This second reporting requirement became effective July 1, 2018, ending October 1, 2019. In another provision, the bill expanded the authority of non-

local government employees, including licensed architects and engineers, to conduct certain inspections. The bill also created new authority allowing local governments to enter into mutual aid agreements for the purposes of enforcing the State Building Code, among other changes related to building inspections licensure.

**SB 335 Budget Technical Corrections & Study (Sens. Daniel, Bishop, Tarte)—
Law—SL 2018-97**

This session’s budget technical corrections bill amended the state's approved spending plan and included two provisions of interest to cities. First, it rewrote a budget provision that would have effectively prevented any light rail projects from moving forward in the state. Instead, any current projects, such as the Durham-Chapel Hill light rail project, would be able to continue if they met tight deadlines to secure alternative funding sources. The bill also removed a budget provision that had prevented cities from requiring schools to pay for transportation improvements as part of the land use approval process for those developments. That original budget provision, however, was restored in [HB 374 Regulatory Reform Act of 2018](#), thereby reversing this technical corrections bill language.

**SB 711 NC Farm Act of 2018 (Sens. B. Jackson, Cook, Sanderson) – Law – SL
2018-113 effective various dates**

This new omnibus law contains a variety of agriculture measures, including a limitation on when and how neighbors of farms and forestry operations can file nuisance suits and creates tougher restrictions for neighbors wanting to sue.

Environment & Utilities

HB 351 Utilities/Rate Base/Fair Value Determination (Reps. Watford and Collins) – Law – SL 2018-51 effective June 25, 2018

HB 351 allows private water and wastewater systems that are regulated public utilities to use “fair value determination” as an alternative methodology to calculate the rate base when purchasing a water or wastewater system owned by a municipality or other governmental entity. The decision to sell the utility system remains voluntary. Prior to this new law, regulated public utilities established a rate base calculated on the original cost of the public utility system. The new law lays out the details of how the “fair value determination” to establish a rate base would work between all parties and the N.C. Utilities Commission.

HB 374 Regulatory Reform Act of 2018 (Reps. McElraft, Howard, Johnson, and Hurley) – Law – SL 2018-114 effective various dates

HB 374 is the 2018 session’s large package of regulatory reforms that places into law numerous unrelated provisions that by-and-large either do not affect municipalities or only affect them in narrow ways. Some of the environmental and utility provisions of interest to cities include 1) the addition of a topic to an ongoing legislative water and sewer enterprise study that requires an investigation into the authority for mandatory connections of certain utility systems, and 2) a study of a limited universe of state-delegated stormwater programs by the state’s top environmental regulatory commission.

Unrelated to the environment, the law included a provision to repeal a restriction of authority in the 2018 budget that prevented cities from requiring schools to pay for transportation improvements as part of the land use approval process for those developments. However, SB 335 Budget Technical Corrections & Study reverted the law back to the restriction that was found in the budget.



League leadership plotting the course at a Board of Directors meeting.

SB 724 Water Safety Act (Sens. Lee, Rabon, Meredith) – Not Passed/HB 972 Water Safety Act (Reps. Davis, Grange, Iler, Brisson) – Not Passed

Both House and Senate chambers proposed a suite of state and local responses to water supply contamination caused by emerging contaminants like per- and poly-fluoroalkyl substances (PFAS) such as GenX. And while neither SB 724 or HB 972 became law, the State budget (Section 13.1) included many provisions similar to what was proposed in these bills. Provisions directly affecting local governments related to water safety that became law in the budget included:

- a requirement to extend public water supply service to households whose drinking water wells have been determined to be contaminated with PFAS substances
- a requirement that every applicant for a new permit or permit renewal of an individual National Pollutant Discharge Elimination System (NPDES) submit documentation to DEQ that will facilitate immediate public disclosure of the pollutants by certified test method to be included in the person's discharge.

Appendix I – All Bills Mentioned in Bulletin

Bill No	Bill Title	Status	Bulletin Section
HB 979	2017 Appropriations Act	Not Passed	Tax & Finance
HB 284	25-Year LEO Retirement Option	Law	Tax & Finance
HB 779	ABC Board Elections	Law	General Government
HB 977	Admin. Changes Ret. System/Treasurer - 2018.-AB	Law	Tax & Finance
SB 729	Advanced Cert. Service Purchase Option/LEOs	Not Passed	Tax & Finance
HB 9	Allow Election Day Service - Retired LEOs	Law	Tax & Finance
HB 930 / SB 769	Apex Annexation	Law	Local Bills
SB 99	Appropriations Act of 2018	Law	Tax & Finance
SB 813	Asheville City Council Districts	Law	Local Bills
HB 1087	Asheville/Body-Worn Cameras	Not Passed	Local Bills
HB 1015 / SB 775	Black Mountain/Montreat Corporate Limits	Law	Local Bills
SB 335	Budget Technical Corrections & Study	Law	Planning and Land Use
HB 1010	Build NC Bond Act	Not Passed	General Government

SB 758	Build NC Bond Act of 2018	Law	General Government
HB 948	Building Code Regulatory Reform	Law	Planning & Land Use
HB 573	Business/Regulatory Changes	Law	Planning & Land Use
HB 963 / SB 723	Clarify Prevention/Emergency Management Act	Not Passed	General Government
SB 723	Clarify Prevention/Emergency Management Act	Not Passed	General Government
HB 826	Clarify System Development Fees	Law	Planning & Land Use
SB 563	Commerce to Assign County Distress Factors	Not Passed	Tax & Finance
SB 75	Const. Amd. - Max. Income Tax Rate of 5.5%	Law	Tax & Finance
SB 531	Deannex: Towns of Stanfield/Badin/Red Cross	Not Passed	Local Bills
HB 956	Eden/Duke Energy Annexation Agreement	Law	Local Bills
HB 955	Eden/Thoroughbred Annexation Agreement	Law	Local Bills
HB 1056	FAIR 2018.-AB	Law	Tax & Finance
HB 980 / SB 743	Governor's Budget	Not Passed	Tax & Finance
HB 1085 / SB 809	Greensboro Criminal Justice Advisory Comm	Not Passed	Local Bills
HB 1080	Guilford Co. Animal Control Records	Law	Local Bills
HB 978	Hemby Bridge/Stallings Corporate Limits	Law	Local Bills
SB 776	Hendersonville Deannexation	Law	Local Bills
SB 616	Heroin & Opioid Prevention & Enforcement Act	Law	General Government
HB 942	Kinston Deannexation Corrections	Law	Local Bills
HB 507	Land-Use Regulatory Changes	Not Passed	Planning & Land Use

SB 199	Law Enforcement Officer Retirement / 25 Years	Not Passed	Tax & Finance
SB 124	LEO Managed CBD Oil Drop Box	Law	General Government
HB 960 / SB 722	Local Law Enforcement/Citizens Academies	Not Passed	General Government
SB 153	Military Retiree State Income Tax Relief	Not Passed	Tax & Finance
SB 802	Mineral Springs Deannexations	Law	Local Bills
HB 388	Modernize Mutual Assistance Statutes	Law	General Government
HB 946	Mooresville Deannexation	Law	Local Bills
SB 220	Motor Fuel Tax Exemption for Joint Agency	Law	Tax & Finance
HB 947	Municipal Local Option Sales Tax	Not Passed	Local Bills
SB 711	NC Farm Act of 2018	Law	Planning and Land Use
HB 514	Permit Municipal Charter School/Certain Towns	Law	Local Bills
HB 958 / SB 749	Powell Bill for Parks/Tobaccoville	Not Passed	Local Bills
HB 379	Recodification Working Group	Law	Planning and Land Use
HB 374	Regulatory Reform Act of 2018	Law	Environment & Utilities
HB 1064	Req. Implementation of Text/SMS 911 for PSAPs	Not Passed	General Government
HB 961 / SB 721	Required Training Police Telecommunicators	Not Passed	General Government
HB 1055	Retirement Complexity Reduction Act of 2018.-AB	Vetoed	Tax & Finance
HB 985	Retirement Technical Corrections Act of 2018.-AB	Law	Tax & Finance
SB 630	Revise IVC Laws to Improve Behavioral Health	Law	General Government
HB 990	Rockingham Cty/Publish Notices Electronically	Not Passed	Local Bills

<u>HB 551 / SB 595</u>	Strengthening Victims' Rights	Law	General Government
<u>HB 943</u>	Taylorstown Deannexation	Not Passed	Local Bills
<u>HB 967</u>	Telemedicine Policy	Not Passed	General Government
<u>HB 931</u>	UI Technical Changes	Law	Tax & Finance
<u>HB 351</u>	Utilities/Rate Base/Fair Value Determination	Law	Environment & Utilities
<u>HB 1041 / SB 772</u>	VIPER - Survey/Outreach/In-Kind Contributions	Not Passed	General Government
<u>HB 972 / SB 724</u>	Water Safety Act	Not Passed	Environment & Utilities
<u>HB 971 / SB 752</u>	Winston-Salem Deannexation	Law	Local Bills



Appendix II – Municipal Advocacy Goals

Fiscal Health and Economic Growth

- Seek legislation to provide municipalities with additional locally-controlled revenue options.
- Seek legislation to allow room occupancy tax revenues to be used to fund municipal service and infrastructure costs in order to support travel and tourism.
- Seek legislation to alter the current statutes governing distribution of local sales taxes by requiring a one-year delay in implementation when a county or the legislature changes its method of distributing sales tax revenue.
- Support legislation that will provide sufficient funding at the state level for incentive programs such as a competitive film incentive program, robust state historic preservation tax credits, and the Main Street Solutions fund necessary to grow jobs and the economy.
- Support legislation to revise the tier method of measuring levels of economic distress to focus on the causes of distress and taking sub-county data into account.
- Support legislation to bolster the state's mental health and intellectual/developmental disabilities (I/DD) treatment resources, including resources and solutions to lessen the strain on sworn law enforcement officers when providing custody of individuals in crisis.
- Support legislation which defends the fiscal integrity of the Local Government Employees' Retirement System and its defined benefit structure, promotes reasonable pension reforms that are prospective in nature, and meets the needs of local employees, employers, and retirees.

Municipal Authority

- Support municipal authority over municipal personnel issues
- Support legislation that provides for municipal elections to be determined by local municipal authority.
- Oppose legislation that interferes with local management or ownership of local assets.

Public Infrastructure

- Seek legislation eliminating municipalities' repayment of water- and sewer-growth related fees that have been previously collected, and providing municipalities with the authority to assess the level of fees and charges necessary for continued growth and economic development in the future.
- Seek legislative and administrative changes to the STIP process that give local priorities increased weight in the allocation of transportation funds.
- Seek legislation to increase state-level funding for municipal infrastructure needs.
- Support legislation that recognizes that management of a public utility is best determined by the local owning entity due to their consideration of financing, engineering, and regulatory responsibilities.

Federal

- Seek opportunities to support the passage of the federal e-fairness legislation.



Appendix III: The League's Public and Government Affairs Team

The League's Public and Government Affairs Team is working on your behalf to make sure that the concerns of all North Carolina cities and towns are represented in the General Assembly, before state agencies during the regulatory process, and elsewhere. If you have any questions, please do not hesitate to contact any team member.

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