



Legislative Bulletin

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The Weekly Recap

WHAT HAPPENED: The filing of bills and shaping through legislative committees continued at the General Assembly, with a big piece of news materializing in an [agreement between majority-party leaders toward Medicaid expansion](#), an issue with years of preceding discussion. While most of the bills moving through the process were not of direct interest to cities and towns, we have highlighted some that are, which you'll see below in this Bulletin. Meanwhile, the House continued work on its to-be-released state budget proposal.

WHAT IT MEANS: With regard to budget development, municipal leaders should let their lawmakers know now if they have any requests to include in the plan (as lawmakers urged ongoing communication about context and needs from local officials during [last week's successful Town & State Dinner](#).)

ON TAP: Bill deadlines. They've already passed for lawmakers' requesting of local bills, per the [legislative schedule](#) we've published in recent weeks' Bulletins, although there's still a little time for lawmakers to file any local bills they've already requested. Otherwise, outside of local bills, the filing schedule gives until April 4 in the Senate and April 18 in the House for the filing of public bills and resolutions (those that aren't related to appropriations and finance, in the House's case; the deadline for bills related to appropriations and finance in that chamber will be April 25).

THE SKINNY: We've moved past the intro stage of the 2023 General Assembly and have hit business-speed. Deadlines are ahead and committees are full throttle. We'll continue to bring you news from the committees and chambers that is of interest to cities and towns. This time, we're highlighting proposals related to late-audit penalties, civilian crash-scene investigators, and more. And don't forget to register for the League's

most prominent, annual event -- the CityVision conference, ahead in Concord. Details below.

Late Audit Penalty Bill Clears House Committee

Local governments late on submitting required annual audits would face a penalty of withheld sales taxes under [a bill](#) supported by State Auditor Beth Wood that cleared its first committee Tuesday. In comments to the House Local Government Committee, Wood argued that [HB 122 Reimburse Late Audit Costs with Sales Tax Rev.](#) would hold local governments accountable for tardiness in reporting audit results. A staff member with the [Local Government Commission \(LGC\)](#), a state body that oversees local government finances, also addressed the committee members in support of the measure. The LGC commenter told legislators that the issue of late audits was worsening, and that some reasons for late audits included new software in local governments and untrained local staff.

The next day at a conference for local government finance officers, LGC staff presented on this issue and noted another significant reason for late audits: the lack of private-sector auditors to perform this task. LGC staff told conference attendees that nine firms had exited the business this year, and that this shrinking pool of private auditors contributed to expected delays in completion of this year's local audits.

In Tuesday's committee hearing, legislators asked numerous questions to better understand revisions to the bill that were made public for the first time. In response to those questions, legislators learned that the penalty of withholding sales tax would be the first time that type of penalty would be placed into North Carolina law. They also learned that under the revised bill, the LGC would develop an appeal process for local governments who wished to protest a sales tax withholding penalty. With the committee's affirmative vote Tuesday, HB 122 will next be taken up by the House Rules Committee.

Civilian Crash Investigators Bill Advances

A bill granting cities statewide authority to employ civilian crash investigators passed the House Judiciary 2 Committee this week. [HB 140 Civilian Traffic Crash Investigators](#), introduced by Rep. John Faircloth, was reported favorably with an amendment. The amendment proposed by Rep. Dudley Greene would require investigators to attend training developed by the North Carolina Justice Academy and take mandatory field training with law enforcement officers. The bill now moves to the Committee on Rules, Calendar, and Operations of the House.

Congressional Leaders Release Guidance on Earmarks

With the FY 2024 federal appropriations process kicking into high gear this week, city officials who are interested in pursuing earmarks are highly encouraged to reach out directly to their member of the U.S. House and Senate delegation about their individual earmark submission process. Congressional appropriators issued rules this week on Community Project Funding (CPF), better known as earmarks. With Republicans reclaiming the majority in the House of Representatives in January, there was uncertainty about the future of earmarks, which had returned in the last Congress.

Though continuing the earmark process, U.S. House leaders will make less funding available than in prior years. Chairman Kay Granger (R-TX) announced the pool for CPF requests from members would be reduced from 1% of discretionary spending to 0.5%. Additionally, the Committee will no longer take requests for the Labor, Health and Human Services, Education, and Related Agencies; Financial Services and General Government; or Defense subcommittees. A list of eligible accounts is available [here](#) and additional information provided to House offices is [here](#).

Across the Capitol, the Senate Appropriations Committees' guidance on CPF largely follows the same process from 2022. Senate guidance, accounts, and deadlines are available [here](#).

Bill Threatens Municipal Utilities Ability to Recoup Cost of Upgrades

Cities would be required to incur the cost of newly adopted state and federal rules for customers who have received previous approval to connect to the public enterprise system. [SB 166 Public Enterprise/Compliance Cost Allocation](#), introduced by Senators Krawiec, Jarvis, and Lowe, could lead to major expenses for utilities across the state given the breadth and ambiguity of the bill. If passed, any upgrade, local rule, or state regulation that is not for compliance of numerical pretreatment standard would be paid by the utility not customers, representing a major unfunded mandate placed on local governments.

LGERS Employer Contribution Rates for FY 2023-24 Posted

The Local Governmental Employees' Retirement System (LGERS) employer contribution rates effective July 1, 2023 are [available on the Retirement System Division's \(RSD\) website](#). Since 2022, these rates have been posted publicly rather than mailing individual letters to every employer, to improve efficiency and transparency, and reduce costs. The table is ordered by five-digit employer code, but is also searchable (by employer name) within a browser or by downloading the PDF. RSD staff advises that employers referring to this document should read the first page carefully, and may call RSD's Employer Reporting group at 919-814-9816 with questions.



CityVision 2023 Registration Open!

Concord | April 25-27

Registration is open for the 2023 CityVision conference in Concord! Here's what to expect:

- **Networking** Meet with other local government professionals to share ideas, challenges, and strategies. We will also be re-instating a traditional exhibit hall providing more time to get to know your peers and local government partners!
- **Learning** Join us for a variety of pre-conference, general, and breakout sessions throughout the conference. Learn more about human resources strategies, grant and funding opportunities, leadership tactics, and more!
- **Exploring** There will be ample opportunity to explore Concord during our social events, off-site tours, and afternoon breaks.

NEW: Pre-conference will be on Tuesday, April 25 and includes additional education sessions and an exhibit hall reception included with your conference registration! If you can't make it to the whole conference, join us for pre-conference only and you will still get great networking and learning opportunities.

[REGISTER HERE](#)

Cities: Fill Out Brief Form to Prepare For Upcoming ARP Report

The U.S. Treasury has asked for assistance in confirming the Unique Entity Identifier (UEI) of every municipality in N.C. Your local government's UEI can be obtained by registering with SAM.gov, and you can check your government's UEI

status at the same site, here: <https://sam.gov/content/entity-information>. A UEI is required and a SAM.gov account needs to be active to file your American Rescue Plan project and expenditure report with the U.S. Treasury in April. The UEI replaces the previously required federal DUNS number.

The League has prepared a very brief form that you can complete to provide us with your current UEI so that we may send it to the U.S. Treasury for confirmation with their records. **Municipalities, please take just a couple minutes to fill out [this form](#).**

If you do not have an active UEI or registration with SAM.gov, this is a good time to begin that process. We have heard recently that completion of the registration can take multiple weeks, so it is good to start the process early in advance of the April 30 deadline for the ARP project and expenditure report. Please visit [this link](#) and use the green buttons on the right-hand side of the screen to begin the registration or renewal process.

If you have any questions about any aspect of this process, please email arp@nclm.org or email Chris Nida directly at cnida@nclm.org. Thank you for your assistance.



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