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The Weekly Recap

WHAT HAPPENED: Arguably, it was the biggest week of the year (so far) for the League and its members -- for one, with the CityVision 2023 conference transpiring over the past days in Concord, with hundreds of municipal officials in attendance representing cities and towns of all sizes from across North Carolina. Meanwhile, the League's Government Affairs team was fast at work at the Legislative Building in Raleigh tracking bills on the move as the House's final bill-filing deadline approached and lawmakers' "crossover" deadline loomed just beyond. That's a do-or-die point for most bills during the legislative session, and its straight ahead.

WHAT IT MEANS: This important bulletin contains several articles detailing the week's action -- at CityVision and from the General Assembly. For the latter, you'll find headlines below on bills regarding accessory dwelling units (and what action cities and towns should take immediately to stop preemption), water rate caps, heirs property (in a top legislative goal of municipal officials), remote meetings, and much more.

ON TAP: "Crossover" -- the point of the legislative session by which most bills need full approval from their originating chamber -- is straight ahead on May 4, meaning we expect blustery activity in the legislative chambers on the approach. Calendars of bills legislators will consider next week are posted on [this General Assembly webpage](#). Its contents are subject to change.

THE SKINNY: "Skinny" is perhaps the wrong word this week, but, in summary, there's a lot to talk about, and a lot to follow into next week. Read on for recaps and important updates for cities and towns.



CityVision 2023 a Success in Concord; Gov. Cooper Addresses Conference-Goers

The year's largest gathering of North Carolina municipal leaders -- NCLM's CityVision conference -- went into the books in Concord this past week [with special guests including Gov. Roy Cooper](#) and full days of programming to help cities and towns connect, engage, learn, and network. The conference, which also featured tours of Concord's operations and attractions, was, as always, geared to empower officials in attendance to bring fresh ideas, knowledge and perspective back to their own municipalities for the betterment of the state as a whole. The governor, in remarks to CityVision on Wednesday, noted that those in attendance were most likely to hear concerns directly from the people they represent, and were as such best suited to make a difference.

"It makes you really and truly the most qualified leaders in our entire government system to make decisions," Governor Cooper told attendees, adding he'd like to see cities and towns have more autonomy in charting their futures. The governor further noted the great communication his team has with the League and its members on goals and other matters of interest to cities and towns. "I am deeply grateful for your work," he said.

Governor Cooper also provided updates and perspective on overarching issues, like the pandemic and public health, the economy, education and funding streams that have helped communities succeed in such hard or demanding times. He spoke specifically on the federal relief funds that have come down since the pandemic and legislation to build for better infrastructure.

"I talked to President Biden just yesterday and he wants to work with us to make sure that we can implement these significant funds that we have in place," the governor said. "And that's a challenge for us. But we've got to keep these same relationships and the same cooperation in order to make sure that we do the implementation that we know needs to happen." Governor Cooper also encouraged attention toward community resilience and funds supporting it. "Storms are getting more severe," he said, but he noted the presence of resources to help communities fare better.

It's a rewarding challenge to serve in public office and see goals through, the governor emphasized. "I want to thank you from the bottom of my heart for being willing to step up and run for office," he told the audience of mayors, council members, managers, clerks and others from local government. "It's really hard these days. In particular with social media and how vicious people can be. But I am a prisoner of hope. I believe that if we continue to present facts, evidence-based policy, that we work to convince people that we're all trying to work toward the common good, we will be successful."

With eyes toward success, city and town officials at CityVision attended informative sessions on hot topics in the muni-sphere -- the power of diversity, strategies on infrastructure, federal grants, regional partnerships, and so much more. Look for more thorough coverage and photos of the annual conference in the very near future.



New NCLM Officers, Board Members Chosen; Harris Elected President

One of the highlights of CityVision 2023 was the announcement of new officers and newly elected members of the NCLM Board of Directors, and their swearing in at the dinner to conclude the conference. Fuquay-Varina Commissioner William Harris was elected the League's new president, and his term was ushered in with a video produced by the town featuring town employees and fellow commissioners congratulating him and providing insightful comments on his leadership there. Following that video, Commissioner Harris spoke about his desire to continue to build partnerships and connections across government lines. "We must avoid the political polarization that can paralyze the other levels of government. And we must maintain the trust that our residents place in us," he said. "As President of the League for the upcoming year, I'm encouraged to reframe our conversation and create opportunities to build stronger partnerships by promoting linkage among the League affiliates at the local level, and even stronger connections to state and federal government." Other officers elected were Durham Mayor Pro Tem Mark-Anthony Middleton, First Vice President; and Albemarle Council Member Martha Sue Hall, Second Vice President.

Newly elected board members are: Jacksonville Council Member Brian H. Jackson, District 2; Clayton Mayor Jody McLeod, District 4; Morrisville Council Member Satish Garimella, District 6; Huntersville Mayor Melinda Bales, District 8; Canton Mayor Zeb Smathers, District 12; Kinston Mayor Dontario Hardy, at-large; Fayetteville Council Member Kathy Jensen, large city seat; Raleigh Council Member Jonathan Melton, large city seat; Winston-Salem Council Member Robert

Clark, large city seat; Gastonia Manager Michael Peoples, Municipal Manager; and Washington Manager Jonathan Russell, Municipal Manager.

The dinner saw outgoing NCLM President Scott Neisler hand over the gavel to Harris, noting the accomplishments of the organization over the past year as he did so, including facilitation of ARP city projects, agreements to allow for the redevelopment of the League campus, and the restarting of the Legislative Municipal Caucus. “Thank each and every one of you for making my year as president one that I will never forget. The League’s best years are yet to come,” Mayor Neisler said. Congratulations to all of those elected to new positions!

Take Action: Accessory Dwelling Units

Preemption

[HB 409 Regulation of Accessory Dwelling Units](#), which would preempt most local regulations and allow a second residence to be built on most single-family-only lots in the state, was amended and [voted out of the House this week](#). The bill will now move to the Senate. Please take action this weekend to let Senate members know about the consequences of this local preemption bill, which concerns accessory dwelling units (ADUs).

The measure, despite the amendment, would still require local governments to allow a second residence to be built on any lot in the state with single-family-only zoning, subject to certain statewide rules in the bill. At the same time, HB 409 would preempt many existing local ADU ordinances.

Under the proposal, ADUs would not be subject to local parking requirements or owner-occupancy requirements, which will likely lead to most ADUs being used for short-term rentals, like AirBnBs. The amendment increases the minimum setback to 10 feet but would still prohibit local governments from denying utility connections to the units so long as the utility has the capacity to service both dwellings.

In conversations with your senators, please let them know how this bill will affect your community or if you already have an ordinance that allows ADUs that works well for your city or town.

Water and Sewer System Management Bills Advance

Legislators responded to city officials’ concerns and modified [a water system rate bill](#) this week, advancing it along with [another proposal](#) that affects local water system management. The Senate passed an amended version of [SB 515 Water and Sewer Affordability Act on Tuesday](#), while the House advanced [HB 628 Amend On-Site Wastewater/Environment Statutes](#) with a committee vote Thursday. The final version of SB 515 passed by the Senate would mandate a local governing board to hold a public hearing only if they are proposing to increase water or sewer rates on out of city customers more than 25 percent above those paid within the city limits. When a hearing is necessitated under the bill the board would be required to “explain how the rates, fees, and charges for customers outside its boundaries were determined.” Municipal officials raised concerns about the bill as introduced, believing the bill capped their ability to set water rates for outside customers. However, following negotiations with the bill’s sponsors, the latest version addressed those concerns. SB 515 now moves to the House for further consideration.

An amended version of HB 628 was favorably reported out of the House Committee on Local Government – Land Use, Planning and Development. While HB 628 makes various changes to the on-site wastewater statutes, of specific importance to local governments is section 10 of the bill, which would prohibit forced water and sewer connections under certain conditions. Under the bill, a city could not require connection if there is inadequate wastewater capacity or if the cost of connection exceeds the cost of installing an on-site wastewater system. Further, a city cannot require a property

owner to connect to a city's water system if adequate water pressure cannot be achieved using the same piping size as the meter provides to the owner's premises. The bill now moves to the House Committee on Rules, Calendar, and Operations of the House.

Heirs Property Act Passes First Committee

A top legislative goal of city officials advanced this week as [HB 588 Uniform Partition of Heirs Property Act](#) passed out of the House Judiciary 1 Committee. The bill was referred to the House Rules Committee.

Heirs property is family-owned land that is passed down without a will or other mechanism that conveys clear title. Without clear title, the heirs are unable to sell the land, obtain a mortgage, or secure FEMA or other types of assistance to repair homes after a natural disaster, which may contribute to the influx of abandoned and vacant homes across the state. Heirs property is also vulnerable to forced sales by investors or even other joint owners.

The Uniform Partition of Heirs Property Act seeks to modify the procedure for partitioning and selling such properties to better balance the interest of all heirs. Once the properties are partitioned and/or sold, the potential rises for them to be occupied again, satisfying a key legislative goal of city officials this session to revitalize vacant and abandoned property and help address local housing needs. The Act has been enacted in at least fourteen other states and was passed by the House last year as [HB 367](#) before stalling in the Senate.

Bill Expands Options for Remote Meetings

A bill that expands options for remote meetings was amended and passed out of the House Judiciary 1 Committee on Wednesday. Under [HB 445 Open Meeting Changes](#), a public body would be authorized to hold a remote meeting if a member of the body is unable to attend in person because of a health condition or other unexpected circumstance. Remote meetings remain an option during a declaration of emergency by the governor or legislature.

HB 445 also addresses closed sessions and would require the board chair to identify whether conversations in closed session were limited to the stated reason for the closed session. The chair would sign the statement that would then be incorporated in the minutes of the open meeting. HB 445 will now move to the House Rules Committee.

Bill Advances to Enhance Local Stormwater Management Tools

Legislators on the [House Local Government – Land Use, Planning and Development Committee](#) unanimously advanced a [House measure](#) this week that allows local governments to require increased stormwater controls for certain major residential and commercial redevelopment projects. This comes one week after the bill, [HB 511 Enhance Urban Stormwater Management](#), failed to receive a favorable report from the same committee. HB 511 is an attempt to give stormwater control authority back to local decision makers, authority that was curtailed in a larger regulatory reform effort in 2018. The bill has earned bipartisan support, and has been celebrated by the [Catawba Riverkeeper](#) for how the bill may address the

ongoing concern of increasing stormwater runoff in the Catawba River basin. The bill is slated to be heard in the [House Rules Committee](#) before going to the House floor for a vote.

Law Enforcement Whistleblower Bill

Passed in Committee

Despite objections from the League, the NC Sheriffs Association, NC Association of Chiefs of Police, NC Police Executives Association, and the NC Association of County Commissioners, [HB 589 Protect Whistleblower LEOs from Retaliation](#) passed the House Judiciary 3 Committee this week. The measure would grant job protections to law enforcement officers when they make a wide variety of whistleblower complaints. The bill is backed by law enforcement employment groups and would undercut the ability of departments to manage personnel in an effective way to safeguard the public. The League previously joined other stakeholders in a [letter to legislators](#) outlining numerous concerns with the proposal. "This bill would make it exceedingly difficult to discipline or terminate an officer who files a report under this proposed law" if the officer reports certain violations or wrongdoings and then engages in any fireable conduct, the letter notes. Following the committee's favorable recommendation, HB 589 now moves to the House Committee on Rules, Calendar, and Operations of the House.

Firefighter Insurance and Background

Check Bill Passes Senate

A pilot program supported two years ago by the League to enhance firefighters' health care would become permanent in a measure passed Tuesday by the Senate. [SB 326 Firefighter Cancer Insurance/ Alternate Criminal Record Check](#) makes permanent the Firefighters' Cancer Insurance Program and funds it with a state revenue source: a portion of the gross premium tax on automobile and property insurance policies. The original pilot is scheduled to expire on June 30th and provides reimbursement for medical costs and a lump sum payment to eligible firefighters with a cancer diagnosis. The League supports the program and source of funding identified by the Senate.

SB 326 also includes fixes to the criminal background check requirement on fire departments. Last year, the legislature passed, as part of S.L. 2022-8, a requirement for a criminal history record check for all applicants for paid or volunteer positions with a fire department. SB 326 changes the requirements by allowing criminal history record checks on prospective firefighters that have lived in North Carolina for over five years and report no charges or convictions on their applications to be conducted through the county clerk of court or a third-party vendor. Municipal officials would like to thank Sen. Todd Johnson for his leadership on SB 326, and Sen. Danny Britt for working with League staff on further changes to background check section. Senator Britt amended SB 326 on the Senate floor to provide more flexibility to municipal departments complying with the background check requirements, specifically ensuring that only individuals who will be offered a position in the department will need a criminal background check. Following Senate passage SB 326 now moves to the House for consideration.

Bill Provides Flexibility for Wastewater

Capacity, System Development Fees

Local water systems would gain more flexibility on wastewater capacity and system development fees under a Senate proposal that advanced this week. [SB 673](#)

[Wastewater Regulatory Relief Act](#), supported by city officials as well as the N.C. Department of Environmental Quality, modifies state rules for calculating a system's capacity to treat wastewater. When utilized, these new calculations should allow plants to accept more wastewater flow than under current rules. Bill primary sponsor Sen. Paul Newton (R-Cabarrus) told members of the Senate Agriculture, Energy, and Environment Committee in a hearing Wednesday that the measure should help fast-growing areas of the state accommodate growth while at the same time planning for future needed wastewater upgrades.

Separately, the bill also contains a system development fee (SDF) provision negotiated by the League, NC Association of County Commissioners, and the NC Home Builders Association. The changes to that statute would enable regional water system partnerships by providing additional assurances that charging SDFs in those circumstances was legal. The bill's next stop is a hearing in the Senate Rules Committee.

Senate Moves to Penalize Local Governments for Late Audits; House Offers Assistance

The Senate took steps this week to penalize local governments late on submitting required annual audits, unanimously passing [a bill](#) that would withhold sales taxes otherwise owed to these jurisdictions. The measure mirrors [a House bill](#) that cleared that chamber in early March and was promoted by State Auditor Beth Wood. The withholding of sales tax represents an unprecedented penalty as a means to achieve more on-time local audits. The reasons for late audits vary and can often be traced to a lack of private-sector auditors willing to perform local audits.

Hearing that concern, the House instead recently sought to offer assistance to local governments who are challenged in finding capable private-sector auditors, filing [HB 799 Local Government Audits](#). The proposal, slated for its first hearing Tuesday by the [House Local Government Committee](#), would task the state auditor with qualifying a pool of auditing firms to perform this local work. League representatives have suggested refinements to the bill and expect those changes to be made at the Tuesday House committee hearing.

ARP Project & Expenditure Report Due April 30

All American Rescue Plan (ARP) Local Fiscal Recovery Fund recipients have a report due April 30, and the League is here to help you with any and all questions.

Key Resources

- [What You Need to Know for Your ARP Reporting Deadline Webinar Recording](#)
 - You can find the recording of the April 5 webinar [here](#). This webinar provided a live demonstration of a municipality accessing the Treasury portal and their account, completing the report, and submitting it.
- [Top 15 Preparedness Tips](#)
 - A downloadable document that shares our top tips to be prepared for your report submittal can be found [here](#).

- [Top 2023 Resources to Submitting Your ARP Report](#)

A downloadable document that identifies our top ARP resources to help you navigate the various steps and potential issues of getting your report prepared can be found [here](#).

Account Administration

Help Tickets

The process to change contact information and permit authorization to modify or submit a report on a municipalities' behalf requires Treasury's assistance and can take time. With less than two weeks until the April 30 deadline, NCLM encourages our towns to submit a Help Ticket to Treasury as soon as possible by sending an email to COVIDReliefITSupport@treasury.gov and copying SLFRF@treasury.gov.

Note: Having a Help Ticket in **BEFORE** the Report Deadline will likely save you from any negative repercussions of being late if your issue is legitimate.

Treasury has requested that email tickets include the following information:

- Name of person making request
- Municipality name
- UEI number
- Federal Tax Identification Number
- A detailed description of the issue

Troubleshooting Resources

After you have submitted a Help Ticket, the below resources may provide information that can help troubleshoot your problems.

- [SLFRF Self-Service Resources](#)
- [SLFRF Reporting User Guide](#)

[Webinar: State & Local Fiscal Recovery Funds - Designating User Roles in the Treasury Portal](#)

Eligible Spending Categories

Did you select something other than **revenue replacement** in your 2022 report, and if so, would you like to change that selection? Not to worry. You cannot delete your previous report, but you can cancel it to utilize the newer, improved version of the Revenue Replacement category.

Local governments are allowed to elect a standard allocation of up to \$10 million dollars in Revenue Replacement in 2023, even if you elected one of the other three eligible use options. This path is significantly less complicated and onerous than previous versions and allows for greater flexibility.

Please email us at arp@nclm.org if you would like to talk through this process.

Contact Us!

NCLM has a dedicated and growing staff of American Rescue Plan experts, and we are ready to help however we can. Please do not hesitate to contact us.

Email helpline: arp@nclm.org

Online hub: arp.nclm.org

ARP phone: 919-715-3938

Register for 'Closing the Digital Divide'

The N.C. Department of Information Technology Division of Broadband and Digital Equity, North Carolina Association of County Commissioners, North Carolina League of Municipalities, and the National Telecommunications and Information Administration invite you to [Closing the Digital Divide: Internet for All in NC in Raleigh](#).

This daylong event, May 23 in Raleigh, will bring together critical stakeholders in North Carolina from the federal, state, tribal, and local governments, industry, and other key collaborators to discuss coordination on broadband efforts as the state prepares to receive significant broadband funds from the Infrastructure Investment and Jobs Act.

Connecting all people in North Carolina to affordable, reliable high-speed internet is critical to our economic prosperity and this event will provide an opportunity for us to discuss ways we can work together to efficiently and effectively utilize these federal dollars to the maximum extent. An agenda will be provided prior to the event.

[Full details on the event's website.](#)



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