



Legislative Bulletin

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The Weekly Recap

WHAT HAPPENED: After weeks of inactivity, legislators returned to Raleigh on Wednesday, overriding several of Gov. Roy Cooper's vetoes and passing into law a number of pieces of legislation, including controversial changes to state election procedures.

WHAT IT MEANS: For cities and towns, the action was a mixed bag. With limited discussion, a few local bills were approved making local election changes and establishing union-backed civil service boards, both against the wishes of local officials. But dozens of local occupancy taxes were advancing in a bill will help localities in accommodating and encouraging tourism. You can read more about those bills below.

ON TAP: Legislators are now eyeing a goal of mid-September to give final approval to a new state budget and largely finish their business for the year, the exception being another round of state and federal election district changes.

THE SKINNY: After a lot of ups and downs, it is finally looking like the 2023 legislative session may be coming to a sort of finish line.

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Civil Service Boards Approved in Late-Night Session

In one of their last actions in this week's whirlwind session, legislators used numerous procedural mechanisms to quickly amend and pass into law several provisions affecting specific cities across the state, including a controversial new civil service board mandate for Greensboro and Winston-Salem. [SB 9 Local Omnibus Changes](#) amends the two cities' charters to establish a Civil Service Board in both municipalities. The boards are charged with establishing labor rulemaking for the employees of both municipalities. Those rules will include employee suspension for the purpose of discipline with or without pay for up to 90 days, or the discharge or reduction in rank or compensation after the employee has had a hearing before the board. The boards will be made up of two members selected by the city council, two members nominated by the employees, and one selected by the board. Cities oppose these measures because they will disrupt the chain of command in police and fire departments, making it more difficult to discipline employees, including police officers accused of excessive use of force. These types of measures have been pushed by police and firefighter unions. The speed at which this bill progressed on Wednesday sets a concerning precedent for how the General Assembly may handle future legislation establishing civil service boards in spite of vocal opposition for municipal leaders affected by the policy.

Legislators Advance Bills Targeting Municipal Elections

Two Senate bills advanced this week that would change local elections. [SB 9 Local Omnibus Changes](#), passed into law Wednesday night, makes several controversial changes, most notably a provision that would change all municipal elections in Madison County from being conducted on a nonpartisan basis, consistent with most municipalities across the state, to a partisan basis. The change was mostly opposed by local officials.

The second local bill, [SB 169 Local Omnibus Changes](#), switches the method of Gastonia City Council member elections from at-large district elections to districted ward elections. What began as an innocuous technical correction bill was amended in the House Rules Committee on Wednesday to include the Gastonia provision. Gastonia officials are unanimous in their opposition to the change. The bill passed a House floor vote on Wednesday and advanced to the Senate floor for a concurrence vote.

With Veto Override, Building Code Changes Become Law

The state House and Senate voted Wednesday to override Gov. Roy Cooper's veto of the omnibus building code bill, codified as S.L. 2023-108. [HB 488/SB 378 Code Council Reorg. And Var. Code Amend](#) reorganizes the North Carolina Building Code, creates a new Residential Code Council, and makes several changes to the code and other land development regulations. The measure separates the Residential Building Code into its own code volume and establishes a new council to govern the residential code, a move lauded by the residential development community.

Law changes of interest to cities and towns include:

- Section 2(c): Increases the threshold for permit exemptions for certain minor building activities from \$20,000 to \$40,000.
- Section 3(a): Prohibits local governments from requiring local pavement design standards that are more stringent than minimum standards set forth by NCDOT for private roads in new developments. The provision also requires that local governments must accept engineered pavement design standards, even if they do not meet NCDOT minimum standards. The developer must include disclosures to prospective buyers prior to entering into any agreement or any conveyance with any prospective buyer. A local government is also discharged and released from any liabilities, duties, and responsibilities imposed by the law.
- Section 4(a): Removes existing and prohibits new sheathing inspection requirements for structures subject to the residential code in areas subject to wind speed requirements below 140 mph.
- Section 9 (a) and (b): Amends the Residential Building Code to include three-family (triplex) and four-family (quadplex) dwellings, relaxing the code requirements that apply to these dwellings and potentially reducing the costs of building housing.
- Section 10: Changes fee calculation for erosion and sedimentation control plan review, limiting the fees for single family lots under one acre so that they are calculated by the number of acres disturbed or by a flat per lot fee, up to \$100 per lot.
- Section 11: Directs NCDEQ to apply for approval from the EPA to remove any duplicative requirements for applicants that apply to any State or federal agencies for approval of land disturbing activities, opting instead for a single permit issued by a local government if that government operates its own sedimentation control program.
- Section 12(a): A municipality may only require connection to a public wastewater system if capacity exists to serve the connection at the time of the connection.
- Section 13(a): Prohibits requiring payments from a developer or landowner for future maintenance of private stormwater control measures. Changes the cap on private stormwater maintenance guarantee obligations to 10% of the project's original cost. Requires any local government who has required payments for future stormwater control measure maintenance to make those funds available to the owner.

LGC Oversight Could Extend to Sales of Public Enterprise Systems

Sales of public enterprise systems would be subject to oversight by the Local Government Commission (LGC) under new language added to [an unrelated bill](#) this week. The new language came in [SB 678 Clean Energy/Other Changes](#), which now would direct the LGC to sign off on any agreements between a public enterprise system, such as a water or electric system, and a private provider. The types of agreements that would trigger this oversight range from agreements to sell the system

to agreements that would give the non-governmental entity authority to spend more than half of the system's revenues in a year. (See Section 6 of the bill for further types of agreements that would be subject to this new requirement.) SB 678 now returns to the Senate for that chamber's vote on whether or not to accept the new language in the bill.

Omnibus Municipal Revenues Bill Advances

In the only significant action to expand municipal revenue options this session, legislators advanced an [omnibus bill](#) Wednesday that authorized local occupancy taxes for close to two dozen cities and counties. Additionally, legislators added language to extend Mecklenburg County's prepared meals tax until 2060. That local tax has funded numerous past tourism-boosting projects. This bill supports city officials' [legislative goal](#) for additional municipal revenue options. As an omnibus measure, [SB 154 Omnibus Occupancy Tax Changes](#) consolidated numerous separate local bills that would authorize new occupancy taxes in those jurisdictions. A substantial portion of those separate bills received bipartisan approval in both chambers, and SB 154 also received strong bipartisan approval by two House committees this week. After those committee votes, the bill was placed on the House calendar for a full floor vote, but that vote was cancelled, and the bill was reassigned to the House Rules Committee for further evaluation .

Public Records Law Changes

Local governments would be restricted from entering into nondisclosure agreements that block access to public records that would otherwise subject to disclosure under the state Public Records Act under a provision added to an unrelated bill on Wednesday. The proposed change was added to [SB 678 Clean Energy/Other Changes](#), which was largely focused on how clean energy is defined in state law. The bill with the incorporated changes was approved by the House. The bill amendment would also make public record those contracts where local governments agree to not disclose confidential information, unless it would also be confidential under state law, and requires nondisclosure agreements associated with closed session meetings of public bodies to be included in the meeting minutes. The bill now goes back to Senate, which could accept the changes or force negotiations.



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