



# Legislative Bulletin

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## The Weekly Recap

**WHAT HAPPENED:** The N.C. Senate unveiled and approved its draft of the [state budget](#) at \$29.8 billion. The plan includes significant differences from the budget draft approved by the House a month ago. Meanwhile, a bill limiting abortions in the state went into law after Republican legislators, with their new supermajority, [overrode the governor's veto of it](#).

**WHAT IT MEANS:** Those were the bolder headlines this week in state politics, and for the Senate budget we do have a breakdown of contents in this Bulletin, in addition to updates on bills of interest to cities and towns. Read ahead for that.

**ON TAP:** NC League of Municipalities President William Harris seeks to appoint interested city officials as new members of the NCLM Legislative Policy Committee, and you may [sign up](#) now. More details below.

**THE SKINNY:** Read ahead for full updates on the Senate budget, bills of interest to cities and towns, and other material. Our ears are to the rail. Speaking of, President Harris, commissioner from Fuquay-Varina, this week spoke at a press conference on the U.S. Capitol lawn on the subject of rail safety for communities nationwide. He also visited the White House. Update below.

## NCLM President Harris Visits White House, Capitol Hill



Addressing news media from a podium on the lawn of the U.S. Capitol on Wednesday, NC League of Municipalities President William Harris, commissioner from Fuquay-Varina, emphasized the importance of healthy communication between communities and the railway companies whose lines travel through them. President Harris was among local government leaders from around the country gathered in support of the federal, bipartisan [Railway Safety Act of 2023](#), brought forward after recent train derailments like February's East Palestine, Ohio disaster. The National League of Cities and U.S. Senate Commerce Committee Chair Maria Cantwell of Washington state hosted the press conference.

President Harris, in podium remarks to media, noted America's long-running fascination with trains and tracks. But, he said, derailments have brought darker attention to the subject. Although most incidents are considered relatively minor here, North Carolina has averaged 32 derailments annually since 2018, President Harris pointed out, telling reporters: "That's an alarming fact for us." He added that positive relationships between communities and rail companies – Fuquay-Varina itself is a railroad town – will make for a safer country. The full press conference, with details about the legislation, [is viewable on YouTube](#). On Thursday, President Harris and the group were welcomed to the White House, where they met with key staffers and discussed matters vital to local communities, like infrastructure investments.

## NC Senate Approves Budget Plan

The state Senate this week gave approval to its \$29.8 billion state budget plan, which includes significant differences from that approved by the House a month ago. The approval, though, sets the stage for budget negotiations as the two chambers begin to move what should prove to be the home stretch for major legislation this session.

Among the key differences that will have to be resolved by budget negotiators are the more generous pay raises for teachers and state employees in the House budget, and more aggressive hospital Certificate of Need changes from the Senate.

Of importance to municipalities, the Senate – like the House – invests heavily in infrastructure, as well as putting money into programs aimed at improving the recruitment and training of law enforcement officers. Both items were identified by NCLM members as top policy goals for the legislative biennium.

Those items include:

- State aid to municipalities for roads, better known as Powell Bill, would increase by 10 percent, with a total allocation of \$170 million for the upcoming fiscal year.
- After investing over \$2 billion for water and sewer projects in local communities in the previous legislative biennium, another \$750 million would be set aside for clean water and drinking water projects.
- The Criminal Justice Education and Training Standards program would receive \$427,000 for three additional positions, one of which will support a policy grant writing position.
- The Criminal Justice Fellows Program would be modified so that students in all 100 counties are eligible to participate in the program so long as they comply with other program eligibility criteria. The budget plan authorizes a grant of \$6,304 per student and could allow the period over which the program must be completed from two years to three years if a student's circumstances warrant such an extension.

Beyond investment in water infrastructure, the Senate budget also proposed to make changes to environment permitting processes. The Department of Environmental Quality (DEQ) would have to meet timelines to complete certain permits and would establish an express permitting process. Additional staff and work time costs would be offset by increases in DEQ fees.

The bill would also provide \$5 million for housing that serves homeless veterans and \$5 million for housing serving victims of sexual assault, human trafficking and domestic violence.

The Senate budget plan does drop two key municipal-related policy provisions that the House had approved – one making permanent the state historic preservation tax credit and another preempting local zoning rules to allow schools to be sited in any zoning district, the only exception being those in industrial districts where existing uses would create traffic or other “usage” issues. A policy provision added by the Senate would require any local bond referendums include ballot language stating that additional property taxes “may be levied” to pay for the principal and interest on bonds if the measure is approved.

You can find a comprehensive listing of budget items affecting cities and towns [here](#).

With both chambers enjoying so-called supermajorities, Gov. Roy Cooper has limited ability to use veto power to alter or stop the legislative budget bill, meaning that negotiations will largely be determined by legislators and the chamber leaders.

## Legislative Committee Interest Forms Now Available

NC League of Municipalities President William Harris seeks to appoint interested city officials as new members of the NCLM Legislative Policy Committee, and you may [sign up](#) now.

The Legislative Policy Committee is an internal group of city officials that forms policy positions on key issues for North Carolina cities. Committee members also serve as advocates on municipal legislation and are an integral part of the League. If you are interested in serving on this committee, please fill out [this form](#) no later than May 26.

Please direct questions to Grassroots Associate Abbie Britt at [abritt@nclm.org](mailto:abritt@nclm.org).

## Statewide, National Media Focuses on NC Local Housing Policy

State and national media outlets trained their eyes in the past week on local housing policy in two N.C. cities, Summerfield and Durham. Both articles explored the tensions between community desires for consistent zoning practices and the need for increased housing supply. The long pieces also shed light on the role that race relations plays in these debates, both historically and continuing to the present day. International news outlet The Guardian's U.S. news division published [its profile](#) of Durham last Friday, while N.C. statewide newsroom The Assembly [wrote](#) about Summerfield on Monday. Taken together, the pieces outline the contours of a housing policy debate that spread to the N.C. General Assembly this session.

## Bill Advances to Create Private Commercial Building Inspections System

Legislators on the [House Local Government – Land Use, Planning and Development Committee](#) advanced [a House measure](#) this week that would authorize inspections by private inspectors for commercial buildings across our state. The system outlined in [HB 893 Private Commercial Building Inspection](#) would represent a major policy change for North Carolina. Under the bill, developers and contractors would have the option of choosing a private building inspector for commercial projects. Local government inspections departments, however, would still sign off on the projects at the end of construction by conducting a final fire inspection and issuing a final certificate of occupancy. Concerns expressed by committee members during Wednesday's hearing mirrored those of city officials, including the potential for compromises to public safety and a lack of transparency and legal accountability on the part of the private inspectors. With the favorable committee vote this week, the bill now moves to the House Finance Committee.

NCLM Government Affairs staffers are interested in feedback from the League membership on this bill. Please send comments to Derrick Applewhite, Government Affairs Associate, [dapplewhite@nclm.org](mailto:dapplewhite@nclm.org).

## Bill Amended to Limit Nash County Municipalities' Annexation Authority

A last-minute amendment that would require approval of the Nash County Board of Commissioners prior to an annexation by a municipality within the county was subject to controversy this week during a hearing of the [House Local Government Committee](#). The bill, [SB 169 Davidson Cty Rezoning/Nash Cty Sat. Annex.](#), was originally filed to correct language passed into [law](#) last year aimed at municipal annexation authority in Davidson County. At the committee meeting Tuesday, the bill sponsor faced questions after introducing the language aimed at Nash County municipalities. While the amendment was adopted, the committee chairman ultimately called for a voice vote, indicating the vote was unusually close. After passing the committee on a 7-5 vote, the bill now moves to the House Finance Committee.



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