



Legislative Bulletin

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The Weekly Recap

WHAT HAPPENED: State lawmakers returned from their customary "spring break" to buckle down on business as deadlines loomed. The House crossed a major bill deadline (and its final deadline for public bills is coming up April 25), prompting a big swell of bill filings -- 217 new bills in the House alone in the past week. Meanwhile, earlier-filed bills continue to move through the legislative process. In this Bulletin, we break out some of the proposals and call for your action this weekend on a local preemption bill concerning accessory dwelling units. The measure, HB 409 Regulation of Accessory Dwelling Units, would 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. You can learn more in the Bulletin below.

WHAT IT MEANS: Legislative committees have packed agendas in the coming week to consider what new bills to advance this session. The heated pace also recognizes what is arguably the biggest deadline of the session coming up on May 4. It's called "crossover," the point of the session when most bills will need full approval from their originating chamber to remain alive.

ON TAP: While the League's Government Affairs team tracks the action, leaders from cities and towns across the state are set to converge in Concord next week for NCLM's annual CityVision conference -- the state's biggest and best gathering for municipal officials to learn and network. And do we see the light at the end of the legislative session? House Speaker Tim Moore this week said from the chamber floor that he expects the Senate's proposed budget to surface within weeks and that they're aiming for adjournment in June. (The N.C. General Assembly is not required to finish business by a date certain.)

THE SKINNY: These are fast times at the state legislature, with flurries of bill action and pushes to get proposals through. Lawmakers are also getting

closer to a state budget agreement they can send the governor. Meanwhile, CityVision will pop off with hundreds of attendees in Concord, and we're very much looking forward to seeing everyone. Thank you as always for your attention to the issues and for your participation in the process of making North Carolina a better place.

TAKE ACTION: Accessory Dwelling Units Preemption

Please take action this weekend to let House members know about the consequences of a local preemption bill concerning accessory dwelling units (ADUs). The measure, [HB 409 Regulation of Accessory Dwelling Units](#), would 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. Bill proponents said the bill would increase housing stock across the state.

Under the proposal, ADUs would not be subject local parking requirements, most lot setback rules, or owner-occupancy requirements. Local governments would also not be allowed to deny utility connections to the units or charge any fees other than what is required to permit a similar single family detached dwelling . At a hearing on the bill Thursday, some members of the [House Local Government—Land Use, Planning, & Development Committee](#) expressed concerns about how the bill might upset neighbors, while tying the hands of local governments to deal with the issues ADUs may cause in their communities .

Other local concerns were brought to committee members' attention at the hearing when Sa'Metria Jones, Legislative Counsel at NCLM, [spoke in opposition](#) to HB 409. She recognized the importance of increasing housing stock, but highlighted the risks that may accompany the preemption of local ordinances. Her comments also acknowledged that the bill does not employ any parameters to prevent ADUs from becoming short-term rentals—the failure of which may exacerbate the housing crisis.

HB 409 was voted out of committee and will proceed to the House Rules committee, which could hear the bill as early as next week. In conversations with your Representatives, 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.

Improved Water Rates Bill Advances

Following intense advocacy by municipal officials and League staff, an amended version of [SB 515 Water and Sewer Affordability Act](#) passed multiple Senate committees this week. It is expected that the full Senate will take up the bill early next week. City officials appreciate bill sponsors Sens. Vickie Sawyer, Jim Perry, and Michael Lazarra taking into account the concerns they raised with the original version of this bill. The final version of bill is expected to require a local governing board to hold a hearing 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. The bill would require the hearing to “explain how the rates and charges for customers outside its boundaries were determined.”

League Joins Coalition in Opposition to Whistleblower Bill

The North Carolina League of Municipalities joined several statewide organizations in opposition to [HB 589 Protect Whistleblower LEOs from Retaliation this week](#). The measure is an updated version of legislation considered in prior legislative sessions and promoted by law enforcement employee interest groups. It would grant job protections to law enforcement officers when they made any of a wide variety of whistleblower complaints. The League joined the NC Sheriffs Association, NC Association of Chiefs of Police, NC Police Executives Association, and the NC Association of County Commissioners [in a letter that expressed opposition](#) to this overreach of local personnel management.

The bill, originally scheduled for a hearing before the House Judiciary 3 Committee on Wednesday, was rescheduled for next Tuesday. The bill would undercut police department's ability to manage personnel while breeding mistrust among officers. In their letter to legislators, the associations stated that to protect the public from improper or unlawful actions of a few bad actor employees, it is essential that law enforcement agencies be able to discipline and terminate employees when warranted.

Western NC Municipal Officials' Input Helps to Pull Partisan Elections Bill From Agenda

It was through thoughtful conversations with legislators that local leaders from Waynesville, Maggie Valley and Clyde were able to help remove consideration of [HB 265 Partisan Election/Muni./Haywood & Madison Cos. from a legislative hearing early this week](#). The bill would change all municipal elections in Haywood and Madison counties from being conducted on a nonpartisan basis, consistent with most municipalities across the state, to a partisan basis. The bill was scheduled to be heard before the [House Local Government Committee](#) on Tuesday but was pulled by the bill sponsor before it could be presented. Although the bill was not heard, the municipal officials were given a chance to offer public comment, and several legislators noted their appreciation in hearing the local perspective on the bill. More coverage on their visit and the bill can be found [here](#).

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 COVIDReliefTSupport@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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