



NC LEAGUE
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LeagueLINC

End of Session Bulletin

2014 Short Session

September 4, 2014



League LINC



Fellow Municipal Officials of North Carolina,

The 2014 session of the General Assembly proved to be productive for North Carolina cities and towns, even as municipalities faced many policy challenges going into the year. On a number of key issues, the League was able to gain passage of legislation beneficial to cities, defeat harmful measures or alleviate proposals that could have proven destructive. Beginning on Page 13 of this document, you will find a description of bills affecting municipalities and the ultimate legislative outcome for each.

It is no secret that, as the Legislature has seen tremendous turnover during the last few years, municipal officials have had to vigorously and consistently make the case for how important strong cities and towns are to the economic vitality of North Carolina. Your tireless work is paying off. We, the officers of the League's Board of Directors, thank you for that work.

Your presence in Raleigh throughout the 2014 legislative session was not missed by lawmakers. Even before session began, Jacksonville Mayor Pro Tem Michael Lazzara, Matthews Mayor Pro Tem Joe Pata and Fayetteville City Councilman Bobby Hurst addressed a legislative study committee to explain how land-use planning encourages economic development, reduces encroachment on military bases, and preserves a community's character. In May, as the legislative session got underway, members of all of the League's Legislative Action Committees participated in the second annual LAC Lobby Days event. LAC members met with legislators to discuss the privilege license tax, aesthetics controls, municipal utility system authority, and other issues important to cities and towns.

The League's Town Hall Day, a few weeks later, was a rousing success as about 500

municipal officials representing 196 cities and towns turned out to meet with legislators and state officials. The privilege license tax, and finding a replacement source of revenue should a pending repeal of the tax stand, became a major topic of the day, and your efforts clearly paid off, as legislative leaders reiterated a commitment to find solutions to the looming revenue loss by cities. Legislators also listened when municipal officials made their voices heard regarding damaging proposals to cap local property taxes and to restrict local tree ordinances. Both ideas were ultimately dropped.

*“Debating the balance between citizen demand for services – and their innate desire for lower taxes – is a key task for representative government. That debate should be robust at the local level – but not preempted in Raleigh.” –
Durham Herald-Sun*

We enjoyed other successes throughout the session as well, even if they weren't always noticed by the broader public. Whether a change to requirements affecting groundwater regulations or an amendment to legislation requiring back-up capabilities for 911 centers, several legislative victories ended up saving dollars for cities and their taxpayers. Omnibus regulatory bills, initially containing a number of provisions harmful to cities, were changed to take into consideration municipalities' concerns. The regulatory reform bill that finally passed

repealed a de facto moratorium on municipal environmental ordinances. An amendment to another bill eased a burdensome E-Verify purchasing and contracting requirement on local government.

League staff had input on all of these pieces of legislation, and your work forging closer relationships with legislators played a critical role in these successes. But our challenges are not over. We all know that. In the months ahead, legislators plan to continue studies that will focus on municipal functions and operations.

“Party and ideology aside, government tailored to local concerns is most accountable.”

– The Fayetteville Observer

We must keep on making the case for the positive effects that strong cities and towns have on our state’s economy and on the quality of life of our residents. We must continue to build effective and constructive relationships with state legislators.

From left: League president Al King, Mayor, Goldsboro; League 2nd Vice President Lestine Hutchens, Mayor, Elkin; League 1st Vice President Ronnie Wall, Mayor, Burlington

We must keep demonstrating -- in specific, concrete ways -- how healthy cities are critical to the culture and character of North Carolina.

We thank our Governmental Affairs team, under the leadership of Paul Meyer, for its dedication and difficult work during a legislative session that once again presented municipalities with significant tests. The members of the Governmental Affairs Team are there to help you in any way that they can. Do not hesitate to contact the team members with any questions, for any help setting up meetings, or for any local events that you would like them to attend. (Contact information can be found in [Appendix III](#).)

We again want to thank all of you for the hard work that you have put into the 2014 session of the General Assembly, and look forward to continuing that work with each of you to pursue successes for all North Carolina municipalities into the future.

Sincerely,

The Officers of the League’s Board of Directors



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2014 Legislative Session

By The Numbers

- **60** legislative days met
- **2,162** bills filed (over biennium)
- **468** bills lobbied (over biennium)
- **117** bills passed (this year)
- **6** bills and resolutions given final approval in final 5 days of the session
- **1** bill vetoed by Governor McCrory
- **0** vetoes overturned by Legislature
- **4** bills used as vehicles for major regulatory reform packages
- **1** regulatory reform bill approved
- **500** municipal officials who visited Legislature for annual Town Hall Day
- **196** cities and towns represented on Town Hall Day
- **6** NCLM Advocacy Goals achieved

Advocacy Goal Achievements



Goal: Minimize impact of pension spiking on LGERS

- Passage of HB 1195, Fiscal Integrity/Pension Spiking Prevention, curbs late-career pension spiking, supporting fiscal stability of LGERS



Goal: Expand uses of reclaimed water for water supplies

- Passage of SB 163, Reclaimed Water as a Water Source, allows more uses of reclaimed water



Goal: Seek flexibility regarding impaired water listing

- EPA approval of state Nutrient Criteria Development Plan that allows for flexibility for regulators of wastewater and stormwater



Goal: Protect local power to regulate hydraulic fracturing

- Passage of SB 786, Energy Modernization Act, allowing land-use planning to continue as it relates to hydraulic fracturing operations



Goal: Require moped owners to register vehicles

- Passage of HB 1145, Registration of Mopeds, requiring owners to register mopeds and calling for study of insurance requirement



Goal: Seek flexible water policies in triennial review

- Environmental Management Commission approval of rulemaking package that allows for adaptable water quality standards

Pushing Forward in 2014

If the so-called short sessions of the North Carolina General Assembly can be characterized as two- to three-month avalanches of legislative activity, the 2014 session was surely one that rained down almost unprecedented action. At the session's outset, the House and Senate quickly advanced omnibus legislation affecting local privilege license taxes. By the time legislative leaders gavelled the session to a close – well after the early adjournment dates predicted in the spring – lawmakers had approved a budget and a coal ash clean-up plan aimed at protecting drinking water supplies and clarifying an environmental rule affecting cities.

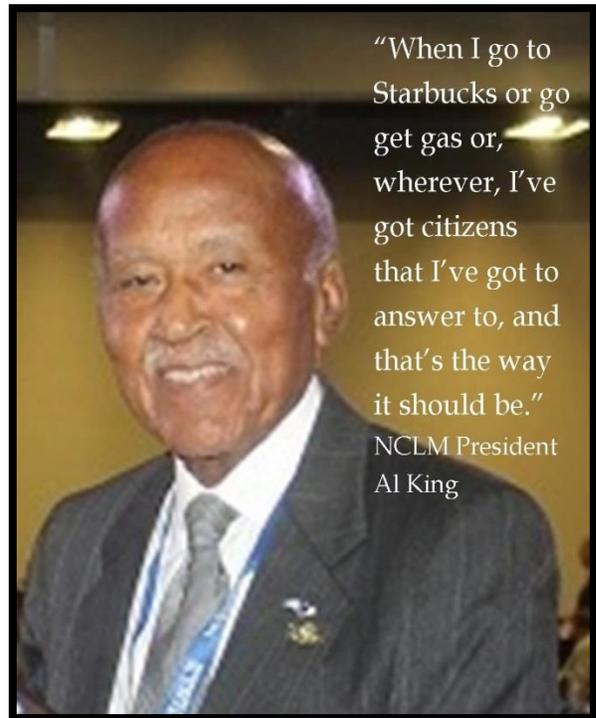
In between, legislators approved measures to improve the fiscal integrity of the Local Government Employees Retirement System, to restore local authority to enact environment-related ordinances and to alleviate a burdensome purchasing and contracting requirement. Meanwhile, proposals that could have harmed municipalities, including one restricting local tree ordinances and another capping property tax revenues, fell by the wayside.

Member Planning

In short, the League enjoyed many lobbying successes in 2014. Of course, that success did not start with the convening of the legislative session in early May. It began with the process of member involvement that initially set legislative and regulatory goals in 2013 in advance of the legislative

long session that year, and then reassessed those goals earlier this year.

In the winter and spring, at times having to brave ice and snow storms, the League's Legislative Action Committees (LACs) and Regulatory Action Committee (RAC) met to re-examine those earlier goals and to identify other issues facing municipalities that might be addressed through legislative action. The 170 members of those committees, representing 86 different municipalities, helped to lay the groundwork going into the session. The League Board of Directors approved the revised goals in the spring.



The League went into the session with 23 legislative goals and four regulatory goals. These goals served as guideposts for League

staff as they lobbied legislators on behalf of cities and towns. They also served to help explain and define to legislators the League's positions as critical pieces of legislation moved through the General Assembly. It was only through this grassroots process of involvement of municipal officials, both in formulating goals and then in pursuing them through contacts with legislators, that a successful legislative session was possible.

By the time the legislative session officially began on May 14, it was already clear that legislators were poised to make changes to the local business privilege license tax. The League and its members had adopted privilege license reform as a goal. It had been a primary focus of a legislative study committee, and House members wasted little time approving legislation that would have capped the tax for each business at no more than \$100.



Instead, a Senate proposal that continued the tax with limited changes in the 2014-15 fiscal year, but would repeal it for the 2015-16 fiscal year, ultimately became law. The League, though, secured commitments from legislative leaders and Governor Pat McCrory to work with cities to find a replacement source of revenue in the coming year.

League Successes

League successes also began early in the session. Legislation tackling the practice of pension spiking, addressing a League Advocacy Goal intended to strengthen the Local Government Employees Retirement System, gained the approval of lawmakers after months of work with the bill's sponsors, the State Treasurer's Office and the N.C. Association of County Commissioners. A de facto moratorium on local environmental ordinances, adopted a year earlier as part of a regulatory reform bill, was dropped after municipal officials from around the state and League staff made a persuasive case before and during the session about the unintended and negative consequences of the 2013 provision.

Another League Advocacy Goal, a requirement that mopeds be registered so that cities could better track their operation, gained wide support as it moved through the House and Senate. The League's opposition to a late-session, local option sales tax bill helped lead to its defeat, even as legislative leaders tied more popular legislation to the bill's passage. The League opposed the bill because it failed to account for municipal involvement in economic development.

Other legislative successes over the course of the session included:

- The removal of a provision that would have imposed a property tax revenue cap on municipalities from hydraulic fracturing legislation.
- A hydraulic fracturing bill that maintained some local decision-making in determining land-use compatibility for drilling facilities.
- Passage of a modified version of legislation requiring primary 911 centers to have back-up capabilities, but without expensive, new facility requirements.
- The halting of legislation that would have prohibited local tree ordinances statewide.
- Passage of legislation expanding the ability of municipalities to use reclaimed water for public water supplies.
- Modification or elimination of several harmful provisions, including ethics-related requirements for elected officials in large cities, from regulatory reform legislation.
- Elimination of a burdensome E-Verify requirement on smaller local government purchases and contracts.
- Negotiated language that allowed cities to continue regulating fertilizer as it relates to staying in compliance with state and federal wastewater and stormwater permits.

Outside of the Legislature, the League achieved two significant regulatory goals with the approval, by state and federal environmental officials, of wastewater and

stormwater-related standards that should provide flexibility to municipalities.

A Notable Presence

All these successes occurred against a backdrop of consistent involvement by League members contacting and interacting with their legislators and keeping cities' priorities before the larger public. The League's Town Hall Day, involving nearly 500 municipal officials, was one of the most successful ever. Governor McCrory -- during a panel discussion with State Transportation Secretary Tony Tata and Assistant Commerce Secretary Patricia Mitchell -- told city officials, "I'm still a city councilman and mayor at heart."

Earlier in the day, Representative Tim Moore and Senator Bob Rucho addressed members, with a lively question-and-answer session following. Executive Committee members -- Goldsboro Mayor Al King, President; Burlington Mayor Ronnie Wall, First Vice President; and Elkin Mayor Lestine Hutchens; Second Vice President -- met with capital reporters and the entire event generated significant media coverage. The League would like to thank Governor McCrory, Secretary Tata, Assistant Secretary Mitchell, Senator Rucho, Representative Moore and all of the legislators who took time out of their busy schedules to meet with city and town officials.

The earlier LAC (Legislative Action Committee) Lobby Days also allowed legislators to hear from League members on

issues important to towns and cities. Even before the session, LAC members got the chance to meet with key legislators as a part of the goals development process.

The Governmental Affairs team thanks you all. The significant successes of 2014 would not have been possible without your commitment and involvement. A year after it appeared that member involvement could not be greater, it was. Your many trips to Raleigh helping develop goals and pushing municipal priorities before state policymakers made a huge difference in legislative outcomes. That involvement is also helping more legislators see the critical role that strong cities play in North Carolina's economic success.

The Governmental Affairs Team would like to extend special thanks to our Board of Directors and Executive Committee. Their willingness to always respond when needed, to provide support and input to the policy efforts of the League went beyond the call of duty. The presence and advocacy of so many of you have become hallmarks of the League. The achievements of this legislative session were only possible because of that dedication. Please contact our team if you have any questions or comments about the session or any specific legislation, or if we can assist your municipality in any way.



Left, Tim Gauss, Director of Development Services for the Town of Morrisville, and Morrisville Town Manager Martha Wheelock attend 2014 Town Hall Day events



Right, Fayetteville City Councilman Bobby Hurst addresses a legislative committee regarding land-use planning

Municipal-Related Bills in the News



HB 1050 Omnibus Tax Law Changes
Repeals privilege license tax effective July 1, 2015

Law



SB 729 Coal Ash Management Act of 2014
Clarified groundwater rules for wastewater systems

Ratified



HB 369 Criminal Law Changes
Remedied E-Verify small contract and purchase burden

Ratified



SB 734 Regulatory Reform Act of 2014
Repealed de facto moratorium on environmental ordinances

Ratified



HB 1099 Unmanned Aircraft Regs
Sets drone regulations for public agencies

Put into Budget



HB 133 Charlotte Douglas International Airport
Attempt to clarify 2013 law taking control from city

Law



HB 1145 Registration for Mopeds
Requires moped owners to register vehicles

Law



HB 1191 Authority to Adopt Local Ordinances
Would have eliminated tree ordinances statewide

Failed



SB 865 Town of Boone/ETJ
Law stripped Town of Boone of ETJ authority

Law



SB 786 Energy Modernization Act
Provision would have capped local property taxes

Provision Dropped



HB 1224 Local Sales Tax for Ed./Economic Dev
Capped local sales tax authority, no sharing

Failed



HB 1195 Fiscal Integrity/Pension Spiking Prevention
Protects integrity of LGERS, curbs pension-spiking

Law

Defensive Wins

A look at some legislation that the League helped to defeat or alter in 2014



Tree Ordinances

HB 1191
Authority to Adopt Local Ordinances: That this bill failed meant that municipal tree ordinances were not restricted or prohibited.



Aesthetics

HB 150
Zoning/Design & Aesthetic Controls: The failure of the Senate to vote on this bill meant the defeat of a prohibition on municipal design and aesthetic controls on most one- and two-family homes.



911 Centers

SB 797 911 Board/Back-up PSAP: The League successfully lobbied to have a requirement for back-up capabilities for primary 911 centers not mandate the construction of additional facilities.



Local Sales Tax

HB 1224 Local Sales Tax Options/Econ. Devpt. Changes: This bill failed despite repeated attempts to revive it; the League opposed a narrow approach to economic development that did not involve cities.



Protest Petitions

Protest Petitions: Proposals to completely repeal protest petitions showed up in competing regulatory reform bills; the provisions were ultimately dropped.



Ethics Requirements

Ethics Filings: A provision requiring elected officials in N.C.'s 12 largest cities to file economic disclosures sprung from one regulatory reform bill; League Executive Director Paul Meyer successfully argued against it.

Bill Summaries

Bills lobbied by the Governmental Affairs team throughout the 2014 Short Session

Over the course of the two-year session of the North Carolina General Assembly that concluded on August 20, the League's Governmental Affairs Team lobbied 468 bills listed in its online tracking system. Of those, 150 were deemed as being of "Critical" or "High" importance to cities. You will find summaries of many of those bills below, including descriptions of how key provisions affect the operation and governance of cities and towns, as well as the legislative politics that accompanied their consideration.

The bill numbers and titles are linked below. The links will take you to each piece of legislation in the League's bill tracking system. Beside each bill number and title is a designation: Law, Ratified, or Failed. The designations indicate the following:

- **Law:** Passed by the General Assembly and now Session Law, either with the Governor's signature, the Governor's inaction regarding the bill, or as a local bill over which the Governor has no say.
- **Ratified:** Passed by the General Assembly but not yet acted upon by the Governor (as of August 30).
- **Failed:** These are bills that did not pass both chambers of the Legislature and, with its "sine die" adjournment, will not become law. The ideas contained in those bills could be considered in new legislation if the Governor were to call Legislators back for a special session or could be filed in new bills with the convening of the next General Assembly in 2015.

Bills below are divided into five general categories: Tax & Finance/Budget, Local Bills, General Government, Planning & Land Use, and Environment & Utilities. If you do not see a bill summarized that you are interested in, please contact any member of the League's Governmental Affairs team or visit the League's bill tracking site.

A number of these bills address advocacy goals chosen by cities and towns as their top legislative priorities for 2014. For a full list of Municipal Advocacy Goals, see [Appendix II](#).



Tax & Finance/Budget

[HB 1050 Omnibus Tax Law Changes](#) (Rep. Howard) – Law -- SL 2014-3 effective May 29, 2014 and various dates

HB 1050 was the Legislature's clean-up to its significant 2013 tax overhaul law, but it was most notable for the changes that it imposed on local privilege license taxes. The legislation followed weeks of study and interim committee meetings in which municipal privilege license taxes were a major topic of discussion. The League membership, acknowledging earlier legislative concerns, had adopted reform of the privilege license tax as a legislative advocacy goal. The House initially approved a measure that would have capped the tax at \$100 per business. A subsequent Senate version of the bill, which was ultimately agreed to by the House and signed into law by Governor Pat McCrory, instead would repeal the tax in Fiscal Year 15-16. For the current fiscal year, it limited the collection of the tax to those businesses with a physical location in the city and prohibited any increases in the tax for the fiscal year. The League estimates those changes will cost cities \$8 million in the current fiscal year. The complete repeal of the tax sets up a \$62 million fiscal cliff for all cities in 2015-16. But Governor McCrory and legislative leaders committed to working with municipalities to find replacement sources of revenue. The League and its members worked diligently with lawmakers to gain those commitments and will continue to work with legislators on ways to address the pending revenue loss. The League made the case, and will continue to do so, that the revenue loss will force cities and towns of all sizes to either raise property tax rates or cut services to businesses and residents. (You can read the comments of NCLM President Al King regarding the privilege license tax [in this Charlotte Observer op-ed.](#)) In addition to the privilege license tax changes, the law clarified how sales taxes would be applied to service contracts, student meal plans, mobile and modular home purchases, and entertainment admissions. It also made a minor change to the corporate income



Sen. Bob Rucho speaks to the NCLM Tax & Finance committee

tax, applied excise taxes to e-cigarettes, and increased the amount local governments pay to license plate agencies for combined vehicle registration and property tax collection.

[HB 1142 Modify Film/Historic Rehab Tax Credits](#) (Reps. Hamilton, Iler, Davis, and R. Moore) – Failed

This bill, sponsored by a bipartisan group of legislators from Mecklenburg and New Hanover counties, would have eliminated the sunset dates on the historic rehabilitation and film production tax credits, and would have made slight modifications to the film credit. The legislation never received a committee hearing, although efforts to extend these tax credits continued in multiple other pieces of legislation. The Senate did include \$10 million for film grants in [SB 743](#), its version of legislation affecting a new public-private economic development partnership. When that bill did not move, the \$10 million for film grants was ultimately included in the budget bill, [SB 744](#). House members, in large numbers, backed a move to put the extension of historic preservation tax credits in their version of the budget, and took other steps to try to revive the issue when the final budget did not include them.

[HB 1195 Fiscal Integrity/Pension-Spiking Prevention](#) (Reps. Collins and Ross) – Law -- SL 2014-88 effective July 23, 2014 and Jan. 1, 2015

The passage of this bill achieved a 2013-14 League Municipal Advocacy Goal, set in response to concerns about the effects of late-career salary spikes on the fiscal integrity of the state and local government retirement systems. The legislation is intended to control the practice of “pension spiking” by establishing a contribution-based benefit cap in those instances where significant, late-career spikes were evident. HB 1195 also changes the employee vesting period for the state retirement system from 10 years back to 5 years. The League worked with both bill sponsors, the Office of State Treasurer Janet Cowell and the N.C. Association of County Commissioners to gain passage of the legislation.



Members of the League’s Executive Committee meet with capital reporters

[HB 1209 Retirement Investment Accountability](#) (Reps. Dollar, Cotham, S. Ross, Glazier) – Failed

[SB 878 Retirement Investment Accountability](#) (Sen. Hise) – Failed

[HB 1237 Retirement Investment Transparency](#) (Reps. Setzer, T. Moore, Johnson, Moffitt) – Failed

These three bills were all related to investments managed by the State

Treasurer on behalf of the local and state retirement systems, and were grounded in similar concepts. HB 1237, though, carried very different implications. HB 1209 and its companion bill, SB 878, which were both supported by State Treasurer Janet Cowell, would have created more transparency and accountability in the Treasurer's Office's investment operations along with expanded reporting, without jeopardizing the department's contracts with outside investment firms. HB 1237, which was being pushed by the State Employees Association of North Carolina (SEANC), would have required all investment documents to be maintained as public records. Experts told legislators the requirement could cost both retirement systems billions of dollars in fines and fees under the department's existing confidentiality contracts with its private sector investment firms. Because of the significant financial harm to the Local Government Employees Retirement System that seemed likely to result from HB 1237's passage, the League opposed the bill. None of the three bills advanced from their chambers of origination, but we expect calls from SEANC for increased transparency in the Treasurer's Office's operations to continue.

HB 1213 Local Governments in State Health Plan (Reps. Ramsey and Moffitt) – Failed

This bill would have allowed North Carolina local governments to enroll their employees and retirees along with their dependents in the State Health Plan. Drafted as statewide legislation, the League was told that this issue arose out of concerns over health insurance prices for one local government in the western part of the state in particular. Although the League did not take a position on the bill, we had concerns that participation in the State Health Plan could negatively impact the municipality's bond rating due to the sharing of the state's unfunded Other Post Employment Benefit (OPEB) liability. This legislation was never voted out of its first House committee, but provisions were added to a handful of other bills to allow the towns of Elizabethtown and Matthews, along with some counties, to join the State Health Plan.



Members of the League's Board of Directors, outside the Legislative Building

HB 1224 Local Sales Tax Options/Econ. Devpt. Changes (Rep. Presnell) – Failed

Although this bill carried a House bill number and named a House sponsor, it was a bill stripped by the Senate that contemplated a new cap on the local-option sales tax authority of some large, urban counties while giving others more options regarding how to use their local sales tax revenue. The League immediately opposed the legislation, which was unveiled late in the legislative session, making the point that it failed to take into account the role that municipalities play in economic development, could hurt municipalities' future revenue options and did not represent a comprehensive approach to local funding needs. As first constructed, the bill would have capped local-option sales tax authority at 2.5 percent, meaning large, urban counties that enjoyed authority up to 2.75 percent, and had not used it, would lose the remaining quarter-cent authority. It also would have forced counties with a half-penny of remaining authority to put the revenue toward either public education or transit, but not both. Facing broad opposition, Senate bill writers opened up the options for use of the revenue, and agreed to allow the urban counties to keep the 2.75 percent authority as long as they decided to impose the tax in the current year. That change did not go over well in Wake County, where proponents of public transit said there was no time to put together an advisory referendum. The bill appeared as if it would gain passage after the changes were made, with Senate and House conferees coming to an agreement. The House rank-and-file would not go along with that agreement, even after the Senate attempted to tie passage of more popular measures to its approval. The bill died as the legislative session came to a close.

SB 744 Appropriations Act of 2014 (Sens. Brown, Harrington, and Hunt) – Law -- SL 2014-100 effective August 7, 2014 and various dates.

The state budget for FY2014-15, SB 744 was one of the primary reasons legislators remained in session well into August. Senators passed their version of the bill in late May and the House followed suit in mid-June, but a compromise agreement between the two chambers was not presented until the final week of July. Much of the disagreement between the House and Senate came on issues such as teacher pay, Medicaid eligibility, and funding for teacher assistants, meaning that many of the final provisions relating to municipalities in the final agreement were largely unchanged from what had been seen before. Among them were language requiring local governments applying for certain drinking and wastewater grants to certify that no transfers take place from their utility funds to their general funds (language the League had amended to make it more open to cost allocation between funds); \$1 million in funding for the Main Street Solutions fund; an additional \$1 million for water and sewer infrastructure improvements for local governments in Tier 1 and Tier 2 counties; and additional positions in the Local Government Division of the Department of Revenue to aid in auditing nonprofit and governmental refund requests of sales taxes. SB 744 also provides for a three-judge panel to hear cases challenging the constitutional validity of acts of the General Assembly and removes a cap on the amount local governments pay for community work crews from the Department of Public Safety. For more on the final approved budget, [see here](#).

SB 790 Cape Hatteras/Gas Cities/Infrastructure Land (Sen. Cook) – Law -- SL 2014-39 effective various dates and July 1, 2015

SB 790 phases in the sales tax for piped natural gas for so-called gas cities, those operating natural gas distribution systems. Those cities -- Bessemer City, Greenville, Kings Mountain, Lexington, Monroe, Rocky Mount, Shelby and Wilson -- had been exempted from collecting an excise tax on piped natural gas, averaging 3.5 percent, that existed under previous law. The 2013 tax overhaul removed that exemption, effective July 1, 2014, while applying the general combined sales tax rate to the gross receipts from the sales of piped natural gas and electricity. This latest measure will apply a 3.5 percent tax rate for piped natural gas sales in those cities until July 1, 2015, after which time the full rate would apply. The phased-in rate also applies to sales by the gas distribution system operated by Cape Hatteras Electric Membership Corporation. The law also changes a calculation for these cities' share of excise tax revenue and modifies the property tax deferral program for site infrastructure land.



Municipal officials from around the state arrive at the Quorum Center for Town Hall Day

Local Bills

HB 133 Charlotte Airport Commission Clarifications (Rep. Bell) – Law -- SL 2014-10 effective June 18, 2014

HB 133 is follow-up legislation to 2013 laws that moved control of Charlotte Douglas International Airport from the City to a separate regional airport authority. The law is apparently an attempt by legislators to end a court stalemate after the City sued to stop the 2013 laws from taking effect, and the judge in the case said he needed to hear from the Federal Aviation Administration about whether the authority can run the airport. The FAA refused to make a ruling without a determination regarding whether the authority is a part of city government. The new law attempts to clarify that the airport is still owned by the City even as the authority, called the Charlotte Douglas International Airport Commission, is granted administrative control. It strikes out a provision of the 2013 law that had defined the commission as a “special district” of local government. A special district is defined in state law as “a unit of local government (other than a county, city, town, or incorporated village) that is created for the performance of limited governmental functions or for the operation of a particular utility or public service enterprises.” The new legislation also added language to say that the commission operates the airport “on behalf of the City.” The City of Charlotte is pressing ahead with its court case to try to stop the transfer, arguing that it is an illegal act of the General Assembly. At the time of the legislation’s passage, Charlotte Mayor Dan Clodfelter said he was disappointed that the legislature pursued the measure and had hoped all the interested parties could work out a solution. “I think the airport and the community are all better served if we can first find a resolution of this dispute among interests here in Charlotte and then decide how to put that solution into legislation,” Clodfelter said.



Rep. Tim Moore speaks to municipal officials at Town Hall Day

[HB 531 Weaverville, Buncombe and Henderson](#) (Reps. Ramsey and Moffitt) – Law -- SL 2014-26 effective July 1, 2014 and various dates

Among other provisions, this law eliminated the Town of Weaverville's ability to exercise extraterritorial jurisdiction authority. While the Town of Weaverville did not oppose the bill, the League did, and it continues to oppose efforts to eliminate individual municipalities' ETJ authority.

[SB 865 Town of Boone/Extraterritorial Jurisdiction](#) (Sen. Soucek) – Law -- SL 2014-33 effective Jan. 1, 2015

SB 865 prohibits the Town of Boone from exercising any powers of extraterritorial jurisdiction effective January 1. The legislation became the third such law stripping a municipality of its ETJ authority. It looked as if this bill might fail in the House when the House Government Committee initially voted to defeat it in a 12-15 vote. A day later, the committee revived the bill, and with more committee members attending, passed it by a two-vote margin. It then passed the full House on two successive days. Having already passed the Senate, the local bill became law. A similar bill had been filed by Sen. Dan Soucek and passed by the Senate two years earlier, but the legislation did not move in the House that year. It was unclear what changed in the House in 2014, although Rep. Jonathan Jordan, who represents Boone, was a proponent of the bill. The effort to repeal Boone's ETJ is seen locally as part of a longer-running dispute regarding development standards, mountain views and steep slope protections. The legislation also came amid complaints brought by residents of an ETJ neighborhood alleging that a nearby concrete plant was not complying with the conditions of a special use permit. The League has advocated for reasonable reforms to the ETJ statute but opposed SB 865 due to its immediate repeal of the authority and its impact on only one jurisdiction. The General Assembly passed similar legislation impacting the City of Asheville during its 2013 session. League Executive Director Paul Meyer expressed his concerns about the decision [in this letter to the editor](#) of the Watauga Democrat.

[HB 1056 Lake Lure Official Map/Deannexation](#) (Rep. Hager) – Law -- SL 2014-81 effective July 23, 2014

[HB 1067 Murphy Deannexation](#) (Rep. West)/[SB 736 Murphy Deannexation](#) (Sen. Davis) – Law -- SL 2014-46 effective June 30, 2014****

[HB 1080 Watha Deannexation](#) (Rep. Millis)/[SB 733 Watha Deannexation](#) (Sen. Rabon) – Failed****

[HB 1127 Maggie Valley Deannexation](#) (Rep. Presnell) – Failed

[HB 1155 Pinehurst Annexation](#) (Rep. Boles) – Law -- SL 2014-85 effective July 31, 2014

[SB 767 Rockingham Deannexation](#) (Sen. McLaurin) – Law -- SL 2014-48 effective June 30, 2014

[SB 871 Raleigh/Durham Deannexation/Annexation](#) (Sens. McKissick/Woodard) – Law -- SL 2014-47 effective June 30, 2014

[SB 874 Spruce Pine Deannexation](#) (Sen. Hise) – Law -- SL 2014-47 effective June 30, 2014

A number of local annexation and deannexation bills were filed during the 2014 session. Only one such bill was filed against the wishes of the municipality in question – HB 1127 Maggie Valley Deannexation. That bill, which was opposed by a majority of the current town governing board, was twice put on the agenda for the House Government Committee but never received a hearing. SB 871, which originally removed certain property from the City of Raleigh and added it to the City of Durham, was also amended (with the agreement of Durham officials) to make changes to the law passed last session that required the City of Durham to provide services to a Durham County development project.

[HB 1151 Fayetteville Red Light Change](#) (Reps. Floyd, Szoka, Lucas and Glazier)/[SB 810 Fayetteville Red Light Changes](#) (Sen. Meredith) – Law -- SL 2014-84 effective July 25, 2014 and July 1, 2015

HB 1151 allows the City of Fayetteville to restart a red-light camera program after it stopped a similar program following a 2006 court ruling that found High Point’s red-light camera program to be unconstitutional. The legislation seeks to comply with constitutional requirements that fines and forfeitures go to public education by having the City and Cumberland County Board of Education enter into an agreement that would have the school system initially receive all the money from violator fines but then remit back to the City the amount required to operate the system. Fines for violators are now \$75, but will rise to \$100 on July 1, 2015.

[HB 1156 Spirituous Liquor Tastings/City of Asheville](#) (Reps. Moffitt, Ramsey, Fisher, and McGrady) – Failed

This legislation would have allowed ABC stores in the City of Asheville to conduct liquor tastings at their store. Despite bipartisan sponsorship from the Buncombe County delegation, the bill did not receive a hearing. Opponents of the legislation expressed concerns that its passage could open the door to privatization of the state’s Alcoholic Beverage Control system.



*League Legislative & Regulatory Issues
Manager Erin Wynia speaks to a legislative
committee*

[HB 1249 Brevard Meals Tax](#) (Rep. Whitmire)/[SB 876 Brevard Meals Tax](#) (Sen. Apodaca) – Failed

Both of these bills would have granted the City of Brevard the authority to levy a tax of up to 1.5 percent of the price of prepared food and beverages sold within its corporate limits, making it just the third municipality statewide to have such authority. Proceeds of the tax would have been required to be used to construct and improve public infrastructure and facilities. However, HB 1249 was never considered, and after passing one Senate committee, SB 876 was withdrawn from the full Senate calendar and not voted on again.

General Government

[HB 346 Governing Bodies/Collect Unpaid Judgments](#) (Reps. Faircloth, Stam, Hardister and Glazier) – Law -- SL 2014-40 effective Oct. 1, 2014

This law allows cities and counties to collect any final monetary damages awarded against an elected or appointed official of the local government to be collected by using property liens and wage garnishments. City finance officers must give notices of the withholdings, and the official has the right to an appeals process.

[HB 348 Public Safety Technology/State ROW](#) (Reps. Faircloth, McNeill, Hardister) – Failed

This bill would have allowed the North Carolina Department of Transportation to enter into agreements with local governments to allow public safety technology to be placed in state highway rights-of-way. The North Carolina Association of Chiefs of Police actively sought this legislation in order to facilitate the use of automatic license plate readers along roads in the State highway system. Amendments were added to the original legislation to protect the rights of utilities to access their lines at all times and to remove any public safety devices when needed. This legislation was not enacted because, although it was passed by the House, it was never given a final vote in the Senate.



Tax and Finance Legislative Action Committee meets to begin goal-setting process for 2015

[HB 369 Criminal Law Changes](#) (Reps. Waddell, Brody, Langdon, Dixon) – Ratified

This legislation underwent a variety of changes as it progressed through the General Assembly, but ultimately included a provision added by the League to ease E-Verify requirements for municipal and county purchasing officers. The League determined that this resolution was needed after convening a special subcommittee of our membership to address the issue. If this legislation is signed by the Governor, which we expect, it will remove the requirement passed in the 2013 Long Session’s RECLAIM NC Act that local governments determine whether their contractors and vendors are compliant with the state’s E-Verify laws prior to making any purchases or entering into any contracts, regardless of size or type. Instead, local governments would only have to ensure their contractors’ E-Verify compliance in contracts that fall within the formal bidding range. The League attempted to add the E-Verify provision to a handful of other bills, but ultimately HB 369 was the one that was approved by the full General Assembly. League coverage of this issue can be viewed [here](#).

[HB 698 Background Checks for Firefighters](#) (Reps. Saine, Ramsey and Boles) – Law -- SL 2014-27, various effective dates, including Jan. 1, 2015 for background checks

HB 698 allows local fire chiefs to request criminal histories of both applicants and current members of fire departments. The department making the request must be a rated fire department. Previous law restricted the requests to applicants. The law also instructs the Department of Public Safety to begin establishing, within the Division of Emergency Management, an urban search and rescue program.

[HB 1025 DOT/DMV Changes](#) (Rep. Torbett) – Law -- SL2014-58 with Sec. 12 effective October 1, 2014

HB 1025 was a piece of omnibus transportation-related legislation that included 13 largely unrelated provisions ranging from placement of agricultural tourism signs along state highways to adjusting the Strategic Transportation Investments (STI) formula for emergency repair work. The League followed Sec. 12 of the bill most closely, as it established penalties for members of Metropolitan Planning Organizations (MPOs) and Rural Planning Organizations (RPOs) who failed to comply with ethics rules.

[HB 1031 NC Econ. Dev. Partnership Modifications](#) (Rep. Murry)/ [SB 743 NC Econ. Dev. Partnership Modifications](#) (Sen. Brown) – Law -- SL 2014-18, various effective dates including June 24, 2014

This law, approved through the House bill, establishes the framework for Governor Pat McCrory’s plan to transform the Department of Commerce’s job recruiting and international trade efforts into a public-private partnership. The plan will also establish eight new regional “Prosperity Zones,” and includes instructions for a number of state agencies to begin working to develop plans to encourage collaboration and resource-sharing within those regions to promote

economic development. A competing Senate version of the bill, [SB 743](#), initially included a \$10 million film grant program intended to replace expiring film tax credits. That provision was ultimately put into the budget bill, [SB 744 Appropriations Act of 2014](#).

[HB 1043 Prequalification Update](#) (Reps. Arp, Hager, Brody, Whitmire)/ [SB 814 Prequalification Update](#) (Sen. Hunt) – Law -- SL 2014-42 effective October 1, 2014 and June 30, 2014

The League worked very closely with the chairs of the Purchase and Contract Study Committee prior to session on the local government prequalification and design language that was recommended by the study committee and featured in these two companion bills. The legislation outlines criteria that local governments can consider as part of their prequalification processes. The bill also clarifies that public entities can use construction management at-risk services only when they have compared the advantages and disadvantages of using other methods and have concluded that construction management at-risk is in the best interest of the project. The bill also includes a provision that prevents entities from soliciting project-specific work product or designs during the selection process, but clarifies that sharing a portfolio of work from previous projects is not prohibited. Also included in the final version of the bill was the creation of a Blue Ribbon Commission aimed at studying building and infrastructure needs. The Commission will have 20 members, including one to be recommended by the League. In working closely with the study committee as it was crafting this legislation, the League was able to ensure that the final version was workable for municipalities.

[HB 1099 Unmanned Aircraft Regulation](#) (Reps. Torbett, Setzer) – Failed in this form, but passed in budget

After being recommended by an interim study committee, HB 1099 quickly progressed through the House before becoming stalled in the Senate Rules Committee. The bill would have



regulated the use of unmanned aircraft in North Carolina by placing restrictions on drone operations over private property without the permission of the property owner. The bill did, however, include several exemptions that would have allowed drone use by local law enforcement agencies.

League staff presents a legislative update at the Municipal Attorneys Conference

Law enforcement would have been allowed to use drones for surveillance purposes in areas that are in plain view, when a warrant has been issued, to capture or stop the escape of prison inmates, to search for missing persons or to photograph public events. The bill would have also imposed criminal penalties and created civil causes of action for a set of prescribed misuses, such as using an unmanned aircraft with a weapon attached, using a drone to hunt or fish or take photographs of an individual without their consent. The bill was only passed by the House, but its contents were added to Sec 34.30 of the budget bill that was subsequently passed by both chambers and signed into law by the Governor. League coverage of this bill is available [here](#) and [here](#).

[HB 1101 Mech.Liens/Amend Info./Child Supp. Orders](#) (Reps. Stevens, Arp) – Failed

If it had been enacted, this legislation would have extended the public bonding standards prescribed in NCGS§ 44A-26 to non-government lessees of government owned property. The bill came as a recommendation of the Legislative Research Commission’s Committee on Mechanics Liens and Leasehold Improvements, which held a handful of meetings before session began in order to respond to a broader set of concerns regarding the effectiveness of mechanics liens in North Carolina. The League was extensively consulted during the drafting of this legislation. If this bill had been passed, projects by lessees of public property would have been held to the same performance and payment bond requirements as municipalities and other public bodies. The bill was passed by the House but lost momentum, and ultimately failed in the Senate.

[HB 1135 Business Facilities Development](#) (Rep. Stam) – Failed

This bill proposed to provide funding to local governments for site and building developments. A revolving loan program, interest payments would have been based on county tier designations, with the local governments in the poorest counties paying no interest. The program would have been administered through the Department of Commerce. The bill was never passed by any of the House committees where it was assigned.

[HB 1145 Registration for Mopeds](#) (Reps. Shepard, Brown, Millis) – Law -- SL 2014-114 effective July 1, 2015

The League worked closely with the sponsors of this legislation in an effort to achieve the League’s moped insurance and registration Municipal Advocacy Goal. The bill as introduced would have required moped operators to both register their vehicles with the Division of Motor Vehicles and also secure liability insurance policies. After complaints from a handful of House members on both sides of the aisle, the House amended the bill to convert the insurance requirement into a broader moped study. When the Senate received the bill, it quickly amended it to restore the insurance requirement before passing the legislation and sending it back to the

House for a concurrence vote. After the House then voted not to concur with the Senate's changes, a conference committee adopted the House's position, opting to retain the registration requirement but authorize a Joint Legislative Transportation Oversight Committee study of the insurance requirement. Both chambers adopted the conference committee's report and the Governor signed it into law on August 6th. The League frequently spoke in support of the bill in committees and worked diligently behind the scenes to urge legislative support, citing League members who called for increased regulation and oversight of moped use after noticing heightened criminal activity involving mopeds. League coverage of this bill is available [here](#).

[HB 1148 911 Board/Back-up PSAP \(Rep. Saine\)/SB 797 911 Board/Back-up PSAP \(Sen. Brock\)](#) – Law -- SL2014-66 effective July 1, 2014 and July 9, 2014

These bills initially would have required all primary 911 centers, or Public Safety Answering Points (PSAPs), in the state to either construct back-up PSAPs or enter into back-up PSAP service contracts with neighboring 911 centers in order to continue to receive their 911 fund disbursements. While two identical companion bills were filed by the House and Senate co-chairs of the Joint Legislative Oversight Committee on Information Technology, only the Senate version of the bill moved. The League worked closely with legislators to amend the bill to ensure that the existing back-up capabilities that PSAPs have in place would satisfy the bill's requirements, and in doing so, also amended the bill to clarify that new facilities would not have to be constructed. The League was also successful in delaying the date on which fund disbursements would be suspended for noncompliance by two years to July 1, 2016. The League supported the final version of the bill.



League 1st Vice President Ronnie Wall, Rep. Julia Howard and League President Al King

[SB 78 Law Enforcement Privacy/Public Web Sites](#) (Sen. Hartsell) – Failed

This legislation was introduced in response to the highly publicized kidnapping of the father of a Wake County District Attorney earlier this year. If enacted, the bill would have required cities and counties to develop processes for removing the personal information of certain

law enforcement officers, prosecutors and judicial officers from local government websites. The bill was ultimately converted to a study after legislators raised concerns about the costs to local governments of complying with the legislation, particularly in terms of counties who maintain property tax information on their websites. Legislators also argued that removing the names of these employees could cause criminals to mistakenly direct their attacks at unsuspecting people with the same names.

[SB 403 Omnibus Election Clarifications](#) (Sen. Bingham) – Law -- SL 2014-111 effective August 6, 2014

Although this bill was filed as legislation to reform the Uniform Prudent Investor Act and modify state statutes that regulate cemeteries, it was ultimately used by the House as a vehicle for a wide range of changes to the state’s election laws. The provision in the bill that the League worked most closely on was one suggested by our own legal team aimed at correcting a drafting error in a piece of 2013 legislation that has caused confusion and duplicative work for municipal staff. The error inadvertently created two conflicting timeframes governing when city council-initiated special elections related to charter amendments can be held. Now that this legislation has passed both chambers and has been signed into law by the Governor, it will provide clarification to municipal governments regarding when these elections can lawfully take place.

[SB 574 Groundwater Contamination/Modify Response](#) (Sen. Randleman) – Law -- SL 2014-17 effective June 20, 2014

This law responded to a June U.S. Supreme Court groundwater contamination liability case that denied a right to appeal for plaintiffs who alleged that they suffered negative health effects from groundwater contamination. While legislators intended to assist potential plaintiffs who were exposed to contamination in Camp Lejeune’s drinking water supply, the broad language of the law swept in cities and other private facilities as potential defendants as well. As a result, municipal facilities – such as former fleet management garages, fuel stations, or other sites that could potentially contaminate groundwater – may no longer benefit from the state’s statute of repose that was at issue in the Supreme Court case. Prior to passage of this new law, the statute of repose prevented lawsuits against former site owners when they had not taken any actions that contributed to contamination on the site for more than ten years. This law removed that ten-year limitation on a facility owner’s liability.

Planning and Land Use

[HB 150 Zoning/Design & Aesthetic Controls](#) (Reps. Dollar, W. Brawley, Moffitt, and Jordan) – Failed

Legislation similar to HB 150 had been filed in multiple previous legislative sessions before the latest iteration of the bill was introduced in February of 2013. The legislation would restrict cities' and counties' ability to regulate certain features of one- and two-family dwellings, such as roof style, location of windows and doors (including garage doors), and the number and location of interior rooms. Local governments often use these tools to bolster economic development by ensuring that new development is consistent with the character of surrounding development. HB 150 was passed by the House in 2013 but ended the session in the Senate Rules Committee. At one point in 2014 the bill was placed onto the calendar for the full Senate, but it was withdrawn and returned to the Senate Rules Committee, where it never received further consideration. Language from HB 150 was included in one of the House's regulatory reform bills, but it did not appear in the final regulatory reform bill, [SB 734](#), that both chambers approved in the session's waning days.

[HB 1191 Authority to Adopt Local Ordinances](#) (Rep. Dixon) – Failed

The first edition of this proposal removed the ability of local governments to regulate trees, regardless of whether the purpose of the regulation was for public safety, stormwater control, noise reduction, aesthetic, or other reasons. However, following intense efforts by local officials opposing the proposal, many legislators committed to not advancing it this legislative session. Instead, only the portion of this bill addressing local regulation of fertilizer application advanced, and even then, it advanced via inclusion in each chamber's regulatory reform bills. Ultimately, the fertilizer language negotiated between the League and agricultural interests became law

through [HB 366 NC Farm Act of 2014](#). That language would allow local governments to pass ordinances regulating fertilizer use, under certain conditions, when necessary for a local government to comply with federal and state water quality mandates.



Clemmons Mayor Pro Tem Mike Rogers and Morrisville Mayor Pro Tem Liz Johnson attend a Legislative Action Committee meeting

Environment & Utilities

HB 201 Building Reutilization for Economic Dev. Act (Rep. Torbett) – Law -- SL 2014-90 effective July 25, 2014

In just one week, both the House and Senate approved this bill, which was designed to relax state building code and stormwater regulations. While the provisions applied statewide, during debate on the House floor, legislators spoke about the advantages it would offer Ashley Furniture, a company currently redeveloping a manufacturing site in Davie County. Despite targeting the bill's provisions to this one project, legislators advanced in this bill two distinct stormwater provisions, including one that only applied in the Jordan and Falls watersheds. Those two watersheds are located far from Davie County. The League did not support these two stormwater provisions because they indirectly affected how cities implement stormwater programs pursuant to state and federal mandates. For example, because the bill would result in cities placing additional requirements on developers that the State would no longer make for redevelopment projects, it increased the prospect of cities being accused of "over-regulating." However, under their stormwater permits, cities bear a legal responsibility to clean up water bodies to a higher level not required of the State. In some cases, placing additional requirements on developers during redevelopment represents the most cost-effective means of achieving those water quality mandates. The final version of this bill did not contain another stormwater provision that appeared in earlier versions that would have relaxed the stormwater rules that the State and local governments must follow with respect to non-paved surfaces. The League supported removal of this language, as it threatened to trump an agreement reached on the issue during an interim legislative study in which the League participated.

HB 366 Farm Act of 2014 (Reps. Langdon, Dixon, Brisson and S. Martin) – Law -- SL 2014-103 effective various dates and Aug. 6, 2014

HB 366 ultimately ended up as the vehicle that legislators used to approve language affecting municipal regulation of fertilizer. The bill placed some restrictions on local ordinances regulating fertilizer, but the League was able to negotiate with legislators and agriculture interests to ensure that the changes did not interfere with the ability of cities to comply with NPDES wastewater and stormwater permits as they relate to fertilizer regulation. The bill also includes language preserving local government's ability to regulate fertilizer as a potential safety hazard related to its storage as an explosive or corrosive substance. The same or similar language showed up in two other bills that were not acted on – HB 1191 and HB 1136 – and one of the wide-ranging environment regulation bills considered by legislators, SB 38, that did become the focus of considerable debate but did not gain final approval.

HB 573 Stormwater Management Fee Uses (Rep. Jeter) – Law -- SL 2014-14 effective June 12, 2014

This law allows counties with a population above 910,000 to use fees collected in a stormwater enterprise for specific flood control purposes. Practically, the law only applies to Mecklenburg and Wake counties. The bill began as a statewide bill last session but was narrowed after encountering resistance from House members, many of whom have publicly questioned the uses to which cities and counties may put stormwater fees. The effects of this bill on municipalities with stormwater enterprises should be minimal. Already, state law allows stormwater enterprise fees to be used for flood control purposes.

**HB 894 Source Water Protection Planning (Rep. Catlin) – Law -- SL 2014-41/
HB 1133 Technical and Other Corrections (Rep. T. Moore) – Law -- SL 2014-115 effective June 26, 2014, and various dates**

Within one week, HB 894 Source Water Protection Planning went from being a bill that dealt with stormwater to one with entirely new language that mandated all unfiltered public water supply systems develop and implement a source water protection plan. This law directs the N.C. Commission for Public Health to develop a template for water systems to use in this new planning effort and to adopt rules implementing the plan requirement. The original bill would have had minimal reach, but a provision in HB 1133 Technical and Other Corrections modified this new law by removing the word “unfiltered.” As a result of this technical correction, the source water planning requirement now applies to most public water supply systems in the state.



Town Hall Day 2014 begins

[HB 1057 DENR Study IBT/EMC Eco Flow Study](#) (Rep. Hager)/

[SB 757 DENR Study of IBT Laws](#) (Sen. Hartsell) – Failed

This bill began as one directing the N.C. Department of Environment and Natural Resources to study limited circumstances under which the state’s interbasin transfer (IBT) laws could be moderated. State law requires an IBT certificate when withdrawals larger than two million gallons a day are not returned to the same river sub-basin. However, at the request of various municipal and county governments, House members added two marginally related provisions to the bill, which ultimately won unanimous House approval. The first would apply relaxed IBT laws to Kerr Lake, which is receiving consideration for an IBT certificate now. Those relaxed laws would mirror the laws now in effect for the Central Coastal Plain Capacity Use Area and would speed up the Kerr Lake IBT certificate process that was initiated five years ago. The second would direct state regulators to reexamine the scientific basis for ecological flow calculations in the state’s streams and rivers. Importantly, the bill would allow the N. C. Environmental Management Commission (EMC) to recommend amendments to the state law that required consideration of ecological flow in the first place, if the EMC determined that the original ecological flow law was not feasible to implement. In addition, while the study was underway, the legislation would also allow the EMC to continue approving hydrologic models so long as the models did not include ecological flow data. The Senate did not take up the bill.

[HB 1058 PED Study of Water and Sewer Systems](#) (Rep. Hager)/[SB 756 PED Study of Water and Sewer Systems](#) (Rep. Hartsell) – Failed****

While neither chamber considered this bill individually, the Senate included it in one of its regulatory reform proposals this session. It was not included in a final version of that bill. The measure called for a study of the benefits of water and wastewater system mergers. Growing out of discussions by an interim legislative study group in which the League participated, this proposal responded to legislators' concerns over the viability of failing water and wastewater systems. The bill would have directed the independent, non-partisan legislative Program Evaluation Division to examine whether the benefits of successful mergers -- such as those in Charlotte-Mecklenburg, Gastonia-Cramerton, and Wilmington-New Hanover -- could apply in other areas of the state.

[HB 1081 Reform Agency Review of Engineering Work](#) (Rep. Mills)/[SB 765 Reform Agency Review of Engineering Work](#) (Sen. Bingham) – Failed****

House members served as the main proponents of this bill this session, passing it as a stand-alone bill and including it in that chamber’s regulatory reform proposal as well. The Senate did not consider this bill. Coming after an interim study process that included participation by League members, the bill standardized State and local review of engineering plans such as stormwater, sedimentation/erosion control, and water and wastewater system designs. The bill contained numerous suggestions for improvement made by the League, including one provision to distinguish between a “working” job title and an official job title used for human resources

classification purposes. The language was ultimately approved in [SB 734 Regulatory Reform Act of 2014](#).

[HB 1105 Local Erosion Programs/Takeover Existing Plans](#) (Rep. Torbett)/

[HB 1106 Erosion Control Designer Certification](#) (Rep. Torbett) – Failed

These two measures, both of which addressed issues with intergovernmental regulation of erosion control devices, passed the House unanimously but were not heard in the Senate. The idea for these proposals arose out of troubles with a development in Lowell. Discussions of the topic by an interim study committee focused on which public or private entity bore responsibility for failing residential community infrastructure, such as retaining walls or other common stormwater devices. Originally, the interim committee recommended placing that liability on local governments. The introduced bills, however, removed that proposed liability provision. HB 1105 Local Erosion Programs/Takeover Existing Plans would ensure that when a local government received permission to operate a delegated sedimentation/erosion control plan, responsibility to approve projects currently underway transferred from the state Sedimentation Control Commission to the local government. HB 1106 Erosion Control Designer Certification would require erosion control device designers to certify that they designed erosion control infrastructure correctly and that it would be installed according to an approved sedimentation and erosion control plan.

[HB 1109 Clarify Existing Rule Readoption Process](#) (Rep. Moffitt)/ [SB 779 Clarify Existing Rule Readoption Process](#) (Rep. Hartsell) – Failed (Approved as part of SB 734)

This bill offered two modifications to the process passed into law last year that required a review and re-adoption of all the state’s administrative rules. The House unanimously passed this measure and included it in one version of its regulatory reform bill, while the Senate chose not to review the bill individually but included it in two versions of its regulatory reform bill. The provisions were ultimately incorporated into [SB 734 Regulatory Reform Act of 2014](#). The proposal clarifies that the Rules Review Commission must impose a deadline on state agencies for all rules slated for re-adoption under last year’s law. And in recognition of the time that re-adoption of rules takes to complete, the measure also allows an agency to forego a fiscal note analysis when readopting rules under this legislatively-mandated process.

[HB 1136 Authority to Adopt Certain Ordinances](#) (Rep. McGrady) – Failed (Approved as part of SB 734)

This bill, strongly supported by the League, would have immediately ended a de facto moratorium on local government environment ordinances that is slated to end October 1, 2014. The language, recommended by an interim legislative environment oversight committee, resulted from intense outreach efforts by municipal officials over the past year to reverse a 2013 restriction on local government environment ordinance-making authority. That restriction removed the ability of local officials to implement required state and federal environment

programs and represented the biggest threat to local government authority in the 2013 legislative session. An inability to implement these state and federal mandates would have exposed local governments to financial penalties and other enforcement actions. While neither chamber considered this bill as a stand-alone measure, each chamber included it in a version of its regulatory reform bills. The language was ultimately approved in [SB 734 Regulatory Reform Act of 2014](#).

[HB 1137 Reporting and Notice of Wastewater Spills](#) (Rep. McGrady) – Failed (Approved as part of SB 729)

This bill would have reduced the time currently allowed for wastewater spill reporting in two ways. First, the provision would change the window of time for a wastewater system to issue a press release from 48 hours to 24 hours. Second, the proposal would codify an existing state regulation that requires systems to alert state regulators of a spill greater than 1,000 gallons within 24 hours of determining the untreated wastewater had reached the State's waters. Though aimed at coal ash facilities in response to the February Dan River coal ash spill, this provision would apply to municipal and industrial wastewater system operators as well. While the House did not consider this bill individually, the chamber supported insertion of the same language into [SB 729 Coal Ash Management Act of 2014](#). It was ultimately approved in that bill.

[HB 1141 Amend Isolated Wetland Regulation](#) (Reps. Samuelson and Hager) /[SB 737 Amend Isolated Wetland Regulation](#) (Sen. Jackson) – Failed (Approved as part of SB 734)

The language from these bills, which were not heard individually even though both chambers included the topic in their regulatory reform packages, followed an interim legislative study commission recommendation to loosen State and local regulation of isolated wetlands. Local governments play a role in wetlands regulation by enforcing the state's mitigation requirements in their jurisdictions, if the local government requested delegation of the state program. This proposal responded to a push by development interests to scale back the state's isolated wetlands mitigation requirements. That request would lower the costs of compensating for any lost ecological functions caused by development. To accomplish that aim, in the bill, legislators proposed lowering mitigation requirements and



League members are recognized in House gallery during the 2014 Town Hall Day event

requiring more impacts to isolated wetlands before mitigation requirements were triggered. In addition, legislators recognized regional differences in mitigation and directed a study of mitigation for mountain bogs. The language passed as a part of [SB 734 Regulatory Reform Act of 2014](#).

[HB 1143 Burden of Proof in Certain Contested Cases](#) (Reps. Moffitt, Glazier, Murry and Stevens) – Failed

This measure, a recommendation of an interim legislative study commission, intended to clear up confusion regarding which party in contested cases -- such as actions brought by local governments to contest environmental permit conditions -- bore the burden of proof. The clarification became necessary after an N.C. court decision reversed previous law regarding which party must present evidence in these cases. Even still, the League and other permitted entities suggested modifications to this proposal to address concerns that under the new proposal, plaintiffs in these suits would now bear the total burden of proof in such cases. Prior to the adverse court decision, the agency issuing a permit or other decision bore responsibility for proving the facts of the case. The House never gave this bill a hearing, though the Senate included it in its first regulatory reform proposal this session.

[HB 1166 Clarify Gravel Under Stormwater Law](#) (Rep. Samuelson)/[SB 738 Clarify Gravel Under Stormwater Laws](#) (Sen. Jackson) – Failed

With a near-unanimous vote, the House advanced this bill, recommended by an interim study commission, clarifying how state laws treat gravel for the purposes of stormwater regulations. During the interim, the Environmental Review Commission conducted an exhaustive study of the topic and recognized that aggregate materials colloquially called "gravel" functioned with varying degrees of perviousness that depended on the material's ability to infiltrate water. Prompted by that study, the bill would reverse a 2013 law that declared all aggregate-covered surfaces were pervious, a conclusion not based in science. To research this distinction further, the bill directed N.C. State University to study the infiltration rates of various aggregate surfaces. Municipal stormwater programs rely on good science in order to perform calculations necessary to determine whether stormwater controls are adequate to control runoff from development sites. The Senate never considered this measure, though the House also tried to gain Senate approval by including this language in the House environmental laws amendments bill. The provision removing gravel from the exemptions to built upon area calculations was included in the final version of [SB 734 Regulatory Reform Act of 2014](#).

[SB 163 Reclaimed Water as a Source Water](#) (Sens. Jackson, Cook and Rabin) – Law -- SL 2014-113 effective Aug. 6, 2014

The passage of this law achieved one of the League’s advocacy goals by expanding the options for municipal water systems to meet water supply demands. The change expands the ability of municipalities to use reclaimed water for public water supplies. Reclaimed water is a highly treated wastewater that is already utilized in other states and countries to augment water supplies. Municipal water systems would be allowed to utilize the reclaimed water only if a number of circumstances were satisfied, including that the local water system had implemented conservation measures and unbilled leakage was below 15 percent.

SB 294 Allow Use of DOT Stormwater BMPs (Sen. Parmon) – Law -- SL 2014-1

Under the first bill signed into law by Governor McCrory this year, permitted municipal stormwater systems may use the standards in the N.C. Department of Transportation BMP



manual to fulfill post-construction requirements for linear transportation projects. The bill came before the General Assembly at the request of the City of Winston-Salem. With this new law, all entities required to meet post-construction requirements may take advantage of the stormwater control techniques the State allows NCDOT to use. Projects that could benefit include road widening projects and greenways. The latest NCDOT toolbox is six years old and is currently being updated.

Transportation Secretary Tony Tata, Governor Pat McCrory, and Assistant Commerce Secretary Pat Mitchell speak at Town Hall Day forum

SB 729 Coal Ash Management Act of 2014 (Sen. Apodaca) – Ratified

In the aftermath of the Dan River coal ash spill, legislators entered the 2014 short session with passage of a coal ash clean-up plan one of their top priorities. Nonetheless, the House and Senate initially were unable to agree on legislation after House negotiators decided that they wanted guarantees that more than four of the sites would see quicker, more extensive clean-up if conditions related to groundwater contamination warranted it. Senate leaders saw the demand as upsetting long-running, careful negotiations. The result was that Senate leaders first looked as if they would push off a resumption of negotiations until November, when they called for a reconvened legislative session. Instead, when legislators returned to Raleigh after a brief break in August, negotiations resumed and a final bill was approved. Governor McCrory has since indicated that he will sign the bill into law, even while questioning whether an oversight panel

created by the legislation is constitutional. The legislation affects municipalities in a number of ways. One of its major purposes is to protect water supplies. But it also preempts local government from regulating the management of coal ash through ordinances, property restrictions or zoning regulations unless the regulations apply generally to development. More importantly, language pursued by House sponsors and included in the final version clarifies groundwater compliance boundaries for municipalities. That language, requested by the League, came in response to a March court decision that upended previous interpretation of the state law governing the compliance boundaries, including how they are applied to municipalities. Municipalities are regulated by the same section of law addressed by the court, particularly in the practice of land application of biosolids. If left unaddressed by the legislature, cities operating Class B biosolid disposal programs could face costly actions to eliminate the sources of discharges that contribute to violations of the state's groundwater standards. The bill also reduces the amount of time for the public reporting of wastewater spills from 48 to 24 hours. The same language regarding the reporting of wastewater spills was included in stand-alone legislation, [HB 1137 Reporting and Notice of Wastewater Spills](#), which was not acted on.

[SB 734 Regulatory Reform Act of 2014 \(Sen. Wade\) – Ratified/SB 38 Amend Environmental Laws 2014 \(Sen. Jackson\) – Failed/SB 493 Health and Safety Regulatory Reform \(Sen. Walters\) – Failed](#)

Regulatory reform took a strange and twisting journey through the General Assembly in 2014, with environmental and other regulatory-related proposals showing up in a series of competing bills and jumping from one to another, before legislators finally agreed to pass SB 734 in the final days of the legislative session. That bill focused primarily on environmental matters, and several of the most controversial measures considered in earlier bills were dropped, including a number affecting municipalities. SB 734 did include several measures affecting cities and towns. The most significant was a provision that, upon the bill becoming law, would immediately repeal a de facto moratorium on local environmental ordinances. The League had worked since last year to either have the 2013 law repealed or be allowed to expire. Other provisions affecting municipalities would give counties the ability to enforce floodplain ordinances (read previous coverage [here](#)), would restrict local review protocols when unforeseen, proposed land uses do not conform to existing uses in an area (read previous coverage [here](#)), clarify a 2013 law requiring that the Rules Review Commission review certain existing agency rules, grandfather certain expansions of development activity under coastal stormwater rules, and change the mitigation ratios for development when it affects isolated wetlands. Governor Pat McCrory has not signed the bill as of this writing. While that bill was the one that passed, other versions of SB 734, as well as versions of SB 493 and SB 38, contained measures that could have proven harmful to municipalities. A version of SB 493 that was considered at one point in the House would have restricted the ability of municipalities to regulate billboards. Other provisions in the bill would have subjected elected municipal officials in large cities to new ethics requirements and would have repealed protest petitions. The League worked to limit the harmful effects of

these pieces of legislation, actions that included seeking member input related to the protest petition proposal.

SB 786 Energy Modernization Act (Sen. Rucho) – Law -- SL 2014-4 effective May 29, 2014 and various dates

This bill was introduced to address issues related to the regulation of oil and gas exploration in the state. As passed, it invalidated local ordinances that prohibit or have the effect of prohibiting hydraulic fracturing activities, mirroring current statutory provisions regarding local governments' regulation of hazardous waste facilities. Fortunately, the Act provided that a local zoning and land-use ordinance was presumed valid to the extent it was generally applicable to all development. Therefore, the law allowed cities' use of planning and zoning ordinances if those ordinances applied generally to all industries throughout a given zoning classification. Still, the law included an outlet for permittees to challenge the validity of a local ordinance by petitioning the Mining and Energy Commission (MEC). The law justified this limitation on local government authority by stating a preference to institute a uniform system for the management of



The Regulatory Action Committee considers Advocacy Goals

activities related to oil and gas exploration, development, and production. Other provisions of the law include:

- A prohibition of the disposal of waste fluids by injection into subsurface or ground waters
- An extension of the deadline for rule development by the MEC from October 1, 2014 to January 1, 2015
- Creation of a new Oil and Gas Commission to replace the MEC (effective August 1, 2015)

- Additional studies of various topics, including transportation infrastructure

Fortunately, the law did not include a previously-proposed property tax revenue cap that would have capped the amount by which city property tax revenues could increase from year to year at 8%. As passed, the Act instead required two studies: one to look at how other states valued energy minerals for the purpose of property taxation, and another to study ways to limit growth of property tax revenues due to the development of the oil and gas industry. As a result of these studies, the Commission will report its findings and any recommendations to the 2015 General Assembly.

**SB 883 Mitigation Buffer Rule/Wastewater Treatment (Sen. Brock) – Law -- SL 2014-95
effective August 1, 2014**

This law redirects a 15-year effort by state environmental regulators to update the State's buffer mitigation rules. Instead, the law requires the state's top environmental regulatory body to adopt revisions that would expand mitigation possibilities by requiring it to adopt rules “substantively identical” to those proposed in a report prepared earlier this year by private mitigation banking interests and state environmental agency staff. The League worked for many years with state regulators on this rule set, which was prompted by a 1999 law that directed the State to expand buffer mitigation options. That effort culminated in language approved last summer to allow more mitigation in urban areas, among other measures. As it did with the previously-approved rule package, the League supported the changes in this legislative review of the rules because they would ease the ability of cities and developers to compensate for any disturbances made to buffer zones along water bodies. Such compensation, or mitigation, is a requirement of federal and State law. The issue garnered negative media attention during the legislature’s discussion due to the process lawmakers and state regulators had followed in the lead-up to passage of the bill.

APPENDIX I

Index of all bills mentioned in this Bulletin

Bill Number	Bill Title	Status	Bulletin Section
SB 493	2014 Regulatory Reform Act	Failed	Environment & Utilities
HB 1148	911 Board/Back-up PSAP	Failed	General Government
SB 797	911 Board/Back-up PSAP	Law	General Government
SB 294	Allow Use of DOT Stormwater BMPs	Law	Environment & Utilities
SB 38	Amend Environmental Laws 2014	Failed	Environment & Utilities
HB 1141	Amend Isolated Wetlands Regulation	Failed	Environment & Utilities
SB 737	Amend Isolated Wetlands Regulation	Failed	Environment & Utilities
SB 744	Appropriations Act of 2014	Law	Tax & Finance/Budget
HB 1136	Authority to Adopt Certain Ordinances	Failed	Environment & Utilities
HB 1191	Authority to Adopt Local Ordinances	Failed	Planning & Land Use
HB 698	Background Checks for Firefighters	Law	General Government
HB 1249	Brevard Meals Tax	Failed	Local Bills
SB 876	Brevard Meals Tax	Failed	Local Bills
HB 201	Building Reutilization for Economic Dev. Act	Law	Environment & Utilities
HB 1143	Burden of Proof in Certain Contested Cases	Failed	Environment & Utilities
HB 1135	Business Facilities Development	Failed	General Government
SB 790	Cape Hatteras/Gas Cities/Infrastructure Land	Law	Tax & Finance/Budget
HB 133	Charlotte Airport Commission Clarifications	Law	Local Bills
SB 779	Clarify Existing Rule Readoption Process	Failed	Environment & Utilities
HB 1166	Clarify Gravel Under Stormwater Laws	Failed	Environment & Utilities
SB 738	Clarify Gravel Under Stormwater Laws	Failed	Environment & Utilities
HB 1109	Clarifying Existing Rule Readoption Process	Failed	Environment & Utilities
SB 729	Coal Ash Management Act of 2014	Ratified	Environment & Utilities
SB 856	Coal Ash Management Act of 2014	Failed	Environment & Utilities
HB 369	Criminal Law Changes	Ratified	General Government
HB 1057	DENR Study IBT/EMC Eco Flow Study	Failed	Environment & Utilities
SB 757	DENR Study of IBT Laws	Failed	Environment & Utilities
HB 1025	DOT/DMV Changes	Law	General Government
SB 786	Energy Modernization Act	Law	Environment & Utilities
HB 1106	Erosion Control Designer Certification	Failed	Environment & Utilities
HB 1105	Erosion Progrms/Takeover Existing Plans	Failed	Environment & Utilities
HB 366	Farm Act of 2014	Law	Environment & Utilities
HB 1151	Fayetteville Red Light Changes	Law	Local Bills
SB 810	Fayetteville Red Light Changes	Failed	Local Bills
HB 1195	Fiscal Integrity/Pension-Spiking Prevention	Law	Tax & Finance/Budget
HB 346	Governing Bodies/Collect Unpaid Judgments	Law	General Government
SB 574	Groundwater Contamination/Modify Response	Law	General Government
HB 1056	Lake Lure Official Map/Deannexation	Law	Local Bills
SB 78	Law Enforcement and DA Privacy/Tax Websites	Failed	General Government
HB 1213	Local Governments in State Health Plan	Failed	Tax & Finance/Budget

Bill Number	Bill Title	Status	Bulletin Section
HB 1224	Local Sales Tax Options/Econ. Devpt. Changes	Failed	Tax & Finance/Budget
HB 1127	Maggie Valley Deannexation	Failed	Local Bills
HB 1101	Mechanics Liens - Leased Public Property	Failed	General Government
SB 883	Mitigation Buffer Rule/Wastewater Treatment	Law	Environment & Utilities
HB 1142	Modify Film/Historic Rehab Tax Credits	Failed	Tax & Finance/Budget
HB 1067	Murphy Deannexation	Failed	Local Bills
SB 736	Murphy Deannexation	Failed	Local Bills
HB 1031	NC Economic Development Partnership Modifications	Law	General Government
SB 743	NC Economic Development Partnership Modifications	Failed	General Government
SB 403	Omnibus Election Clarifications	Law	General Government
HB 1050	Omnibus Tax Law Changes	Law	Tax & Finance/Budget
HB 1058	PED Study of Water and Sewer Systems	Failed	Environment & Utilities
SB 756	PED Study of Water and Sewer Systems	Failed	Environment & Utilities
HB 1155	Pinehurst Annexation	Law	Local Bills
HB 1043	Prequalification Update	Law	General Government
SB 814	Prequalification Update	Failed	General Government
HB 348	Public Safety Technology/State ROW	Failed	General Government
SB 871	Raleigh/Durham Deannexation/Annexation	Law	Local Bills
SB 163	Reclaimed Water as a Source Water	Law	Environment & Utilities
HB 1081	Reform Agency Review of Engineering Work	Failed	Environment & Utilities
SB 765	Reform Agency Review of Engineering Work	Failed	Environment & Utilities
HB 1145	Registration Required for Mopeds	Law	General Government
SB 734	Regulatory Reform Act of 2014	Ratified	Environment & Utilities
HB 1137	Reporting and Notice of Wastewater Spills	Failed	Environment & Utilities
HB 1209	Retirement Investment Accountability	Failed	Tax & Finance/Budget
SB 878	Retirement Investment Accountability	Failed	Tax & Finance/Budget
HB 1237	Retirement Investment Transparency	Failed	Tax & Finance/Budget
SB 767	Rockingham Deannexation	Law	Local Bills
HB 894	Source Water Protection Planning	Law	Environment & Utilities
HB 1156	Spirituos Liquor Tastings/City of Asheville	Failed	Local Bills
SB 874	Spruce Pine Deannexation	Law	Local Bills
HB 573	Stormwater Management Fee Uses	Law	Environment & Utilities
HB 1133	Technical and Other Corrections	Law	Environment & Utilities
SB 865	Town of Boone/Extraterritorial Jurisdiction	Law	Local Bills
HB 1099	Unmanned Aircraft Regulation	Failed	General Government
HB 1080	Watha Deannexation	Failed	Local Bills
SB 733	Watha Deannexation	Failed	Local Bills
HB 531	Weaverville, Buncombe and Henderson	Law	Local Bills
HB 150	Zoning/Design & Aesthetic Controls	Failed	Planning & Land Use

APPENDIX II

2014 Municipal Advocacy Goals

Municipal Advocacy Goals

Build Safe & Prosperous Cities and Towns

- Seek legislation allowing the people to vote on an amendment to the North Carolina Constitution establishing Home Rule authority for municipal governments.
- Support legislation, if internet sweepstakes operations are legalized, that would expressly protect the land use decision-making and tax-levying authority of municipalities over said operations.
- Seek legislation to provide adequate representation for extra-territorial jurisdiction (ETJ) residents on advisory boards for land use decisions affecting ETJ areas, place reasonable limitations on the creation of new ETJ boundaries, and retain existing ETJ areas to help protect orderly development and building improvements, while facilitating economic development and protecting individual property values.
- Seek legislation to reestablish authority for city-initiated annexation of "doughnut holes," areas of land that are completely surrounded by municipal territory, and categories of right-of-way that have been accepted for maintenance by either a city or the NCDOT and in which there are no registered voters.
- Seek legislation to correct the constitutional issue within the annexation law requiring municipal construction of/payment for water and sewer lines across private property all the way to the home or structure.
- Support legislation to develop a holistic approach to water supply that offsets potable water supply demands and includes: opportunities for increased water storage options, reclassification of reclaimed water as a resource, and expanded uses of reclaimed water such as for recycling to surface water supplies.
- Support legislation requiring owners of mopeds to maintain a minimum level of liability insurance and register their mopeds.

Enhance the Fiscal Health of Municipalities

- Seek legislation to modernize the local tax system by:
 - Giving municipalities the authority to levy a sales tax that applies within their corporate limits and is solely a municipal revenue;
 - Expanding the sales tax base to include more services, provided that any accompanying change in the local sales tax rate includes a perpetual hold harmless provision for individual cities and towns;
 - Reducing the complexity and inequity of the privilege license tax while maintaining the tax as a locally controlled source of revenue that supports services to businesses and consumers;

- Allowing all municipalities to adopt occupancy taxes that are available to fund municipal service and infrastructure costs in order to support travel and tourism;
 - Providing all municipalities with additional local option tax revenue sources;
 - Requiring a one-year delay in implementation when a county changes its method of distributing sales tax revenue.
- Seek legislation to authorize a state bond to provide low-cost loans to local governments and authorities for upgrades to water and wastewater treatment systems, expansion of stormwater programs, and assured water supplies.
 - Seek legislation to increase Clean Water Management Trust Fund appropriations and restore the fund's recurring appropriation.
 - Support legislation which defends the fiscal integrity of the Local Government Employees' Retirement System and its defined benefit structure, promotes reasonable pension reforms that are prospective in nature, minimizes the impacts of potential pension spiking on system participants, and meets the needs of local employees, employers, and retirees.
 - Seek legislation to give municipalities the option to award contracts for goods and materials to local bidders that are not low bidders, under specified circumstances.
 - Seek legislation to give municipalities the option to use electronic legal public notices in lieu of publication in a newspaper.
 - Ensure that municipalities can provide critical services by protecting state-collected municipal revenues.
 - Seek legislation to allow municipalities to adopt impact fees to pay for growth-related infrastructure and services.
 - Support legislation to remove the sunset date on the use of film credit and the state historic tax credits.

Strengthen the Future of Our Public Infrastructure

- Oppose legislation that weakens or removes local control over public utility systems, specifically including municipal water and/or sewer systems.
- Seek legislation to strengthen the law regarding municipal decision-making authority of water and sewer provisions beyond municipal limits and ensure the existing water and sewer system is given deference in order to support orderly growth.
- Seek legislation to provide relief for municipal governments who are forced to pay the costs of municipal utility relocation related to NCDOT projects by doing the following: requiring non-municipal units of governments to pay the costs of utility relocations; raising the existing municipal population threshold for the requirement of reimbursement; and limiting reimbursement requirements to the widening of existing rights of way by NCDOT.

- Protect local authority and localities' power to regulate hydraulic fracturing and related infrastructure in their communities.
- Seek legislation requiring NCDOT to establish standards for greenway construction so that greenways are not required to be built to the same standard as roads.
- Seek legislation to include municipalities and utility authorities and commissions in the permit approval process of package wastewater treatment plants to be constructed within town boundaries or within the periphery that will negatively affect the town's infrastructure, and authorize municipalities to veto an application for a package wastewater treatment plant to be located within the municipality, upon a showing that municipal service is available to the area or will be within five years.

Reform Regulatory Provisions

- Support solutions addressing nutrient impairment in waters that: are based on site-specific data and analysis, demonstrate use impairment, assign responsibility proportionate to the source of impairment, and include measures to equitably hold accountable all contributors to the impairment.
- Seek policies that provide flexibility when implementing programs guided by water quality standards adopted through the triennial review process.
- Seek updated regulatory procedures that would provide more openness, transparency, and flexibility for development of the impaired waters list and the system of rating water bodies.
- Seek legislation that would implement mechanisms requiring state agencies to repeal unnecessary, unduly burdensome, or inconsistent rules.



APPENDIX III

The League's Governmental Affairs Team



(From left: Scott Mooneyham, Jennifer Webb, Erin Wynia, Cara Bridges, Paul Meyer, Sarah Collins, Whitney Christensen, & Chris Nida)

The League's Governmental Affairs Team is working on your behalf to make sure that the concerns of all North Carolina cities and towns are represented in the General Assembly, before state agencies during the regulatory process, and elsewhere. If you ever have any questions, please do not hesitate to contact any team member.

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