Legislative Update

N.C. Government Finance Officers Association
2014 Summer Conference
Tuesday, July 22

Chris Nida
Director of Research & Policy Analysis
N.C. League of Municipalities
Agenda

• NCLM Overview
• 2014 Political Climate
• Legislative Issues
• Regulatory Issues
• Looking Ahead
More than a century of serving cities and towns
NCLM is the only organization in the state representing the interests of all of North Carolina’s cities and towns
League Services

• Advocacy & Research
• Risk Management Services
• Education and Training
• Communications
• Here to Help
  – Legal, Human Resources, Debt Setoff, etc.
League Services

• Concerted effort for increased member and media communication
  – Individualized outreach (privilege license mailing & handouts at Town Hall Day)
  – Benefits of League membership mailing
  – Increased press coverage, including articles, video coverage, and op-eds
    • Town Hall Day
    • Privilege License
    • State Historic Tax Credit
NCLM Executive Director’s Office

- Paul Meyer, Executive Director
- Jennifer Webb, Executive Liaison
NCLM Executive Director’s Office

Paul Meyer,
Executive Director

Jennifer Webb,
Executive Liaison
NCLM Government Affairs Team

- **Paul Meyer, Interim Government Affairs Director**
- **Erin Wynia, Legislative & Regulatory Issues Manager**
- **Whitney Christensen, Government Affairs Associate**
- **Scott Mooneyham, Advocacy Communications Strategist**
- **Chris Nida, Director of Research and Policy Analysis**
- **Sarah Collins, Regulatory Affairs Associate**
- **Cara Bridges, Government Affairs Assistant**
- **Vacant, Grassroots Coordinator**
NCLM Government Affairs Team

Paul Meyer, Interim Government Affairs Director
Erin Wynia, Legislative & Regulatory Issues Manager
Whitney Christensen, Government Affairs Associate

Scott Mooneyham, Advocacy Communications Strategist
Chris Nida, Director of Research & Policy Analysis
Sarah Collins, Regulatory Affairs Associate
Cara Bridges, Government Affairs Assistant
NCLM Government Affairs Interns

From left: Will Richardson, Felicia Hyde, Sara Locklear, Shawnda Martin
2014 Political Climate
"If it's not the Number One race, it's top three for sure. North Carolina is very, very ripe for the picking."

Kevin McLaughlin, senior advisor to the National Republican Senatorial Committee, on GOP designs on the seat held by democratic U.S. Sen. Kay Hagan
2014 Short Session

• Unknown future for House leadership after this session

• Senate leadership likely to remain intact in future sessions

• Legislators said they wanted Short Session to be short; budget negotiations still ongoing as of mid-July
2014 General Assembly

• Still many new faces
  – Senate: 28 members in 1st or 2nd legislative term
    • 17 freshman legislators
  – House: 67 members in 1st or 2nd legislative term
    • 41 freshman legislators
    • Currently 119 House members as one seat unfilled

• Powerful sophomore class
  – Many 2nd-term legislators in committee leadership positions

• Some new members were sworn in first day of the Short Session to replace various legislators
2014 General Assembly

• Municipal representation in General Assembly
  – 36 former city officials now legislators

• Municipal representation in Executive branch
  – Gov. Pat McCrory (former Charlotte mayor)
  – Sec. of Cultural Resources Susan Kluttz (former Salisbury Mayor)
  – Gov. Chief of Staff Thomas Stith (former Durham city councilman)
November Legislative Election

• 170 General Assembly seats -- all of which are up for election this November -- 73 districts contain candidates that will not have opposition on the ballot in November:
  – 12 Senate Republicans
  – 9 Senate Democrats
  – 34 House Republicans
  – 28 House Democrats

• In addition, there are only 14 open races (no incumbent)
  – 5 Senate
  – 9 House

• To keep their legislative majorities, Republicans need only to win fourteen Senate seats and thirty House seats this November
Legislative Issues
Privilege License Tax

• Reform contained in **HB 1050 — Omnibus Tax Law**

  - Signed into law late May
  - Full package debated for less than two weeks
  - League members prioritized reform of this tax and had worked with legislative finance leadership for months on various proposals

• Tax is one of two municipal-controlled revenue streams

• Sets up fiscal cliff for city finances
  - Allows cities to continue collecting tax through July 1, 2015
  - Authority to levy tax removed effective July 1, 2015; would cost cities at least $62 million
  - No replacement revenue in bill, though legislators committed to the League and made public statements that they would find solutions next session
2005-2013: 5 Study Committees consider repeal of privilege license tax (PLT)
2005-2013: 5 Study Committees consider repeal of privilege license tax (PLT)

May-June 2013: At least three different Senate bills filed that would repeal or amend PLT
2005-2013: 5 Study Committees consider repeal of privilege license tax (PLT)

May-June 2013: At least three different Senate bills filed that would repeal or amend PLT

July 2013: Tax reform (HB 998) passes with study of local PLT
2005-2013: 5 Study Committees consider repeal of privilege license tax (PLT)

May-June 2013: At least three different Senate bills filed that would repeal or amend PLT

July 2013: Tax reform (HB 998) passes with study of local PLT

December 2013: League collects information on impact of various caps on PLT
2005-2013: 5 Study Committees consider repeal of privilege license tax (PLT)

May-June 2013: At least three different Senate bills filed that would repeal or amend PLT

July 2013: Tax reform (HB 998) passes with study of local PLT

December 2013: League collects information on impact of various caps on PLT

Jan. 14, 2014: Paul Meyer and City of Raleigh present to Revenue Laws Study Committee
2005-2013: 5 Study Committees consider repeal of privilege license tax (PLT)

May-June 2013: At least three different Senate bills filed that would repeal or amend PLT

July 2013: Tax reform (HB 998) passes with study of local PLT

December 2013: League collects information on impact of various caps on PLT

Jan. 14, 2014: Paul Meyer and City of Raleigh present to Revenue Laws Study Committee

Feb. 11, 2014: $100 cap presented to Revenue Laws Study Committee
2005-2013: 5 Study Committees consider repeal of privilege license tax (PLT)

May-June 2013: At least three different Senate bills filed that would repeal or amend PLT

July 2013: Tax reform (HB 998) passes with study of local PLT

December 2013: League collects information on impact of various caps on PLT

Mid-February: League sends Revenue Laws leadership 7 reform alternatives to $100 cap

Jan. 14, 2014: Paul Meyer and City of Raleigh present to Revenue Laws Study Committee

Feb. 11, 2014: $100 cap presented to Revenue Laws Study Committee
2005-2013: 5 Study Committees consider repeal of privilege license tax (PLT)

May-June 2013: At least three different Senate bills filed that would repeal or amend PLT

July 2013: Tax reform (HB 998) passes with study of local PLT

December 2013: League collects information on impact of various caps on PLT

Jan. 14, 2014: Paul Meyer and City of Raleigh present to Revenue Laws Study Committee

Mar. 3, 2014: Paul Meyer meets with Revenue Laws leadership; told that all proposals rejected and $100 cap will be the reform method used going forward

Mid-February: League sends Revenue Laws leadership 7 reform alternatives to $100 cap

Feb. 11, 2014: $100 cap presented to Revenue Laws Study Committee
2005-2013: 5 Study Committees consider repeal of privilege license tax (PLT)

May-June 2013: At least three different Senate bills filed that would repeal or amend PLT

July 2013: Tax reform (HB 998) passes with study of local PLT

December 2013: League collects information on impact of various caps on PLT

Jan. 14, 2014: Paul Meyer and City of Raleigh present to Revenue Laws Study Committee

Mid-February: League sends Revenue Laws leadership 7 reform alternatives to $100 cap

Mar. 3, 2014: Paul Meyer meets with Revenue Laws leadership; told that all proposals rejected and $100 cap will be the reform method used going forward

March 11, 2014: $100 cap again presented to Revenue Laws; Paul Meyer speaks on behalf of cities

Feb. 11, 2014: $100 cap presented to Revenue Laws Study Committee
2005-2013: 5 Study Committees consider repeal of privilege license tax (PLT)

May-June 2013: At least three different Senate bills filed that would repeal or amend PLT

July 2013: Tax reform (HB 998) passes with study of local PLT

December 2013: League collects information on impact of various caps on PLT

Jan. 14, 2014: Paul Meyer and City of Raleigh present to Revenue Laws Study Committee

Mid-March: League develops tiered reform proposal with legislative leadership in response to “inadvertent” repeal of PLT authority

March 11, 2014: $100 cap again presented to Revenue Laws; Paul Meyer speaks on behalf of cities

Mar. 3, 2014: Paul Meyer meets with Revenue Laws leadership; told that all proposals rejected and $100 cap will be the reform method used going forward

Mid-February: League sends Revenue Laws leadership 7 reform alternatives to $100 cap

Feb. 11, 2014: $100 cap presented to Revenue Laws Study Committee
2005-2013: 5 Study Committees consider repeal of privilege license tax (PLT)

May-June 2013: At least three different Senate bills filed that would repeal or amend PLT

July 2013: Tax reform (HB 998) passes with study of local PLT

December 2013: League collects information on impact of various caps on PLT

Jan. 14, 2014: Paul Meyer and City of Raleigh present to Revenue Laws Study Committee

Mid-February: League sends Revenue Laws leadership 7 reform alternatives to $100 cap

Mar. 3, 2014: Paul Meyer meets with Revenue Laws leadership; told that all proposals rejected and $100 cap will be the reform method used going forward

March 11, 2014: $100 cap again presented to Revenue Laws; Paul Meyer speaks on behalf of cities

Mid-March: League develops tiered reform proposal with legislative leadership in response to “inadvertent” repeal of PLT authority

April 9, 2014: Revenue Laws recommends $100 cap for final report

Feb. 11, 2014: $100 cap presented to Revenue Laws Study Committee
2005-2013: 5 Study Committees consider repeal of privilege license tax (PLT)

May-June 2013: At least three different Senate bills filed that would repeal or amend PLT

July 2013: Tax reform (HB 998) passes with study of local PLT

December 2013: League collects information on impact of various caps on PLT

Jan. 14, 2014: Paul Meyer and City of Raleigh present to Revenue Laws Study Committee

Mid-March: League develops tiered reform proposal with legislative leadership in response to “inadvertent” repeal of PLT authority

March 11, 2014: $100 cap again presented to Revenue Laws; Paul Meyer speaks on behalf of cities

Mar. 3, 2014: Paul Meyer meets with Revenue Laws leadership; told that all proposals rejected and $100 cap will be the reform method used going forward

Mid-February: League sends Revenue Laws leadership 7 reform alternatives to $100 cap

Feb. 11, 2014: $100 cap presented to Revenue Laws Study Committee

April 9, 2014: Revenue Laws recommends $100 cap for final report

Mid- to Late April: League negotiating over draft tiered structure legislation with leadership
2005-2013: 5 Study Committees consider repeal of privilege license tax (PLT)

May-June 2013: At least three different Senate bills filed that would repeal or amend PLT

July 2013: Tax reform (HB 998) passes with study of local PLT

December 2013: League collects information on impact of various caps on PLT

Jan. 14, 2014: Paul Meyer and City of Raleigh present to Revenue Laws Study Committee

Mid-March: League develops tiered reform proposal with legislative leadership in response to “inadvertent” repeal of PLT authority

March 11, 2014: $100 cap again presented to Revenue Laws; Paul Meyer speaks on behalf of cities

Mar. 3, 2014: Paul Meyer meets with Revenue Laws leadership; told that all proposals rejected and $100 cap will be the reform method used going forward

Mid-February: League sends Revenue Laws leadership 7 reform alternatives to $100 cap

Feb. 11, 2014: $100 cap presented to Revenue Laws Study Committee

April 9, 2014: Revenue Laws recommends $100 cap for final report

Mid- to Late April: League negotiating over draft tiered structure legislation with leadership

May 13, 2014: Revenue Laws recommends $100 cap as part of omnibus bill
2005-2013: 5 Study Committees consider repeal of privilege license tax (PLT)

May-June 2013: At least three different Senate bills filed that would repeal or amend PLT

July 2013: Tax reform (HB 998) passes with study of local PLT

December 2013: League collects information on impact of various caps on PLT

Jan. 14, 2014: Paul Meyer and City of Raleigh present to Revenue Laws Study Committee

Mid-March: League develops tiered reform proposal with legislative leadership in response to “inadvertent” repeal of PLT authority

March 11, 2014: $100 cap again presented to Revenue Laws; Paul Meyer speaks on behalf of cities

Mar. 3, 2014: Paul Meyer meets with Revenue Laws leadership; told that all proposals rejected and $100 cap will be the reform method used going forward

Mid-February: League sends Revenue Laws leadership 7 reform alternatives to $100 cap

Feb. 11, 2014: $100 cap presented to Revenue Laws Study Committee

April 9, 2014: Revenue Laws recommends $100 cap for final report

Mid- to Late April: League negotiating over draft tiered structure legislation with leadership

May 13, 2014: Revenue Laws recommends $100 cap as part of omnibus bill

Mid-May: League negotiations with leadership on alternative to $100 cap continue
2005-2013: 5 Study Committees consider repeal of privilege license tax (PLT)

May-June 2013: At least three different Senate bills filed that would repeal or amend PLT

July 2013: Tax reform (HB 998) passes with study of local PLT

December 2013: League collects information on impact of various caps on PLT

Jan. 14, 2014: Paul Meyer and City of Raleigh present to Revenue Laws Study Committee

Mid-March: League develops tiered reform proposal with legislative leadership in response to “inadvertent” repeal of PLT authority

March 11, 2014: $100 cap again presented to Revenue Laws; Paul Meyer speaks on behalf of cities

Mar. 3, 2014: Paul Meyer meets with Revenue Laws leadership; told that all proposals rejected and $100 cap will be the reform method used going forward

Mid-February: League sends Revenue Laws leadership 7 reform alternatives to $100 cap

Feb. 11, 2014: $100 cap presented to Revenue Laws Study Committee

April 9, 2014: Revenue Laws recommends $100 cap for final report

Mid- to Late April: League negotiating over draft tiered structure legislation with leadership

May 13, 2014: Revenue Laws recommends $100 cap as part of omnibus bill

Mid-May: League negotiations with leadership on alternative to $100 cap continue

May 20, 2014: League sends alternative tiered reform proposal to legislative leadership
2005-2013: 5 Study Committees consider repeal of privilege license tax (PLT)

May-June 2013: At least three different Senate bills filed that would repeal or amend PLT

July 2013: Tax reform (HB 998) passes with study of local PLT

December 2013: League collects information on impact of various caps on PLT

Jan. 14, 2014: Paul Meyer and City of Raleigh present to Revenue Laws Study Committee

Mid-March: League develops tiered reform proposal with legislative leadership in response to “inadvertent” repeal of PLT authority

March 11, 2014: $100 cap again presented to Revenue Laws; Paul Meyer speaks on behalf of cities

Mar. 3, 2014: Paul Meyer meets with Revenue Laws leadership; told that all proposals rejected and $100 cap will be the reform method used going forward

Mid-March: League develops tiered reform proposal with legislative leadership in response to “inadvertent” repeal of PLT authority

April 9, 2014: Revenue Laws recommends $100 cap for final report

Mid- to Late April: League negotiating over draft tiered structure legislation with leadership

May 13, 2014: Revenue Laws recommends $100 cap as part of omnibus bill

Mid-May: League negotiations with leadership on alternative to $100 cap continue

May 20, 2014: League sends alternative tiered reform proposal to legislative leadership

May 21, 2014: House passes HB 1050; League informed that Senate would opt for repeal in 2015 and League obtains commitment to replace PLT revenue in 2015 Long Session
2005-2013: 5 Study Committees consider repeal of privilege license tax (PLT)

May-June 2013: At least three different Senate bills filed that would repeal or amend PLT

July 2013: Tax reform (HB 998) passes with study of local PLT

December 2013: League collects information on impact of various caps on PLT

Jan. 14, 2014: Paul Meyer and City of Raleigh present to Revenue Laws Study Committee

Feb. 11, 2014: $100 cap presented to Revenue Laws Study Committee

Mar. 11, 2014: $100 cap again presented to Revenue Laws; Paul Meyer speaks on behalf of cities

Mar. 3, 2014: Paul Meyer meets with Revenue Laws leadership; told that all proposals rejected and $100 cap will be the reform method used going forward

Mid-February: League sends Revenue Laws leadership 7 reform alternatives to $100 cap

Mid-March: League develops tiered reform proposal with legislative leadership in response to “inadvertent” repeal of PLT authority

April 9, 2014: Revenue Laws recommends $100 cap for final report

Mid- to Late April: League negotiating over draft tiered structure legislation with leadership

May 13, 2014: Revenue Laws recommends $100 cap as part of omnibus bill

Mid-May: League negotiations with leadership on alternative to $100 cap continue

May 10, 2014: League sends alternative tiered reform proposal to legislative leadership

May 20, 2014: League sends alternative tiered reform proposal to legislative leadership

May 27, 2014: Senate Finance committee introduces FY15-16 repeal; Chairs publicly commit to working with cities on replacement revenue

May 21, 2014: House passes HB 1050; League informed that Senate would opt for repeal in 2015 and League obtains commitment to replace PLT revenue in 2015 Long Session
**2005-2013:** 5 Study Committees consider repeal of privilege license tax (PLT)

**May-June 2013:** At least three different Senate bills filed that would repeal or amend PLT

**July 2013:** Tax reform (HB 998) passes with study of local PLT

**December 2013:** League collects information on impact of various caps on PLT

**Jan. 14, 2014:** Paul Meyer and City of Raleigh present to Revenue Laws Study Committee

---

**Feb. 11, 2014:** $100 cap presented to Revenue Laws Study Committee

**Mid-February:** League sends Revenue Laws leadership 7 reform alternatives to $100 cap

**Mar. 3, 2014:** Paul Meyer meets with Revenue Laws leadership; told that all proposals rejected and $100 cap will be the reform method used going forward

**Mid-March:** League develops tiered reform proposal with legislative leadership in response to “inadvertent” repeal of PLT authority

**March 11, 2014:** $100 cap again presented to Revenue Laws; Paul Meyer speaks on behalf of cities

**April 9, 2014:** Revenue Laws recommends $100 cap for final report

**Mid-May:** League negotiations with leadership on alternative to $100 cap continue

**May 13, 2014:** Revenue Laws recommends $100 cap as part of omnibus bill

**Mid-May:** League negotiations with leadership to working with cities on replacement revenue

**May 21, 2014:** House passes HB 1050; League informed that Senate would opt for repeal in 2015 and League obtains commitment to replace PLT revenue in 2015 Long Session

**May 27, 2014:** Senate Finance committee introduces FY15-16 repeal; Chairs publicly commit to working with cities on replacement revenue

**May 29, 2014:** Senate passes, House concurs, and Governor signs FY15-16 repeal; Governor repeats commitment to replacement revenue

**May 13, 2014:** Revenue Laws recommends $100 cap for final report

---

**May 20, 2014:** League sends alternative tiered reform proposal to legislative leadership

**May 27, 2014:** Senate Finance committee introduces FY15-16 repeal; Chairs publicly commit to working with cities on replacement revenue

**May 29, 2014:** Senate passes, House concurs, and Governor signs FY15-16 repeal; Governor repeats commitment to replacement revenue
Senate Budget

• Senate took lead, passing **SB 744 — Appropriations Act of 2014**

• Senate provisions include:
  – To access water and wastewater infrastructure funding programs, local w/s systems must certify that no funds have been transferred from the enterprise fund to “subsidize” the General Fund → NCLM proposed edits to original language that were accepted
  – Powell Bill funds for FY 2014-15 allocated at $146.3 million (increase due to revised motor fuel tax collection projections)
  – Additional $73.7 million to Strategic Transportation Investments program
  – To pay for teacher raises, took fund balances and interest from following funds:
    • SRF funds
    • Clean Water Management Trust Fund
    • Parks & Recreation Trust Fund
    • Main Street program
House Budget

- House responded with several changes to the Senate’s proposal
- House provisions include:
  - Changes to Medicaid and teacher pay
  - Replaces existing historic rehabilitation tax credits, which are currently set to expire, with additional requirements
  - Film tax credit, which is also set to expire at the end of the year, was replaced by a grant program that has a current allocation of $5
  - No changes to Powell Bill funding versus the Senate plan
  - Strategic Transportation Investments allocation $5.7 million less than Senate plan
  - Sets aside $1 million for the Clean Water Management Trust Fund on a one-time basis
  - Transfers ABC Commission to Department of Public Safety
  - Earned interest from the Clean Water Management Trust Fund and Parks and Recreation Trust Fund would not revert to the state General Fund, unlike Senate plan
Budget Conference Committee

• House and Senate leadership predicted a short negotiation period on the budget
  – House members not on budget conference committee sent home July 3, skeleton sessions held as budget negotiations continue

• Rare public conferee meetings held; major points of contention between House and Senate plans include teacher pay and Medicaid
  – Senate walked out of July public meeting when House allowed public comment by local superintendents

• Senate offer last Tuesday moved toward House proposal, but still no compromise announced
Local Option Sales Tax Cap

- HB 1224 Local Sales Tax for Education/Econ. Dev Chngs debuted Wednesday, July 16
  - Allows counties to institute local option half-cent sales tax for education
  - Caps total local sales tax rate at 2.5 cents
  - Now counties may do half-cent for education or transit, or quarter-cent for one of those purposes and quarter-cent general purpose
  - Will initially affect Mecklenburg and possibly Wake counties

- League and County Commissioners spoke against the bill in committee, asking that it be studied before implementation

- Will be heard in Senate committee again today
Property Tax Revenue Cap

• Cap on annual property tax revenue increase at 8%
  – Included in Energy Modernization Act proposed May 8 by Joint Legislative Energy Policy Oversight Committee
    • No prior discussion of proposal during previous meetings
    • Three minutes of debate before passage
  – Would apply to all property taxes levied by local governments in all cities and counties statewide
  – Unprecedented – no other limitations on property tax growth in state statutes
  – Would limit local officials’ ability to provide increase in service commensurate with increase in growth/development

• Following a flood of contacts from local elected officials, legislators converted this proposal to a study
  – Conducted by Joint Legislative Energy Policy Oversight Committee after session
Pension Spiking

• HB 1195 – Fiscal Integrity/Pension-Spiking Prevention
  – Bill aimed at protecting fiscal integrity of the Local Government Employees Retirement System (LGERS) by minimizing impacts of “pension spikes”
    • Joint effort by NCLM, NCACC, and Treasurer’s Office
  
  – Received unanimous approval from two House committees and on House floor; approved by Senate committee and awaiting final Senate approval
Other Retirement Bills

- **HB 1237 Retirement Investment Transparency**
  - Projected to cost state retirement plans nearly $2 billion

- **HB 1209 Retirement Investment Accountability**

- **HB 1213 Local Governments in State Health Plan**
E-Verify Requirements

• Bill passed last session required cities and counties to obtain affidavits of E-Verify compliance from all entities they do business with

• Led to unanticipated burden upon local government purchasers particularly

• League got amendment added to HB 369 Criminal Law Changes that would apply E-Verify requirements only to projects in formal bidding range; bill moved to Senate Rules Committee
Backup PSAPs

**SB 797 911 Board/Back-up PSAP**

- Bill would require all primary Public Safety Answering Point (PSAP) locations to install back-up capabilities
  - Latest version will change enforcement date to July 1, 2016
- Legislators have questioned whether regional back-up systems would work as well as separate units for each of the state’s 126 primary PSAPs
- Bill amended on Senate floor at League’s request to clarify that PSAPs must have back-up “capability” but are not required to build additional facilities
- Passed Senate and House; signed into law by Governor July 9
Regulatory Reforms - Senate

- Senate took lead, passing **SB 734 — Regulatory Reform Act of 2014**
- Senate provisions
  - Local government environment ordinance-making authority
  - Water supply reclassification
  - Fertilizer
  - Isolated wetlands mitigation ratios
  - Jordan Lake buffers/stream piping
  - Rulemaking process reforms
  - Environment program self-audits
  - IBT study
  - W/s system study
  - Development review protocols
Regulatory Reforms - House

- House debuted its regulatory reform package in **SB 493 2014 Regulatory Reform Act** on June 18

- Attempted to move bill through two committees and onto the floor that day, but some legislators objected to the process

- Eventually returned to committee and split into multiple bills, with local government provisions going in **SB 734 Regulatory Reform Act of 2014** & environment provisions in **SB 38 Amend Environmental Laws 2014**
Regulatory Reforms: House – Local Government

• House provisions in SB 734:
  – Ethics filings
  – Protest petitions
  – Billboards
  – DOT “quick-take” condemnation
  – Building inspectors standard of conduct
  – Aesthetics
Regulatory Reforms: House – Environment

- House provisions in SB 38:
  - Local government environment ordinances
  - Fertilizer
  - Renewable energy leases
  - Gravel
  - Cluster mailboxes
Regulatory Reforms: Status

• SB 734 Regulatory Reform Act of 2014
  – Passed House on June 25
  – Referred to Senate committee that has not met yet this session

• SB 38 Amend Environmental Laws 2014
  – Passed House on June 23
  – Held in Senate Clerk’s office ever since
Prequalification

• Study committee recommended language that became **HB 1043 – Prequalification Update**
  – Addresses prequalification practices in purchasing & contracting on public, non-transportation construction projects for both local and State governments
  – Recommendation: if choose to use pre-qualification, there are limits set on what can be requested from bidders

• Design work provision prohibits governments from requesting work product (actual designs)
  • However, can get an explanation of prior work completed that includes a discussion of concepts and approaches to projects
Infrastructure Needs Study

• New provision in **HB 1043 – Prequalification Update**, advanced in House

• Panel of legislators and public members, including NCLM, would:
  – Examine the State’s building and infrastructure needs, including new repairs, renovations, expansion, and new construction
  – Assess w/s needs of cities and counties
  – Prioritize all infrastructure needs, emphasizing projects that met public safety and economic development goals

• Goal: lay the groundwork for future funding requests to meet these unmet capital projects

• NCLM 2013-14 advocacy goal prioritizes a statewide infrastructure capital needs funding program
Tree Ordinances

• **HB 1191 – Authority to Adopt Local Ordinances**
  - Local officials and concerned citizens flooded legislators after initial proposal in study committee
  - Assurances from legislators in both chambers that idea would not advance this session

• **Agriculture and Forestry Awareness Committee**
  - Interim study committee recommended 2014 legislation to remove all local government authority over trees
    - No municipal regulation of “the removal, replacement, and preservation of trees on private property within its jurisdiction”
  - Requested by N.C. Homebuilders Association in other interim study committee meetings
  - Brock (*in Charlotte Observer, May 2*): Issue is “whether cities have overstepped their bounds or can come around to something reasonable where cities are not fining churches $4,700 for trimming their trees”
MPO/RPO Ethics

• Provision related to ethics requirements for members of metropolitan and rural planning organizations became law with Governor’s signature of HB 1025 DOT/DMV Changes
  – Language also appeared in the Senate version of the budget (SB 744)

• Language adds penalties for MPO/RPO members who fail to complete their statements of economic interest and real estate ownership disclosures
Aesthetics/Design Controls

• **HB 150 – Zoning/Design & Aesthetic Controls**
  
  – Would prevent municipalities from imposing design and aesthetic controls on certain family dwellings, including exterior color, roof style, location of windows and doors, etc…
  
  – Was originally scheduled for full Senate debate but was sent back to Senate Rules Committee, where it has been since April 2013
  
  – Language inserted into House’s version of [SB 734 Regulatory Reform Act of 2014](#)
Political Signs

• 2011 law stated that municipal regulation of political signs applied only to municipal roads within the jurisdiction
  – Confusion has arisen from different set of rules on local roads and state roads
• Received favorable hearing in House committee after an amendment added two cities to the State Health Plan
• League supported subsequent removal of political signs provision after damaging amendments were discussed
Mopeds

• HB 1145 Insurance & Registration Required for Mopeds
  – League Municipal Advocacy Goal would increase moped regulation
    • During policy development process, members heard from local police officers that these unregistered vehicles were increasingly being used in the commission of crimes
    • Bill also supported by NC Association of Chiefs of Police
  – Requires registration of mopeds; Senate version requires insurance, House version studies issue
  – Senate passed its version; now returns to House for consideration of Senate version
Energy & Coal Ash

• SB 786 Energy Modernization Act & SB 729 Coal Ash Management Act of 2014
  – Both bills limit local government regulation to ordinances with general applicability
  – Coal ash
    • Wastewater spill notification
    • Groundwater compliance boundary
Local Bills

• **HB 133 Charlotte Airport Commission**
  – Attempts to address judicial and FAA concerns over ownership by specifying that the Charlotte Douglas International Airport Commission is an agency of the City of Charlotte

• **HB 1127 Maggie Valley Deannexation**
  – Local deannexation bill not supported by a majority of the current Town board; twice pulled from committee calendar

• **SB 865 Town of Boone/Extraterritorial Jurisdiction**
  – Eliminates the Town of Boone’s ability to exercise ETJ authority; passed by House and became law June 26
Looking Ahead – Beyond the 2014 Short Session
Looking Ahead – Key Issues

• Privilege license: Continue discussions with your legislators regarding the privilege license fiscal cliff
  – Legislators have promised to find a replacement revenue

• Control of municipal utilities
  – Interim study committee will be examining transfers between utility and general funds, among other issues

• Transportation funding
  – Likely a conversation coming regarding generating increased revenues for transportation projects in the future
Stay Involved

• Consider joining a policy committee in the Fall:
  – Tax & Finance
  – Planning & Environment
  – General Government
• Get involved at the national level through NLC
• NCLM Annual Conference – Oct. 12 – 14 in Greensboro
Stay Involved

• Continue to meet with your local delegation during the interim period
  – Invite to city-events, lunch meetings, election events
• Not only managers, boards, and staff, but also citizens, local business owners, etc…
NCLM Policy Development

• Legislative goals set by membership in even-numbered years
• Membership may submit goals May – August
  – Deadline to submit is August 31
• LACs/RAC votes on goals to forward to the Board of Directors
• Member review October – December
• Advocacy Goals Conference December 11, 2014
Bill tracking

- Provides NCLM staff summaries of key legislation, with links to NCLM bulletins and memos for more information
- Look up bills by number or topic
- View the priority of the issue for the League
- See up-to-date information on each bill, pulled from the N.C. General Assembly website
NCLM Updates

Sign up for the League’s weekly publications by emailing LeagueLINC@nclm.org
Questions and Comments?

Chris Nida
Director of Research & Policy Analysis
cnida@nclm.org
O: 919-715-3945    M: 919-609-8671