

End of Session Bulletin 2016 Short Session August 4, 2016





The 2016 short session of the General Assembly gaveled to a close on July 1 after about 10 weeks of lawmaking that ultimately left cities and towns in a good place – thanks to the concerted efforts and communication of municipal officials across the state. Your attention to the issues, teamwork and physical presence at the Legislative Building on Jones Street – especially at one of the most visible Town Hall Days on record – made a strong impression on lawmakers in these challenging times and greatly helped municipalities from Murphy to Manteo.

Thanks to your involvement, the League this year was successful in seeing numerous provisions of benefit to cities and towns passed into law while potentially harmful measures were minimized or halted. Beginning on page 12 of this document, you will find descriptions of bills affecting municipalities and the outcome of each.

Although the session started in April – a bit earlier than previous short sessions – League members began their preparations well in advance and were well positioned by the time the opening gavel fell. Members and our lobbyists sat in on ahead-of-session legislative committee meetings to gauge the conversation, such as with the ongoing urban-rural flavor that gained prominence last year, or to document infant-stage proposals of interest to cities and towns. League Legislative Action Committee members saw to it that they were informed of measures in discussion and continued their relationship-building with lawmakers at home. It was time-consuming but necessary and fruitful work, and we thank you for your diligence. It has made a difference for the people you serve.

"After all, our cities are economic engines...." — Greensboro News & Record

It goes without saying that 2016 rocked up and down for municipalities, with unmistakable points of celebration and, at times, anxiety. League members were energized by an early victory with the overwhelming voter approval of the Connect NC bond package in March, including \$309.5 million for improvements to local water and sewer systems – crucial not only to public health, but also to economic development and fulfillment of a League goal. It was the first bond passage of its kind since 2000, and to quote Gov. Pat McCrory in a talk to members this year: "You're going to start feeling the impact of those bonds."

But, in the same month, a theme-setting challenge landed with the legislature's passage of House Bill 2 - the Public Facilities Privacy & Security Act – that placed new limitations on local authority. It created a sensitive atmosphere for municipalities in the months to follow, as the 2016 short session unfolded. But that's exactly why your positive participation mattered, and it's exactly what we saw in March when members of the League's Executive Committee, including two of us along with Clayton Mayor Jody McLeod, Washington City Council Member William Pitt and Cary Town Council Member Jennifer Robinson, gathered around a table with Gov. McCrory and top staffers at the Executive Mansion to discuss common ground and mutually beneficial lawmaking. The group personally thanked the governor for his help on a number of issues of



importance to municipalities, like the reinstatement of historic preservation tax credits as well as the bond package.

"The League ... stressed that cities and towns do best when they're allowed to manage their own affairs." -- The Laurinburg Exchange

As Rep. Chuck McGrady, a top budget writer, told dozens of League members at a meeting in January, the way to achieve grassroots success at the legislature comes from building in-person relationships with decision-makers. Notably, you took that advice to Jones Street on one of the most memorable and well-attended Town Hall Days we've ever seen, particularly for a short session. More than 500 of you turned out to meet with your legislators and communicate the good work you're doing back home to save tax dollars and provide a great quality of life for residents. It was hard to argue with the numbers we presented on Town Hall Day: that municipalities account for 79 percent of all taxable property in the state, 80 percent of all jobs and 75 percent of all retail sales. Town Hall Day also saw welcome participation from elected state decision-makers, including Governor McCrory and House Speaker Tim Moore.

While the 2015-2016 legislative session is now history, it's important that we continue demonstrating this level of teamwork and communication to ensure such positive results for cities and towns in the years to come. We can do it.

We thank our Public and Government Affairs Team and the leadership of League Executive Director Paul Meyer for the dedicated, consistent and dependable work completed this year. They're here to help you, so please don't hesitate to contact them with any questions or to discuss any issues of concern to your hometown. (Contact information for team members can be found on page 45.)

We again thank you for your hard work this session. You held the banner high for us, and we're better off because of it.

Sincerely,

The Officers of the League's Board of Directors



From left: 2016-2017 League President Lestine Hutchens, Mayor of Elkin; League1st President Bob Matheny, Mayor of Zebulon; League 2nd Vice President Michael Lazzara, Mayor Pro Tem of Jacksonville.



Table of Contents

Overview

2016 Legislative Session by the Numbers	5
A Strong Effort in 2016	6
Municipal - Related Legislation in the News	9
Defensive Wins	10

Bill Summaries

Bill Summary- Overview	
Tax & Finance/Budget	
Local Bills	
General Government	
Planning & Land Use	
Environment & Utilities	

Appendices

Appendix I -All Bills Mentioned in Bulletin	34
Appendix II - Municipal Advocacy Goals	
Appendix III - The League's Governmental Affairs Team	43



Legislative Session by the Numbers

- 2,053 bills and resolutions filed over biennium
- 486 bills the legislature addressed in the short session
- 503 bills tracked by the League over biennium
- 192 bills tracked in short session
- 199 bills chaptered
- 1 bill vetoed by the governor
- 0 vetoes overturned by the legislature
- 41 House session days
- 43 Senate session days
- 21 retiring lawmakers
- 525 municipal officials who attended Town Hall Day at the legislature
- 167 municipalities represented at Town Hall Day





The Foundation Grows Stronger

t was anyone's guess as to how short the "short session" of the General Assembly would be this year. Each even-numbered year brings what is meant to be a relatively quick calendar of lawmaking, chiefly for updating the state budget that legislators adopted in the prior, odd-numbered year. That remained true for 2016, but this round was different. It wasn't the year's first legislative session. It wasn't the second, either. In fact, twice before the regular session, the legislature had resettled in Raleigh to pass special legislation connected to sensitive issues that would shape the tone for virtually all activities to follow on Jones Street.

The first unplanned session, in February, came in response to a federal court panel's invalidation of two congressional district boundaries, which had been the subject of a gerrymandering-related lawsuit. Legislators gaveled into a special session, redrew voting districts and set up a new congressional primary date, which became a news event on a national scale – but nowhere near to the degree of the second session that followed in March. It was shorter – just one day – but it drew a global audience and led to mediafueled conversation spanning subjects from civil rights to public safety to private business rights to a municipal government's authority to set local policy.

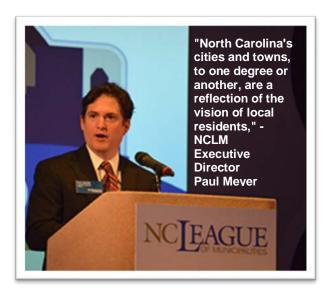
This, of course, all refers to House Bill 2, the Public Facilities Privacy & Security Act, which in part pre-empted local nondiscrimination ordinances like the one passed earlier in the year by the Charlotte City Council. Among other things, the city ordinance required all businesses that serve the public to allow individuals to choose the bathroom aligned with their gender identity. Top legislators called it a problem for the privacy and safety of women and children in bathrooms, while the LGBT community called the legislative response discriminatory to transgender individuals. Specifically for the League, the issue was HB2's limitation on the local say, whether through anti-discrimination policy-setting or in the requirements that cities and towns could place on contractors (another limitation written into HB2). "Placing limits on local decision-making authority ultimately is a limit on the political power of local residents," League Executive Director Paul Meyer said in a statement after the passage of HB2. "Those residents can and do hold local officials responsible for their decisions."

For the short session that followed – with heavy media attention on HB2 and city-state issues from the outset – the League focused on clear communication with lawmakers to





help their understanding of how state legislation can affect, positively or negatively, the ability of a municipality to do the best for its citizenry, promote economic growth and meet local demands. While some lawmakers have direct municipal service in their background, many others benefited from the education that League staffers and members brought with them to the Legislative Building every day of session.



Those efforts – strengthened by Leaguemember groundwork laid at meetings of the Legislative Action Committees, Regulatory Action Committee and in other gatherings – helped dramatically to improve legislative proposals as they moved through the channels.

After an Action Alert to members, the League was able to eliminate several harmful provisions in a complex land-use regulatory bill. In its previous form, HB 483 included language that would have incentivized litigation at local taxpayer expense, weakened protections for property owners adjacent to new developments, and undermined infrastructure performance guarantees that protect new property owners and taxpayers. In that particular case, legislators heard from mayors and city attorneys about the potential effects and, too, saw fellow legislators question the merits of the bill. The pressure and negotiations resulted in most of the proposal being set aside – a great result.

Other short-session successes for League members – many of them defensive wins as legislation harmful to municipalities was altered or died -- include:

- The preservation of cities' authority regarding Municipal Service Districts, with the approval of transparency, good-government provisions but the elimination of proposals that could have led to MSD's being eliminated by a small minority of property owners.
- The appropriation of \$5.7 million for downtown revitalization projects.
- The continuance of Powell Bill funding at last year's level.
- The abandonment of problematic, immigration-related legislation that could have put Powell Bill funding at risk for individual towns and cities.
- The halting of legislation that would have de-annexed properties from the Town of Sunset Beach, a win that followed great teamwork among League staffers, members and legislators.
- The passage of legislation that gives our local police officials muchneeded clarification on the keeping



of video records gathered by bodyworn or dashboard cameras, without mandating the cameras' adoption.

- The passage of legislation with League-requested language to assure that a public water system's solvency be taken into account when electricity providers are required to provide alternative drinking water supplies to property owners near coal ash impoundments.
- A one-year delay of legislation that would prohibit cities from charging utility companies fees for working in municipal rights-of-way, averting harm to approved municipal budgets.
- The abandonment of legislation that would have changed how Asheville City Council elections are held (proposed against the wishes of the city).

These and many more positives this year were an extension of the successes we

charted in the first portion of the 2015-2016 session – last year's long session, which we covered in last year's <u>End-of-Session</u> Bulletin.

Congratulations on your notable work and great outcomes. You've weathered the challenges and created an excellent foundation for legislative work ahead.

The Public and Government Affairs Team would like to extend special thanks to our Board of Directors and Executive Committee, whose members are always standing ready to respond to the calls for help, input on our efforts, and a variety of support. The League is an organization like no other, and that's only possible because of you. Please contact League staff if you have any questions or comments about this year's legislative session or any of its bills, or if we can assist your municipality in any way.



Members of the League Legislative Action Committees and Regulatory Action Committee meeting in February 2016



Municipal - Related Legislation in the News

- HB 2 Public Facilities Privacy & Security Act Law
 Passed in an earlier special session; pre-empts local nondiscrimination
 ordinances; regulates public restroom access. Although it prompted calls for
 repeal and its discussion dominated the session, legislators ultimately only
 alter one provision, in HB 169 Restore State Claim for Wrongful Discharge
- **<u>HB 100 Local Government Immigration Compliance</u> Failed** Financial penalties would have been imposed on cities that failed to follow state immigration policies and laws.
- <u>HB 972 Law Enforcement Recordings/No Public Record</u> Law Clarifies disclosure procedures for law enforcement dash and body cam videos; does not mandate their use by local law enforcement agencies.
- <u>HB 3 Omnibus Constitutional Amendments</u> Failed Would have put constitutional questions before voters in the fall creating eminent domain restrictions, income tax rate limits, and establishing hunting/fishing rights.
- <u>SB 667 Elections Omnibus Revisions</u> Law Among other changes, calls for a study to exam how to move municipal elections to even years.
- <u>SB 897 Asheville City Council Districts</u> Failed Would have moved current at-large Asheville City Council elections to district elections, a move opposed by the council. House members defeated the bill on the floor in the final hours of the session.
- <u>SB 303 Regulatory Reform Act of 2016</u> Failed
 One of three failed regulatory reform hills with land-use is

One of three failed regulatory reform bills with land-use issues affecting local government, including a measure calling for a statute of limitations for local governments to enforce land-use violations, with the time clock running when the violation first could have been noticed.



Defensive Wins

A look at some legislation that the League helped to stop or alter in 2016

	HB 483 Land-Use Regulatory Changes A version of this bill that was unveiled in the Senate would have incentivized land-use litigation and undermined performance guarantees and other protections for homeowners and municipal taxpayers. A concerted effort from League staff and members caused these harmful provisions to be dropped.
	HB 100 Local Government Immigration Compliance This bill could have put local transportation dollars in jeopardy, with cities given no due process rights, based on complaints that they were not following state immigration laws. The bill died at the end of the session.
UTILITY WORK AHEAD	SB 481 Fund Small Business/DOP Rulings/City Rt of Way The League was able to gain a one-year delay for this change, which would prohibit cities from charging utility companies fees for working in municipal rights-of way. The delay averts shortfalls for municipal budgets already approved.
	SB 303 Regulatory Reform Act of 2016 A provision in this bill would have instituted a six-year statute of limitations for enforcement of any land-use regulations, beginning when a violation "apparent" from a public right-of-way or place where the public gathers. The bill died in the final days of the session.
	HB 630 Drinking Water Protect'n/Coal Ash Cleanup Act The League had language added to this bill to ensure that the solvency of municipal water suppliers was considered when electricity providers are required to provide alternative drinking water supplies to property owners near coal ash impoundments.
Image by: Wikiworld2	HB169 Regulatory Reduction Act of 2016 A provision in this bill would have eliminated the state's electronics recycling program, causing more electronics to end up in local landfills and potentially raising costs for local taxpayers. Like other regulatory bills, it failed to pass before adjournment.



Bill Summaries

Bills tracked by the Governmental Affairs team throughout the 2016 Short Session



ver the course of the two-year session of the North Carolina General Assembly that concluded on July 1, the League's Governmental Affairs Team lobbied 503 bills listed in its online tracking system. Of those, 60 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 July 31.)
- 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 2017.

Bills 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 <u>the League's Public and</u> <u>Government Affairs team</u> or visit the <u>League's bill tracking site</u>.

A number of these bills address advocacy goals chosen by cities and towns as their top legislative priorities for 2016. For a full list of Municipal Advocacy Goals, see <u>Appendix II</u>.





Tax & Finance/Budget

<u>HB 959 DOT Proposed Legislative Changes</u> (Reps. Iler and Torbett) – Law – SL 2016-90 effective on various dates

For much of the session HB 959 included a series of changes to the state's transportation-related statutes. Among those of interest to local government were an increase in the cost of a project that requires NCDOT to consult with an affected local government, and a change to the definition of a moped. In June, the N.C. Supreme Court issued a ruling that struck down the Map Act, which had allowed NCDOT to place development restrictions on land planned for future roads. Following that ruling, legislators added provisions to HB 959 that would allow state funds for transportation projects to be used to pay court costs and landowner fees related to the Map Act ruling. That revised version of the bill passed both chambers and was signed into law by the governor on July 11.

<u>HB 1011 Retirement Technical Corrections Act of 2016</u> (Reps. Ross, McNeill, and Hardister) – Law – SL 2016-56 various effective dates

This bill makes various technical changes to the laws pertaining to the state retirement systems, including amending the Local Governmental Employees' Retirement System (LGERS) to make it consistent with the Uniformed Services Employment and Reemployment Rights Act (USERRA), clarifying that when a LGERS member who has been on military leave returns to work they are credited for their active service and the employer pays the employer and employee portions of the services purchase.



(Left to right) Executive Committee member William Pitt, Executive Director Paul Meyer, and Executive Committee members Jennifer Robinson and Jody McLeod ready for Town Hall Day 2016

HB 1030 2016 Appropriations Act (Reps.Dollar, L. Johnson, Lambeth, and McGrady) – Law – SL 2016-94 effective on various

dates

As is frequently the case, the short session budget process was much smoother than its 2015 long session counterpart, when the House and Senate did not agree upon a budget until more than two months after the start of the fiscal year. In 2016, the House and Senate agreed to an overall spending number early on,

spent much of June negotiating the differences between their two plans, and passed an approximately \$22.3 billion budget by the July 1 start of the fiscal year.



With some exceptions, provisions in the budget affecting cities were largely positive. The League wishes to thank legislators for keeping municipalities in mind as they developed this spending plan. Full detail on all of the provisions impacting municipalities can be found <u>here</u>. Below are some additional details on specific areas of interest:

- Local sales tax revenues: The budget repeals a state appropriation of \$17.6 million to local sales taxes that was put into place last year. However, it also makes certain clarifications regarding last year's sales tax base expansion that are likely to provide additional local revenues and help offset the elimination of the appropriation. For more on this issue, see SB 846.
- Nutrient regulation: In contrast to the Senate's proposal that called for the review -- with possible revision or repeal -- of all the state's Nutrient Management Strategies, the final nutrient provision in the budget only affected the controversial Jordan Lake Rules and the Falls Lake Rules. The budget further delayed any components of those rule sets that have not currently taken effect; the League expressed concern that the proposal does not provide reimbursement for local investments already made, such as wastewater treatment plant upgrades, in reliance on existing rules. Additionally, the provision redirected funding from the terminated Jordan Lake SolarBee project to the Clean Water Management Strategies and existing water quality data specifically in the context of Jordan Lake and Falls Lake. The provision also directed the study of alternative technologies for in lake approaches to nutrient management and nutrient impact fees and mitigation programs.
- **Downtown revitalization**: When the compromise budget was released, it included direct grants for downtown revitalization to 56 municipalities that totaled in excess of \$5.7 million.
- Light rail: The budget repealed the cap on state funding for light rail projects instituted in last year's budget. However, it replaced that limit with a new cap of 10 percent of estimated project costs, and it requires any light rail projects subject to the existing cap to be re-scored and re-funded in the next prioritization process. For more on this issue, see SB 857/HB 988.
- **Powell Bill**: The 2016 budget maintains the current level of Powell Bill funding at \$147.5 million.
- Water and wastewater grants: The budget provides additional nonrecurring funds for state water and wastewater infrastructure grants, for a total 2016-17 appropriation of \$33.8 million, and provides an additional \$8.6 million in nonrecurring dollars to the Clean Water Management Trust Fund, for a total 2016-17 appropriation of \$22.4 million.



HB 1035 LGC/Training for Local Gov't Finance Officers (Reps. McNeill, L. Johnson, and

Iler) – Law – SL 2016-84 effective June 30, 2016

In addition to making technical changes, HB 1035 allows the state's Local Government Commission to require local finance officers to take further training courses in certain circumstances. It also allows them to charge for such courses. The League supported HB 1035 as part of its continued efforts to support the LGC and the overall financial health of the state's cities and towns. The LGC also received \$25,000 in the state budget to aid in the development of a curriculum for these training courses.

HB 1039 Omnibus Occupancy

Tax Changes (Reps. L. Bell and Brisson) – Failed

At various times, HB 1039 included changes to the occupancy and/or prepared food taxes of Cumberland, Harnett, Sampson, and Yadkin counties, and the municipalities of Jacksonville and Sanford. The final conference report adopted by the Senate included only changes for Harnett, Sampson, and Yadkin counties. However, that report was never adopted by



House Speaker Tim More addresses Town Hall Day attendees

the House, so those changes did not become law. Changes for the City of Sanford and Harnett County were incorporated into <u>SB 874</u>, and proposed occupancy tax changes for the City of Jacksonville were rolled into <u>SB 46</u>, but neither of those bills were passed either.

SB 363 Wage & Hour/Local Gov't Assessments (Sen. Hartsell) - Failed

Although it wasn't considered by the Senate, the House approved legislation regarding special financing mechanisms for building infrastructure. SB 363 included provisions to extend existing assessment authorities to allow cities and counties to fund infrastructure projects for private development.

Existing authority allows local governments, at the request of property owners, to levy a "special assessment" on property owners who request the installation of infrastructure such as roads and water or sewer lines. The proceeds from that assessment are used to pay back revenue bonds that the local government issues to finance the installation of the infrastructure. SB 363 would have allowed developers who enter into an agreement with the county or city to pay for the infrastructure installation themselves. The local government would then use the special assessment to reimburse the developer for its investment. The League suggested language to ensure that the action is voluntary and that a local government would only owe the developer the



revenue that the assessment produces, less any administrative costs. After passing the House, the measure was never considered by the Senate.

<u>SB 729 Various Changes to Rev Laws</u> (Sens. Rucho, Rabon, and Tillman) – Law – SL 2016-5 effective on various dates

SB 729 makes a variety of statutory changes to North Carolina's business, personal, sales, and excise taxes, the majority of which are technical and clarifying. Clarifications to various areas of the sales tax laws could theoretically have relatively insignificant impacts on local government sales tax revenues, but the changes were technical enough that a fiscal note prepared in connection with the bill did not project any revenue changes for the state or local governments. The legislation, which was filed on the first day of the legislative session, became Session Law 5 when it was signed by the Governor on May 11.



Legislative and Regulatory Counsel Sarah Collins addresses members of the League Legislative Action Committees and Regulatory Action Committee

SB 803 Rev Laws Technical, Clarifying, & Admin. Chg. (Sens. Wade, McKissick, and Hartsell) – Law – SL 2016-92 effective on various dates Like SB 729, the version of SB 803 ultimately signed into law made primarily technical and clarifying changes to tax-related statutes. In addition to some clarifications regarding sales taxes, the bill also allows a county and municipality to share with one another tax information necessary to administer a tax. In general, these local tax records are not public records and not

allowed to be shared with anyone unless explicitly authorized by statute. SB 803 was signed into law by the governor on July 11.

<u>SB 810 Economic Development Changes (Sen. Brown)/HB 1029 Economic Development</u> <u>Changes & Study</u> (Rep. S. Martin) – Failed

Also coming on the heels of interim scrutiny of the state's economic development tier system, the primary purpose of SB 810 and HB 1029 would have been to establish the North Carolina Workgroup on Economic Development for Distressed Communities. That working group was to "reexamine North Carolina's strategy for assisting economically distressed communities," among other tasks. However, neither bill received a committee hearing in either the House or Senate.



<u>SB 817 Const. Amd. – Max. Income Tax Rate of 5.5%</u> (Sens. Rucho, Rabon, and Tillman) – Failed

SB 817 would have placed on the November ballot a constitutional amendment to limit the state's income tax rate to no more than 5.5 percent. The maximum income tax rate is currently constitutionally set at 10 percent. The state's personal income tax rate is set to drop to 5.499 percent for the taxable year 2017. SB 817 was not heard on the Senate floor after passing out of the Senate Finance committee, but language to limit the maximum state income tax rate was incorporated into HB 3 Omnibus Constitutional Amendments.

<u>SB 826 Prosperity & Econ. Opportunity for All NC Act (Sens.</u> Gunn, Brown, and Hise) /<u>HB 1090 Prosperity & Econ. Opportunity for All NC Act</u> (Reps. S. Martin, J. Bell, Fraley, and Steinburg) – Failed

SB 826 and HB 1090 were wide-ranging bills proposing a number of new programs and changes to existing programs related to economic development in the state. Among them were a state version of the New Markets Tax Credit to encourage private investment in economically distressed areas, new laws to help encourage projects that span counties in differing economic development tiers for the purposes of the Job Development Investment Grants they would receive, and an extension of the research and development tax credit. The bills also would have expanded the state's tourism and marketing programs and provided an additional \$1 million for the Main Street Solutions Fund. Neither bill received a committee hearing before the session adjourned.

<u>SB 844 Eliminate Use of</u> <u>Development Tiers (Sens.</u> Hise, Krawiec, and D. Davis)/<u>HB 1082 Eliminate</u> <u>Use of Development Tiers</u> (Reps. Davis and Horn) – Failed

Following study of the state's economic development tier system in the interim, SB 844 and HB 1082 were filed to overhaul that system. Currently the Department of Commerce uses four indicators of economic distress – along with several



Representatives of the League and N.C. Association of County Commissioners prepare to meet with Gov. Pat McCrory and his staff

other factors that can affect a county's tier ranking – to identify the 40 least prosperous counties in the state (Tier 1), the 40 next prosperous (Tier 2), and the 20 most prosperous (Tier 3). These tiers are then used to determine eligibility for grants, rewards for job investments, etc. SB 844



and HB 1082 would have created an index score for each county based on the average of each of the four indicators indexed against the state's figure for each of those indicators. It then would have required the Department of Commerce to rank counties based on their index scores, but not group them into separate tiers. The bills also would have created a North Carolina Commission on Economic Development for Distressed Communities. However, neither bill received a hearing in either legislative chamber.



Executive Director Paul Meyer addresses League members

SB 846 Change the LOST Adjustment Factor (Sen. Brown) – Failed

Following significant discussion in 2015 regarding the distribution of local sales taxes, SB 846 would have made additional changes to those distributions. The first section of the bill would have eliminated so-called "adjustment factors" that are currently applied to the one-half cent sales tax in Article 40 that is returned from the state to counties on a per capita basis. It would have replaced those factors with adjustments based on a county's

development tier. The effect would have been sales tax revenue gains for some local communities and losses for others. The second section of the bill would have eliminated a \$17.6 million state appropriation to local sales taxes. This appropriation was agreed to in September of last year as a way to ensure that no counties or cities suffered revenue losses under the plan to reallocate \$84.8 million in local sales taxes that was put into place at that time. When projections for the amount of revenue generated by last year's sales tax base expansion were revised upward, legislative leaders argued that the \$17.6 million state appropriation could be eliminated without harming any local communities. Though SB 846 itself never received a hearing, the elimination of the \$17.6 million appropriation was included in the final version of this year's budget. Also included were changes and clarifications to last year's sales tax base expansion that are projected to generate additional sales tax revenues at the local level.

<u>SB 857 Repeal Light Rail Funding Cap</u> (Sens. McKissick, Harrington, and Rabon)/<u>HB 988</u> <u>Repeal Light Rail Funding Cap</u> (Reps. Torbett, Shepard, and Tine) – Failed

Last year's state budget restricted the amount of state funding that could go to any one light rail project to \$500,000. The only current project affected by the cap was proposed light rail line between Durham and Chapel Hill, which was essentially scuttled by this cap. SB 857 and HB 988 would have repealed the funding cap. Though neither bill passed the House or Senate, repeal of the cap was included in the House's version of the state budget. The final budget repealed the cap but put into place new restrictions that will reduce the amount of state funding going to the Durham-Chapel Hill project and require it to go through re-scoring and re-prioritization in 2018.



<u>SB 886 Retirement Amendments</u> (Sens. Wells and Apodaca) – Law – SL 2016-108 effective various dates <u>HB 1134 Admin. Changes Retirement System/Treasurer</u> (Reps. McNeill and Ross) – Failed/<u>SB 887 Admin Changes/Modernize Retirement System</u> (Sens. Apodaca and Wells) – Failed

SB 886 makes various administrative changes to the laws pertaining to the state retirement systems, including requiring the Local Governmental Employees' Retirement System (LGERS) Board to develop a contribution rate stabilization for the Firefighters & Rescue Squad workers pension fund, which is similar to League supported policies the LGERS Board adopted in January 2016 for local pension plans. Those policies were adopted in order to reduce the volatility of employer contribution rates by increasing them in predicable increments over the next five years and will hopefully allow for a cost-of-living adjustments. Both HB 1134 and SB 887 would have made other administrative changes, but neither became law.

Local Bills

HB 392 Fayetteville Charter/PWC Changes (Reps. Szoka, Floyd, Glazier and Lucas) --Law –SL 2016-47 effective July 1, 2016

The House approved this bill last year, but the Senate did not act on the legislation until 2016. The bill was filed to attempt to settle a dispute between the City of Fayetteville and its taxpayerowned utility, the Fayetteville Public Works Commission. With a few changes from last year's version, the bill clarifies authority between the utility and the city and spells out in more detail revenue sharing arrangements with the city. The Fayetteville City Council had expressed opposition to portions of the bill which provided more autonomy for the utility board, which it appoints. The League expressed concerns about a provision that would have prohibited the Fayetteville City Council from requiring annexation in exchange for the extension of water and sewer to developments outside the city. The sewer part of the provision was dropped in 2015, but water-related provisions remained in the bill that was approved late in the session.

HB 469 Sunset Beach/Parking Meter

<u>Proceeds</u> (Rep. Iler) -- Law – SL 2016-9 effective June 2, 2016

This bill will allow the Town of Sunset Beach to use proceeds from on-street meter parking to finance public facilities and to be spent on other public purposes. Those proceeds currently must be spent on defraying the costs of traffic and parking enforcement.

HB 1017 Norwood

Deannexation/Annexation (Rep. Burr) – Law – SL 2016-42 effective June 30, 2016



Legislative Counsel Erin Wynia helps lead discussions of the League Planning & Environment Legislative Action Committee

<u>HB 1022 Maxton Deannex/Siler City Satellite Annex</u> (Rep. Pierce) – Law – SL 2016-48 effective June 29, 2016 <u>HB 1128 Cornelius Limits</u> (Rep. Bradford) -- Failed <u>HB 1132 Glen</u>



<u>Alpine Deannexation</u> (Rep. Blackwell)/ <u>SB 882 Glen Alpine Deannexation</u> (Sen. Daniel) – Law – SL 2016-49 effective June 30, 2016

<u>SB 141 Weaverville Annexation/Referendum</u> (Sen. Davis) -- Failed <u>SB 739 Town of</u> <u>Rolesville/Annexation</u> (Sen. Barefoot) – Law – SL 2016-67 effective June 30, 2016 <u>SB 774</u> <u>Marvin and Asheboro/Deannexation</u> (Sen. Tucker) – Law – SL 2016-62 effective June 30, 2016 <u>SB 852 Town of Bakersville/Town of Clyde/Deannex</u> (Sen. Hise) – Law –SL 2016-63 <u>SB 875 Town of Sunset Beach/Deannexation</u> (Sen. Rabon) -- Failed <u>SB 879 Cornelius</u> <u>Limits/Mecklenburg County Police</u> (Sen. Tarte) –Failed

As in past sessions, a number of local annexation and de-annexation bills saw action in 2016, although most were not controversial. Among the bills that passed, SB 774 Marvin and Asheboro/Deannexation created the biggest stir, as the town did not request the legislation and Marvin Mayor Joe Pollino described it as an attempt to sidestep zoning rules and local residents' wishes so that a developer could build an apartment complex on the property. SB 875 Town of Sunset Beach/Deannexation was also opposed by local officials, and the League helped to facilitate appearances by Mayor Ron Watts and others before a Senate committee considering the bill. Although it passed the Senate, the House did not take up the bill. Legislation sought by the local delegation in Cornelius to allow that that town to annex doughnut holes moved in the House but a companion bill never got out of the Senate, a reflection of the difficult path that even relatively non-controversial annexation bills continue to face in the General Assembly.

HB 1131 Town of Andrews/ETJ Authority (Rep. West) – Law – SL 2016-16 effective June 16, 2016

This bill subjected the Town of Andrews' exercise of Extraterritorial Jurisdiction to the approval of the Cherokee County Board of Commissioners. It was the only bill affecting ETJ taken up in 2016, two years after the Town of Boone had its ETJ powers stripped by legislation.



Garner Town Councilman Ken Marshburn and Wake Forest Manager Kip Padgett speak during a break from a joint meeting of League policy committees

HB 1056 Yadkin Occupancy Tax Modifications (Reps. Zachary and Reives) – Failed <u>SB 46</u> Jacksonville Occupancy Tax (Sen. Brown) -- Failed <u>SB 50</u> Wilson County Occupancy Tax Modification (Sen. Bryant) – Law – SL 2016-65 effective July 1, 2016 <u>SB 874 Sanford/Harnett</u> OT (Sen. Rabin) – Failed In the final hours of the legislative session, the House Finance Committee became the scene of a fierce debate over SB 46 Jacksonville Occupancy Tax,



ultimately rejecting the Senate-approved legislation because of existing law and past precedent that calls for most of the proceeds of occupancy taxes to go toward travel and tourism promotion. In this case, Senate Majority Leader Harry Brown wanted a change in Jacksonville's tax to allow two-thirds to go toward the construction of a sports complex. Brown argued that the city needs a tourism draw before any promotion will work, but the House committee was not swayed. League members support legislation like SB 46, having adopted a Municipal Advocacy Goal calling for more flexibility in occupancy tax expenditures. Although other occupancy tax measures considered during the short session met the House concerns about keeping revenues focused on tourism promotion, just one passed, SB 50. That bill allows Wilson County to levy an additional 3 percent occupancy tax and gives the Wilson City Council some additional authority to direct some of the money.

<u>HB 1058 Tobaccoville Recall Elections</u> (Rep. Conrad)/<u>SB 823 Tobaccoville Recall Elections</u> (Sen. Krawiec) – Law – SL 2016-43 effective June 28, 2016

This legislation, allowing for recall elections in the Village of Tobaccoville in Forsyth County, was filed after the mayor of the village resigned in January and then rescinded that resignation before the village council could meet again. The legislation allows for village residents to vote for recalling the mayor or village council members if a recall petition is submitted bearing 20 percent of the residents' signatures. A recall election is not allowed during either the first six months or last six months of the official's term.

HB 1126 Red Light Cameras/City of Greenville (Rep. Murphy)/ SB 877 Red Light Cameras/City of Greenville (Sen. Pate) – Law – SL 2016-64 effective July 1, 2016 and Oct. 1, 2016

Under this legislation, the City of Greenville follows the example of the City of Fayetteville from two years earlier, seeking to run a red-light camera program that complies with constitutional requirements. The program calls for fines of \$100 for violators. Fayetteville and other cities shut down red-light camera programs following a 2006



Town of Cary Councilmen Ken George & Jack Smith pictured with Representative Robert Rieves for League Lobby Day

court ruling that found High Point's program to be unconstitutional because the money was not going to the public schools. Legislators re-wrote the law in 2014, at the behest of Fayetteville officials, to sidestep that ruling by setting new parameters for agreements with camera contractors. Fayetteville officials also entered into a separate agreement with the Cumberland County School System whereby the school system would receive the money from fines and then remit a portion back to Fayetteville to pay for the costs of running the camera systems. This latest legislation adds Greenville to the list of cities and towns allowed to operate similar programs.



SB 878 Jonesville/Boonville/East Bend/Even-Yr. Elections (Sen. Krawiec) – Failed

This legislation would have required three Yadkin County towns to move municipal elections from odd-numbered years to even-numbered years. It was approved in the Senate, but never moved in the House. A provision in another bill, <u>SB 667 Elections Omnibus Revisions</u>, opposed by the League, anticipates moving all municipal elections to even-numbered years in the future, calling for a legislative study of how to implement the change.



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

<u>SB 897 Asheville City Council Districts</u> (Sen. Apodaca) – Failed

Coming on the heels of a bill approved in 2015 to redraw City Council districts in Greensboro, this bill would have re-configured municipal elections in Asheville, moving the city from atlarge elections to a district-only system, with the exception being the mayor. Just like Greensboro, the Asheville City Council was opposed to the change. Nonetheless, the bill moved through the Senate, and to the House floor on the final night of the legislative session. House

members of both parties, though, joined together to defeat the bill following a hour-long debate. Arguments prevailed that legislators should not be setting local elections districts, particularly without unanimous consent of local legislative delegations.

General Government

<u>HB 100 Local Government Immigration Compliance</u> (Rep. Cleveland) – Failed/<u>SB 868</u> <u>Local Government Immigration Compliance</u> (Sens. Sanderson and Newton) – Failed/<u>HB</u> <u>1069 2016 NC Employee Protection Act</u> (Reps. Cleveland, Conrad, Millis, and Whitmire) – Failed

The Senate suggested and passed an unprecedented proposal to block local governments from school and Powell Bill funding if they had "sanctuary" policies for immigrants in the country illegally, but the House did not take up the proposal for consideration. With similar language in HB 100 and SB 868, the Senate presented the proposal as a follow-up to legislation passed in 2015 to prevent cities from adopting ordinances or policies giving limited safe haven to undocumented immigrants (so called "sanctuary city" policies), including the acceptance of unofficial IDs. Throughout the proposal's consideration, the League expressed to legislators that all municipalities were currently complying with sanctuary city laws.

If passed, HB 100 would have allowed the state attorney general to launch an investigation upon receipt of an unverified "statement" by anyone who simply believes a local government is not in compliance with "a state law related to immigration." The League expressed concern over the



lack of due process in the bill, specifically that there was no provision for a hearing or a discovery opportunity. Under this proposal, the attorney general or his designee would be the investigator, prosecutor, judge and jury. If the attorney general found a city or town in violation, it would lose all of its public transportation funds for a year. If the attorney general then decided the city has not cured the problem within 60 days, then the city would lose all its transportation funding for another fiscal year. The local government would only have a right to an appeal where required by the U.S. or state constitutions.

Additionally, the bill would take away the exception placed in law last year to allow law enforcement to use otherwise prohibited IDs. Although the House did not take up the Senate's proposed language in HB 100, it did consider a bill (HB 1069) that would also repeal the law enforcement ID exception. Many legislators cited concern that nonprofit organizations were providing unofficial IDs to undocumented persons in reliance on the fact law enforcement could legally accept them; this created a concern by legislators that other governmental entities may also accept the IDs, which would be in violation of their 2015 sanctuary city legislation.

<u>HB 169 Restore State Claim for Wrongful Discharge</u> (Rep. Hager) – Law – SL 2016-99 effective July 18, 2016 <u>HB 946 Repeal HB2/Fund Human Relations Comm.</u> (Reps. Jackson, Meyer, Hamilton, G. Martin) – Failed <u>SB 784 Repeal HB2/Fund Human Relations Comm.</u> (Sens. Van Duyn, J. Jackson, Woodard) – Failed

Although discussions of S.L. 2016-3—or "HB 2," the law that prohibited local antidiscrimination ordinances that differed from the state's own law and dictated bathroom use across the state—dominated headlines and many closed-door meetings this session, the legislature ultimately only addressed one element of the controversial bill. That move came in HB 169, a law which partially reinstated the right to bring an employment anti-discrimination action in state court. One section of HB 2 had taken away that cause of action. House and Senate Democrats also filed identical bills (HB 946/SB 784) the first week of session to strike all of HB

2 and appropriate funds to the state's Human Relations Commission. Those bills never saw a hearing, and Senate leaders sent a message by routing SB 784 to a panel that is known for never meeting - Ways & Means.

<u>HB 402 Study Municipal Elections in Even Years</u> (Rep. Ford) – Failed <u>SB 667 Elections</u> <u>Omnibus Revisions</u> (Sen. Apodaca) – Law-- SL 2016-109

Continuing a trend of legislative involvement in many aspects of local elections, legislators in the last 24 hours of session authorized a study of how the state might move municipal elections to even-numbered years. Section 5 of SB 667 directed the Joint Legislative Elections Oversight Committee to study implementation options for changing the timing of municipal elections and to recommend any related legislation to the 2017 General Assembly. While the law did not make any statutory changes that would actually move elections to even-numbered years, it stated, "It is the intent of the General Assembly to provide for even-numbered year municipal elections, effective with the 2020 election cycle." Another proposal introduced last session, HB 402, would

23



have authorized a similar study of municipal elections. The League opposed any legislative changes that would remove the ability of local officials to determine their own election timing. Currently, nearly all N.C. municipal elections take place in odd-numbered years under a variety of statutorily-authorized methods. The new law also included a provision requiring the attorney general to defend any lawsuits challenging legislative redistricting plans for local governments.



Gov. Pat McCrory speaks to representatives of the League and the N.C. Association of County Commissioners

HB 407 Housing Authority <u>Transfers</u> (Reps. Stevens,

Glazier) – Failed The Senate stripped the original language in HB 407 and replaced it with new language to allow cities the option to transfer the powers, duties, and responsibilities of a public housing authority to a regional council of government. Although written as a statewide bill, the proposal stemmed from a controversy involving the

Hickory Housing Authority. The bill received favorable votes by two Senate committees and the full Senate, but the House did not take up the revised bill.

<u>HB 550 Raleigh Apodaca Service Dog Retirement Act</u> (Reps. Tine, Watford, and Waddell) – Law – SL 2016-101 effective October 1, 2016/<u>SB 849 Wake Cty Towns Donate Retired</u> <u>Service Animals</u> (Sens. Barringer, Chaudhuri, and Foushee) – Law – SL 2016-38 effective June 27, 2016/<u>SB 809 Honor Our Service Animals/Sheriff Contracts (Sen. Daniel)/HB 952</u> <u>Honor Our Service Animals/Sheriff Contracts</u> (Rep. Hastings) – Law – SL 2016-20 effective June 21, 2016/<u>HB 1009 Retired Service Animals/Certain Local Gov'ts</u> (Reps. Adcock, Dollar, Malone, and Avila) – Failed/<u>SB 247 Raleigh/Donate Service Animals to</u> <u>Officers</u> (Sens. Stein) -- Failed

After approving two local bills that would allow cities and counties in designated areas to donate a retired service animal to the local employee who had normal custody and control of the animal during its service (SB 849 and HB 952), both chambers unanimously approved a statewide bill that accomplished the same purpose. HB 550 also memorialized a recently departed K-9 companion -- Raleigh Apodaca, the English bulldog of Senate Rules Chairman Tom Apodaca. Individual bills over the years have allowed certain agencies to transfer service animals over to specified parties. This bill sets out statewide standards, allowing retiring police dogs, for instance, to go to the home of the officer who worked with the animal, or to the surviving spouse if such is the case.



HB 804 Kelsey Smith Act (Reps. Hurley, Glazier, Schaffer, and Lambeth) – Failed

The legislature adjourned before conferees could reach resolution on a bill to give law enforcement agencies easier access to cell phone data for locating endangered persons or dangerous suspects. Meant to find missing people who are believed to be in "imminent risk of death or serious physical harm or to be criminally involved in the imminent risk of death or serious physical harm to another," the proposal set circumstances under which law enforcement agencies could access telecommunications device data. The bill would require law enforcement to obtain a warrant to access the cell phone's location data.

<u>HB 950 Terminate Agreement for Tolling of I-77</u> (Rep. Cotham) – Failed <u>HB 954</u> <u>Terminate Agreement for Tolling of I-77</u> (Reps. Jeter, Hager, Bradford) – Failed

House members from the Charlotte area introduced a pair of bills that directed NCDOT to terminate the I-77 toll agreement according to the terms of the contract, including payment of damages and penalties by the state. The version ultimately approved by the House -- but not taken up by the Senate -- would have also suspended eight related road projects in the area, and it prohibited NCDOT from seeking out a public-private partnership for widening the interstate in Mecklenburg and Iredell counties as a toll managed lane project. The proposals came in response to vocal opposition from residents in northern Mecklenburg towns, where the State contracted with a private entity to widen I-77 and manage the road as a newly-tolled route.

<u>HB 972 Law Enforcement Recordings/No Public Record</u> (Reps. Faircloth, McNeill, Boles, and Hurley) – Law – SL 2016-88 effective October 1, 2016 for law enforcement recording portion

After intense study, stakeholder input and debate, the legislature passed North Carolina's first legislation related to police body-worn cameras. Of particular importance to municipalities, the legislation did not mandate the use of body-worn cameras by any law enforcement agency; it instead specifically addressed the disclosure and release of law enforcement recordings.

In an attempt to balance concerns about transparency and privacy, HB 972 makes it clear that these law enforcement recordings are neither a public record nor a personnel record. The legislation provides a detailed framework for when a recording may be viewed or released and to whom, providing statutory guidance to law enforcement officials and courts. Disclosure of a recording (which is just a viewing, not full release) may be provided by the law enforcement agency to someone who is depicted. However, authority to fully release a recording lies with the courts. Many legislators recognized the measure was a step in the right direction, noting that currently there is not a law that would require release of body-worn camera recordings.

During legislative deliberations, municipal officials' access to these recordings was discussed, and it was explained that the exception that allows for the release of the recordings within a law enforcement agency for administrative purpose would allow for recordings to be released to a city/town manager or attorney without having to make a request to a court. Before final approval, measures were added to the proposal to allow local health departments and non-governmental



agencies to create needle exchange programs, which have been used in other states to reduce the spread diseases by drug users.



Public Safety Risk Management Consultant Tom Anderson addresses League members

HB 1044 Law Enforcement Omnibus Bill

(Reps. Hager, J. Bell, Boles, and Burr) – Law – SL 2016-87 effective October 1, 2016 This bill makes various changes to law enforcement statutes, including the establishment of a "Blue Alert System" to aid in the apprehension of a suspect who inflicts serious bodily injury to a law enforcement officer; and the expansion of the definition of "emergency" as used in the North Carolina Emergency Management Act to include acts of terrorism, public health incidents, explosions, technological failures, or other incidents caused by transportation, radiological, chemical or hazardous materials accidents.

<u>SB 349 Amend Various Laws</u> (Sen. Randleman) – Failed

Utilizing large omnibus bills, legislators made multiple attempts to study and change various aspects of the state's public records laws this

session. Those big packages of legislation failed to gain final passage in every instance. Appearing in the last few days of session, Section 3 of SB 349 would establish a joint legislative study committee on public records and open meetings, authorizing that new committee to study "ways to improve transparency of State and local government in North Carolina." The House never gave final approval to this proposal—one of its own—which it originally attempted to move earlier in the session via HB 499 Study/Public Records & Open Meetings. In that case, parliamentarians ruled the bill ineligible for consideration.

Separately, both the House and the Senate advanced identical public records provisions in their respective regulatory reform bills (House provision, SB 303, Section 2.11; Senate provision, HB 593, Section 18). That provision would allow public agencies to exclusively fulfill public records responsibilities by making public records or computer databases available online in a downloadable format. Legislators faced questions about whether this provision conflicted with current law, which requires agencies to produce records in any format in which they exist, upon request. Ultimately, legislators amended this provision to state that an agency must allow a person to inspect online records in any alternate formats that existed. Legislators stated in committee debate that they included this provision at the request of the state's registers of deeds,



who had raised concerns that their offices were becoming less efficient by having to respond to requests for paper copies of records that were already available publicly online.

<u>SB 734 Statewide Standing Order/Opioid Antagonist</u> (Sens. Pate, Tucker, and Robinson) – Law – SL 2016-38 effective June 20, 2016

This bill makes North Carolina one of three states to allow pharmacies to dispense the overdosereversing drug naloxone without a prescription. The drug reverses overdose effects from drugs such as heroin and other painkillers. The law will make it easier for law enforcement officers and other first responders to treat overdoses.

<u>SB 865 State Health Plan/Admin Changes/Local Govts</u> (Sen. Sanderson) – Law – SL 2016-104 effective July 22, 2016 and Jan. 1, 2017

This bill raised the number of local government employees permitted to be enrolled in the State Health Plan from 10,000 to 16,000 persons and allows certain local governments to leave the plan, if they give notice to the plan by September 15.

Planning & Land Use



(Left to right) Clayton Mayor Jody McLeod, Cary Council Member Jennifer Robinson, Governor Pat McCrory, Department of Environmental Quality Secretary Donald van der Vaart and Department of Commerce Chief of Staff Cecilia Holden participate in a panel discussion on Town Hall Day

HB 3 Omnibus Constitutional Amendments (Reps. McGrady, Stam, Lewis, Goodman) – Failed HB 548 Conforming Changes/Constitutional Amend. (Reps. Bishop, Stam, Bryan, Hamilton) -- Failed SB 817 Const. Amd. – Max. Income Tax Rate of 5.5% (Sens. Rucho, Rabon, Tillman) – Failed Senators made three attempts this session to pass a suite of constitutional amendment proposals, though the House declined to hear any of them. HB 3 and HB 548 worked together to propose ballot language for the constitutional questions as well as necessary statutory changes on topics dealing with

eminent domain, income tax rate limitations, state emergency reserves, and the right to hunt and fish. The House had approved the eminent domain language last year in HB 3 and in other bills during previous legislative sessions. The proposal would prohibit private property from being taken by condemnors except for public use. The income tax rate language from SB 817 made its way into HB 3 as well, and it would limit the rate to 5.5 percent. The emergency reserves proposal would mandate that the legislature deposit specific amounts into the state's emergency reserve accounts every year until they reached 12 percent of the annual budget, and it would also limit future legislatures' ability to tap those reserves.



<u>HB 483 Land-Use Regulatory Changes</u> (Rep. Jordan) – Law – SL 2016-111 effective July 22, 2016

After intense pressure and opposition from League members and private land use litigators, the legislature approved a stripped-down version of the original HB 483 on the last day of session. The final bill granted statutory vested rights for multi-phase developments for a period of seven years. The vested rights period would begin upon site plan approval for the initial phase of the "multi-phase development," a term defined in the bill. All debate on prior versions of HB 483 this session took place in the Senate, with League members objecting to its impact on taxpayers and property owners, as well as its chilling effect on local government land use decisions. Mostly addressing how land use lawsuits are litigated, the original language incentivized litigation at local taxpayer expense, weakened protections for neighboring property owners of new developments, and undermined infrastructure performance guarantees that protect new property owners and local taxpayers.

HB 169 Regulatory

Reduction Act of 2016 (Rep. Hager) – Failed (ed. 6 and prior; final bill became HB 169 Restore State Claim for Wrongful Discharge, S.L. 2016-99) <u>HB 593 Amend Environmental & Other</u> Laws (Rep. McElraft) – Failed <u>HB 763 Military</u> Operations Protection Act of 2016 (Reps. Millis, J. Bell, Riddell) – Failed <u>SB 303</u> Regulatory Reform Act of 2016 (Sens. Barefoot, J. Davis,

Hise) – Failed



NCLM President Lestine Hutchens presents Sen. Joel Ford with the League's Community Champions Award at the League's Annual Conference

None of this year's numerous regulatory reform packages succeeded in gaining final approval of the General Assembly. The casualties included one House proposal (SB 303) and three Senate proposals (HB 169, HB SB, and HB 763). Ultimately, in the last two days of session, legislative leaders appointed a conference committee to work through the provisions in all four of these bills. Presumably, conferees would have proposed one final bill that contained all the provisions agreed upon by the committee. However, the committee never made a final report prior to adjournment.

A trio of land use law changes represented the biggest concerns for cities and towns among all the different bills. Appearing as part of the House's regulatory reform package in SB 303, these provisions affected code enforcement, rezoning and subdivision changes.



<u>Code Enforcement:</u> Of most concern to cities, the code enforcement provision (Section 2.6) instituted a six-year statute of limitations for enforcement of any local or state land-use regulations, beginning when a violation was "apparent" from a public right-of-way or in plain view from a place to which the public was invited. Within that six-year period, the provision also shortened the time frame for code enforcement to three years once the local government actually knew of the violation. Finally, the proposal contained one exclusion to this limitation, in the cases of enforcement of dangers to public health or safety.

<u>Rezoning</u>: The rezoning provision (Section 2.4) made any zoning amendment also a comprehensive plan amendment by operation of law.

<u>Subdivision Changes:</u> The subdivision changes provision (Section 2.5) exempted from subdivision controls (except for recording a plat) any subdivisions of land greater than five acres into three-or-less lots. Before giving final approval to this proposal, the House added numerous League-requested clarifications, including language that ensured these lots would still adhere to a local government's development standards. This section also exempted from all subdivision controls those subdivisions done in accordance with the terms of a probated will or the state's intestate succession laws.

Other issues of interest to cities and towns were spread among the remaining regulatory reform proposals, as noted below:

<u>Riparian Buffers:</u> The House proposed a study of when to allow local governments to exceed riparian buffer requirements (SB 303, Section 3.9). The study would also look at what measures the state should consider to ensure local governments did not exceed their statutory authority for establishing those buffer requirements. Legislators stated that they intended the study to clarify how the Department of Environmental Quality interpreted buffer reforms adopted by the legislature last year.

<u>Public Records:</u> Both the House (SB 303) and the Senate (HB 593) included identical provisions regarding public records, discussed more fully in the item on <u>SB 349 Amend Various Laws</u>.

<u>State Building Code</u>: The House ultimately removed a provision in SB 303 (Section 2.15, ed. 4) opposed by cities and the state's firefighters that proposed a study to streamline the state building code. Based on discussions at the N.C. Building Code Council earlier this year—where council members considered eliminating significant provisions of the fire code—fire and municipal stakeholders grew concerned that the House study aimed for the same result. State policymakers added those sections to the state building code following the 1991 Hamlet chicken plant fire that killed 25 people. As a result, local fire marshals now inspect buildings during construction to ensure fire safety measures are correctly installed. The state building code also authorizes fire marshals to inspect the fire safety features of non-residential structures on a regular basis after construction.



<u>Electronics in Landfills:</u> The Senate proposed a repeal of a current landfill ban on electronics (such as televisions and computers) and requirements to recycle that electronic waste (HB 169, Section 4.1, ed. 6 and prior). Together, these changes would likely increase the volume of materials headed to local landfills. The bill's proposed repeal followed <u>an interim study</u> of electronics recycling <u>that resulted in no recommended legislation</u>.

<u>Built-upon Area Definition</u>: The Senate tried to build on success in past sessions of limiting the surfaces that state law will consider to be "built-upon area," or impervious surface. Section 2 of HB 593 would exempt additional surfaces of landscaping material from the definition of built-upon area in the implementation of stormwater programs.

<u>Reporting Requirements:</u> Following the recommendation of an interim environmental oversight committee, both the House (SB 303) and Senate (HB 169) proposed removing reporting requirements for state agencies and local governments, including <u>a recent requirement</u> for cities and towns to tell the state about certain engineering plan review processes.



Fairview Mayor Phil Thomas addresses fellow mayors during the one of the League's regional New Mayor Orientation sessions.

Tall Structures/Military Installations:The Senate tried twice to limit tallbuildings and structures near militaryinstallations, in both HB 763 and SB843 Renewable Energy PropertyProtection. Legislators stated concernsthat tall structures such as windturbines would harm the state's abilityto retain military installations in theeastern part of the state, due tointerference with military trainingflight paths. Opponents suggested thatthe proposals merely served to prevent

development of wind and other alternative energy sources in the state. In particular, SB 843 enlarged current statutory language detailing the state permitting process for wind energy facilities to include renewable energy facilities such as solar installations. Among other provisions, that bill also required setbacks for wind and renewable energy facilities of 1.5 miles from adjacent property lines or 2.5 times a wind turbine height from state and municipal road rights-of-way. It also required landscaping buffers and screening for solar installations.

<u>HB 1023 Municipal Service Districts/Statutory Changes</u> (Rep. Davis) – Law --SL 2016-8, effective June 1

For a second session in a row, the legislature made changes to the municipal service district (MSD) statutes that expanded and strengthened the procedures related to establishing, enlarging and abolishing districts. An MSD is a specialized tax district created to provide properties in the district with additional services. Most often in North Carolina, municipal boards form them to



provide business owners enhanced downtown development services, although many coastal communities use them to finance beach renourishment projects. The law mirrored the proposal approved by an interim study committee that heard testimony from numerous cities and towns. The League testified during <u>the House Local Government Committee</u> debate this session, expressing support for the bill and citing its improved transparency in the MSD process.



NCLM Board member and Shelby Council Member Dennis Bailey and Shelby Mayor Stan Anthony take part in a League Lobby Day

SB 326 Local

<u>Gov'ts/Bldgs/Structures/Inspections</u> (Sens. Gunn, Meredith, Apodaca) – Ratified

In the last three days of session, the House resurrected and finalized a rental registration proposal that had raised serious concerns for cities in previous legislative sessions. However, prior to its favorable consideration by the Senate this year, the House modified the measure. The amendments included changes requested by cities with rental registration programs, including Durham, Fayetteville, and Winston-Salem, as well as a

change requested by the N.C. Sheriff's Association. During floor debate on the measure, legislators indicated that with those amendments, the concerned parties had withdrawn their objections to the bill. Even with the modifications, the law still places restrictions on the ways cities run rental registration programs. Cities around the state have used these programs successfully to force absentee landlords to address repeated housing violations on their properties, improving the quality of available housing and protecting the public safety of neighboring tenants and property owners. The proposal had been introduced in each the last two legislative biennia, appearing in HB 530/SB 442 this session and receiving one favorable House committee vote in 2015.

<u>SB 481 Fund Sm Business/DOR Rulings/City Rt of Way</u> (Sens. Barringer, Hise, Gunn) – SL 2016-103, effective on various dates

Section 9 of this bill prohibits municipalities from charging utility companies fees related to work in municipal rights-of-way. First appearing in Section 19 of <u>HB 593 Amend Environmental</u> <u>& Other Laws</u>, the law prohibits such fees unless the cost of managing a right-of-way exceeds the revenue distributions that cities receive from utility-related taxes. Cities administer permits for work in municipal rights-of-way, and as utility companies have increased right-of-way activities, such as the laying of fiber for high-speed Internet connections, some cities have instituted fees to help offset the costs of issuing these permits. The new law bans these fees. The League worked with bill sponsors and other stakeholders to delay the effective date of the



change to July 1, 2017, ensuring that cities that had already passed budgets containing revenues from these fees wouldn't have budget holes at the start of the new fiscal year.

SB 770 NC Farm Act of 2016 (Sens. B. Jackson, Brock, and Cook) – Ratified

The session's omnibus legislation to address agriculture reforms passed without containing controversial provisions related to water withdrawals. As introduced, it contained a provision to exempt agricultural water withdrawals from any future Capacity Use Area designation (CUA), allowing agricultural withdrawals to occur without any regulation. The provision related to CUA was ultimately removed due to House members' concerns of meeting the needs of other water users, noting that the CUA designation is only assigned when a water source is in danger of running dry and that North Carolina doesn't have withdrawal permit for water. The bill also contained changes to certain building inspections, clarifying the types of minor heating, plumbing, and electrical work that may be performed without a local permit (Section 13).

SB 778 Performance

Guarantees/Subdivision Streets

(Sens. Wade, Brock, B. Jackson) – Failed

This proposal restricted the types of street improvements

that municipalities could require of schools and gave the N.C. Department of Transportation final approval of the design of any of those requirements. Specifically, the bill limited the types of street improvements that municipalities could require of

schools to those (1) related to safe

(Right to left) League First Vice President and Zebulon Mayor Bob Matheny, Government and Public Affairs Director Rose Vaughn Williams and Executive Director Paul Meyer discuss strategy before a trip to the state government complex

ingress and egress and (2) that were also physically connected to a school's driveway. The proposal placed the costs of these improvements on NCDOT. Before passage, <u>the</u> bill sponsor ran an amendment removing sections of the bill that would have allowed schools by right in all local zoning districts. The House unanimously passed this proposal, but the Senate never considered it.

Environment & Utilities

<u>HB 630 Drinking Water Protect'n/Coal Ash Cleanup Act</u> (Rep. Yarborough) – Law – SL 2016-95 effective on various dates/<u>SB 71 Comm'n Appointment Modifications</u> (Sen. Lee) – Vetoed

After the governor vetoed the legislature's initial attempt to address legal issues that had arisen from the 2014 Coal Ash Management Act (SB 71), the legislature debuted and finalized HB 630 on the last week of session. HB 630 addressed the manner in which electricity providers such as



Duke Energy must clean up coal ash ponds and directed those providers to provide alternate drinking water supplies to property owners near the coal ash impoundments, with a preference given to public water supplies. Importantly, at the request of the League, the bill included language to protect the solvency of public water systems that would risk financial stability if providing water to affected property owners was unsustainable for the system.

HB 1074 Schools/CC Facilities (Rep. Hager) – Failed

This bill would have required all public schools and child care facilities constructed before 1987 to test drinking water fountains for lead and remove all sources of lead if tests exceed federal drinking water standards. It also called for the state Department of Environmental Quality and the Department of Health and Human Services to study the federal EPA's Lead and Copper Rule and report findings to legislative oversight committees. Although focused on the piping in schools and child care facilities, the testing could have also looked at public water suppliers, including those operated by municipalities. While calling for testing, the bill did not include money for remediation.

SB 779 Issuance of Advisories/Drinking Water Standards/HB 1005 Issuance of

Advisories/Drinking Water Stds (Sens. Wade, Brock, and B. Jackson/ Rep. Dixon) – Failed The Environmental Review Commission, the legislative interim committee that studies environmental topics, recommended legislation that would have disallowed State or local health boards from issuing drinking water advisories for wells or public water supplies unless pursuant to EPA drinking water standards; state drinking water or groundwater standards; or in response to an imminent threat to public healthy, safety, welfare, or the environment. These bills were an attempt to address the fact that state health officials sent "do not drink" letters to owners of private drinking water wells around Duke Energy power plants for detected levels of pollutant that were much more stringent than the standards set by the U.S. Environmental Protection Agency (EPA) for public water systems or any state standard.



APPENDIX I

Index of all bills mentioned in this Bulletin



BillNo	Bill Title	Status	Bulletin Section
<u>HB 1030</u>	2016 Appropriations Act	Law	Tax & Finance/Budget
<u>HB 1069</u>	2016 NC Employee Protection Act	Failed	General Govt
<u>HB 1134</u>	Admin. Changes Retirement System/Treasurer	Failed	Tax & Finance/Budget
<u>SB 887</u>	Admin Changes/Modernize Retirement System	Failed	Tax & Finance/Budget
<u>HB 593</u>	Amend Environmental &; Other Laws	Failed	Planning & Land Use
<u>SB 349</u>	Amend Various Laws/Study Golf Course Tax Policy	Failed	General Govt
<u>SB 897</u>	Asheville City Council Districts	Failed	Local Bills
<u>SB 846</u>	Change the LOST Adjustment Factor	Failed	Tax & Finance/Budget
<u>SB 71</u>	Comm'n Appointment Modifications	Failed	Environment & Utilities
HB 548	Conforming Changes/Constitutional Amend	Failed	General Govt
<u>SB 817</u>	Const. Amd Max. Income Tax Rate of 5.5%	Failed	Tax & Finance/Budget
<u>HB 1128</u>	Cornelius Limits	Failed	Local Bills
<u>SB 879</u>	Cornelius Limits/Mecklenburg County Police	Failed	Local Bills
<u>HB 959</u>	DOT Proposed Legislative Changes	Law	Tax & Finance/Budget
<u>HB 630</u>	Drinking Water Protect'n/Coal Ash Cleanup Act	Law	Environment & Utilities
<u>HB 1029</u>	Economic Development Changes & Study	Failed	Tax & Finance/Budget
<u>SB 810</u>	Economic Development Changes & Study	Failed	Tax & Finance/Budget
<u>SB 667</u>	Elections Omnibus Revisions	Law	General Govt
<u>HB 1082</u>	Eliminate Use of Development Tiers	Failed	Tax & Finance/Budget
<u>SB 844</u>	Eliminate Use of Development Tiers	Failed	Tax & Finance/Budget
<u>HB 392</u>	Fayetteville Charter/PWC Changes	Law	Local Bills
<u>SB 481</u>	Fund Sm Business/DOR Rulings/City Rt of Way	Law	Planning & Land Use
HB 1132	Glen Alpine Deannexation	Law	Local Bills
<u>SB 882</u>	Glen Alpine Deannexation	Failed	Local Bills
<u>HB 952</u>	Honor Our Service Animals/Sheriff Contracts	Law	General Gov't
<u>SB 809</u>	Honor Our Service Animals/Sheriff Contracts	Law	General Gov't
<u>HB 407</u>	Housing Authority Transfers	Failed	General Govt
<u>SB 779</u>	Issuance of Advisories/Drinking Water Stds	Failed	Environment & Utilities
<u>SB 46</u>	Jacksonville Occupancy Tax	Failed	Local Bills
<u>SB 878</u>	Jonesville/Boonville/East Bend/Even-Yr Elec'n	Failed	Local Bills



BillNo	Bill Title	Status	Bulletin Section
<u>HB 804</u>	Kelsey Smith Act	Failed	General Govt
<u>HB 483</u>	Land-Use Regulatory Changes	Law	Planning & Land Use
<u>HB 1044</u>	Law Enforcement Omnibus Bill	Law	General Govt
<u>HB 972</u>	Law Enforcement Recordings/No Public Record	Law	General Govt
<u>HB 1035</u>	LGC/Training for Local Gov't Finance Officers	Law	Tax & Finance/Budget
<u>SB 868</u>	Local Government Immigration Compliance	Failed	General Govt
<u>HB 100</u>	Local Government Immigration Compliance	Failed	General Govt
<u>SB 326</u>	Local Gov'ts/Bldgs/Structures/Inspections	Ratified	Planning & Land Use
<u>SB 774</u>	Marvin and Asheboro/Deannexation	Law	Local Bills
<u>HB 1022</u>	Maxton Deannex/Siler City Satellite Annex	Law	Local Bills
<u>HB 763</u>	Military Operations Protection Act of 2016	Failed	Planning & Land Use
<u>HB 1023</u>	Municipal Service Districts/Statutory Changes	Law	Planning & Land Use
<u>SB 770</u>	NC Farm Act of 2016	Ratified	Planning & Land Use
<u>HB 1017</u>	Norwood Deannexations/Annexation	Law	Local Bills
<u>HB 3</u>	Omnibus Constitutional Amendments	Failed	Planning & Land Use
<u>HB 1039</u>	Omnibus Occupancy Tax Changes	Failed	Tax & Finance/Budget
<u>SB 778</u>	Performance Guarantees/Subdivision Streets	Failed	Planning & Land Use
<u>HB 1090</u>	Prosperity & Econ. Opportunity for All NC Act	Failed	Tax & Finance/Budget
<u>SB 826</u>	Prosperity & Econ. Opportunity for All NC Act	Failed	Tax & Finance/Budget
<u>HB 550</u>	Raleigh Apodaca Service Dog Retirement Act	Law	General Govt
<u>SB 247</u>	Raleigh/Donate Service Animals to Officers	Failed	General Govt
<u>HB 1126</u>	Red Light Cameras/City of Greenville	Law	Local Bills
<u>SB 877</u>	Red Light Cameras/City of Greenville	Law	Local Bills
<u>HB 169</u>	Regulatory Reduction Act of 2016	Version Failed	Planning & Land Use
<u>SB 303</u>	Regulatory Reform Act of 2016	Failed	Planning & Land Use
<u>SB 843</u>	Renewable Energy Property Protection	Failed	Environment & Utilities
<u>HB 946</u>	Repeal HB2/Fund Human Relations Comm	Failed	General Govt
<u>SB 784</u>	Repeal HB2/Fund Human Relations Comm	Failed	General Govt
<u>HB 988</u>	Repeal Light Rail Funding Cap	Failed	Tax & Finance/Budget
<u>SB 857</u>	Repeal Light Rail Funding Cap	Failed	Tax & Finance/Budget
<u>HB 169</u>	Restore State Claim for Wrongful Discharge	Law	General Govt
<u>HB 1009</u>	Retired Service Animals/Certain Local Gov'ts	Failed	General Govt



BillNo	Bill Title	Status	Bulletin Section
<u>SB 886</u>	Retirement Amendments	Law	General Govt
<u>HB 1011</u>	Retirement Technical Corrections Act of 2016	Law	Tax & Finance/Budget
<u>SB 803</u>	Rev Laws Technical, Clarifying & Admin. Chg	Law	Tax & Finance/Budget
<u>SB 874</u>	Sanford/Harnett OT	Failed	Local Bills
<u>HB 1074</u>	Schools/CC Facilities	Failed	Local Bills
<u>SB 865</u>	State Health Plan/Admin Changes/Local Govts	Ratified	General Govt
<u>SB 734</u>	Statewide Standing Order/Opioid Antagonist	Law	General Govt
<u>HB 402</u>	Study Municipal Elections in Even Years	Failed	General Govt
<u>HB 469</u>	Sunset Beach/Parking Meter Proceeds	Law	Local Bills
<u>HB 950</u>	Terminate Agreement for Tolling of I-77	Failed	General Gov't
<u>HB 954</u>	Terminate Agreement for Tolling of I-77	Failed	General Gov't
<u>HB 1058</u>	Tobaccoville Recall Elections	Law	Local Bills
<u>SB 823</u>	Tobaccoville Recall Elections	Law	Local Bills
<u>HB 1131</u>	Town of Andrews/ETJ Authority	Law	Local Bills
<u>SB 852</u>	Town of Bakersville/Town of Clyde/Deannex	law	Local Bills
<u>SB 739</u>	Town of Rolesville/Annexation	Law	Local Bills
<u>SB 875</u>	Town of Sunset Beach/Deannexation	Failed	Local Bills
<u>SB 729</u>	Various Changes to Rev Laws	Law	Tax & Finance/Budget
<u>SB 363</u>	Wage & Hour/Local Gov't Assessments	Failed	Tax & Finance/Budget
<u>SB 849</u>	Wake Cty Towns Donate Retired Service Animals	Law	General Govt
<u>SB 141</u>	Weaverville Annexation/Deannexation	Failed	Local Bills
<u>SB 50</u>	Wilson County Occupancy Tax Modification	Law	Local Bills
<u>HB 1056</u>	Yadkin Occupancy Tax Modification	Failed	Local Bills



APPENDIX II

2015 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, following the belief that the government closest to the people governs best.
- Seek legislation to strengthen the law regarding municipal decision-making authority of public enterprise service provisions beyond municipal limits and ensure the existing municipal public enterprise service system is given deference in order to support orderly growth.
- Support measures which maximize the ability of local governments to provide and manage high-quality services, including utilities and public enterprises, to meet the needs of the community, and oppose legislation that weakens or removes local control over public assets.
- Seek legislation to create a cooperative municipal-county planning framework for growth that allows for public participation, orderly development on the urbanizing edges of municipalities, and a streamlined dispute resolution process.
- Support legislation authorizing new, fair, transparent and nonpartisan methods of drawing legislative and congressional districts.
- Seek legislation to reestablish authority for city-initiated annexation of "doughnut holes," areas of land that are complete 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 that allows aesthetic-based design standards for residences and commercial properties in and adjacent to existing neighborhoods, including designated historic districts, as well as for all structures when based on public safety.

Preserve Municipalities' Fiscal Health

- Seek legislation to modernize and enhance the existing 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;
 - Allowing all municipalities to adopt occupancy taxes and use revenues from those taxes to fund municipal service and infrastructure costs in order to support travel and tourism;
 - Providing all municipalities with additional local option tax revenue sources, including to replace the significant revenue lost through elimination of the local privilege license tax; and
 - Providing a uniform state rate of tax on sales by internet-based retailers to



facilitate and encourage passage of federal marketplace fairness legislation, with a reasonable method of distribution from the state to local government.

- Seek legislation providing municipalities with additional local option tax revenue sources to replace the significant revenue lost through elimination of the local privilege license tax.
- Seek legislation to alter the current statutes governing distribution of local sales taxes by:
 - Establishing alternative methods which counties may use to distribute sales tax revenues, including, but not limited to, a combination of existing distribution formulas and/or new distribution formulas, including factors such as the location of the point of sale;
 - Requiring a one-year delay in implementation when a county changes its method of distributing sales tax revenue; and
 - Requiring a study of the impact of any change in sales tax distribution method, including input from all affected municipalities, before any such change could be implemented.

Promote Economic Growth and Vibrant Municipalities

- Support legislation providing the funding for state-level incentive programs necessary to keep North Carolina competitive in its efforts to bring additional jobs and economic development to local communities.
- Support legislation that provides municipalities with additional tools/incentives to encourage developers to undertake economic development projects in economically distressed or blighted areas of a city, such as land banks and other tools.
- Support legislation to establish a competitive film incentive program and preserve the state historic tax credits.
- Oppose legalization of internet sweepstakes operations; however, if internet sweepstakes operations are legalized, support legislation that would protect the land use decision-making authority and authorize municipalities to levy taxes on said operations.
- Seek legislation preventing municipalities from being additionally charged for services which are already funded through the payment of county property taxes.
- 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, and meets the needs of local employees, employees, and retirees.
- Seek legislation to give municipalities the option to use electronic legal public notices in lieu of publication in a newspaper.
- 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.



Strengthen Our Public Infrastructure

- Seek or support legislation to generate additional revenues to address growing transportation needs at the state and local level, and enable local governments to enter into alternative financing mechanisms to complete local transportation projects.
- Support legislation enabling municipalities to access a portion of the proceeds of any statewide transportation bonds.
- Oppose legislation that weakens or removes local control over public assets.
- Seek legislation to authorize a state bond to provide low-cost loans to local governments and authorities for infrastructure.
- Seek legislation to increase Clean Water Management Trust Fund appropriations and restore the fund's recurring appropriation.
- Seek legislation that will restore the dedicated funding source for the Parks & Recreation Trust Fund to maintain funding for land acquisition and development of municipal recreation facilities.
- 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.

Create Transparent and Flexible Regulation

- Seek more open, transparent and flexible regulatory procedures that support solutions addressing nutrient impairment in waters based on current site-specific data and analysis, demonstrate use impairment, assign responsibility proportionate to the source of impairment, and 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 administrative changes to water, wastewater, and stormwater infrastructure funding programs to prioritize public projects that: repair, rehabilitate, or replace existing failing infrastructure; reduce nonpoint source pollution, even when a permit condition requires the measures; protect or improve the quality of drinking water sources; assist systems in managing assets; contain a long-range planning components; incentivize innovative projects; or address impaired waters.
- Support legislation to create a legal framework that recognizes the rights of municipal government to allocations from navigable and non-navigable waterway resources in an amount adequate to meet the community's long-range water supply needs.
- Seek legislation that restores and clarifies municipalities' ability create stream, wetland, nutrient and buffer mitigation banks and provides methods and procedures for doing so.



Seek Common Sense Federal Action

- Seek clarification of the EPA's proposed definition of "waters of the United States" to address municipalities' concerns, including the following:
 - Exempting from jurisdictional waters human-made ditches.
 - Exempting from jurisdictional waters Municipal Separate Storm Sewer Systems (MS4s).
- Support legislation allowing municipalities to collect the sales tax they are currently owed on purchases from Internet-based retailers.



APPENDIX III

The League's Governmental Affairs Team





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 have any questions, please do not hesitate to contact any team member.

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