CHARLOTTE

Charlotte City Council

Governmental Affairs Committee

Meeting Summary for June 7, 2010

COMMITTEE AGENDA TOPICS

I. **Subject:** **Update on Federal Legislative Issues (Appropriations Requests)**
Action: None.

II. **Subject:** **Update on 2010 State Legislative Short Session**
Action: None.

III. **Subject:** **June 16 Town Hall Day Plans**
Action: None.

IV. **Subject:** **Hot Topics**
Action: None.

V. **Subject:** **Next Meeting**
Action: Tuesday, September 7 at 4:00 p.m. in Room 280

COMMITTEE INFORMATION

Present: Nancy Carter, Warren Turner, Patrick Cannon and Andy Dulin
Absent: Susan Burgess
Time: 4:00 p.m. to 4:53 p.m.

ATTACHMENTS

1. Agenda Package
2. Dana Fenton's Week 3 State Legislative Update
3. Copies of: SB 1209, SB 1136, HB 1691, HB 1717, HB 1765, HB 1828
4. 2010 Town Hall Day

DISCUSSION HIGHLIGHTS

Committee Discussion:

Council member Carter welcomed everyone to the meeting and asked those in attendance to introduce themselves.

I. Update on Federal Legislative Issues (Appropriations Requests)

Chair Carter turned the meeting over to Dana Fenton. Mr. Fenton told the Committee things in DC were "heating up" and Rich Gold from Holland & Knight would give an update via conference call.

Mr. Gold advised the Committee that normally by this time Congress would have adopted a budget or budget resolution, but due to continued activity on healthcare reform and financial services, there still is no budget. So, there is no total amount of money to figure. The 2011 budget goes from October 1, 2010 to September 30, 2011 and it just hasn't started moving. Usually this time of year, they will start to short circuit the budget with a "deeming resolution". You may have heard that term referred to with the healthcare passage.

They would rather go through the entire process with a total dollar figure to spend next year, so that is where they are headed in the next couple of weeks. Appropriations will move shortly from the House to the Senate. We have been working with staff and the Mayor and Delegation did an excellent job during the League of Cities.

Quick updates …

Northeast Corridor – The Senate appropriation is $40 million for FY2011. We want to appropriate $40 million in the House. Kissell requested $2.5 million, but he is doing that across the board. He decided he would request no more than $2.5 million for any project this year. It should not adversely affect anything. And, his office understands our concerns. We are in good shape in the House and Senate. They know Charlotte has a good track record.

Gang of One – Watt, Kissell, Burr and Hagan have requested $148,000 for juvenile and Department of Justice staff.

Briar Creek – Request was made in the House and Senate. This would be part of the Corps of Engineers budget. We hope to break though with Watt and Kissell, but Hagan has a back-up plan with the EPA's budget.

Priority Offenders – Hagan, Watt and Kissell have requested $1.5 million. Burr did not submit anything as part of Reagan 21, which basically is to not add new projects but just those originally requested before the pledge to cut down on spending.

Emergency Co-location – Watt and Hagan have supported this through Homeland Security appropriations. This is the first bill to move and will be talked about this week. Staff has said we have done a good job of meeting the requirements, so we'll see what happens.

Expect to see, generally, that Congress will get no work done before the election. Probably two or three bills and then nine or ten after. They will be looking at the Department of Defense, Homeland Security and Military Construction and leave the other nine bills with no final passage. They might mark them up before leaving, but we have some sense that they will be left standing and not enacted. After the election, we can expect an omnibus bill possibly like what they did in 2007. They could finish the omnibus in January or early February, but we will keep pushing.

Carter: I think Council member Cannon as Chair of Community Safety would be in favor of the Gang of One, Priority Offenders and Emergency co-location. I noticed you didn't mention Myrick and there is no movement on the Northeast Corridor?

Gold: No, I didn't mention her. She is waiting on the new Congress. In her mind, she wants to see what the new Congress passes and see about the deficit. A lot of members are connecting projects. All of the money in the formulas won't go to Charlotte, but will go to other cities; it will not go to the deficit if not spent. She is sensitive, but not engaging, but has been helpful in other ways.

Mr. Gold concluded that he was hopeful everything would be in place January 2011 to push forward.

Dulin: Stay on it for us.

Carter: Thank you. You will see several of us up there in the near future.

Gold: Great. We'd love to get together to go over strategy.

Carter: Mr. Fenton can also reach us whenever if you need us.

[Turner arrives]

II. <u>Update on 2010 State Legislative Short Session</u>

Dana Fenton advised the Committee he had provide copies of his Week 3 Report as well as copies of several bills that are currently under review. As for the City's agenda, the first two local bills have been introduced – raising the emergency fund and changes to the Firefighters Retirement System. They were introduced by Representative Alexander and Senator Graham. They are in the House Pension Retirement Committee. No Senate bills have been heard.

Transitional Setbacks - Mr. Kimble advised the Independence Boulevard Area Plan is working its way to Council, but there are some issues. Council made some changes to the width of the transitional setbacks a year or so ago. Briar Creek to Conference Drive was reduced from 350 to 250; Conference Drive to the outer terminus was reduced from 350 to 280. The setbacks were created to protect the corridor with future roads so transit can be built within the setback. Close to town, the setback was left at 350. The question is can we reduce this more? The noise walls have already been built.

Dulin: What's the distance of the noise walls?

Kimble: 250, except one spot is 220.

Pleasant: The noise walls are outside the transitional setbacks, but development does encroach.

Dulin: Thanks, that gives me an idea of what it looks like.

Kimble: The amenities fit within the noise walls at Independence and I-277. We want to leave it at 350 at the interchange because it will need to be redone in the future.

Carter: Is it 250 or 350?

Kimble: It is no closer than 250 except one spot.

Pleasant: At 350 it gets into private property.

Mr. Kimble continued that Senators Clodfelter and Rucho as well as Representative Carney have been having conversations on this subject. They have been listening to issues raised by the property owners and this is a good opportunity for us to put some maps together. The right-of-way can either be 250 or 280 with transitional setbacks, but there are other setback lines with zoning. Before bringing a plan to Council, we needed to have more discussion. But, property owners might start appearing before Council. Why is this important? Because the State legislators are also starting to get questions and we don't want this issue resolved at the State level. We need more dialogue. The Economic Development Committee requested staff handle/resolve this issue before continuing discussions on the Independence Boulevard Area Plan. So, they know there is a delay. The issue is to keep this at the local level and out of the State level.

Carter: Thank you for the maps that were provided to the leadership in the eastside. The flexibility was most appreciated and staff has been very responsive.

Broadband Bill – This bill has been the most interesting and Senator Hoyle has issued a

substitute bill, which is a "study" bill. The substitute places a moratorium on local governments using debt not requiring a vote of the public to finance the purchase of a "communication system". This definition has been written to exclude internal governmental networks like what the City proposed for the public safety broadband system. We would have had to work with the other bill to get that definition changed.

Carter: So, it is within the local boundaries and partners?

Fenton: Local governments who can reference a partner's agreement, like an interlocal agreement.

Carter: The current system would be grandfathered?

Fenton: Current and prospective.

Kimble: We have the agreements that cover us.

Mr. Fenton continued that Senate Bill 1209 (the Broadband Bill) will be considered tonight at 7:00 p.m. There was another bill that was introduced in the House, but we're not sure the status. Staff will be watching this issue as are other localities that provide internet and cable. The study should take a few months and the intent is to come back next year with legislation. At the present time, we appear to be safe.

Carter: Thank you for your work on this issue. I understand Senator Clodfelter requested you personally to speak to the issue.

Fenton: I have had a lot of great help here from BSS and the Attorney's Office.

Kimble: And, Kelli Kukura from the League.

Fenton: Exactly – a great team effort.

Senate Bill 1136 – Introduced by Senator Rucho, which would regulate towing so that signs would display name and phone number of towing company, prevent transport of vehicle more than 15 miles away from place of removal and limit fees to be charged that are "reasonable". One of the issues is the City ordinance that establishes rate towers for private towing and exactly what "reasonable" means. Mark Newbold has drafted some alternative language for consideration.

Cannon: I know Council member Dulin has spoken on this issue previously and our hope of trying not to do towing beyond the City limits but keep this germane to us. If the vehicle goes beyond our boundaries, they can trump us with fees. I'd like to thank him for trying to keep our authority.

Dulin: They might work well together. I am hearing there are multiple layers. But, we can't let cars here get towed to Shelby.

Turner: We need to make sure 1136 is a solid bill. I am not proposing how this is affecting us. It would be great to look at how this was addressed in the past. It can be a circus here with illegal towing. It becomes a criminal matter. We need to make sure our bill is a good bill.

Kimble: There are a few cities that have already addressed this issue. Sometimes these are not written like the local bill, but we want to preserve and protect our authority.

House Bill 1691 (911) – This is the result of a House study that covers how to expand the funds that are expended when 911 receives calls. Those funds do not cover equipment or dispatch and the legislation would broaden the use within the four walls of the center. There is a provision to change the method of distribution to a formula versus the current per capita method. The formula would be developed by the 911 Board and they are considering a variety of measures. This is a case where we like one part of the bill but not the other.

Turner: Are 311 calls that are forwarded to 911 recorded?

Kimble: We can look into that.

Turner: We need to make sure we aren't losing revenue because we are not getting credit for calls that went to 311 versus 911.

Interbasin Transfers (IBTs) – Senator Clodfelter introduced legislation at the request of the Environmental Resource Commission to authorize DENR to use injunctive relief in the event a water system violates a permit within the state. It would make their power commensurate with violating air and water quality standards. Those are usually reserved to address immediate problems like black smoke or fish killed. With an Interbasin Transfer you might not know about the violation for some time and not all IBTs are the same.

Carter: This sounds like a back door attack.

Fenton: Mike Boyd is helping us with this issue.

Kimble: Mr. Fenton will be preparing these weekly reports and will invoke the rapid response "attack" team if he finds we need Council members in Raleigh. He's keeping a good watch on these issues.

Dulin: Are Graham and Donnelly helpful to us? You've mentioned Clodfelter and Rucho several times.

Fenton: Yes, I've spoken with them several times on issues.

Dulin: Just wanted to make sure everyone is engaged.

Carter: Senator Graham is the sponsor of several of our bills and Donnelly is second in command.

ABC Reform – The issue for the City is the revenue stream.

Sales Tax on Accommodations – Essentially this is the result of a third party lawsuit to online providers like hotels.com not remitting the full sales tax. The fix here is favorable to the City.

Carter: Of course, the hotel tax impacts our facilities Uptown. I am very concerned about the IBTs.

Cannon: What about 1136 – towing? It says fees charged should be "reasonable" in as much as we can be discussing this can we make sure the fee side is more definitive?

Fenton: Yes. That word got to be me too because there can be different definitions. There was a subsection added that cites may regulate this, so I think we will be in good shape.

Kimble: We want to preserve the local authority.

III. June 16 Town Hall Day Plans

Mr. Fenton reminded the Committee Town Hall Day has been scheduled for Wednesday, June 16. The Town of Matthews as in years past has planned a reception/dinner that the City has been invited to participate in; however, we know most Council members will be in Boston.

Carter: I am going to Raleigh on June 15. But, I believe 11 Council members are going to Boston.

Fenton: Council member Turner is going to Town Hall Day.

Carter: Thank you!

Kimble: Dana Fenton, Keith Richardson and Mac McCarley will be staff attending Town Hall Day.

IV. Hot Topics

None.

V. Next Meeting

Mr. Kimble reminded the Committee their next meeting isn't until September due to the summer schedule; however, staff would like to reserve the opportunity to get together if something comes up. The State legislators say they plan to be out by July 4.

Mr. Fenton added that there were several red shirts the last time he was in Raleigh and the House and Senate are not ready to address that issue. Ms. Carter noted the strategy of moving Town Hall Day seemed to work.

Next Meeting: Tuesday, September 7, 2010 at 4:00 p.m. in Room 280

Meeting Adjourned.

Governmental Affairs Committee

Monday, June 7, 2010 at 4:00 p.m.
Charlotte-Mecklenburg Government Center
Room 280

Committee Members: Nancy Carter, Chair
Warren Turner, Vice Chair
Susan Burgess
Patrick Cannon
Andy Dulin

Staff Resource: Ron Kimble

AGENDA

I. Update on Federal Legislative Issues (Appropriations Requests) – Holland & Knight via Conference Call

II. Update on 2010 State Legislative Short Session – Dana Fenton and Committee Members

- Charlotte's Local Bills
- Transitional Setback Status
- Broadband Bill Status
- Other Statewide Issues

III. June 16 Town Hall Day Plans

IV. Hot Topics

V. <u>Next Meeting:</u>

September 7, 2010 at 4:00 p.m. in Room 280

Distribution: Mayor/City Council, Mac McCarley, Greg Gaskins, Curt Walton, City Manager, Stephanie Kelly, Kim Eagle, Leadership Team, Bob Hagemann

CHARLOTTE.

CITY MANAGER'S OFFICE
M E M O R A N D U M

May 28, 2010

TO: Ron Kimble, Deputy City Manager

FROM: Dana Fenton, Intergovernmental Relations Manager

SUBJECT: **Week 2 State Legislative Update**

HOT TOPIC

Last week, the North Carolina Senate passed out its version of the state budget (SB 897) on Thursday, May 20. The Senate's budget did not include funding of the Governor's proposed Mobility Fund. As proposed by the Governor, the Fund would generate $300 million for projects of statewide significance and be funded by various fees. The first project to be funded would be the replacement of the Yadkin River Bridge while NCDOT and local governments would collaboratively develop a prioritization process for future projects. All modes of transportation would be eligible including highway, rail, aviation, ports, ferry, transit, bike and pedestrian projects. The Metropolitan Mayors Coalition and North Carolina League of Municipalities support the creation of the Fund.

On Thursday, May 27, the House Appropriations Subcommittee on Transportation reported out a committee report that included a modified version of the Mobility Fund that depends upon transfers and annual appropriations as its source of funding. The only project identified for funding would be the widening of I-85 north of the Yadkin River Bridge, which is a distinct phase of the Yadkin River Bridge project. House leadership is working towards final approval of the House version by Friday, June 4.

DEVELOPING ISSUES

- Broadband (SB 1209)

Last week, Senator Hoyle introduced the broadband bill that addresses on a statewide basis how local governments may compete with private telecommunications providers in the provision of cable television and internet services to businesses and residents. The bill requires local governments, when debt financing is required to fiannce the purchase, maintenance and repair these systems, to seek approval of the voters to issue general obligation bonds for these activities. This approach would preclude the use of certificates of participation (COPS) which

are not subject to voter approval. The issue for the City of Charlotte is whether the proposed public safety braodband system would be subject to the bill. In its introduced form, the proposed system would be subject to SB 1209. Since the proposed system is not intended to compete with private providers staff is working to ensure the proposed system is not subject to the final bill. SB 1209 is expected to be heard Tuesday, June 1 in Senate Finance.

- Towing from Private Lots (SB 1136)

Senator Rucho introduced this bill to strengthen regulation of towing from private lots in certain localities, including Charlotte, and added Mecklenburg County to the list of localities covered by this statute. Bill was introduced in reaction to a vehicle parked without permission in a private lot in Huntersville which was towed to the towers lot in Shelby. Due to the distance, the owner was unable to pick up the vehicle for a considerable amount of time. Bill would require signs to display name and phone number of towing company, prevent transport of vehicle more than 15 miles away from place of removal and limit fees charged to those that are "reasonable". The provision over the fees conflicts with City ordinance that establishes rates towers may charge for private towing, which staff has discussed with the Senator. A proposed amendment has been drawn up for the Senator to consider that allows the City to continue setting the rate towers may charge for such services. There is also a house companion measure HB 1866.

- 911 (HB 1691)

Legislation was introduced to make several changes to the 911 statutes that govern how funds received from the State for the receiving of emergency calls may be used and their distribution methods. The expanded uses of funds will be beneficial to the City. The North Carolina League of Municipalities supports the expanded uses of funds. However another provision reverting from a statutory based per capita method of distribution to a formula developed by the 911 Board would insert a level of uncertainty into the annual budgeting process. The City receives approximately $4.8 million per year from the fund.

LEGISLATIVE AGENDA

- Business Privilege License Tax

At this point in time, legislation has not been filed impacting the City's ability to collect the Business Privilege License Tax. While it has been reported that some members would desire to address this issue in the short session, there is a greater desire to adopt a state budget before the end of June and adjourn shortly thereafter while addressing this and other tax issues in 2011.

- Annexation

2009 HB 524, which was passed by the House in July 23, 2009 and sent to the Senate, was rereferred by the Senate this week from Senate Finance to Senate Committee on Rules and Operations of the Senate.

- Retention of State's Minimum 50% of Non Federal match on Transit Projects

No action taken on this issue.

- State Participation in Non Federal Transit Projects

No action taken on this issue.

➢State Maintenance Funding on Rail Transit Projects
No action taken on this issue.

➢Charlotte Firefighters Retirement System
City requested legislation has been filed. The bills numbers are HB 1934 (M. Alexander) and SB 1336 (Graham). HB 1934 was reported favorably out of House Local Government I and was re-referred to House Pensions and Retirement.

➢Law Enforcement Officers Emergency Fund
City requested legislation introduced in House by Rep. M. Alexander (HB 1935) and introduced in Senate by Senator Graham (SB 1402). HB 1935 was reported favorably out of House Local Government I and was re-referred to House Pensions and Retirement.

CHARLOTTE.

CITY MANAGER'S OFFICE
MEMORANDUM

June 4, 2010

TO: Curt Walton, City Manager
Ron Kimble, Deputy City Manager

FROM: Dana Fenton, Intergovernmental Relations Manager

SUBJECT: **Week 3 State Legislative Update**

HOT TOPIC

House of Representatives approved their version of the State budget early Friday, June 4. The budget now goes back to the Senate for concurrence. Undoubtedly the Senate will reject the House amendments so that the bill can go to conference.

A notable difference between the Senate and House versions was that the House included a modified version of the Mobility Fund proposed by the Governor while the Senate did not. The House version includes enough funding from Highway Trust Fund transfers to widen I-85 north of the Yadkin River Bridge while the Governor's proposal included both transfers and fee increases to fund the Yadkin River Bridge replacement, more interstate maintenance and supplemental Powell Bill funds. Mobility Funds would not be subject to the Equity Formula, which is good for Charlotte as Equity Formula funding tends to minimize the amount of transportation funding needed for high growth areas.

Both House and Senate budgets count on the federal government extending the enhanced federal Medicaid match for an additional six months which would provide $490 million for North Carolina in FY 2011. At this point, the Congress has not approved the extension. Nationwide 26 states have adopted budgets that count on the extension being granted. If the Congress does not appropriate the funds, then the State will have to make deeper reductions to its budget that will likely have consequences upon local governments.

DEVELOPING ISSUES

➢ Broadband (SB 1209 - Hoyle)
The Senate is preparing to pass on Monday, June 7 a substitute version of the broadband bill introduced by Senator Hoyle. The substitute calls for a study of how local governments may

compete with private telecommunications providers in the provision of cable television and internet services to businesses and residents. The substitute places a moratorium on local governments using debt not requiring a vote of the public to finance the purchase, maintenance and repair of a "communication system" that enable cable television and Internet service to be provided to residents and businesses. The definition of a "communication system" has been written to exclude internal governmental networks similar to what the City of Charlotte is envisioning for the proposed public safety broadband system. There are several exemptions from the moratorium for those localities that have already started to develop or have been operating such systems, and those that need the funding in order to match federal grants. The moratorium will be in place while the Revenue Laws Study Committee examines the issue and until a bill passed during the 2011 session becomes effective or if a bill is not enacted the adjournment of the 2011 session.

- Towing from Private Lots (SB 1136 - Rucho)

Senator Rucho introduced SB 1136 to strengthen regulation of towing from private lots in certain localities, including Charlotte, and added Mecklenburg County to the list of localities covered by the statute. Bill was introduced in reaction to a vehicle parked without permission in a private lot in Huntersville which was towed to the towers lot in Shelby. Due to the distance, the owner was unable to pick up the vehicle for a considerable amount of time. Bill would require signs to display name and phone number of towing company, prevent transport of vehicle more than 15 miles away from place of removal and limit fees charged to those that are "reasonable". The provision over the fees conflicts with City ordinance that establishes rates towers may charge for private towing, which staff has discussed with the Senator. A proposed amendment has been drawn up for the Senator to consider that allows the City to continue setting the rate towers may charge for such services. There is also a house companion measure HB 1866. SB 1136 will be heard Wednesday, June 9.

- 911 (HB 1691 - Faison)

Legislation was introduced to make several changes to the 911 statutes that govern how funds received from the State for the receiving of emergency calls may be used and their distribution methods. The expanded uses of funds will be beneficial to the City. The North Carolina League of Municipalities supports the expanded uses of funds. However another provision reverting from a statutory based per capita method of distribution to a formula developed by the 911 Board would insert a level of uncertainty into the annual budgeting process. The City receives approximately $4.8 million per year from the fund. HB 1691 will be head Wednesday, June 9.

- Interbasin Transfers (SB 1169 - Clodfelter / HB 1765 - Gibson)

Bills were introduced by Senator Clodfelter and Representative Gibson of Anson County at the request of the Environmental Resource Commission to authorize the Department of Environment and Natural Resources to use injunctive relief to ensure compliance with Interbasin Transfer laws. According to State staff, injunctive relief is already authorized for the enforcement of air and water quality standards so an extension of such relief to interbasin transfer issues is merely a "clarification" of existing law. However, the provision of water to customers is substantially different from the violation of air and water quality standards. City staff is working with stakeholders from other regions and State staff to seek a greater understanding of the issues involved and possible alternative remedies for violations.

➢ ABC Reform (SB 1112 - Vaughan / HB 1717 – M. Lucas)
Companion bills were introduced to reform local Alcoholic Beverage Control systems. HB 1717 will be heard Tuesday, June 8. The issue for the City is ensuring current streams of revenue from such activities continue.

➢ Sales Tax on Accommodations (SB 1185 – Hartsell / HB 1828 – Luebke)
Companion bills introduced to clarify that the sales tax on hotel accommodations is based on the sales price paid by the consumer regardless of whether it is paid to the hotel or to a third party. Third party providers such as Hotel.Com charge and remit sales taxes on the amount the third party pays for rooms instead of the amount the consumer pays for rooms resulting in lower revenues remitted to local governments. The issue for the City is that it would receive additional revenue if this legislation is enacted.

LEGISLATIVE AGENDA

➢ Business Privilege License Tax
At this point in time, legislation has not been filed impacting the City's ability to collect the Business Privilege License Tax. While it has been reported that some members would desire to address this issue in the short session, there is a greater desire to adopt a state budget before the end of June and adjourn shortly thereafter while addressing this and other tax issues in 2011.

➢Annexation
2009 HB 524, which was passed by the House on July 23, 2009 and sent to the Senate, was rereferred by the Senate from Senate Finance to Senate Rules and Operations of the Senate.

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No action taken on this issue.

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GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

S 2

SENATE BILL 1209
Finance Committee Substitute Adopted 6/2/10

Short Title: Study Competing Systems/Interim Debt. (Public)

Sponsors:

Referred to:

May 19, 2010

A BILL TO BE ENTITLED

AN ACT TO DIRECT THE REVENUE LAWS STUDY COMMITTEE TO CONTINUE ITS REVIEW OF LOCAL GOVERNMENT OWNED AND OPERATED COMMUNICATION SYSTEMS AND TO TEMPORARILY LIMIT THE FINANCING OPTIONS FOR THESE SYSTEMS.

The General Assembly of North Carolina enacts:

SECTION 1. Communication system. – As used in this act, the term "communication system" means a system that provides high-speed broadband Internet access service or other Internet access service, cable service, telecommunications service, video programming service, or a combination of these services. The terms "cable service," "telecommunications service," and "video programming service" have the same meanings as in G.S. 105-164.3.

SECTION 2.(a) Study. – The Revenue Laws Study Committee is directed to continue its study begun in 2009 of local government owned and operated communication systems and to report its findings and any recommended legislation on this subject to the 2011 General Assembly by March 1, 2011. As part of its study, the Committee shall determine the following:

(1) The extent to which current law authorizes units of local government to offer communication services not traditionally thought of as cable television services.

(2) The requirements and standards that should apply to a unit of local government and to a private provider when the local unit offers a communication service that is offered by a private provider.

(3) Whether varying or different provisions are needed to accommodate communication systems placed in service by cities before the effective date of this act.

(4) Policies and incentives that can be established to facilitate the offering and expansion of communication service by both public and private service providers, including public-private ventures and other opportunities.

SECTION 2.(b) Membership. – In conducting the study described in subsection (a) of this section, the Revenue Laws Study Committee cochairs are authorized to appoint an advisory subcommittee and to ask the Local Government Commission to designate an individual to participate in the subcommittee's deliberations in an exofficio, nonvoting capacity. The subcommittee may consist of no more than 12 members and may include individuals who are not members of the Committee or of the General Assembly, eight of whom represent the following interests:

(1) A cable service provider.

(2) A wireless telecommunications service provider.
(3) A local exchange provider that is not a wireless telecommunications service provider.
(4) A local exchange provider that is a wireless telecommunications service provider.
(5) A city that operates a cable system and an electric power system as a public enterprise.
(6) A city that operates a cable system as a public enterprise and does not operate an electric power system as a public enterprise.
(7) A city that is a member of a joint agency established under G.S. 160A-462 for the operation of a cable system as a public enterprise.
(8) The North Carolina League of Municipalities.

SECTION 3.(a) Interim Financing Provisions. – The Local Government Commission may not approve an application for financing under G.S. 160A-20 or G.S. 160A-466 by a unit of local government or a joint agency for a communication system that provides consumer Internet service at retail until the date a bill recommended to the 2011 Regular Session of the 2011 General Assembly by the Revenue Laws Study Committee as a result of the study directed by Section 2 of this act becomes law or, if a bill is not recommended by that Committee or is not enacted, until the adjournment of the 2011 Regular Session of the 2011 General Assembly. Consumer Internet service at retail does not include systems and services provided by a unit of local government only for its own use or, pursuant to an interlocal or service agreement, for use by other units or agencies of government.

The prohibition in this section does not apply to an application submitted by any of the following:

(1) A unit of local government or a joint agency that, as of June 1, 2010, had previously entered into a contract under G.S. 160A-20 or G.S. 160A-466 to finance a communication system that provides consumer Internet service at retail.
(2) A unit of local government that meets all of the following requirements:
   a. As of June 1, 2010, has contracted with an outside party for a high-speed broadband Internet feasibility study. A high-speed broadband Internet feasibility study is a study that addresses the potential market for a publicly owned consumer Internet service at retail, explores a system design and deployment strategy for various models and levels of service, or identifies the investments in property and equipment necessary to develop a system under various models and levels of service.
   b. On or before December 1, 2010, has taken formal action, as reflected in the minutes of the city council's meetings, to instruct city staff to file an application with the Local Government Commission to approve a contract by the city to finance a communication system that provides consumer Internet service at retail.
(3) The recipient of a federal grant, if the recipient stated in its grant application that it would provide any matching funds required as a condition of receiving the grant through financing under G.S. 160A-20.
(4) A unit of local government chosen by Google for its Fiber Project, if the financing is needed to qualify as the Fiber Project.

SECTION 3.(b) Interim Notice Requirements. – A unit of local government that plans to submit an application to the Local Government Commission during the period the prohibition in subsection (a) of this section is in effect and whose application is eligible for approval during this period because of the exclusion in subdivision (2) of that subsection must hold a public hearing on the proposed application and must send written notice to each person

that provides consumer Internet service at retail within the unit of its intent to submit an application. The notice must be sent at least 15 days before the date of a public hearing held on the proposal. If the unit submits an application to the Local Government Commission after the public hearing, the Local Government Commission must accept written and oral comments from the providers the unit is required to notify under this subsection.

SECTION 3.(c) New Requirements Apply. – A unit of local government whose application to the Local Government Commission is approved under subdivision (a)(2) of this section will be fully subject to the requirements of any bill enacted by the 2011 Regular Session of the 2011 General Assembly upon the recommendation of the Revenue Laws Study Committee as a result of the study directed by Section 2 of this act.

SECTION 4. This act is effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1209

AMENDMENT NO. 1
(to be filled in by
Principal Clerk)

S1209-ATD-72 [v.7]

Comm. Sub. [YES]
Amends Title [NO]
Second Edition

Date 6-3 ,2010

Senator Hoyle

moves to amend the bill on page 1, line 10, by deleting the phrase "services." and inserting the phrase "services at retail.";

and on page 1, line 25, by inserting between the words "service" and "by" the phrase "or financed under G.S. 160A-20";

and on page 2, line 14, by deleting the phrase "G.S. 160A-20" and substituting the phrase "G.S. 160A-19, G.S. 160A-20,";

and on page 2, line 16, by deleting the phrase "that provides consumer Internet service at retail";

and on page 2, line 20, by deleting the phrase "Consumer Internet service at retail" with the phrase "A communication system";

and on page 2, lines 27 through 28, and on page 2, lines 40 through 41, by deleting the phrase "system that provides consumer Internet service at retail." and substituting the phrase "system.";

ADOPTED

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1209

AMENDMENT NO. 1
(to be filled in by
Principal Clerk)

S1209-ATD-72 [v.7]

and on page 2, line 33, by deleting the phrase "consumer Internet service at retail," and substituting the phrase "communication system,";

and on page 2, lines 42 through 44, by rewriting those lines to read:

"(3) The recipient of a federal broadband stimulus grant, if the financing is needed to provide any matching funds required as a condition of receiving the grant.";

and on page 3, line 1, by deleting the phrase "consumer Internet service at retail" and substituting the phrase "communication service".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED 42-2 FAILED _____ TABLED _____

6-3-10
J. Pruitt

ADOPTED

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

S 1

SENATE BILL 1136

Short Title:	Regulate Towing From Private Lots.	(Public)
Sponsors:	Senators Rucho; Bingham, Brown, Brunstetter, Clodfelter, Dannelly, Forrester, Goodall, Graham, Hoyle, Jones, Preston, Rouzer, Stevens, and Tillman.	
Referred to:	Transportation.	

May 17, 2010

A BILL TO BE ENTITLED

AN ACT TO STRENGTHEN THE REGULATION OF THE TOWING OF VEHICLES FROM PRIVATE LOTS IN CERTAIN COUNTIES AND CITIES, AS RECOMMENDED BY THE JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-219.2 reads as rewritten:

"§ 20-219.2. Removal of unauthorized vehicles from private lots.

(a) It shall be unlawful for any person other than the owner or lessee of a privately owned or leased parking space to park a motor or other vehicle in such private parking space without the express permission of the owner or lessee of such space; provided, that such private parking lot be clearly designated as such by a sign no smaller than 24 inches by 24 inches prominently displayed at the entrance ~~thereto~~ thereto, displaying the name and phone number of the towing and storage company, and the parking spaces within the lot be clearly marked by signs setting forth the name of each individual lessee or owner; a vehicle parked in a privately owned parking space in violation of this section may be removed from such space upon the written request of the parking space owner or lessee to a place of storage and the registered owner of such motor vehicle shall become liable for removal and storage charges. Any person who removes a vehicle pursuant to this section shall not be held liable for damages for the removal of the vehicle to the owner, lienholder or other person legally entitled to the possession of the vehicle removed; however, any person who intentionally or negligently damages a vehicle in the removal of such vehicle, or intentionally or negligently inflicts injury upon any person in the removal of such vehicle, may be held liable for damages.

(a1) Any vehicle removed pursuant to this section shall not be transported for storage more than 15 miles from the place of removal.

(a2) Any person or company that tows or stores a vehicle pursuant to this section shall charge reasonable fees for the services rendered, and any fee charged shall not exceed the fee for other service calls the person or company provides for the same service, labor, and conditions.

(b) Any person violating any of the provisions of this section shall be guilty of a Class 3 misdemeanor and upon conviction shall be only fined not more than ten dollars ($10.00) in the discretion of the court.

(c) This section shall apply only to the Counties of Craven, Dare, Forsyth, Gaston, Guilford, Mecklenburg, New Hanover, Orange, Richmond, Robeson, Wake, Wilson and to the Cities of Durham, Jacksonville, Charlotte and Fayetteville. "

SECTION 2. This act becomes effective October 1, 2010.

A BILL TO BE ENTITLED

AN ACT TO STRENGTHEN THE REGULATION OF THE TOWING OF VEHICLES FROM PRIVATE LOTS IN CERTAIN COUNTIES AND CITIES, AS RECOMMENDED BY THE JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE

Assembly of North Carolina enacts:

SECTION 1. G.S. 20-219.2 reads as rewritten:

"§ 20-219.2. Removal of unauthorized vehicles from private lots.

(a) It shall be unlawful for any person other than the owner or lessee of a privately owned or leased parking space to park a motor or other vehicle in such private parking space without the express permission of the owner or lessee of such space; provided, that such private parking lot be clearly designated as such by a sign no smaller than 24 inches by 24 inches prominently displayed at the entrance thereto thereto, displaying the name and phone number of the towing and storage company, and the parking spaces within the lot be clearly marked by signs setting forth the name of each individual lessee or owner; a vehicle parked in a privately owned parking space in violation of this section may be removed from such space upon the written request of the parking space owner or lessee to a place of storage and the registered owner of such motor vehicle shall become liable for removal and storage charges. Any person who removes a vehicle pursuant to this section shall not be held liable for damages for the removal of the vehicle to the owner, lienholder or other person legally entitled to the possession of the vehicle removed; however, any person who intentionally or negligently damages a vehicle in the removal of such vehicle, or intentionally or negligently inflicts injury upon any person in the removal of such vehicle, may be held liable for damages.

(a1) Any vehicle removed pursuant to this section shall not be transported for storage more than 15 miles from the place of removal.

(a2) Any person or company that tows or stores a vehicle pursuant to this section shall charge reasonable fees for the services rendered, and any fee charged shall not exceed the fee for other service calls the person or company provides for the same service, labor, and conditions.

(b) Any person violating any of the provisions of this section shall be guilty of a Class 3 misdemeanor and upon conviction shall be only fined not more than ten dollars ($10.00) in the discretion of the court.

(c) This section shall apply only to the Counties of Craven, Dare, Forsyth, Gaston, Guilford, Mecklenburg, New Hanover, Orange, Richmond, Robeson, Wake, Wilson and to the Cities of Durham, Jacksonville, Charlotte and Fayetteville. "

(d) This section is not intended to preempt the ability of a city or county mentioned above to regulate by ordinance for the removal of unauthorized vehicles from private lots or for the establishment of a reasonable towing fee for services rendered.

SECTION 2. This act becomes effective October 1, 2010.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

H 2

HOUSE BILL 1691
Corrected Copy 5/17/10

Short Title: Use of 911 Funds. (Public)

Sponsors: Representatives Bryant, Faison, Sager, West (Primary Sponsors); M. Alexander, Bordsen, Braxton, Brown, Burr, Cole, Cotham, Crawford, England, Farmer-Butterfield, Fisher, E. Floyd, Glazier, Goodwin, Hughes, Insko, Johnson, Justice, Love, Luebke, Mackey, May, McLawhorn, Michaux, Owens, Pierce, Setzer, Spear, Tarleton, Tolson, Wainwright, E. Warren, R. Warren, Weiss, Wilkins, and Wray.

Referred to: Public Utilities, if favorable, Finance.

May 13, 2010

A BILL TO BE ENTITLED

AN ACT TO AMEND THE STATUTES GOVERNING EMERGENCY TELEPHONE SERVICE AS RECOMMENDED BY THE HOUSE SELECT COMMITTEE ON THE USE OF 911 FUNDS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 62A-41 reads as rewritten:

"(a) Membership. – The 911 Board is established in the Office of Information Technology Services. Neither a local government unit that receives a distribution from the fund under G.S. 62A-46 nor a telecommunication service provider may have more than one representative on the 911 Board. The 911 Board consists of 17 members as follows:

(1) Four members appointed by the Governor as follows:
  a. An individual who represents municipalities appointed upon the recommendation of the North Carolina League of Municipalities.
  b. An individual who represents counties appointed upon the recommendation of the North Carolina Association of County Commissioners.
  c. An individual who represents a VoIP provider.
  d. An individual who represents the North Carolina chapter of the National Emergency Number Association (NENA).

(2) Six members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives as follows:
  a. An individual who is a sheriff.
  b. ~~Two individuals~~An individual who ~~represent~~ represents CMRS providers operating in North Carolina.
  c. An individual who represents the North Carolina chapter of the Association of Public Safety Communications Officials (APCO).
  d. Two individuals who represent local exchange carriers operating in North Carolina, one of whom represents a local exchange carrier with less than 50,000 access lines.
  e. A fire chief upon the recommendation of the North Carolina Firemen's Association.

(3) Six members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate as follows:

a. An individual who is a chief of police.

b. Two individuals who represent CMRS providers operating in North Carolina.

c. ~~An individual who represents the North Carolina chapter of the National Emergency Number Association (NENA).~~ An emergency management director upon the recommendation of the North Carolina Association of Rescue and Emergency Management Services.

d. Two individuals who represent local exchange carriers operating in North Carolina, one of whom represents a local exchange carrier with less than 200,000 access lines.

(4) The State Chief Information Officer or the State Chief Information Officer's designee, who serves as the chair.

(b) Term. – A member's term is ~~four~~ three years. No member may serve more than two terms. Members remain in office until their successors are appointed and qualified. Vacancies are filled in the same manner as the original appointment. The Governor may remove any member for misfeasance, malfeasance, or nonfeasance in accordance with G.S. 143B-13(d).

...."

SECTION 1.(b) Other than the position removed by this act or individuals prohibited from serving on the Board due to duplicate representation prohibited by this act, the existing members of the 911 Board shall continue to serve until the expiration of their original terms. An existing member may not be reappointed to the Board if he or she has served two terms on the 911 Board.

SECTION 2.(a) G.S. 62A-42(a) reads as rewritten:

"(a) Duties. – The 911 Board has the following powers and duties:

...

(4) To establish ~~policies and procedures~~policies, procedures, and primary PSAP operating standards to fund advisory services and training for PSAPs and to provide funds in accordance with these ~~policies and procedures.~~policies, procedures, and standards for PSAP operations.

...

(9) To adopt rules to implement this Article. This authority does not include the regulation of any enhanced 911 service, such as the establishment of technical ~~standards.~~standards for telecommunications service providers to deliver 911 voice and data.

..."

SECTION 2.(b) G.S. 62A-46(c) is amended by adding a new subdivision to read:

"(5) A PSAP must comply with the rules, policies, procedures, and operating standards for primary PSAPs adopted by the Board."

SECTION 2.(c) Subsection (b) of this section becomes effective July 1, 2011.

SECTION 3. G.S. 62A-42(b) reads as rewritten:

"(b) Prohibition. – In no event shall the 911 Board or any other State agency lease, construct, operate, or own a communications network for the purpose of providing 911 service. The 911 Board may pay private sector vendors for provisioning a network for the purpose of providing 911 service."

SECTION 4.(a) G.S. 62A-42(a)(6) reads as rewritten:

"(6) To make and enter into contracts and agreements necessary or incidental to the performance of its powers and duties under this Article and to use revenue available to the 911 Board under G.S. 62A-44 for administrative

expenses to pay its obligations under the contracts and agreements. The Board may use funds available to the Board under G.S. 62A-47 to pay its obligations incurred for statewide 911 Projects."

SECTION 4.(b) G.S. 62A-45(c) reads as rewritten:

"(c) Grant Reallocation. – If the amount of reimbursements to CMRS providers by the 911 Board for a fiscal year is less than the amount of funds allocated for reimbursements to CMRS providers for that fiscal year, the 911 Board may reallocate part ~~or all~~ of the excess amount to the PSAP Grant and 911 Statewide Projects Account established under G.S. 62A-47. The 911 Board may reallocate funds under this subsection only once each calendar year and may do so only within the three-month period that follows the end of the fiscal year. If the 911 Board reallocates more than a total of three million dollars ($3,000,000) to the PSAP Grant and 911 Statewide Projects Account in a calendar year, it must consider reducing the amount of the service charge in G.S. 62A-44 to reflect more accurately the underlying costs of providing 911 system services.

The 911 Board must make the following findings before it reallocates funds to the PSAP Grant and 911 Statewide Projects Account:

(1) There is a critical need for additional funding for PSAPs in rural or high-cost areas to ensure that enhanced 911 service is deployed throughout the State.

(2) The reallocation will not impair cost recovery by CMRS providers.

(3) The reallocation will not result in the insolvency of the 911 Fund."

SECTION 4.(c) G.S. 62A-47 reads as rewritten:

"§ 62A-47. PSAP Grant and Statewide 911 Projects Account.

...

(b) Grant Application. – A PSAP may apply to the 911 Board for a grant from the ~~PSAP Grant~~ Account. An application must be submitted in the manner prescribed by the 911 Board. The 911 Board may approve a grant application and enter into a grant agreement with a PSAP if it determines all of the following:

(1) The costs estimated in the application are reasonable and have been or will be incurred for the purpose of promoting a cost-effective and efficient 911 system.

(2) The expenses to be incurred by the applicant are consistent with the 911 State Plan.

(3) There are sufficient funds available in the fiscal year in which the grant funds will be distributed.

(4) The costs are authorized PSAP costs under ~~G.S. 62A-46(c).~~G.S. 62A-46(c) or (c1).

(c) Grant Agreement. – A grant agreement between the 911 Board and a PSAP must include the purpose of the grant, the time frame for implementing the project or program funded by the grant, the amount of the grant, and a provision for repaying grant funds if the PSAP fails to comply with any of the terms of the grant. The amount of the grant may vary among grantees. If the grant is intended to promote the deployment of enhanced 911 service in a rural area of the State, the grant agreement must specify how the funds will assist with this goal. The 911 Board must publish one or more notices each fiscal year advertising the availability of grants from the PSAP Grant Account and detailing the application process, including the deadline for submitting applications, any required documents specifying costs, either incurred or anticipated, and evidence demonstrating the need for the grant. Any grant funds awarded to PSAPs under this section are in addition to any funds reimbursed under G.S. 62A-46.

(d) Statewide 911 Projects. – The Board may use funds from the Account for statewide projects if the Board determines the project meets all of the following requirements:

(1) The project is consistent with the 911 plan.

(2) The project is cost effective and efficient when compared to the aggregated costs incurred by primary PSAPs for implementing individual projects.

(3) The project is an eligible expense under G.S. 62A-46(c) or (c1).

(4) The project will have statewide benefit for 911 service."

SECTION 4.(d) G.S. 62A-43(d) reads as rewritten:

"(d) Adjustment of Charge. – The 911 Board must monitor the revenues generated by the service charge. If the 911 Board determines that the rate produces revenue in excess of or insufficient for the amount needed, the 911 Board ~~must reduce~~may adjust the rate. The ~~reduced~~ rate must ensure full cost recovery for voice communications service providers and for primary PSAPs over a reasonable period of time. A change in the amount of the rate becomes effective only on July 1 of ~~an even numbered~~any year. The 911 Board must notify providers of a change in the rate at least 90 days before the change becomes effective."

SECTION 5. G.S. 62A-44(b) reads as rewritten:

"(b) Allocation of Revenues. – The percentage of the funds remitted under G.S. 62A-43 which ~~The~~ the 911 Board may deduct and retain for its administrative expenses is initially set at one percent (1%) of the total service charges collected. The 911 Board must monitor the amount of funds required to meet its financial commitment to providing technical assistance to primary PSAPs and may, if costs warrant, adjust the percentage up to two percent (2%).~~up to one percent (1%) of the total service charges remitted to it under G.S. 62A-43 for deposit in the 911 Fund.~~ The remaining revenues remitted to the 911 Board for deposit in the 911 Fund are allocated as follows:

..."

SECTION 6.(a) G.S. 62A-46(a) reads as rewritten:

"(a) Monthly Distribution. – The 911 Board must make monthly distributions to primary PSAPs from the amount allocated to the 911 Fund for PSAPs. ~~The amount to be distributed to each primary PSAP is the sum of the following:~~

~~(1) The PSAP's base amount. – The PSAP's base amount is the amount the PSAP received in the fiscal year ending June 30, 2007, and deposited in the Emergency Telephone System Fund of its local governing entity, as reported to the State Treasurer's Office, Local Government Division.~~

~~(2) The PSAP's per capita amount. – The PSAP's per capita amount is the PSAP's per capita share of the amount designated by the Board under subsection (b) of this section for the per capita distribution. The 911 Board must use the most recent population estimates certified by the State Budget Officer in making the per capita distribution under this subdivision. A PSAP is not eligible for a distribution under this subdivision unless it provides enhanced 911 service~~ A PSAP is not eligible for a distribution under this subsection unless it provides enhanced 911 service and received distributions from the 911 Board in the prior fiscal year. The Board must notify PSAPs of the estimated distributions no later than December 31 of each year. The Board must determine actual distributions no later than June 1 of each year. The Board must determine a method for establishing distributions that is equitable and sustainable, and that ensures distributions for eligible operating costs and anticipated increases for all funded PSAPs. The Board must establish a formula to determine each PSAP's base amount. The formula must be determined and published to PSAPs in the first quarter of the fiscal year preceding the fiscal year in which the formula is used. The Board must not change the funding formula for the base amount more than once every year. In establishing the funding formula, the Board must consider information including population of the area served by a PSAP, PSAP reports and budgets, disbursement histories, historical costs, PSAP

operations, 911 technologies used by the PSAP, compliance with operating standards of the 911 Board, level of service a PSAP delivers dispatching fire, Emergency Medical Services, law enforcement, Emergency Medical dispatch, and the tier designation of the county in which the PSAP is located as designated in G.S. 143B-437.08, and any other information deemed proper by the Board. In the first quarter of the Board's fiscal year, the Board must determine whether payments to PSAPs during the preceding fiscal year exceeded or were less than the eligible costs incurred by each PSAP during the fiscal year. If a PSAP receives less than its eligible costs in any fiscal year, the Board may increase a PSAP's distribution in the following fiscal year above the base amount as determined by the formula to meet the estimated eligible costs of the PSAP as determined by the Board. The Board may not distribute less than the base amount to each PSAP. The Board must provide a procedure for a PSAP to request a reconsideration of its distribution or eligible expenses."

SECTION 6.(b) G.S. 62A-46 is amended by adding a new subsection to read:

"(b1) Carryforward. – A PSAP may carry forward up to twenty percent (20%) of the total funds disbursed by the Board during a fiscal year for eligible expenditures for capital outlay, capital improvements, or equipment replacement. The twenty percent (20%) limitation does not apply to funds awarded as a grant. Neither the carryforward under this section nor any grant amount may be used in the funding formula to reduce the PSAP base amount."

SECTION 6.(c) This section becomes effective July 1, 2010, but shall not apply to distributions by the Board in fiscal year beginning in 2010.

SECTION 7.(a) G.S. 62A-40 reads as rewritten:

"**§ 62A-40. Definitions.**

The following definitions apply in this Article.

...

(5) Call taking. – The act of processing a 911 call for emergency assistance ~~up to the point that the call is ready for dispatch,~~by a primary PSAP including the use of 911 system equipment, call classification, location of a caller, ~~and~~ determination of the appropriate response level for emergency ~~responders.~~responders, and dispatching 911 call information to the appropriate responder.

...

(8a) Dispatch. – The broadcast, transfer, or other retransmittal of emergency call information by a primary PSAP to responders including the equipment or services required for responders to receive information and the equipment to be used by responders to intercommunicate among themselves.

(9) Enhanced 911 service. – Directing a 911 call to an appropriate PSAP by selective routing or other means based on the geographical location from which the call originated and providing information defining the approximate geographic location and the telephone number of a 911 caller, in accordance with the FCC Order.

...."

SECTION 7.(b) G.S. 62A-46(c) reads as rewritten:

"(c) Use of Funds. – A PSAP that receives a distribution from the 911 Fund may not use the amount received to pay for the lease or purchase of real estate, cosmetic remodeling of emergency dispatch centers, hiring or compensating telecommunicators, or the purchase of mobile communications vehicles, ambulances, fire engines, or other emergency vehicles. Distributions received by a PSAP may be used only to pay for the following:

(1) The lease, purchase, or maintenance of emergency telephone equipment, including necessary computer hardware, software, and database provisioning, addressing, telecommunicator furniture, and nonrecurring costs of establishing a 911 system.

...

(4) The lease, purchase, or maintenance of radio communications equipment including necessary hardware and software, towers, base station transmitters, microwave links and antennae used to dispatch emergency calls from the PSAP, and the radio communications equipment used by the first provider of emergency services to receive the emergency dispatch."

SECTION 8. G.S. 62A-47(a) reads as rewritten:

"(a) Account Established. – A PSAP Grant and Statewide 911 Projects Account is established within the 911 Fund for the purpose of making grants to PSAPs in rural and other high-cost ~~areas.~~ areas and funding projects that provide statewide benefits for 911service. The 911 Board may approve grants for the non-eligible expenses of consolidating one or more PSAPs with a primary PSAP and the relocation costs of primary PSAPs, including construction costs. The Account consists of revenue allocated by the 911 Board under G.S. 62A-45(c) and G.S. 62A-46."

SECTION 9. Unless otherwise provided, this act becomes effective July 1, 2010.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

H 1

HOUSE BILL 1717*

Short Title:	Modernization of the State ABC System.	(Public)
Sponsors:	Representatives R. Warren, Bell, Lucas (Primary Sponsors); Harrison, Hill, Hughes, Spear, and Tarleton.	
Referred to:	Alcoholic Beverage Control, if favorable, State Government/State Personnel.	

May 17, 2010

A BILL TO BE ENTITLED

AN ACT TO MODERNIZE THE NORTH CAROLINA ALCOHOLIC BEVERAGE CONTROL SYSTEM, AS RECOMMENDED BY THE JOINT STUDY COMMITTEE ON ALCOHOLIC BEVERAGE CONTROL.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 18B-101 reads as rewritten:

"**§ 18B-101. Definitions.**

As used in this Chapter, unless the context requires otherwise:

...

(6f) "Finance officer" means the local board employee, other than a general manager, that is responsible for keeping the accounts of the local board, receiving and depositing receipts, disbursing funds, and any other duties assigned by the local board or Commission.

(7) "Fortified wine" means any wine, of more than sixteen percent (16%) and no more than twenty-four percent (24%) alcohol by volume, made by fermentation from grapes, fruits, berries, rice, or honey; or by the addition of pure cane, beet, or dextrose sugar; or by the addition of pure brandy from the same type of grape, fruit, berry, rice, or honey that is contained in the base wine and produced in accordance with the regulations of the United States.

(7d) "General manager" means the local board employee that is responsible for the oversight of daily operations of the ABC system and any other duties assigned by the local board or Commission. The board may designate only one employee to be the general manager.

~~(7a)~~(7g) "Historic ABC establishment" means a restaurant or hotel that meets all of the following requirements:

a. Is on the national register of historic places or located within a State historic district.

b. Is a property designed to attract local, State, national, and international tourists located on a State Route (SR) and with a property line located within 1.5 miles of the intersection of a designated North Carolina scenic byway as defined in G.S. 136-18(31).

c. Is located within 15 miles of a national scenic highway.

d. Is located in a county in which the on-premises sale of malt beverages or unfortified wine is authorized in two or more cities in the county.

~~(7b)~~(7k) "Keg" means a portable container designed to hold and dispense 7.75 gallons or more of malt beverage.

...."

SECTION 2. G.S. 18B-203(a) is amended by adding a new subdivision to read:

"§ 18B-203. Powers and duties of the Commission.

(a) Powers. – The Commission shall have authority to:

...

(20) Promulgate rules to establish performance standards for local boards. Performance standards established pursuant to this subdivision shall include, but not be limited to, standards that address enforcement of ABC laws, store appearance, operating efficiency, and customer service.

(21) Promulgate rules to establish mandatory training requirements for local board members, managers, and employees."

SECTION 3. G.S. 18B-501 reads as rewritten:

"§ 18B-501. Local ABC officers.

(a) Appointment. – Except as provided in subsection (f), each local board shall hire one or more ABC enforcement officers. Local ABC enforcement officers shall be designated as "ABC Officers". The local board may designate one officer as the chief ABC officer for that board.

(b) Subject Matter Jurisdiction. – After taking the oath prescribed for a peace officer, a local ABC officer may arrest and take other investigatory and enforcement actions for any criminal offense; however, the primary responsibility of a local ABC officer is enforcement of the ABC laws and Article 5 of Chapter 90 (The Controlled Substances Act).

(c) Territorial Jurisdiction. – A local ABC officer has jurisdiction anywhere in the county in which he is employed except that a city ABC officer's territorial jurisdiction is subject to any limitation included in any local act governing that city ABC system. A local ABC officer may pursue outside his normal territorial jurisdiction anyone who commits an offense within that jurisdiction, as provided in G.S. 15A-402(d).

(d) Assisting Other Local Agencies. – The local ABC officers employed by a local board shall constitute a "law-enforcement agency" for purposes of G.S. 160A-288, and a local board shall have the same authority as a city or county governing body to approve cooperation between law-enforcement agencies under that section.

(e) Assisting State and Federal Enforcement. – A local ABC officer may assist State and federal law-enforcement agencies in the investigation of criminal offenses in North Carolina, under the following conditions:

(1) The local board employing the officer has adopted a resolution approving such assistance and stating the conditions under which it may be provided;

(2) The State or federal agency has made a written request for assistance from that local board, either for a particular investigation or for any investigation that might require assistance within a certain period of time;

(3) The local ABC officer is supervised by someone in the requesting agency; and

(4) As soon as practical after the assistance begins, an acknowledgement of the action is placed in the records of the local board.

A local ABC officer shall have territorial jurisdiction throughout North Carolina while assisting a State or federal agency under this section. While providing that assistance the officer shall continue to be considered an employee of the local board for purposes of salary, worker's compensation, and other benefits, unless a different arrangement is negotiated between the local board and the requesting agency.

(f) Contracts with Other Agencies. – Instead ~~of~~ of, or in addition to, hiring local ABC officers, a local board may contract ~~to pay its enforcement funds to~~with a sheriff's department,

city police department, or other local law-enforcement agency for enforcement of the ABC laws within the law-enforcement agency's territorial jurisdiction. Enforcement agreements may be made with more than one agency at the same time. When such a contract for enforcement exists, ~~the~~ those officers of the contracting law-enforcement agency who have been designated by the agency head shall have the same authority to inspect under G.S. 18B-502 that an ABC officer employed by that local board would ~~have.~~ have once the designated officers of the contracting law enforcement agency have been certified by the chief ABC officer as having been trained. In order to be certified, the designated officers shall receive the same training in the enforcement of ABC laws as is provided to local ABC officers. If a city located in two or more counties approves the sale of some type of alcoholic beverage pursuant to the provisions of G.S. 18B-600(e4), and there are no local ABC boards established in the city and one of the counties in which the city is located, the local ABC board of any county in which the city is located may enter into an enforcement agreement with the city's police department for enforcement of the ABC laws within the entire city, including that portion of the city located in the county of the ABC board entering into the enforcement agreement.

(f1) ABC Enforcement in Absence of Contract. – In those cities and counties in which no contract exists between the local board and a local law enforcement agency for enforcement of ABC laws, officers of a local law enforcement agency shall have the same authority to inspect under G.S. 18B-502 that an ABC officer employed by that board would have, provided:

(1) The local law enforcement agency head or sheriff has designated one or more officers of the agency to conduct inspections under G.S. 18B-502.

(2) The designated officers of the law enforcement agency have been certified by the chief ABC officer as having been trained.

(3) The designated officers have received the same training in the enforcement of ABC laws as that provided to local ABC officers.

(f2) Accountability; Enforcement Reports. – To ensure accountability to the appointing authority and the Commission, every local board's ABC officers and those law enforcement agencies subject to an enforcement agreement entered into pursuant to subsection (f1) of this section shall report to the local board, by the fifth business day of each month, on a form developed by the Commission, the following:

(1) The number of arrests made for ABC law, Controlled Substance Act, or other violations, by category, at ABC permitted outlets.

(2) The number of arrests made for ABC law, Controlled Substance Act, or other violations, by category, at other locations.

(3) The number of agencies assisted with ABC law or controlled substance related matters.

(4) The number of alcohol education and responsible server programs presented.

The local board shall submit a copy of the enforcement report to the appointing authority and the Commission not later than five business days after receipt of the enforcement report by the local board. The Commission shall publish this information, by local board and enforcement agency, on a public Internet Web site maintained by the Commission.

(g) Discharge. – Local ABC officers and officers of agencies which contract with local boards for enforcement of the ABC laws are subject to the discharge provisions of G.S. 18B-202."

SECTION 4. G.S. 18B-600(e) reads as rewritten:

"(e) City Mixed Beverage Elections. – A city may hold a mixed beverage election ~~only if:~~ if the city has at least 500 registered voters.

~~(1) The city has at least 500 registered voters; and~~

~~(2) Either:~~

~~a. The city already operates a city ABC store; or~~

~~b. A city ABC store election is to be held at the same time as the mixed beverage election; or~~

~~c. The city does not operate a city ABC store but:~~

~~1. The county operates an ABC store;~~

~~2. The county has already held a mixed beverage election; and~~

~~3. The vote in the last county election was against the sale of mixed beverages.~~"

SECTION 5. G.S. 18B-700 is amended by adding a new subsection to read:

"(a1) Mission. – The mission of local ABC boards and their employees shall be to responsibly serve their localities by controlling the sale of spirituous liquor and promoting customer-friendly, modern, and efficient stores."

SECTION 6. G.S. 18B-700(g) reads as rewritten:

"(g) ~~Salary.~~Compensation of Board Members. – A local board member ~~may be compensated as determined by the appointing authority.~~shall receive compensation in an amount not to exceed one hundred fifty dollars ($150.00) per board meeting unless a different level of monetary compensation is approved by the appointing authority. If a different level is approved by the appointing authority, the appointing authority shall notify the Commission of the approved level of compensation in writing. No local board member shall receive any nonmonetary compensation or benefits unless specifically authorized by this section."

SECTION 7. G.S. 18B-700 is amended by adding a new subsection to read:

"(g1) Compensation of General Managers of Local Boards. – The salary authorized for the general manager of a local board shall not exceed the salary authorized by the General Assembly for the clerk of superior court of the county in which the appointing authority was originally incorporated unless such compensation is otherwise approved by the appointing authority. The local board shall provide the appointing authority's written confirmation of such approval to the Commission. The general manager of a local board may receive any other benefits to which all employees of the local board are entitled. The salary authorized for other employees of a local board may not exceed that of the general manager."

SECTION 8. G.S. 18B-700 is amended by adding a new subsection to read:

"(g2) Travel Allowance and Per Diem Rates. – Approved travel on official business by the members and employees of local boards shall be reimbursed pursuant to G.S. 138-6 unless the local board adopts a travel policy that conforms to the travel policy of the appointing authority and such policy is approved by the appointing authority. The local board shall provide the appointing authority's written confirmation of such approval to the Commission."

SECTION 9. G.S. 18B-700(i) reads as rewritten:

"(i) Bond. – Each local board member and the employees designated as the general manager or finance officer of the local board shall be bonded in an amount not less than ~~five thousand dollars ($5,000),~~one hundred thousand dollars ($100,000) secured by a corporate surety, for the faithful performance of his duties. A public employees' blanket position bond in the required amount satisfies the requirements of this subsection. The bond shall be payable to the local board and shall be approved by the appointing authority for the local board. The appointing authority may ~~exempt from this bond requirement any board member who does not handle board funds, and it may also~~ increase the amount of the bond required for any member or employee who ~~does handle~~handles board funds."

SECTION 10. G.S. 18B-700 is amended by adding a new subsection to read:

"(k) Nepotism. – Members of an immediate family shall not be employed within the local board if such employment will result in one member of the immediate family supervising another member of the immediate family, or if one member of the immediate family will occupy a position which has influence over another member's employment, promotion, salary administration, or other related management or personnel considerations. This subsection applies to local board members and employees.

For the purpose of this subsection, the term immediate family includes wife, husband, mother, father, brother, sister, son, daughter, grandmother, grandfather, grandson, and granddaughter. Also included are the step-, half-, and in-law relationships. It also includes other people living in the same household, who share a relationship comparable to immediate family members, if either occupies a position which requires influence over the other's employment, promotion, salary administration, or other related management or personnel considerations."

SECTION 11. G.S. 18B-700 is amended by adding a new subsection to read:

"(l) Local Acts. – Notwithstanding the provisions of any local act, this section applies to all local boards."

SECTION 12. G.S. 18B-701 reads as rewritten:

"**§ 18B-701. Powers and duties of local ABC boards.**

(a) Powers. – A local board shall have authority to:

(1) Buy, sell, transport, and possess alcoholic beverages as necessary for the operation of its ABC stores;

(2) Adopt rules for its ABC system, subject to the approval of the Commission;

(3) Hire and fire employees for the ABC system;

(4) Designate one employee as manager of the ABC system and determine his responsibilities;

(5) Require bonds of employees as provided in the rules of the Commission;

(6) Operate ABC stores as provided in Article 8;

(7) Issue purchase-transportation permits as provided in Article 4;

(8) Employ local ABC officers or make other provision for enforcement of ABC laws as provided in Article 5;

(9) Borrow money as provided in G.S. 18B-702;

(10) Buy and lease real and personal property, and receive property bequeathed or given, as necessary for the operation of the ABC system;

(11) Invest surplus funds as provided in G.S. 18B-702;

(12) Dispose of property in the same manner as a city council may under Article 12 of Chapter 160A of the General Statutes; and

(13) Perform any other activity authorized or required by the ABC law.

(b) Duties. – A local board shall have the duty to comply with all rules adopted by the Commission pursuant to G.S. 18B and meet all standards for performance and training established by the Commission pursuant to G.S. 18B-203(a)(20) and (21). Failure to comply with Commission rules shall be cause for removal."

SECTION 13. G.S. 18B-702 reads as rewritten:

"**§ 18B-702. Financial operations of local boards.**

(a) Generally. – A local board may transact business as a corporate body, except as limited by this section. A local board shall not be considered a public authority under G.S. 159-7(b)(10).

(b) Budget Officer. – The general manager of the local board shall be the budget officer for the local board. In the absence of a general manager, a local board may impose the duties of budget officer on the chairman or any member of the local board or any other employee of the board.

(c) Annual Balanced Budget. – Each local board shall operate under an annual balanced budget administered in accordance with this section. A budget is balanced when the sum of estimated gross revenues and both restricted and unrestricted funds are equal to appropriations. Expenditures shall not exceed the amount of funds received or in reserve for the purpose to which the funds are appropriated. It is the intent of this section that all monies received and expended by a local board should be included in the budget. Therefore, notwithstanding any other provision of law, no local board may expend any monies, regardless of their source

except in accordance with a budget adopted under this section. The budget of a local board shall cover a fiscal year beginning July 1 and ending June 30.

(d) Preparation and Submission of Budget and Budget Message. – Upon receipt of the budget requests and revenue estimates and the financial information supplied by the finance officer, the budget officer shall prepare a budget for consideration by the local board in such form and detail as may have been prescribed by the budget officer or the local board. The budget, together with a budget message, shall be submitted to the local board, the appointing authority, and the Commission not later than June 1. The budget and budget message should, but need not, be submitted at a formal meeting of the board. The budget message should contain a concise explanation of the goals fixed by the budget for the budget year, should explain important features of the activities anticipated in the budget, should set forth the reasons for stated changes from the previous year in appropriation levels and should explain any major changes in fiscal policy.

(e) Filing and Publication of the Budget. – On the same day the budget officer submits the budget to the local board, the budget officer shall make a copy for public inspection, and it shall remain available for public inspection until the budget is adopted. The budget officer shall make a copy of the budget available to all news media in the county. The budget officer shall also publish a statement that the budget has been submitted to the local board and is available for public inspection in the office of the general manager of the local board. The statement shall also give notice of the time and place of the budget hearing required by subsection (f) of this section.

(f) Budget Hearings. – Before adopting the budget, the board shall hold a public hearing at which time any persons who wish to be heard on the budget may appear.

(g) Adoption of Budget. – Not earlier than 10 days after the day the budget is presented to the board and not later than July 1, the local board shall adopt a budget making appropriations for the budget year in such sums as the board may consider sufficient and proper, whether greater or less than the sums recommended in the budget. The budget shall authorize all financial transactions of the local board. The budget may be in any form that the board considers most efficient in enabling it to make the fiscal policy decisions embodied therein, but it shall make appropriations by department, function, or project and show revenues by major source. The following directions and limitations shall bind the local board in adopting the budget:

(1) The full amount estimated by the finance officer to be required for debt service during the budget year shall be appropriated.

(2) The full amount of any deficit in each fund shall be appropriated.

(3) Working capital funds set aside pursuant to G.S. 18B-805 shall be no less than two weeks' average gross sales of the latest fiscal year or greater than two months' average gross sales of the latest fiscal year. "Working capital" means the total of cash, investments, and inventory less all unsecured liabilities. Gross sales means gross receipts from the sale of alcoholic beverages less distributions as defined in G.S. 18B-805(b)(2), (3), (4), and (5). Any expenditure to be charged against working capital funds shall be authorized by resolution of the local board, which resolution shall be deemed an amendment to the budget setting up an appropriation for the object of expenditure authorized. The local board may authorize the budget officer to authorize expenditures from working capital funds subject to such limitations and procedures as it may prescribe. Any such expenditure shall be deemed an amendment and reported to the board at its next regular meeting and recorded in the minutes.

(4) Estimated revenues shall include only those revenues reasonably expected to be realized in the budget year.

(5) Sufficient funds to meet the amounts to be paid during the fiscal year under continuing contracts previously entered into shall be appropriated unless such contract reserves to the local board the right to limit or not to make such appropriation.

(6) The sum of estimated net revenues and appropriated fund balance in each fund shall be equal to appropriations in that fund. Appropriated fund balance in a fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget year.

The budget shall be entered in the minutes of the local board and within five days after adoption, and copies thereof shall be filed with the finance officer, the budget officer, the appointing authority, and the Commission.

(h) Amendments to the Budget. – Except as otherwise restricted by law, the local board may amend the budget at any time after adoption, in any manner, so long as the budget, as amended, continues to satisfy the requirements of this section. The local board by appropriate resolution may authorize the budget officer to transfer monies from one appropriation to another within the same fund subject to such limitations and procedures as it may prescribe. Any such transfers shall be reported to the local board at its next regular meeting and shall be entered in the minutes. Amendments to the adopted budget shall also be provided to the appointing authority and the Commission.

(i) Interim Budget. – In case the adoption of the budget is delayed until after July 1, the local board shall make interim appropriations for the purpose of paying salaries, debt service payments, and the usual ordinary expenses of the local board for the interval between the beginning of the budget year and the adoption of the budget. Interim appropriations so made shall be charged to the proper appropriations in the adopted budget.

(j) Finance Officer. – The local board shall designate an employee of the board, other than the general manager, to be the finance officer for the local board. The Commission, for good cause shown, may allow the general manager of a board to also be the finance officer.

(k) Duties and Powers of the Finance Officer. – The finance officer for a local board shall:

(1) Keep the accounts of the local board in accordance with generally accepted principles of governmental accounting and the rules and regulations of the Commission.

(2) Disburse all funds of the local board in strict compliance with this Chapter, the budget, and preaudit obligations, and disbursements as required by this section.

(3) As often as may be requested by the local board or the general manager, prepare and file with the board a statement of the financial condition of the local board.

(4) Receive and deposit all monies accruing to the local board, or supervise the receipt and deposit of money by other duly authorized employees.

(5) Maintain all records concerning the debt and other obligations of the local board, determine the amount of money that will be required for debt service or the payment of other obligations during each fiscal year, and maintain all funds.

(6) Supervise the investment of idle funds of the local board pursuant to subsection (t) of this section.

The finance officer shall perform such other duties as may be assigned by law, by the general manager, budget officer, or local board, or by rules and regulations of the Commission.

(l) Accounting System. – Each local board shall establish and maintain an accounting system designed to show in detail its assets, liabilities, equities, revenues, and expenditures. The system shall also be designed to show appropriations and estimated revenues as established in the budget originally adopted and subsequently amended.

(m) Incurring Obligations. – No obligation may be incurred in a program, function, or activity accounted for in a fund included in the budget unless the budget includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year. No obligation may be incurred for a capital project unless the budget authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay the sums obligated by the transaction. If an obligation is evidenced by a contract or agreement requiring the payment of money or by a purchase order for supplies and materials, the contract, agreement, or purchase order shall include on its face a certificate stating that the instrument has been preaudited to assure compliance with this subsection. The certificate, which shall be signed by the finance officer or any deputy finance officer approved for this purpose by the local board, shall take substantially the following form:

"This instrument has been preaudited in the manner required by G.S. 18B-702.

_____

(Signature of finance officer)."

An obligation incurred in violation of this subsection is invalid and may not be enforced. The finance officer shall establish procedures to assure compliance with this subsection.

(n) Disbursements. – When a bill, invoice, or other claim against a local board is presented, the finance officer shall either approve or disapprove the necessary disbursement. If the claim involves a program, function, or activity accounted for in a fund included in the budget or a capital project or a grant project authorized by the budget, the finance officer may approve the claim only if:

(1) The finance officer determines the amount to be payable; and

(2) The budget includes an appropriation authorizing the expenditure and either (i) an encumbrance has been previously created for the transaction or (ii) an unencumbered balance remains in the appropriation sufficient to pay the amount to be disbursed.

A bill, invoice, or other claim may not be paid unless it has been approved by the finance officer or, under subsection (o) of this section, by the local board. The finance officer shall establish procedures to assure compliance with this subsection.

(o) Local Board Approval of Bills, Invoices, or Claims. – The local board may, as permitted by this subsection, approve a bill, invoice, or other claim against the local board that has been disapproved by the finance officer. It may not approve a claim for which no appropriation appears in the budget, or for which the appropriation contains no encumbrance and the unencumbered balance is less than the amount to be paid. The local board shall approve payment by formal resolution stating the board's reasons for allowing the bill, invoice, or other claim. The resolution shall be entered in the minutes together with the names of those voting in the affirmative. The chairman of the board or some other member designated for this purpose shall sign the certificate on the check or draft given in payment of the bill, invoice, or other claim. If payment results in a violation of law, each member of the board voting to allow payment is jointly and severally liable for the full amount of the check or draft given in payment.

(p) Checks or Drafts Signed by Finance Officer. – Except as otherwise provided by law, all checks or drafts on an official depository shall be signed by the finance officer or a properly designated deputy finance officer. The chairman of the local board or general manager of the local board shall countersign these checks and drafts. The Commission may waive the

requirements of this subsection if the board determines that the internal control procedures of the unit or authority will be satisfactory in the absence of dual signatures.

(q) Payment of a Bill, Invoice, Salary, or Claim. – A local board may not pay a bill, invoice, salary, or other claim except by a check or draft on an official depository or by a bank wire transfer from an official depository. Except as provided in this subsection, each check or draft on an official depository shall bear on its face a certificate signed by the finance officer or a deputy finance officer approved for this purpose by the local board (or signed by the chairman or some other member of the board pursuant to subsection (o) of this section). The certificate shall take substantially the following form:

"This disbursement has been approved in the manner required by G.S. 18B-702.

_____

(Signature of finance officer)."

No certificate is required on payroll checks or drafts on an imprest account in an official depository if the check or draft depositing the funds in the imprest account carried a signed certificate. No certificate is required for expenditures of fifty dollars ($50.00) or less from a petty cash fund provided the expenditure is accounted for by a receipt for the expended item.

~~(b)~~(r) Borrowing Money. – A local board may borrow money only for the purchase of land, buildings, equipment and stock needed for the operation of its ABC system. A local board may pledge a security interest in any real or personal property it owns other than alcoholic beverages. A city or county whose governing body appoints a local board shall not in any way be held responsible for the debts of that board.

~~(c)~~(s) Audits. – A local board shall submit to the appointing authority and Commission an annual independent audit of its operations, performed in accordance with generally accepted accounting standards and in compliance with a chart of accounts prescribed by the Commission. The audit report shall contain a summary of the requirements of this Chapter, or of any local act applicable to that local board, concerning the distribution of profits of that board and a description of how those distributions have been made, including the names of recipients of the profits and the activities for which the funds were distributed. A local board shall also submit to any other audits and submit any reports demanded by the appointing authority or the Commission.

~~(d)~~(t) Deposits and Investments. – A local board may deposit ~~moneys~~monies at interest in any bank or trust company in this State in the form of savings accounts or certificates of deposit. Investment deposits shall be secured as provided in G.S. 159-31(b) and the reports required by G.S. 159-33 shall be submitted. A local board may invest all or part of the cash balance of any fund as provided in G.S. 159-30(c) and (d), and may deposit any portion of those funds for investment with the State Treasurer in the same manner as State boards and commissions under G.S. 147-69.3.

~~(e)~~(u) Compliance with Commission Rules. – The Commission shall adopt, and each local board shall comply with, fiscal control rules concerning the borrowing of money, maintenance of working capital, investments, appointment of a budget officer, appointment of a financial officer, daily deposit of funds, bonding of employees, auditing of operations, and the schedule, manner and other procedures for distribution of profits. The Commission may also adopt any other rules concerning the financial operations of local boards which are needed to assure the proper accountability of public funds. The Commission may vary these rules and regulations according to any other criteria reasonably related to the purpose or complexity of the financial operations involved. The Commission has the authority to inquire into and investigate the internal control procedures of a local board, and may require any modifications in internal control procedures which, in the opinion of the Commission, are necessary or desirable to prevent embezzlements or mishandling of public monies.

(v) Penalties. – If a board member or employee of a local board incurs an obligation or pays out or causes to be paid out any funds in violation of this section, the member or employee

and the sureties on the official bond are liable for any sums so committed or disbursed. If the finance officer or any properly designated deputy finance officer gives a false certificate to any contract, agreement, purchase order, check, draft, or other document, the finance officer and the sureties on the official bond are liable for any sums illegally committed or disbursed thereby.

~~(f)~~(w) Applicability of Criminal Statutes. – The provisions of G.S. 14-90 and G.S. 14-254 shall apply to any person appointed to or employed by a local board, and any person convicted of a violation of G.S. 14-90 or G.S. 14-254 shall be punished as a Class H felon.

(x) Local Acts. – Notwithstanding the provisions of any local act, this section applies to all local boards."

SECTION 14. Chapter 18B of the General Statutes is amended by adding a new section to read:

"**§ 18B-704. Removal of local board members and employees.**

(a) Improper Influence. – Neither the Commission nor its individual members shall attempt to coerce any appointing authority to appoint a particular person as a member of a local board or attempt to coerce a local board to employ any particular applicant.

(b) Purpose. – This section is intended to provide a uniform system of removal for appointing authorities and the Commission.

(c) Cause for Removal. – Disqualification of a local board member or employee under the law, a violation of the ABC laws, failure to complete training required by this Chapter or the Commission, or engaging in any conduct constituting moral turpitude or which brings the local board or the ABC system into disrepute is cause for the Commission to remove any member or employee of a local board. The employment or retention of any employee who is known to be disqualified under the law to hold a position with a local board is cause for the Commission to remove the board members involved.

(d) Removal Process. – The Commission or appointing authority shall provide, in writing, to the local board member or employee the findings of fact upon which the decision for removal is based. The Commission or appointing authority shall also provide the local board member or employee with notice of the availability of a hearing before the Commission to review the removal.

(e) Removal Hearing. – Any local board member or employee removed from office or discharged by the Commission or the appointing authority may request a hearing before the Commission. Such a request operates to stay the action of the Commission or the appointing authority with regard to the matter until after the hearing, unless the Commission finds that the public interest requires immediate action. At the hearing, the employee or his counsel may examine all evidence used against him and present evidence in his own behalf. A removal hearing is not subject to the provisions of Chapter 150B of the General Statutes. All hearings shall be conducted informally and in such manner as to preserve the substantial rights of the parties.

(f) Hearing Procedure. – The Commission shall hold the hearing required by subsection (e) of this section within 15 days of the member's or employee's request for a hearing. The standard of review by the Commission is de novo. The Commission or appointing authority shall be represented by a Commission hearing officer. The Commission shall discharge the member or employee if two-thirds of the Commission's members vote for removal. The Commission shall make findings of fact. The Commission may adopt the findings of fact of the Commission or the appointing authority, may add new findings of fact to the original findings of fact, or may substitute new findings of fact for the original findings of fact. The Commission shall make conclusions of law and shall issue a written decision to the member or employee of the local board, and to the appointing authority, within 15 days of the hearing.

(g) Commission Authority. – The Commission shall have the sole power, in its discretion, to determine if cause exists for removal of a local board member or employee who

has requested a hearing before the Commission. The Commission's decision in a removal hearing is final.

(h) Appeal. – A local board member or employee may appeal the Commission's final decision to the Court of Appeals. The standard of review shall be abuse of discretion. The sole remedy for a local board member or employee shall be the reinstatement of the board member or employee to the local board with back pay. All awards for back pay shall be paid by the local board from which the board member or employee was removed.

(i) Removal Hearing Not a Substitute for Termination of Employee. – Nothing in this section replaces or is intended to replace a local board's policy regarding the termination of an employee for personnel reasons. The removal process under this section is reserved solely for the appointing authority or the Commission to remove a board member or employee for cause.

(j) Local Acts. – Notwithstanding the provisions of any local act, this section applies to all local boards."

SECTION 15. Chapter 18B of the General Statutes is amended by adding a new section to read:

"**§ 18B-705. Compliance with performance standards; remedies.**

(a) Local Board Compliance. – The Commission shall establish performance standards pursuant to G.S. 18B-203(a)(20). The Commission shall ensure that all local boards comply with established performance standards by conducting regular or special audits, conducting performance evaluations, monitoring ABC law enforcement efforts, or taking other measures which may include inspections by Commission auditors or alcohol law enforcement agents.

(b) Performance Improvement Plans. – The Commission, upon determining that a local board is failing to meet performance standards established pursuant to G.S. 18B-203(a)(20), shall meet with the chair of the local board and the appointing authority and issue a statement of findings. The appointing authority, in consultation with the Commission, shall develop for and deliver a performance improvement plan to the local board within 30 days of the meeting with the Commission. The performance improvement plan shall include, but not be limited to, recommendations for improved performance based on the performance standards established by the Commission. The plan shall also state a period of time in which the performance improvements are to occur and what action will be taken by the Commission if performance standards are not met within the given time limits. The appointing authority shall allow up to, but no more than, six months' time to the local board to implement and show improvement under the performance improvement plan. The local appointing authority, in consultation with the Commission and upon good cause shown, may allow up to an additional six-month period of time for the local board to meet all requirements in the performance improvement plan and to establish that the performance standards established by the Commission are met.

(c) Remedies. – If the Commission determines that the local board has not implemented the recommendations for improved performance in a timely manner and the local board is not meeting the performance standards or is failing to make all distributions required by G.S. 18B-805(b), the Commission shall notify the local board and the appointing authority and may make additional recommendations to the local board and appointing authority, including closing a store or stores, relocating store locations, merging the local board with another local board, or entering into an agreement for joint store operations, or abolishing the local board.

(d) Local Acts. – Notwithstanding the provisions of any local act, this section applies to all local boards."

SECTION 16. Chapter 18B of the General Statutes is amended by adding a new section to read:

"**§ 18B-706. Ethics requirements for local boards.**

(a) Each local board shall adopt a policy containing a code of ethics to guide actions by the board members and employees of the ABC board in the performance of their official duties. The policy shall address at least all of the following:

(1) The need to obey all applicable laws regarding official actions taken as a board member or employee.
(2) The need to uphold the integrity and independence of the board member or employee's position.
(3) The need to avoid impropriety in the exercise of official duties.
(4) The need to faithfully perform the duties of the position.
(5) The need to conduct the affairs of the board in an open and public manner, including complying with all applicable laws governing open meetings and public records.

(b) Each member of a local board shall receive a minimum of two hours of ethics education within 12 months after initial appointment to the office and again within 12 months after each subsequent appointment to the office. The ethics education shall cover laws and principles that govern conflicts of interest and ethical standards of conduct for local ABC boards. The education may be provided by the Commission or other qualified source approved by the Commission. The local board shall maintain a record verifying receipt of the ethics education by each member of the board. The local board may require appropriate ethics training and education for employees of the local ABC board."

SECTION 17. G.S. 18B-801(b) reads as rewritten:

"(b) Location of Stores. – A local board may choose the location of the ABC stores within its jurisdiction, subject to the approval of the Commission. In making its decision on a location, the Commission may consider:

(1) Whether the health, safety, or general welfare of the community will be adversely ~~affected; and~~affected.
(2) Whether the citizens of the community or city in which the proposed store is to be located voted for or against ABC stores in the last election on the question.
(3) The proximity of the new location to existing ABC stores operated by the local board or any other boards."

SECTION 18. G.S. 18B-801(d) reads as rewritten:

"(d) Insolvent ABC System. – If an ABC system is insolvent, the local board may apply to the Commission for an order to close the system. Upon receipt of an application, or upon its own motion, the Commission shall investigate the system, and if it finds that ~~further operation of the ABC stores will not be profitable,~~the system is insolvent, it may order the system closed. If the Commission orders a local system to close, the Commission may:

(1) After consultation with the local board, its creditors, and other interested parties, schedule a phase out of the system's business activities;
(2) Represent the local board in negotiations with creditors and other interested parties;
(3) Require an accounting or auditing of the local system;
(4) Take possession or arrange for the disposition of any liquor for which the local board has not paid;
(5) Apply to the Superior Court to be appointed as receiver for the local board with all powers and duties of a receiver for a corporation under Article 38 of Chapter 1 of the General Statutes, except that the Commission shall not be required to post the bond required by G.S. 1-504; or
(6) Take any other reasonable steps to promote an orderly closing of the system.

In lieu of closing an insolvent system, the Commission may, in acting as appointed receiver for the local board, enter into a voluntary agreement to merge the local board with another local board pursuant to G.S. 18B-703, or may enter into a voluntary agreement with one or more local boards to jointly operate one or more stores pursuant to G.S. 18B-703(h)."

SECTION 19. G.S. 18B-803 reads as rewritten:

"§ 18B-803. Store management.

(a) Manager. – A local board shall provide for the management of each store operated by it. The board shall employ at least one manager for each store, who shall operate the store pursuant to the directions of that board.

(b) Bonding of Manager. – Each store manager shall be bonded in an amount not less than ~~five thousand dollars ($5,000),~~ one hundred thousand dollars ($100,000) secured by a corporate surety, for the honest performance of his duties. A public employees' blanket position bond, honesty form, in the required amount satisfies the requirements of this subsection. The bond shall be payable to the local board and shall be approved by the appointing authority for the local board. The appointing authority may increase the amount of bond required for store managers under this subsection.

(c) Bonding of Other Employees. – A local board or the appointing authority may require any of its other employees who handle funds to obtain bonds. The amount and form of those bonds shall be determined by the local board.

(d) Local Acts. – Notwithstanding the provisions of any local act, this section applies to all local boards."

SECTION 20. Section 6 of this act becomes effective January 1, 2011. Sections 8 and 10 of this act become effective October 1, 2010, and applies to general managers and employees hired on or after that date. Section 13 of this act becomes effective May 1, 2011. The remainder of this act becomes effective October 1, 2010.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

H 1

HOUSE BILL 1765*

Short Title:	Amend IBT Enforcement and Notice.	(Public)
Sponsors:	Representatives Gibson, Harrison (Primary Sponsors); and Hughes.	
Referred to:	Environment and Natural Resources, if favorable, Finance.	

May 18, 2010

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO USE INJUNCTIVE RELIEF TO ENSURE COMPLIANCE WITH INTERBASIN TRANSFER LAWS AND TO PROVIDE THAT AN APPLICANT FOR AN INTERBASIN TRANSFER CERTIFICATE SHALL PAY THE COSTS ASSOCIATED WITH ALL REQUIRED PUBLIC HEARINGS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-215.6C reads as rewritten:

"**§ 143-215.6C. Enforcement procedures; injunctive relief.**

Whenever the Department has reasonable cause to believe that any person has violated or is threatening to violate any of the provisions of ~~this Part,~~Part 1, Part 1A, or Part 2A of this Article or G.S. 143-355(k) relating to water use information; any of the terms of any permit issued pursuant to ~~this Part,~~ Part 1, Part 1A, or Part 2A of this Article; or a rule implementing ~~this Part,~~ Part 1, Part 1A, or Part 2A of this Article or G.S. 143-355(k) relating to water use information, the Department may, either before or after the institution of any other action or proceeding authorized by this Part, request the Attorney General to institute a civil action in the name of the State upon the relation of the Department for injunctive relief to restrain the violation or threatened violation and for such other and further relief in the premises as the court shall deem proper. The Attorney General may institute such action in the superior court of the county in which the violation occurred or may occur or, in his discretion, in the superior court of the county in which the person responsible for the violation or threatened violation resides or has his or its principal place of business. Upon a determination by the court that the alleged violation ~~of the provisions of this Part or the regulations of the Commission~~ has occurred or is threatened, the court shall grant the relief necessary to prevent or abate the violation or threatened violation. Neither the institution of the action nor any of the proceedings thereon shall relieve any party to such proceedings from any penalty prescribed for violation of ~~this Part.~~ Part 1, Part 1A, or Part 2A of this Article or G.S. 143-355(k) relating to water use information.~~For purposes of this section references to "this Part" include Part 1A of this Article and G.S. 143-355(k) relating to water use information.~~"

SECTION 2. G.S. 143-215.22L(e) reads as rewritten:

"(e) Public Hearing on the Draft Environmental Document. – The Commission shall hold a public hearing on the draft environmental document for a proposed interbasin transfer after giving at least 30 days' written notice of the hearing in the Environmental Bulletin and as provided in subdivisions (2) and (3) of subsection (c) of this section. The notice shall indicate where a copy of the environmental document can be reviewed and the procedure to be followed by anyone wishing to submit written comments and questions on the environmental document.

The Commission shall prepare a record of all comments and written responses to questions posed in writing. The record shall include complete copies of scientific or technical comments related to the potential impact of the interbasin transfer. The Commission shall accept written comment on the draft environmental documents for a minimum of 30 days following the last public hearing. The applicant who petitions the Commission for a certificate under this section shall pay the costs associated with the notice and public hearing on the draft environmental document."

SECTION 3. G.S. 143-215.22L(j) reads as rewritten:

"(j) Public Hearing on the Draft Determination. – Within 60 days of the issuance of the draft determination as provided in subsection (i) of this section, the Commission shall hold public hearings on the draft determination. At least one hearing shall be held in the affected area of the source river basin, and at least one hearing shall be held in the affected area of the receiving river basin. In determining whether more than one public hearing should be held within either the source or receiving river basins, the Commission shall consider the differing or conflicting interests that may exist within the river basins, including the interests of both upstream and downstream parties potentially affected by the proposed transfer. The public hearings shall be conducted by one or more hearing officers appointed by the Chair of the Commission. The hearing officers may be members of the Commission or employees of the Department. The Commission shall give at least 30 days' written notice of the public hearing as provided in subsection (c) of this section. The Commission shall accept written comment on the draft determination for a minimum of 30 days following the last public hearing. The Commission shall prepare a record of all comments and written responses to questions posed in writing. The record shall include complete copies of scientific or technical comments related to the potential impact of the interbasin transfer. The applicant who petitions the Commission for a certificate under this section shall pay the costs associated with the notice and public hearing on the draft determination."

SECTION 4. This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

H 1

HOUSE BILL 1828*

Short Title:	Modernize Sales Tax on Accommodations.	(Public)
Sponsors:	Representatives Luebke; Brubaker, Carney, Gibson, Harrison, Hill, Howard, Hughes, Justice, Lucas, McGee, Wainwright, Weiss, and Womble.	
Referred to:	Finance.	

May 20, 2010

A BILL TO BE ENTITLED

AN ACT TO MODERNIZE THE APPLICATION OF THE SALES TAX ON ACCOMMODATIONS BY RECOGNIZING THAT THE SALES PRICE IS THE PRICE PAID BY THE CONSUMER REGARDLESS OF WHETHER IT IS PAID TO THE ACCOMMODATIONS PROVIDER OR A THIRD PARTY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-164.4(a)(3) reads as rewritten:

"§ 105-164.4. Tax imposed on retailers.

(a) A privilege tax is imposed on a retailer at the following percentage rates of the retailer's net taxable sales or gross receipts, as appropriate. The general rate of tax is five and three-quarters percent (5.75%).

...

(3) ~~Operators of hotels, motels, tourist homes, tourist camps, and similar type businesses and persons who rent private residences and cottages to transients are considered retailers under this Article. A tax at the general rate of tax is levied on the gross receipts derived by these retailers from the rental of any rooms, lodgings, or accommodations furnished to transients for a consideration. This tax does not apply to any private residence or cottage that is rented for less than 15 days in a calendar year or to any room, lodging, or accommodation supplied to the same person for a period of 90 or more continuous days.~~

~~As used in this subdivision, the term "persons who rent to transients" means (i) owners of private residences and cottages who rent to transients and (ii) rental agents, including "real estate brokers" as defined in G.S. 93A-2, who rent private residences and cottages to transients on behalf of the owners. If a rental agent is liable for the tax imposed by this subdivision, the owner is not liable.~~ A tax at the general rate applies to the sales price of the rental of an accommodation to a transient and to other gross receipts derived from the rental of an accommodation to a transient. The sales price of the rental of an accommodation to a transient is determined as if the rental were a service. An "accommodation" is a hotel room, a motel room, a residence, a cottage, or a similar space for occupancy by an individual. The tax does not apply to a residence or a cottage that is rented for less than 15 days in a calendar year or to an accommodation provided to the same person for a period of 90 or more continuous days.

A person who provides an accommodation to a transient is considered a retailer under this Article. A person who, by written contract, agrees to be the rental agent for the provider of an accommodation is considered a retailer under this Article and is liable for the tax imposed by this subdivision. The liability of a rental agent for the tax imposed by this subdivision relieves the provider of the accommodation from liability. A rental agent includes a real estate broker, as defined in G.S. 93A-2.

A person who, by written contract, is not the rental agent of the provider of an accommodation but is authorized by the provider to facilitate the rental of the accommodation and to charge a transient for the rental is considered a retailer under this Article for the purpose of determining the sales price of the accommodation. Accordingly, charges designated as facilitation fees or similar fees are considered charges necessary to complete the rental of the accommodation and are included in the sales price. A person who enters into a contract with the provider of an accommodation to a transient to facilitate the rental of an accommodation must report the sales price to the provider of the accommodation. The provider must remit tax on the sales price reported by the facilitator. A facilitator is not liable for tax due on the sales price reported to the provider. A facilitator that does not report the sales price to the provider or that understates the sales price reported to the provider is liable for tax due on the unreported or underreported sales price."

SECTION 2. G.S. 105-164.4B is amended by adding a new subsection to read:

"(e) Accommodations. – The rental of a transient accommodation is sourced to the location of the accommodation."

SECTION 3. G.S. 153A-155(c) reads as rewritten:

"(c) Collection. – ~~Every operator of a business subject to a room occupancy tax shall, on and after the effective date of the levy of the tax, collect the tax. The tax shall be collected as part of the charge for furnishing a taxable accommodation.~~ A person who is required to remit to the Department of Revenue the State sales tax on accommodations imposed by G.S. 105-164.4(a)(3) is required to remit a room occupancy tax to the taxing county on and after the effective date of the levy of the room occupancy tax. The room occupancy tax applies to the same gross receipts as the State sales tax on accommodations and is calculated in the same manner as that tax. A rental agent or a person who facilitates the rental of an accommodation has the same responsibility and liability under the room occupancy tax as the rental agent or facilitator has under the State sales tax on accommodations.

If a taxable accommodation is furnished as part of a package, the bundled transaction provisions in G.S. 105-164.4D apply in determining the sales price of the taxable accommodation. If those provisions do not address the type of package offered, the ~~operator~~ person offering the package may determine an allocated price for each item in the package based on a reasonable allocation of revenue that is supported by the ~~operator's~~person's business records kept in the ordinary course of business and ~~collect~~ calculate tax on the allocated price of the taxable accommodation.

~~The tax shall be stated and charged separately from the sales records and shall be paid by the purchaser to the operator of the business.~~ The provider of an accommodation must separately state the room occupancy tax. Room occupancy taxes paid to a provider of an accommodation are paid to the provider as trustee for and on account of the taxing county. ~~The tax shall be added to the sales price and shall be passed on to the purchaser instead of being borne by the operator of the business.~~

The taxing county shall ~~design, print,~~ design and furnish to all appropriate businesses and persons in the county the necessary forms for filing returns and instructions to ensure the full collection of the tax. ~~An operator of a business~~ A provider of accommodations who collects a

room occupancy tax may deduct from the amount remitted to the taxing county a discount equal to the discount the State allows the ~~operator~~ provider for State sales and use tax."

SECTION 4. G.S. 153A-155(g) reads as rewritten:

"(g) Applicability. – Subsection (c) of this section applies to all counties that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection (c) supersedes that provision. The remainder of this ~~This~~ section applies only to Alleghany, Anson, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell, Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin, Durham, Forsyth, Franklin, Granville, Halifax, Haywood, Madison, Martin, McDowell, Montgomery, Nash, New Hanover, New Hanover County District U, Northampton, Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham, Rowan, Sampson, Scotland, Stanly, Swain, Transylvania, Tyrrell, Vance, Washington, and Wilson Counties, to Surry County District S, to Watauga County District U, to Yadkin County District Y, and to the Township of Averasboro in Harnett County and the Ocracoke Township Taxing District."

SECTION 5. G.S. 160A-215(c) reads as rewritten:

"(c) Collection. – ~~Every operator of a business subject to a room occupancy tax shall, on and after the effective date of the levy of the tax, collect the tax. The tax shall be collected as part of the charge for furnishing a taxable accommodation.~~ A person who is required to remit to the Department of Revenue the State sales tax on accommodations imposed by G.S. 105-164.4(a)(3) is required to remit a room occupancy tax to the taxing city on and after the effective date of the levy of the room occupancy tax. The room occupancy tax applies to the same gross receipts as the State sales tax on accommodations and is calculated in the same manner as that tax. A rental agent or a person who facilitates the rental of an accommodation has the same responsibility and liability under the room occupancy tax as the rental agent or facilitator has under the State sales tax on accommodations.

If a taxable accommodation is furnished as part of a package, the bundled transaction provisions in G.S. 105-164.4D apply in determining the sales price of the taxable accommodation. If those provisions do not address the type of package offered, the ~~operator~~ person offering the package may determine an allocated price for each item in the package based on a reasonable allocation of revenue that is supported by the ~~operator's~~person's business records kept in the ordinary course of business and ~~collect~~ calculate tax on the allocated price of the taxable accommodation.

~~The tax shall be stated and charged separately from the sales records and shall be paid by the purchaser to the operator of the business.~~ The provider of an accommodation must separately state the room occupancy tax. Room occupancy taxes paid to a provider of an accommodation are paid to the provider as trustee for and on account of the taxing city. ~~The tax shall be added to the sales price and shall be passed on to the purchaser instead of being borne by the operator of the business.~~

The taxing city shall ~~design, print,~~ design and furnish to all appropriate businesses and persons in the city the necessary forms for filing returns and instructions to ensure the full collection of the tax. An operator of a business who collects a room occupancy tax may deduct from the amount remitted to the taxing city a discount equal to the discount the State allows the ~~operator~~ provider for State sales and use tax."

SECTION 6. G.S. 160A-215(g) reads as rewritten:

"(g) Applicability. – Subsection (c) of this section applies to all cities that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection (c) supersedes that provision. The remainder of this ~~This~~ section applies only to Beech Mountain District W, to the Cities of Belmont, Conover, Eden, Elizabeth City, Gastonia, Goldsboro, Greensboro, Hickory, High Point, Jacksonville, Kings Mountain, Lenoir, Lexington, Lincolnton, Lowell, Lumberton, Monroe, Mount Airy, Mount Holly, Reidsville,

Roanoke Rapids, Salisbury, Shelby, Statesville, Washington, and Wilmington, to the Towns of Ahoskie, Beech Mountain, Benson, Blowing Rock, Boiling Springs, Boone, Burgaw, Carolina Beach, Carrboro, Cramerton, Dallas, Dobson, Elkin, Franklin, Jonesville, Kenly, Kure Beach, Leland, McAdenville, Mooresville, Murfreesboro, North Topsail Beach, Pilot Mountain, Ranlo, Selma, Smithfield, St. Pauls, Troutman, Tryon, West Jefferson, Wilkesboro, Wrightsville Beach, Yadkinville, and Yanceyville, and to the municipalities in Avery and Brunswick Counties."

SECTION 7. This act becomes effective January 1, 2011, and applies to gross receipts derived from accommodations provided on or after that date.

2010 Town Hall Day

More opportunities to meet and talk with legislators is an added feature of the NCLM Town Hall Day this year. After the morning briefings, a series of meetings will be held with House and Senate leaders and committee chairs. These meetings will be held in the Legislative Building (a schedule will be available at registration.)

Town Hall Day will begin with brief updates at 9:30 and 11:00 a.m. at the LGFCU Conference Center, Quorum Center, 323 W. Jones St. Shuttle buses will provide transportation to and from the Quorum Center and the Legislative Building.
Municipal officials should plan meetings with their representatives and senators in the late morning or mid-late afternoon before or after the House and Senate sessions. Everyone should plan to be in either the House or Senate gallery for the session that day, as a demonstration of the League membership's unity. We need a huge crowd!

The day's scheduled events will end with a 5:00 p.m. reception honoring members of the General Assembly. This reception will be held at the Quorum Center. Municipal officials are strongly encouraged to schedule in advance dinner with their legislative delegations following the reception. Members of the League staff are happy to join you for these dinners as available. Please let us know your dinner plans by sending a message to townhallday@nclm.org

The combined discounted fee is **$40** per municipal official for both Town Hall Day and the Town Hall Day Reception. Separate registrations for the day's events and the reception are available. Reception fee is **$30** per spouse or personal guest of a municipal official. On-site fees for both the Town Hall Day event and the reception will be higher for municipal officials.

**** Note - Anyone attending who has a disability requiring special accommodations, please call Diane Godwin at (919) 733-2635 to make specific arrangements.**

Town of
Matthews™
Office of the Mayor

232 Matthews Station Street
Matthews, NC 28105
704.847.4411

May 20, 2010

Representative Nick Mackey
500 N. Salisbury
Room 403
Raleigh NC 27603

Dear Representative Mackey:

The towns of Cornelius, Davidson, Huntersville, Matthews, Mint Hill and Pineville, along with the City of Charlotte, cordially invite you to dinner the evening of Town Hall Day, June 16, 2010.

The dinner will be held in the auditorium of the Coates Building, 215 North Dawson Street, with social time starting at 6:45 p.m. and dinner at 7:00 p.m.

Please RSVP to Jill Pleimann at jpleimann@matthewsnc.com or (704) 847-4411, extension 231. We look forward to seeing you there.

Sincerely,

James P. Taylor

Mayor James P. Taylor