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

July 10, 2012

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

FROM: Dana Fenton, Intergovernmental Relations Manager

SUBJECT: **Final 2012 State Legislative Report**

The North Carolina General Assembly adjourned its 2012 "short" session on Tuesday, July 3. The General Assembly could be called back into session in the event of any gubernatorial vetoes. As of the beginning of business on July 10, there were 59 bills pending on the Governor's desk. Following the report is an attachment listing legislation that may be of interest to departments of government of the City of Charlotte.

The General Assembly is scheduled to begin its 2013 "long" session on Wednesday, January 30, 2013. Assuming enactment of S847, the General Assembly will meet for a one-day "organizational" session on January 9, 2013 "… solely to elect officers, adopt rules and otherwise organize the session."

HOT TOPIC

State Budget (H950) – North Carolina General Assembly overrode the gubernatorial veto of the 2012 Appropriations Act, which provides funding for FY 13. Major provisions in the amended FY 13 budget of importance to the City include:

- Blue Line Extension funded with recurring funds of $25 million in FY 13
- State New Starts program is formally ended, and remaining unexpended program balance within the Highway Fund is allocated for the Blue Line Extension project
- 3% reduction in State Maintenance Assistance Program funds for CATS reducing Charlotte's annual allocation from approximately $14.0 million to $13.6 million
- Mobility Fund appropriated $45 million in recurring funds, and $30.5 million in non-recurring funds; the non-recurring funds are from unneeded gap funds previously appropriated for the Garden Parkway and Mid-Currituck Bridge
- $1.9 million statewide reduction in Powell Bill funding (impact to Charlotte's annual allocation of $18.6 million unknown at this time)
- Gas tax capped at 37.5 cents per gallon for FY 13

DEVELOPING ISSUES

Annexation Reform 2 (H925 – Moffitt) – Legislation requiring a vote of approval of more than 50% of the registered voters of to be annexed areas prior to an involuntary annexation was enacted into law. The City opposed this legislation.

Extraterritorial Jurisdiction (H1043 - LaRoque) – Proposed legislation from House Select Committee on Extraterritorial Jurisdiction (ETJ) governing how prospective ETJ areas are to be established was not enacted into law. Another bill calling for a study of ETJ issues, **S231** was not approved by the Senate. The City was opposed to legislation that impacted its current ETJ authorities, and furthermore did not see the utility in further study of this issue.

Condemnation/ Protect Homeowners with Underwater Mortgages (H960 – Moffitt, Brawley, R. Moore, Earle) – Proposed legislation from House Select Committee on State Owned Assets providing a two year period ending July 1, 2014 for the value of the mortgage to be taken into consideration by the courts in condemnation cases involving the use of the "quick take" method in Article 9 of Chapter 136, instead of the fair market value, was not considered by the Senate. The City was supportive of amendments to H960 to limit the bill's application to full takes of owner occupied residential properties.

Zoning / Design and Aesthetic Controls (S731 – Clodfelter) – Proposed legislation requested by the Homebuilders Association of North Carolina to limit the manner in which communities require design elements in residential construction was not considered by the House of Representatives. The City was supportive of amendments to S731 to exempt rezonings and garage locations from the restrictions set forth in S731.

Amend Bail Law / Pretrial Release Programs (S756 – East) – Proposed legislation requested by the bail bond industry to deemphasize the use of Pretrial Services was not considered by the House of Representatives. The City opposed S756.

Outdoor Advertising Amendments (Substitute S428 – Carney, McGrady) – Proposed legislation to make changes to the 2011 billboard legislation (S183) that preempted local authority over selective vegetation removal within State rights-of-way adjacent to outdoor advertising structures was not considered by the House of Representatives. The City supported Substitute S428.

Residential Rental Property – Discussion of legislation to rollback current authority of cities to regulate residential rental properties did not lead to legislation in the 2012 "short" session. However, some legislators did indicate this issue is on their radar for the 2013 long session.

BILLS OF INTEREST TO CITY OF CHARLOTTE
2011-2012 NORTH CAROLINA GENERAL ASSEMBLY
2012 SHORT SESSION RATIFIED LEGISLATION

Bill Number	Subject	Department(s)
H153	No Public Retirement for Convicted Felons	HR
H177	Clean Energy Transportation Act	CMO / Energy
H199	Metal Theft Prevention Act of 2012	CMPD
H237	2012 Worker's Compensation Act Adjustments	Finance
H345	Amend Move Over Law	CDOT CMU
H391	Amend Research and Production Service District and County Service District Acts	Finance
H572	Accountability for Publicly Funded Nonprofits	All
H585	Vehicle Emissions Inspections	CDOT MUMPO
H673	Street Gang Nuisance Abatement	CMPD
H737	Strengthen Child Safety Laws / Care Facilities	CMPD
H741	Law Enforcement / Emergency Vehicle Length	CMPD CFD CDOT CATS
H821	Allow DOT to Use Recycled Asphalt	CDOT
H843	Modernize NC Emergency Management Act	CFD CMPD CATS CDOT
H925	Annexation Reform 2	Planning
H950	2012 Appropriations Act	CDOT (Sec. 24.2, 24.8) CATS (Sec. 24.8, 24.19, 24.20) MUMPO (Sec. 24.16 (pp. 125-132) N&BS (Sec. 14.1(d), 13.4, 13.6,) Community Relations (Sec. 19.1)
H953	Amend Environmental Laws 2	E&PM CMU
H1015	Economic Development & Finance Changes	Aviation N&BS
H1052	Mechanics Liens / Payment Bond Reforms	E&PM CATS CMU
H1074	Stop Fraud, Waste and Abuse in Government Act	HR

Bill Number	Subject	Department(s)
H1077	P3 Pilot Toll Project for I-77	CDOT CATS MUMPO
H1181	Study Taxation and Valuation of Leasehold Interests in Exempt Real Property	Finance
S77	Rental Property Smoke Alarm Amendments	CFD
S94	PSAP Technical Standards	CFD CMPD Budget
S141	Law Enforcement Changes	CMPD
S187	Modify 2012 Appropriations Act	CDOT (Sec. 6.1)
S229	Amend Environmental Laws / 2012	E&PM CMU Aviation (Sec. 6)
S426	Public Finance Laws / Municipal Service Districts	Finance
S443	Amend Cemetery Commission Statute	E&PM
S749	Transportation Amendments	CDOT
S798	Various Emergency Management Changes / Establish Joint Legislative Emergency Management Oversight Committee	CFD CMPD CDOT CATS
S804	Retirement System Technical Changes	HR
S810	Regulatory Reform Act of 2012	E&PM CMU
S815	Reform Workforce Development	N&BS
S820	Clean Energy and Economic Security Act (Fracking)	Planning
S826	Revenue Laws Technical Changes	Finance
S828	Unemployment Insurance Law Changes	Finance
S847	General Statutes Technical Changes	CDOT (Sec. 9, 10) City Attorney (Sec. 22a) Finance (Sec. 36, 56, 62.5, 65.5, 69) CFD (Sec. 50) CATS (Sec. 65.3, 71.5) E&PM (Sec. 65.3) N&BS (Sec. 70.5, 79.10)
S869	Remove Restriction / Firefighter Disability	Finance
S889	RPO Area Definition	CDOT MUMPO
S890	Strategic Prioritization Process for Transportation Projects	CDOT MUMPO
S929	Firefighter's Relief Fund	Finance