



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

July 3, 2013

TO: Ron Carlee, City Manager
Ron Kimble, Deputy City Manager

FROM: Dana Fenton, Intergovernmental Relations Manager

SUBJECT: Week 23 State Legislative Report

HOT TOPICS

Charlotte Regional Airport Authority Act (SB 81 – Rucho) transfers control of the Charlotte Douglas International Airport from the City of Charlotte to an independent Authority; SB 81 reported out of House Transportation Committee on 6/4; re-referred to House Rules; House sponsors of companion legislation, HB 104 (W. Brawley, Samuelson) have floated study resolution in lieu of legislation transferring airport to authority; City Council adopted resolution on 6/10 states that: (1) City supports airport governance structure that maintains CLT's best performing and lowest cost status, regardless of whether it is a city department, authority or some other model, (2) directs City Manager to fully evaluate and implement best practices for airport finances, contracts, procurement, human resources, and public safety, and to work with all stakeholders, including legislators, in undertaking these evaluations, and (3) unambiguously states that it would vigorously resist any outside, unilateral changes that threaten the airport's performance and cost status

State Budget (SB 402 – Brunstetter) for FY 2014 and FY 2015 passed Senate 5/23 and House on 6/13; Blue Line Extension funding is included in Public Transportation Division budget; conference process is ongoing; Senate and House leadership aiming to have budget conference report adopted week of July 8

Tax Reform (HB 998 – Lewis): Senate passed its tax reform measure, which has been sent back to House for concurrence; Senate measure moves closer to House position in terms of fiscal impacts to State and local governments; authority to levy privilege license tax is preserved but would be studied by Revenue Laws Committee; major impact to local governments is repeal of authority to apply for sales tax refunds, which negatively impacts several City funds including General, CATS, CMUD and Airport; fiscal impact upon City from Senate measure when fully implemented in FY 17 estimated at \$7 million to \$9 million reduction in revenues annually

LEGISLATIVE AGENDA

Public Transportation Buses (HB 375 – Jeter) allows buses owned and operated by the City of Charlotte that are 46 to 60 feet in length to be operated primarily on roadways with speed limits over 45 miles per hour; passed House and referred to Senate Rules

Infrastructure Improvements (SB 103 – Hartsell) extends sunset date of the Special Assessments for Critical Infrastructure Needs Act of 2008 by two years to July 1, 2015, which is needed for continued examination of Red Line Regional Rail project; passed Senate; reported out of House Government House Finance; re-referred to House Finance from House floor in order to modify language to reflect that the Act will expire prior to enactment

Long Term Investment Program (SB 276 – Clodfelter) amends City's long term investment authority to enable use of "prudent investor" rule; referred to Senate State and Local Government where it has not moved

Transportation Project Financing (SB 322 – Clodfelter) allows local governments to use special obligation bond financing for public transportation projects, thereby facilitating local participation in the federal Transportation Infrastructure Financing and Innovation Act (TIFIA) program; referred to Senate Finance where it has not moved

Film Production Tax Credit: HB 994 (Luebke) negatively alters the film production tax credit program and would make the credit "nonrefundable" so that out-of-state production companies would not benefit; HB 994 referred to House Rules; City opposes HB 994

DEVELOPING ISSUES

Mecklenburg Revaluation (HB 200 – W. Brawley / SB 159 – Tarte) corrects issues related to the recent Mecklenburg County revaluation; SB 159 passed Senate and is in House Finance; HB 200 passed House and is in Senate Rules

Zoning/Design & Aesthetic Controls (HB 150 – Dollar) restricts use of design standards by counties and cities for any residential dwelling subject to the NC Residential Code for One and Two Family Dwellings; passed House and reported out of Senate Rules but was re-referred back to Committee from the floor; City opposes HB 150

Rental Property Ordinances (HB 773 – W. Brawley) repeals several provisions of legislation passed in 2011 that became basis for 2012 changes to Charlotte rental property ordinance; bill prohibits mandatory registration of all rental properties which makes it nearly impossible to notify property owners and landlords of crimes committed on their properties, which the bill also requires; there are at least ten other NC towns and cities that have rental program impacted by HB 773; passed House and referred to Senate Commerce; City opposes HB 773

Amends Environmental Laws 2013 (HB 94 - McElraft) is omnibus environmental laws bill considered every session; section of interest to City was Senate Committee amendment that repealed one of three requirements for assets, including debt, of any city owned water utility to be transferred to a metropolitan sewerage district as an operation of law was removed on floor of the Senate after strenuous objections were raised by the City of Greenville; passed Senate on 7/3 and sent back to House for concurrence

Regulatory Reform Act of 2013 (SB 612 – Brown) preempts local ordinances by stating that local government environmental ordinances or regulations that regulate fields also regulated by the State or federal government and are more stringent than State or federal government standards are preempted, which would invalidate many of the City’s environmental regulations exceeding state and federal mandates covering erosion control, post construction controls, stream buffer protections, nutrient controls, and stormwater detention; passed Senate and referred to House Regulatory Reform; City opposes preemption section of SB 612

Family, Faith, and Freedom Protection Act (HB 695 – Whitmire) was amended evening of 7/2 in Senate Judiciary I committee to include coverage mandate prohibiting local government health care plans from offering abortion coverage greater than that offered by state health care plan for teachers and state employees; since state health care plan for teachers and state employees is prohibited by law from providing coverage of abortions, except if the life of the mother is in danger or the pregnancy was caused by rape or incest, this coverage mandate is intended to prohibit local government health care plans from covering elective abortions; coverage mandate has been part of the State health care plan for teachers and state employees since 2011, when it was enacted through section 29.23 of the 2011 state budget; passed Senate on 7/3 and sent back to House for concurrence

BILL TRACKING REPORT

The following report shows all bills being followed by City staff.

Bill #, Title and (Sponsors)	Summary of Major Provisions & Impacts Upon City	Bill Status	Staff Resource(s)
City's Legislative Agenda			
Film Production Tax Credit	Film Production Tax Credit: HB 994 introduced that negatively alters the film production tax credit to where only in state companies can apply for it – City opposes	HB 994 referred to House Rules, then Commerce, then Finance	N&BS
SB 103 Critical Infrastructure Act Extension (Hartsell)	Infrastructure Improvements: Bill extends the sunset date of the Special Assessments for Critical Infrastructure Needs Act to July 1, 2015	Re-referred to House Finance	CATS
SB 276 Charlotte Charter/Investments (Clodfelter)	Long Term Investment Program: Allows the City to make investments which meet the “prudent person” standard	Referred to Senate State/LG	Finance
HB 375 Increase Allowed Size of Passenger Buses (Jeter)	Public Transportation Buses: Local bill; Buses must be operated primarily on routes with speed limits of 45 miles or greater	Passed House; Re-referred to Senate Rules	CATS
SB 322 Amend Authority for Local Special Obligation Bonds (Clodfelter)	Transportation Project Financing: Allows local governments to issue special obligation bonds for public transportation facilities, which would enable local governments to utilize the federal governments TIFIA program	Referred to Senate Finance	Finance
Tax Reform			
HB 998 Tax Simplification and Reduction Act (Lewis)	Tax Reform vehicle	Passed House; Passed Senate; Sent to House for concurrence	Finance Budget
General			
HB 8 Eminent Domain (McGrady)	Proposes that State Constitution be amended to prohibit condemnation except for a public use; Similar to Edition 3 of 2011 legislation that passed House but not considered by Senate	Passed House; Referred to Senate Judiciary I	E&PM
HB 74 Periodic Review and Expiration of Rules (Murry)	Allows for the expiration of a permanent rule unless there is a readoption of the rule by the Rules Review Commission	Passed House; Referred to Senate Rules	E&PM
HB 110 Public Contracts/ Project Labor (Goodman)	Prohibits contracts that requires a bidder or contractor to enter into an agreement with a labor organization as a term of a contract	Passed House; Passed Senate	E&PM
HB 632 Study Property Owners Protection Act (Moffitt)	Amended to study the advisability of establishing a Property Owners Protection Act that would favor the free use of land	Passed House; Referred to Senate Rules	Planning
HB 659 County and City Ethics (Moffitt)	Outlines additional ethics standards members of governing boards for cities, counties, education, unified governments, sanitary and consolidated city-county governments	Referred to House Appropriations	CMO

Bill #, Title and (Sponsors)	Summary of Major Provisions & Impacts Upon City	Bill Status	Staff Resource(s)
HB 677 Local Government Regulatory Reform (W. Brawley)	Regulatory reform legislation that prohibits municipalities from authorizing employers to withhold labor union dues from an employee's pay, and requiring employers assume responsibility for an employee's carbon footprint	Passed House; Referred to Senate State/LG	HR
HB 695 Family, Faith, and Freedom Protection Act (Whitmire)	Part IV of legislation, which was added on 7/2 in Senate committee, enacts health care coverage mandate prohibiting local governments from offering abortion coverage in their health care plans greater than that provided in the state health care plan for teachers and state employees; state health care plan only provides coverage in the event the life of the mother is endangered or rape or incest	Part IV added on 7/2; passed Senate on 7/3, and sent back to House for concurrence	HR
HJ 708 Study Public Enterprise Funds (Moffitt)	Study Bill that will examine charges assessed against public sector enterprise funds for cost allocation, direct services, etc.	Passed House; Referred to Senate Rules	Finance Budget
HB 870 Record Closed Sessions of Public Bodies (Dixon)	Requires all public bodies to record meetings held in closed session with the exception of those related to employment	Passed House; Referred to Senate Judiciary I, then Rules	City Clerk CorpComm
SB 81 Charlotte Regional Airport Authority (Rucho)	Transfers City's control of the Charlotte Douglas International Airport to independent authority	Passed Senate; Referred to House Rules	CMO
SB 159 Require Certain General Appraisals (Tarte)	Adjusts reappraisals that resulted in property values that do not comply with State requirements; Identical to HB 200	SB 159 in House Finance; HB 200 in Senate Rules	Finance
SB 287 Notice Publication by some local governments (Wade)	Allows some counties and their localities within, including Mecklenburg County to provide electronic notice instead of publishing notice in newspapers	Passed Senate; Re-referred to House Rules	CorpComm City Clerk
SB 402 Governor's Proposed Budget (Brunstetter)	Makes base budget appropriations for current operations of state departments, institutions, agencies and other purposes	House-Senate Conference	Finance Budget
Public Safety			
HB 17 Gun Permits / Restaurants & Confidentiality (Burr)	Allows persons with concealed handgun permits to possess handguns in restaurants if allowed by establishment, and to preserve confidentiality of information concerning concealed handgun permits and pistol purchase permits	Passed House; Referred to Senate Judiciary I	CMPD
HB 59 Eliminate Safety Inspections (Howard)	Eliminates annual vehicle safety inspections as well as the requirement that window tinting inspections be conducted by a licensed safety inspector. Legislation stems from recommendations by the Joint Legislative Program Evaluation Oversight Committee; Identical to SB 194	HB 59 referred to House Transportation, then Finance; SB 194 referred to Senate Rules	CMPD

Bill #, Title and (Sponsors)	Summary of Major Provisions & Impacts Upon City	Bill Status	Staff Resource(s)
HB 186 Towns Enforce Ordinances on Lake Norman (Jeter)	Allows the towns of Cornelius, Davidson, Huntersville, Mooresville and Troutman to enforce town ordinances on the waters of Lake Norman	Passed House; Referred to Senate State/LG	CMPD
HB 345 Increase Penalties for Misuse of 911 System (Faircloth)	Increase the criminal penalty for misuse of 911 from a Class 3 misdemeanor to Class 1 misdemeanor.	Passed House; Passed Senate; Sent to House for concurrence	CMPD
HB 348 Public Safety Technology/State ROW (Faircloth)	Allows the NC Department of Transportation to enter into agreements with local governments to utilize public safety technology in the rights-of-way of state maintained roads	Passed House; Referred to Senate Transportation	CMPD
HB 773 Local Governments/ Buildings/Structures/Inspections (W. Brawley)	Revises conditions in which cities and counties may inspect buildings or structures, and administration of rental property registration programs; Prohibits requiring all residential rental property owners to register their properties with CMPD	Passed House; Referred to Senate Commerce	CMPD
HB 930 Dog Breeding Standards/Law Enforcement Tools (Saine)	Establishes standards of care for large commercial dog breeding facilities and provides law enforcement tools to enforce standards	Passed House; Referred to Senate Agriculture, then Judiciary II, then Finance	CMPD
HB 937 Amend Various Firearms Laws (Schaffer)	Omnibus bill to change firearms laws including guns locked in vehicles	House-Senate Conference; Referred to House Rules	CMPD
SB 659 MAP 21 Conforming Revisions (Shepard)	Conforms state motor vehicle law to the recently passed federal MAP-21	Referred to House Appropriations	CMPD
Environment & Planning			
HB 94 Amend Environmental Laws (McElraft)	Omnibus environmental amendments bill	Passed Senate; Sent to House for concurrence	E&PM CMUD CATS
HB 150 Zoning/Design and Aesthetic Controls (W. Brawley)	Limits application of design building standards to structures located in local historic districts, areas listed on the National Registry of Historic Places, and local, state or national historic landmarks, standards related to safety code requirements, applications for manufactured or modular housing, and as condition of participation in the National Flood Insurance Program	Passed House; Referred to Senate Rules	Planning E&PM
HB 192 Allow ROW Usage in CBDs (Shepard)	Permits local governments to enact sidewalk dining ordinances for use of State owned right of way	Passed Senate; Sent to House for concurrence	CDOT

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HB 573 Stormwater Management Fees (Jeter)	Broadens permitted use of storm water fees by allowing counties to purchase property as well as implement flood damage reduction techniques on private property with the owner's consent; Applies to Mecklenburg County only	Passed House; Referred to Senate Finance	E&PM
HB 625 Zoning/Health Care Structure (Moffitt)	Allows for the zoning of temporary health care structures which would be occupied by a caregiver. The structure must be removed within 60 days in which the impaired person is no longer receive care or in need of assistance	Passed House; Referred to Senate State/LG, then Finance	Planning
HB 646 Airports Exempt from Local Tree Ordinances (Catlin)	Prohibits counties and cities from adopting or enforcing tree ordinances and regulations of trees on the property of airports owned by a municipality, county or authority	Passed House; Referred to Senate State/LG	Planning E&PM
HB 769 Zoning/Limit Manufactured Home Restrictions (Ramsey)	Amends zoning laws to limit when counties can restrict placement of manufactured homes in areas zoned for single-family residential use	Passed House; Referred to Senate State/LG, then Commerce	Planning
HB 894 Allocation of Excess Stormwater (Catlin)	Authorizes cities to waive stormwater detention requirements for urban redevelopment projects if there exists excess capacity in its existing receiving stormwater system	Passed House; Referred to Senate Commerce	E&PM
HB 938 Improve Wetlands Mitigation Program (Lewis)	Directs NCDENR and NCDOT to petition the US Army Corps of Engineers for greater flexibility and opportunity for wetland mitigation; review fees charged by the ecosystem enhancement program; and study whether the State should assume administration of the Section 404 permitting program under the Federal Water Pollution Control Act for NC from the US Army Corps of Engineers	Passed House; Referred to Senate Agriculture	E&PM
SB 105 Clarify Political Sign Ordinance Authority (Tillman)	Amends legislation passed in 2011 by allowing municipalities to enforce State law regulating and prohibiting placement of political signs along state highways that fall within a municipality's corporate limits	Passed Senate; Referred to House Transportation	N&BS
SB 328 Solid Waste Management Reform Act of 2013 (Wade)	Directs the Commission on Public Health and DENR to adopt and enforce a rule requiring solid waste vehicles and containers to be leak resistant instead of leak proof	Passed Senate; Referred to House Environment, then Finance	Solid Waste
SB 612 Regulatory Reform Act of 2013 (Brown)	States that when local government environmental ordinances or regulations that regulate fields also regulated by the State or federal government and are more stringent than State or federal government standards are inconsistent with State or federal law	Passed Senate; Referred to House Regulatory Reform	E&PM
Infrastructure			

Bill #, Title and (Sponsors)	Summary of Major Provisions & Impacts Upon City	Bill Status	Staff Resource(s)
HB 195 Cornelius/Extend Use of Design Build (Jeter)	Extends the Town of Cornelius' authority to use design build construction from 2013 to 2016	Passed House; Re-referred to Ways and Means	CMO
HB 267 Limit Tolling on Existing Interstates (Collins)	Establishes standards for how existing interstates can be tolled	Passed House; Referred to Senate Rules	CDOT Planning
HB 476 Underground Damage Prevention (Hager)	Makes comprehensive changes to Underground Damage Prevention Act	Passed House; Reported out of Senate Commerce; Re-referred to Finance	CDOT CMUD
HB 814 Study Water & Sewer Service Districts (Hamilton)	Directs Environmental Review Commission to study reduction and consolidation of statutory models for establishing, operating and financing certain organizations that provide water and sewer services	Passed House; Referred to Senate Rules	CMUD
HB 857 Public Contracts/ Construction Methods/DB/PD (Arp)	Allows government entities to use design-build method to erect, construct, alter or repair public buildings as well as enter into public-private partnership construction contracts	Passed House; Referred to Finance	E&PM
HB 966 Cap Fuel Tax (Blust)	Caps the fuel tax rate at the current capped level for FY2014 and at 36.5¢ per gallon for FY2015; fuel tax cap at current rate included in Senate tax reform plan (HB 998) for FY 14 only	Referred to House Transportation, then Finance	CDOT
SB 341 Amend Interbasin Transfer Law (Rabon)	Limits transfer between basins with a certificate to an average of 2 million gallons per day not to exceed 5 million per day on any given day	Reported from House Environment	CMUD
Economic Development			
HB 55 Reform Workforce Development (Howard)	Resolution to realign local workforce development areas with boundaries of councils of governments as recommended by the Joint Legislative Program Evaluation Oversight Committee;	Passed House; Referred to Senate Rules	N&BS