



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

July 12, 2013

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

**FROM:** Dana Fenton, Intergovernmental Relations Manager

**SUBJECT: Week 24 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; 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; reported out of House Finance 7/10 and passed second reading in House 7/11; final vote in House on Monday 7/15 before return to Senate for concurrence

Tax Reform (HB 998 – Lewis): Senate passed its tax reform measure on 7/3 and ever since, it has been the centerpiece of negotiations between the Senate and House in both the tax reform and budget negotiations; 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

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

## 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; reported out of House Finance 7/10 and passed second reading in House 7/11; final reading set for Monday 7/15 before return to Senate for concurrence

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; HB 200 passed House and is in Senate Rules; SB 159 reported out of House Finance 7/11

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), the omnibus environmental laws bill considered every session, passed Senate on 7/3 and sent back to House for concurrence; concurrence by the House has been held up due to negotiations over regulatory reform; with the House passage of the Create Jobs Through Regulatory Reform Act (SB 112 – Jackson) on 7/11, the regulatory bill, Senate action is expected on HB 94; SB 112 contains many provisions impacting local governments including those repealing rezoning protest petitions, affecting nonconforming status of billboards, and preemption of local ordinances that are more stringent than State or federal government standards; since the preemption language has changes since it was the subject of debate in SB 612, City departments will be reexamining it to determine how it actually impacts local ordinances; SB 112 passed second and third readings in House on 7/11 has been sent back to Senate for concurrence; City opposes provisions regarding billboards (section 9), protest petitions (section 13.3) and preemption (section 13.1)

Family, Faith, and Freedom Protection Act (HB 695 – Whitmire) was amended into Health and Safety Law Changes (SB 353 – Harrington); coverage mandate prohibiting local government health care plans from offering abortion coverage, except if the life of the mother is in danger or the pregnancy was caused by rape or incest, is included in SB 353; reported out of Judiciary Subcommittee B on 7/10 and passed second and third readings on 7/11; sent back to Senate 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)
<b>City's Legislative Agenda</b>			
Film Production Tax Credit	<b>Film Production Tax Credit:</b> <a href="#">HB 994</a> 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
<a href="#">SB 103</a> Critical Infrastructure Act Extension (Hartsell)	<b>Infrastructure Improvements:</b> Bill extends the sunset date of the Special Assessments for Critical Infrastructure Needs Act to July 1, 2015	Reported out of House Finance; Passed 2 <sup>nd</sup> reading	CATS
<a href="#">SB 276</a> Charlotte Charter/Investments (Clodfelter)	<b>Long Term Investment Program:</b> Allows the City to make investments which meet the “prudent person” standard	Referred to Senate State/LG	Finance
<a href="#">HB 375</a> Increase Allowed Size of Passenger Buses (Jeter)	<b>Public Transportation Buses:</b> 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
<a href="#">SB 322</a> Amend Authority for Local Special Obligation Bonds (Clodfelter)	<b>Transportation Project Financing:</b> 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
<b>Tax Reform</b>			
<a href="#">HB 998</a> Tax Simplification and Reduction Act (Lewis)	Tax Reform vehicle	Passed House; Passed Senate; Sent to House for concurrence	Finance Budget
<b>General</b>			
<a href="#">HB 74</a> 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
<a href="#">HB 110</a> 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; Sent to Governor	E&PM
<a href="#">HB 632</a> 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
<a href="#">HB 659</a> 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)
<a href="#">HB 677</a> 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
<a href="#">HJ 708</a> 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
<a href="#">HB 870</a> 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
<a href="#">SB 81</a> Charlotte Regional Airport Authority (Rucho)	Transfers City's control of the Charlotte Douglas International Airport to independent authority	Passed Senate; Passed 2 <sup>nd</sup> reading in House	CMO
<a href="#">SB 159</a> Require Certain General Appraisals (Tarte)	Adjusts reappraisals that resulted in property values that do not comply with State requirements; Identical to <a href="#">HB 200</a>	SB 159 reported out of House Finance; HB 200 in Senate Rules	Finance
<a href="#">SB 287</a> 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
<a href="#">SB 353</a> Health and Safety Laws (Harrington)	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	Passed Senate; Passed House; Sent back to Senate for concurrence	HR
<a href="#">SB 402</a> 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
<a href="#">SB 636</a> Eminent Domain / Wildlife Resources Commission (Newton)	Proposes that State Constitution be amended to prohibit condemnation except for a public use; Formerly HB 8	Passed Senate; Passed House ; Sent to Senate for concurrence	E&PM
<b>Public Safety</b>			
<a href="#">HB 17</a> 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

Bill #, Title and (Sponsors)	Summary of Major Provisions & Impacts Upon City	Bill Status	Staff Resource(s)
<a href="#">HB 59</a> 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 <a href="#">SB 194</a>	HB 59 referred to House Transportation, then Finance; SB 194 referred to Senate Rules	CMPD
<a href="#">HB 186</a> 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
<a href="#">HB 345</a> 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 Governor	CMPD
<a href="#">HB 348</a> 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
<a href="#">HB 773</a> 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
<a href="#">HB 930</a> 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
<a href="#">HB 937</a> Amend Various Firearms Laws (Schaffer)	Omnibus bill to change firearms laws including guns locked in vehicles	House-Senate Conference; Referred to House Rules	CMPD
<a href="#">SB 659</a> MAP 21 Conforming Revisions (Shepard)	Conforms state motor vehicle law to the recently passed federal MAP-21	Passed Senate; Passed House; Ratified	CMPD
<b>Environment &amp; Planning</b>			
<a href="#">HB 94</a> Amend Environmental Laws (McElraft)	Omnibus environmental amendments bill	Passed Senate; Sent to House for concurrence	E&PM CMUD CATS

Bill #, Title and (Sponsors)	Summary of Major Provisions & Impacts Upon City	Bill Status	Staff Resource(s)
<a href="#">HB 150</a> 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
<a href="#">HB 192</a> Allow ROW Usage in CBDs (Shepard)	Permits local governments to enact sidewalk dining ordinances for use of State owned right of way	Passed Senate; Passed House; Concurred by Senate	CDOT
<a href="#">HB 573</a> 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
<a href="#">HB 625</a> 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
<a href="#">HB 646</a> 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
<a href="#">HB 769</a> 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
<a href="#">HB 894</a> 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
<a href="#">HB 938</a> 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
<a href="#">SB 105</a> 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

Bill #, Title and (Sponsors)	Summary of Major Provisions & Impacts Upon City	Bill Status	Staff Resource(s)
<a href="#">SB 112</a> Create Jobs through Regulatory Reform Act of 2013 (Jackson)	Contains billboard, protest petition and preemption language opposed by City	Passed Senate; Passed House; Sent back to Senate for concurrence	E&PM
<a href="#">SB 328</a> 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
<b>Infrastructure</b>			
<a href="#">HB 195</a> 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
<a href="#">HB 267</a> Limit Tolling on Existing Interstates (Collins)	Establishes standards for how existing interstates can be tolled	Passed House; Referred to Senate Rules	CDOT Planning
<a href="#">HB 476</a> 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
<a href="#">HB 814</a> 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
<a href="#">HB 857</a> 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
<a href="#">SB 341</a> 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
<b>Economic Development</b>			
<a href="#">HJR 55</a> 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