



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

June 13, 2014

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

FROM: Dana Fenton, Intergovernmental Relations Manager

SUBJECT: Week 5 State Legislative Report

The overarching local issue addressed in Week 5 was the Charlotte Airport Commission Clarifications legislation (HB 133), which passed the Senate and then was calendared by the House for action on Tuesday, June 17. At the statewide level, the House passed its version of the budget (SB 744) and sent it back to the Senate. This action tees up the committee of conference process to resolve differences in the House and Senate budgets. It is widely expected that a budget will be ready to be sent to the Governor by this time next week. Also, Senate leadership filed an Adjournment Resolution (SJ 881) that sets an adjournment date for the 2013 Regular Session of Friday, June 27. Around the legislative complex, June 27 is widely considered to be the earliest possible date for adjournment.

High priority issues the City is following include:

Charlotte Airport Commission Clarifications: HB 133 is the legislation that was amended to address issues surrounding whether the Charlotte Douglas International Airport Commission has the necessary legal authority from the State of North Carolina to operate the Charlotte Douglas International Airport. HB 133 passed the Senate and has been calendared for House action on Tuesday, June 17.

Film Production Credit: The House amended the budget (SB 744) to incorporate the Film and Entertainment Grant Fund that is similar to the proposal approved by the Senate in the NC Economic Development Partnership Modifications bill (SB 743). The House amendment was offered by Rep. Ted Davis (R-New Hanover) after film production credit program proponents realized that support in the House necessary to keep the current program going was insufficient.

The Film and Entertainment Grant Fund has continued to receive a lukewarm reception from the

film production industry as it widely viewed as not providing the framework necessary to maintain North Carolina's standing as one of the top tier States for film production. Specifically, the General Assembly would have to make annual appropriations, which takes away the certainty needed by production companies that the credit will be available, and that the maximum payouts would be set at \$5 million for film and TV productions while the current maximum payout is \$20 million per production.

Public Transportation Division Budget: The House version of the budget maintains funding for the Public Transportation Division of the NC Department of Transportation at current funding levels, while the Senate budget would reduce Division recurring expenditures by 4%. The proposed Senate reduction would potentially affect funding directed to the Charlotte Area Transit System for the State Maintenance Assistance Program that underwrites a portion of operating expenses and the State share of construction of the LYNX Blue Line Extension.

At the House Appropriations Subcommittee for Transportation meeting on June 3, staff stated that the Senate recognizes that the State has entered into a commitment to pay its share of the construction of the LYNX Blue Line Extension and that the Senate intended for NCDOT to determine where to allocate the proposed 4% reduction while meeting this commitment. The General Assembly agreed in 2012 to appropriate \$25 million annually for the project until its commitment to fund 25% of the project costs have been met. This commitment requires annual appropriations from the State to the project through at least FY 2023.

Other issues the City is following include:

Tree Removal, Replacement and Preservation: HB 1191 (Dixon) is the Agriculture and Forestry Awareness Commission requested legislation that would, among other things prohibit local governments from regulating the "removal, replacement, and preservation of trees on private property within its jurisdiction". Considerable opposition to this proposal has been generated from all over the State. It is expected that the tree related provisions will be removed if and when the bill is heard in the House Agriculture Committee. The City supports removal of this provision from HB 1191. North Carolina local elected officials from towns and cities received assurances on Town Hall Day, June 4, that this section would be removed from the bill.

Regulatory Reform: SB 734 passed the Senate on May 29 and has been referred to the House Regulatory Reform Committee. SB 734 was introduced as the Environmental Review Commission legislation to repeal the unanimous vote requirement for certain local environmental ordinances. It has since been transformed by the Senate from a one page bill covering just the Environmental Review Commission recommendation into an omnibus style regulatory reform bill of more than 60 pages.

Coal Ash: SB 729 (Apodaca) / HB 1229 (Samuelson) are identical versions of the Governor's Coal Ash Action Plan. SB 729 is calendared for Senate Agriculture / Environment / Natural Resources on June 17. SB 856 (Woodard) / HB 1226 (Harrison) requires all coal ash ponds to be closed at a date certain time, coal ash must be stored onsite in lined landfills, and disallows passing on closure costs to ratepayers.

Zoning / Design and Aesthetics Controls: HB 150 (Dollar) is the design and aesthetics control legislation passed by the House in 2013. HB 150 would prohibit local governments from requiring certain building design elements (i.e. design standards) for one- and two-family dwellings. If HB 150 is enacted, Council would no longer be able to consider design standards when evaluating conditional zoning petitions. Oftentimes, incorporation of design standards into conditional zoning petitions enable neighboring property owners to support such petitions. HB 150 is currently in the Senate Rules Committee. The City opposes HB 150.