



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

July 2, 2014

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

FROM: Dana Fenton, Intergovernmental Relations Manager

SUBJECT: Week 8 State Legislative Report

The House and Senate appeared to have achieved a major breakthrough in budget negotiations by resolving significant differences in Medicaid expenditures. The conference committee reportedly still has to resolve differences revolving around state employee and teacher pay increases. The House Environment and Finance Committees held hearings today on the Coal Ash Management Act of 2014 (SB 729), which the House leadership would like to move to the floor today and tomorrow for its required votes. The Senate has directed the two regulatory reform proposals passed by the House last week, SB 493 and SB 734, to the Senate Ways & Means Committee, which has not scheduled hearings on the bills.

High priority issues the City is following are as follows:

Regulatory Reform Act of 2014: Since the House passed its version of regulatory reform (SB 734) last week, the Senate did not hold a concurrence vote and instead sent SB 734 to the Senate Ways and Means Committee. Sections of highest importance to the City include DOT Condemnation Changes, Costs and Appeal, Clarify when a County or Municipality May Enact Zoning Ordinances Related to Design and Aesthetic Controls, and Repeal Supermajority Effect of Protest Petitions.

The City is following other sections of SB 734 including clarification of the professional engineer exemption, notice to property owners of right of way transfers, notice to chronic violators of public nuisance ordinances, planning and zoning requirements for fraternities and sororities, and various building code requirements. SB 734 also calls for studies of publication of post-arrest images, ethics requirements for certain city officials, and building codes.

Film Production Credit: At a press conference last week, Rep. Ted Davis (R-New Hanover) announced he is continuing efforts to extend the current film production credits for one year and cap disbursements at \$40 million in calendar year 2015 so that a study may be made as to how to transition to a film production program that emphasizes permanent investments and employment while maintaining North Carolina's standing as a top tier State for film production. He was joined by members of the New Hanover and Mecklenburg delegations.

Public Transportation Division Budget: The House version of the budget (SB 744) maintains funding for the Public Transportation Division of the NC Department of Transportation at currently approved 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.

Other issues the City is following include:

Coal Ash Management Act of 2014: SB 729 (Apodaca) passed the Senate and has been sent to the House. SB 729 creates a Coal Ash Management Commission to approve closure plans and study and make recommendations on the use of coal combustion residuals. The Governor has stated his opposition to provisions in SB 729 that have the General Assembly making six of the nine appointments to the new Commission, and the Governor having the other three. The Governor's Counsel believes this violates the separation of powers between the executive and legislative branches. Various House committees are holding hearings on the bill this week.

2014 Amend Environmental Laws: SB 38 is a 2013 crossover bill that contains various environmental related measures including the recommendation from the Environmental Review Commission to repeal the unanimous vote requirement for certain local environmental ordinances. SB 38 also contains provisions related to agency review of engineering work, wetlands, and definition of gravel. SB 38 passed the House and was sent back to the Senate for concurrence, but the Senate instead is holding it in the Clerk's Office

Health and Safety Regulatory Reform: Since SB 493 passed the House last week and sent it back to the Senate for concurrence; the Senate did not hold a vote of concurrence and instead referred SB 493 to the Senate Ways and Means Committee. SB 493 contains health and safety regulatory reform measures. Sections of interest to the City include health insurance coverage for autism and pharmacy benefits, and animal euthanasia requirements.

Tree Removal, Replacement and Preservation: There has been no action on the Agriculture and Forestry Awareness Commission requested legislation to prohibit local governments from regulating the "removal, replacement, and preservation of trees on private property within its jurisdiction" since HB 1191 (Dixon) was introduced early in the "short" session. Considerable opposition to this proposal has been generated from all over the State. It is expected that the tree related provisions in sections 2 and 3 will be removed if and when the bill is heard in the House Agriculture Committee. North Carolina local elected officials from towns and cities received assurances on Town Hall Day, June 4, that these sections would be removed from the bill. The City supports removal of sections 2 and 3 from HB 1191.