



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

May 31, 2013

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

FROM: Dana Fenton, Intergovernmental Relations Manager

SUBJECT: Week 18 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 passed Senate and referred to House Transportation; SB 81 discussed among committee members in House Transportation on Tuesday 4/2; Delegation heard report of Airport Governance Study from project consultant on 5/8; City opposes SB 81; SB 81 scheduled for House Transportation Committee consideration on June 4

Tax Reform: Senate Finance Committee heard details of two tax reform proposals, [SB 394](#), Lower Tax Rates for Stronger NC Economy, (Clodfelter) and [SB 677](#), North Carolina Fair Tax Act of 2013 (Rucho), on 5/30, while House Finance Committee heard [HB 998](#), Tax Simplification and Reduction Act (Lewis) on 5/30; common features of all three proposals are that they reduce personal income and corporate income tax rates, and expand sales tax bases; in the aggregate, SB 374 and HB 998 hold local governments harmless; while SB 394 repeals authority to levy a privilege license tax, that revenue is replaced by additional sales tax collections from broadening of sales tax base and portion of state franchise tax; SB 677 authorizes localities to impose privilege license tax of up to \$500 on a business operating within city limits; more details to follow

State Budget (SB 402 – Brunstetter) for FY 2014 and FY 2015 incorporates HB 817, Governor's transportation reform package (Section 34.19), SB 411, MPO/RPO ethics bill (Section 34.18), SB 29, North Carolina Railroad reporting (Section 34.14); funding for BLE in Public Transportation Division budget for both FY 2014 and FY 2015; passed Senate 5/23 and referred to House Appropriations; House leadership plans for House to pass its version of budget by June 14, and have Senate and House adopt conference report by June 27 for transmittal to Governor

Strategic Transportation Investments (HB 817 – W. Brawley) is Governor’s transportation reform package that reallocates existing transportation resources among the various regions of the State; faced with a \$1.7 billion decrease in transportation funding over the next ten years and an expected 1.3 million increase in population, the intent of the “Strategic Mobility Formula” is to refocus spending on projects that pass a prioritization process producing the most economic benefits and greatest improvements in travel times; while HB 817 retains the statutory authorizations for turnpike authority projects that are either under construction (Triangle Expressway) or have had debt issued (Monroe Bypass), several projects in the planning process that have been removed, including the Garden Parkway, will still be able to compete for funding through the proposed prioritization process; passed House 5/9 and reported out of Senate Transportation on 5/22, then was referred to Senate Finance; incorporated into State Budget (SB 402) in Section 34.19

LEGISLATIVE AGENDA

Public Transportation Buses (HB 375 – Jeter) is local bill allowing 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 and referred to House Government, then Finance

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; issue of repealing sunset date on the credit will be resolved in the tax reform debate

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 referred to House Government; HB 200 passed House and referred to Senate Finance

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 (SB 112 – Jackson) is omnibus environmental laws bill considered every session; section 14 provision requiring local governments to obtain approval of Governor and Council of State prior to securing an interest in contaminated real property presents issues of costs and timeliness in securing right-of-way for major projects such as the BLE, utility lines, airport land expansion, etc.; staff is working with co-sponsor Senator Brock on alternative section 14 language to address City concerns; passed Senate and referred to House Environment

Regulatory Reform Act of 2013 (SB 612 – Brown) states 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 SB 612

Environmental Permitting Reform (HB 480 – Millis) implements "fast track" permitting of stormwater management systems by 2016; bill addresses the liability of professional engineers whose designs fail to meet minimum guidelines; passed House and referred to Senate Agriculture

MPO Ethics (SB 411 – Rabon) amends 2012 legislation requiring greater disclosure of individuals appointed by local governments to serve on MPO boards by requiring any individual with voting authority on a MPO board to follow State Government ethics guidelines; SB 411 passed Senate and referred to House Ethics; incorporated into State Budget (SB 402) in Section 34.18

County and City Ethics (HB 659 – Moffitt) requires all members of governing board of cities, towns and other political subdivisions to file statements of economic interests as if those members were public servants as defined in NCGS 138A-3; referred to House Appropriations

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	HB 994 referred to House Rules, then Commerce, then Finance	N&BS
SB 103 Critical Infrastructure (Hartsell)	Infrastructure Improvements: Bill extends the sunset date of the Special Assessments for Critical Infrastructure Needs Act to July 1, 2015	Passed Senate; Referred to House Gov't	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)	Heard in Committee on 5/30	Referred to House Finance	Finance
SB 394 Lower Tax Rates for Stronger NC Economy (Clodfelter)	Heard in Committee on 5/30	Referred to Senate Finance	Finance
SB 677 North Carolina Fair Tax Act of 2013 (Rucho)	Heard in Committee on 5/30	Referred to Senate Finance	Finance
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 30 Repeal Combined Motor Vehicle & Registration System (Stevens)	Repeals 2005 law to provide for payment of local motor vehicle taxes at same time state vehicle registration is due to ensure owners pay their taxes; SB 260 identical	Referred to House Transportation, then Finance	Finance

Bill #, Title and (Sponsors)	Summary of Major Provisions & Impacts Upon City	Bill Status	Staff Resource(s)
HB 74 Periodic Review and Expiration of Rules (Murry)	Allows for the expiration of a permanent rule unless there is a re-adoption 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; Referred to Senate State/LG, then Finance	E&PM
HB 248 Taxpayer Debt Information Act (Conrad)	Requires a disclosure of the amount of interest that would be incurred from the issuance of bonds to appear on the ballot	Passed House; Referred to Senate Finance	Finance
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
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
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 Transportation, then Finance	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 passed Senate and referred to House Gov't, then Regulatory Reform, then Finance; HB 200 passed House and referred to Senate Finance	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 from House floor	CorpComm City Clerk

Bill #, Title and (Sponsors)	Summary of Major Provisions & Impacts Upon City	Bill Status	Staff Resource(s)
SB 402 Governor's Proposed Budget (Brunstetter)	Makes base budget appropriations for current operations of state departments, institutions, agencies and other purposes	Passed Senate; Referred to House Appropriations	Finance Budget
SB 411 Ethic requirements for MPOs/RPOs (Rabon)	Requires that representatives with voting authority on MPOs and RPOs are subject to standard ethics provisions	Passed Senate; Referred to House Ethics	Planning
SB 469 Budget Technical Corrections (Brunstetter)	Annual bill filed to make corrections to budget legislation	Referred to Senate Appropriations/ Base Budget	Budget Finance
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, then Finance	CMPD
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; Referred to Senate Rules	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 626 Promptly Notify 911 of Towed Vehicle (Moffitt)	Requires towers to notify local 911 call centers of the towing prior to moving vehicle. Tower must provide description of the vehicles, place from which the vehicle is towed, location of vehicle storage, and contact information for vehicle retrieval	Passed House; Referred to Senate Transportation	CMPD
HB 768 Pretrial Release/No Unsecured Bond (Schaffer)	Eliminates unsecured appearance bond as a pretrial release condition	Referred to House Judiciary, then Appropriations	CMPD

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HB 773 Local Governments/ Buildings/Structures/Ins pections (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
SB 8 Towing Fines (Meredith)	Raises the minimum fine for violating provisions of local tow ordinances authorized by 20-219.2 from \$100 to \$150	Passed Senate; Referred to House Gov't, then Finance	CMPD
SB 124 Shoot Gun From Inside (Brunstetter)	Makes it a Class E felony to discharge a firearm from within an enclosure with the intent to do harm or incite fear	Passed Senate; Referred to House Judiciary B	CMPD
HB 539 MAP 21 Conforming Revisions (Shepard)	Conforms state motor vehicle law to the recently passed federal MAP-21	Passed Senate; Referred to House Judiciary B	CMPD
SB 583 Metal Theft Statute Amendments (Tucker)		Passed Senate; Referred to House Judiciary C	CMPD
Environment & Planning			
HB 94 Amend Environmental Laws (McElraft)	These are the omnibus environmental amendments bill considered every year; Similar to SB 112 (Jackson) which presents issues for the City in section 14 with respect to acquisition of real property with known contamination	HB 94 passed House, referred to Senate Agriculture; SB 112 passed Senate, referred to House Environment	E&PM CMUD CATS
HB 120 Building Inspections/Local Consistency (Hager)	Local governments must seek approval from the NC Building Code Council before requiring routine and regular inspections with requirements above the NC Building Code	Passed House; Referred to Senate Commerce	E&PM CMU
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 Re-referred to Senate Rules from floor of Senate	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 House; Referred to Senate State/LG	CDOT

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HB 276 Zoning / BOA Changes (G. Graham)	Makes substantive changes to the Board of Adjustment statute	Passed House; Reported from Senate Commerce	Planning
HB 480 Environmental Permitting Reform (Millis)	Provides for “fast track” permitting of stormwater management projects starting in 2016	Passed House; Referred to Senate Agriculture	CMUD E&PM
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 664 Cell Tower Deployment Act (Hager)	Amends authority of local governments to regulate wireless telecommunications facilities	Passed House; Reported from Senate Commerce, then Finance	Planning Shared Services
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

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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 Agriculture	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			
HB 86 Restore Wallace to Wilmington Railroad (Hamilton)	Requires NCDOT to seek funding for economic development projects to restore the rail connection from Wallace to Castle Hayne and second to improve rail access to the State Port at Wilmington	Reported out of House Transportation, referred to House Appropriations	CATS
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; referred to Senate State/LG	CMO
HB 238 Fiscal Health of Water and Sewer Systems (Cleveland)	Grants authority to Local Government Commission to assume control of local water and sewer systems if certain benchmarks are not achieved; Identical to SB 207 ; City staff was able to secure amendment to SB 207 to ensure benchmarks for financial performance reflected intent of Act	HB 238 pass House, referred to Senate Agriculture, then Finance SB 207 passed Senate, referred to House Gov't, then Finance	CMUD
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	Reported out of House Public Utilities, referred to House 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 817 Strategic Transportation Investments (W. Brawley)	Governor's Transportation plan; Reallocates funding to various regions of the State	Passed House; Reported from Senate Transportation, then Finance	CDOT CATS Planning
HB 857 Public Contracts/ Construction Methods/DB/PD (Arp)	Allows government entities to use the 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 Senate State/LG, then Finance	E&PM

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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	Referred to House Transportation, then House Finance	CDOT
SB 29 NCRR Reporting (Hartsell)	Strengthens oversight, annual reporting and strategic planning by the NC Railroad Company; Requires one-time cash dividend of the NC Railroad to the General Fund; Identical to HB 174	SB 29 reported out of Program Evaluation, referred to Senate Appropriations	CATS
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	Passed Senate; Referred to 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
HB 69 Opportunity Advancement Zones (Torbett)	Provides tier one tax treatment of employers located within newly created opportunity advancement zones	Referred to House Commerce, then Finance	N&BS
HB 957 Food Desert Zones (Holley)	Provides tax incentives (10% of total gross receipts) to encourage the delivery and availability of nutrient dense foods in food desert zones	Referred to House Commerce, then Finance	N&BS