



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

June 14, 2013

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

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

**SUBJECT: Week 20 State Legislative Report**

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**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; will be heard next in House Finance; City Council adopted resolution on 6/10 that: (1) supports airport governance structure that maintains CLTs best performing and lowest cost status, regardless of whether it is a city department, authority or some other model, (2) directed 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 stated 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; Senate is expected to “not concur” on 6/17, thus setting up budget conference process; Senate and House leadership plan for adoption of conference report by 6/27 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; Senate Appropriations reported out version on 6/12 that address urban area concerns by prioritizing public transportation improvements serving more than one county in regional tier, and excludes directly apportionable surface transportation federal funds from statewide mobility formula

Tax Reform: Senate is considering tax reform plan that was substituted into the House tax reform plan, [HB 998](#), Tax Simplification and Reduction Act (Lewis); Senate plan makes significant changes to personal and corporate income taxes such that State General Fund would face \$2.5 billion reduction in resources available for FY 19; local governments would face cumulative \$200 million reduction when fully implemented in FY 19; City of Charlotte fiscal impact in FY 19, according to NCLM, would be approximately \$31 million, which compares very unfavorably with House version of HB 998; City opposes Senate version of HB 998

<b>Fiscal Impacts of House and Senate Tax Reform Plans (HB 998) Upon City of Charlotte            Computed by NC League of Municipalities            (all figures in millions)</b>		
<b>Source of Revenue</b>	<b>House (FY 18)</b>	<b>Senate (FY 19)</b>
Eliminate Privilege License Tax	--	(\$18.1)
Eliminate Sales Tax on Food	--	(\$9.8)
Eliminate City Sales Tax Refunds	--	(\$14.9)
Cap Non-Profit Refunds	--	\$6.9
Impose Sales Tax on Entertainment	--	\$0.7
Eliminate Sales Tax Exemptions	Unavailable	\$4.2
Make electricity and natural gas subject to state general sales tax rate, instead of local franchise and excise taxes	Revenue neutral	Revenue neutral
<b>Fiscal Impacts on City of Charlotte</b>	<b>Revenue neutral</b>	<b>(\$31.0)</b>

## 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 and reported out of House Government on 6/6; re-referred to House 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

## 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 reported out of House Government, and then re-referred to House Regulatory Reform; HB 200 passed House and reported out of Senate Finance, and then re-referred to 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 (SB 112 – Jackson) is omnibus environmental laws bill considered every session; Senate passed version includes provision requiring local governments to obtain approval of Governor and Council of State prior to securing an interest in contaminated real property, which presents issues of costs and timeliness in securing right-of-way for major projects such as the BLE, utility lines, airport land expansion, etc.; referred to House Environment; since it passed Senate, staff from City and League have worked with co-sponsor Senator Brock on language exempting local government from this provision

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; signed into law by Governor

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; passed Senate and House and sent to Governor

## 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 (Hartsell)	<b>Infrastructure Improvements:</b> Bill extends the sunset date of the Special Assessments for Critical Infrastructure Needs Act to July 1, 2015	Passed House Government; referred to Finance	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)	Substitute version on final reading in Senate on 6/18	Passed 2 <sup>nd</sup> Reading in Senate	Finance Budget
<b>General</b>			
<a href="#">HB 8</a> 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
<a href="#">HB 74</a> 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
<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; Referred to Senate State/LG, then Finance	E&PM
<a href="#">HB 248</a> 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 Senate; House concurred	Finance

Bill #, Title and (Sponsors)	Summary of Major Provisions & Impacts Upon City	Bill Status	Staff Resource(s)
<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
<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 House Transportation; referred to Finance	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 passed House Gov't; referred to Regulatory Reform, then Finance; HB 200 passed 2 <sup>nd</sup> reading in Senate, then re-referred to 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 from House floor	CorpComm City Clerk
<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	Passed Senate; Passed House; Senate to act on concurrence 6/17	Finance Budget
<a href="#">SB 411</a> Ethic requirements for MPOs/RPOs (Rabon)	Requires that representatives with voting authority on MPOs and RPOs are subject to standard ethics provisions	Ratified; Presented to Governor	Planning
<b>Public Safety</b>			

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<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
<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, then Finance	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; Re-referred to Senate Judiciary II	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 626</a> 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; Favorable report from 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="#">SB 8</a> Towing Fines (Meredith)	Raises the minimum fine for violating provisions of local tow ordinances authorized by 20-219.2 from \$100 to \$150	Passed House; Withdrawn from Senate Finance; placed on House Calendar for 6-17	CMPD
<a href="#">SB 124</a> 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	Ratified	CMPD

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<a href="#">SB 583</a> Metal Theft Statute Amendments (Tucker)	Clarifies that metals that contain insignificant amounts of copper are not defined as precious metals under the State statute.	Signed by Governor	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; Re-referred to House Government	CMPD
<b>Environment &amp; Planning</b>			
<a href="#">HB 94</a> Amend Environmental Laws (McElraft)	These are the omnibus environmental amendments bill considered every year; Similar to <a href="#">SB 112 (Jackson)</a> 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
<a href="#">HB 120</a> 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	Ratified; Signed by Governor	E&PM CMU
<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 Re-referred to Senate Rules from floor of Senate	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 House; Referred to Senate State/LG	CDOT
<a href="#">HB 276</a> Zoning / BOA Changes (G. Graham)	Makes substantive changes to the Board of Adjustment statute	Ratified; sent to Governor	Planning
<a href="#">HB 480</a> Environmental Permitting Reform (Millis)	Provides for "fast track" permitting of stormwater management projects starting in 2016	Signed by Governor	CMUD E&PM
<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

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<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 664</a> Cell Tower Deployment Act (Hager)	Amends authority of local governments to regulate wireless telecommunications facilities	Passed Senate; House concurred	Planning Shared Services
<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
<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	Favorable report from Senate Agriculture; Re-referred to Finance	Solid Waste
<a href="#">SB 612</a> 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
<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; referred to Senate State/LG	CMO
<a href="#">SB 207</a> 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 financial benchmarks are not achieved	Ratified; presented to Governor	CMUD

Bill #, Title and (Sponsors)	Summary of Major Provisions & Impacts Upon City	Bill Status	Staff Resource(s)
<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	Reported out of House Public Utilities, referred to House Finance	CDOT CMUD
<a href="#">SB 9</a> Utilities/Design/Survey Location Services (Meredith)	Requires utility owners to locate and describe underground utilities upon written or oral request	Ratified	
<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 817</a> Strategic Transportation Investments (W. Brawley)	Governor's Transportation plan; Reallocates funding to various regions of the State	Passed 2 <sup>nd</sup> reading in the Senate	CDOT CATS Planning
<a href="#">HB 857</a> 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; Reported out of Senate State/LG, referred to Finance	E&PM
<a href="#">HB 966</a> 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
<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	Passed Senate; Referred to House Environment	CMUD
<b>Economic Development</b>			
<a href="#">HB 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
<a href="#">HB 69</a> 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