CHARLOTTE.

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

May 28, 2010

TO: Ron Kimble, Deputy City Manager

FROM: Dana Fenton, Intergovernmental Relations Manager

SUBJECT: **Week 2 State Legislative Update**

HOT TOPIC

Last week, the North Carolina Senate passed out its version of the state budget (SB 897) on Thursday, May 20. The Senate's budget did not include funding of the Governor's proposed Mobility Fund. As proposed by the Governor, the Fund would generate $300 million for projects of statewide significance and be funded by various fees. The first project to be funded would be the replacement of the Yadkin River Bridge while NCDOT and local governments would collaboratively develop a prioritization process for future projects. All modes of transportation would be eligible including highway, rail, aviation, ports, ferry, transit, bike and pedestrian projects. The Metropolitan Mayors Coalition and North Carolina League of Municipalities support the creation of the Fund.

On Thursday, May 27, the House Appropriations Subcommittee on Transportation reported out a committee report that included a modified version of the Mobility Fund that depends upon transfers and annual appropriations as its source of funding. The only project identified for funding would be the widening of I-85 north of the Yadkin River Bridge, which is a distinct phase of the Yadkin River Bridge project. House leadership is working towards final approval of the House version by Friday, June 4.

DEVELOPING ISSUES

- Broadband (SB 1209)

Last week, Senator Hoyle introduced the broadband bill that addresses on a statewide basis how local governments may compete with private telecommunications providers in the provision of cable television and internet services to businesses and residents. The bill requires local governments, when debt financing is required to fiannce the purchase, maintenance and repair these systems, to seek approval of the voters to issue general obligation bonds for these activities. This approach would preclude the use of certificates of participation (COPS) which

are not subject to voter approval. The issue for the City of Charlotte is whether the proposed public safety braodband system would be subject to the bill. In its introduced form, the proposed system would be subject to SB 1209. Since the proposed system is not intended to compete with private providers staff is working to ensure the proposed system is not subject to the final bill. SB 1209 is expected to be heard Tuesday, June 1 in Senate Finance.

- Towing from Private Lots (SB 1136)

Senator Rucho introduced this bill to strengthen regulation of towing from private lots in certain localities, including Charlotte, and added Mecklenburg County to the list of localities covered by this statute. Bill was introduced in reaction to a vehicle parked without permission in a private lot in Huntersville which was towed to the towers lot in Shelby. Due to the distance, the owner was unable to pick up the vehicle for a considerable amount of time. Bill would require signs to display name and phone number of towing company, prevent transport of vehicle more than 15 miles away from place of removal and limit fees charged to those that are "reasonable". The provision over the fees conflicts with City ordinance that establishes rates towers may charge for private towing, which staff has discussed with the Senator. A proposed amendment has been drawn up for the Senator to consider that allows the City to continue setting the rate towers may charge for such services. There is also a house companion measure HB 1866.

- 911 (HB 1691)

Legislation was introduced to make several changes to the 911 statutes that govern how funds received from the State for the receiving of emergency calls may be used and their distribution methods. The expanded uses of funds will be beneficial to the City. The North Carolina League of Municipalities supports the expanded uses of funds. However another provision reverting from a statutory based per capita method of distribution to a formula developed by the 911 Board would insert a level of uncertainty into the annual budgeting process. The City receives approximately $4.8 million per year from the fund.

LEGISLATIVE AGENDA

- Business Privilege License Tax

At this point in time, legislation has not been filed impacting the City's ability to collect the Business Privilege License Tax. While it has been reported that some members would desire to address this issue in the short session, there is a greater desire to adopt a state budget before the end of June and adjourn shortly thereafter while addressing this and other tax issues in 2011.

- Annexation

2009 HB 524, which was passed by the House in July 23, 2009 and sent to the Senate, was rereferred by the Senate this week from Senate Finance to Senate Committee on Rules and Operations of the Senate.

- Retention of State's Minimum 50% of Non Federal match on Transit Projects

No action taken on this issue.

- State Participation in Non Federal Transit Projects

No action taken on this issue.

➢State Maintenance Funding on Rail Transit Projects
No action taken on this issue.

➢Charlotte Firefighters Retirement System
City requested legislation has been filed. The bills numbers are HB 1934 (M. Alexander) and SB 1336 (Graham). HB 1934 was reported favorably out of House Local Government I and was re-referred to House Pensions and Retirement.

➢Law Enforcement Officers Emergency Fund
City requested legislation introduced in House by Rep. M. Alexander (HB 1935) and introduced in Senate by Senator Graham (SB 1402). HB 1935 was reported favorably out of House Local Government I and was re-referred to House Pensions and Retirement.