

**2018**

# Legislative Update Webinar

UNC SCHOOL OF GOVERNMENT

## Agenda

Norma Houston	<ul style="list-style-type: none"> <li>• Purchasing and Contracting</li> <li>• Emergency Management</li> </ul>
Kara Millonzi	<ul style="list-style-type: none"> <li>• School Finance and School/County Dispute Resolution</li> <li>• Inspections</li> <li>• System Development Fees</li> </ul>
Bob Joyce	<ul style="list-style-type: none"> <li>• Voting, Elections Administration, Judicial Elections</li> <li>• Proposed Constitutional Amendments</li> <li>• Redistricting</li> </ul>
Trey Allen	<ul style="list-style-type: none"> <li>• Ordinance Reports</li> </ul>
Jill Moore	<ul style="list-style-type: none"> <li>• Public Health</li> </ul>
Aimee Wall	<ul style="list-style-type: none"> <li>• Property Tax</li> <li>• Community Economic Development</li> <li>• Animal Services</li> </ul>

**2018 Local Government Legislative Update**

## Materials

**Legislative Reporting Service**

**Legislative Summaries for 2018**

Each year, School of Government faculty and professional staff members produce summaries of legislation of interest to local and state government officials. These summaries appear in a variety of formats, but your convenience, these summaries have all been collected and are be found below according to subject matter. A number of bills affect several related matters and may be found in more than one summary. To further investigate bills referred to in these summaries, explore the North Carolina General Assembly Web site. To receive summaries of legislation published from 1989-2008, please visit North Carolina legislation.

Children and Juvenile Law

- 2018 N.C. Legislative Changes Involving Child Welfare of

Criminal Law and Procedure

- Another Year Gone! (Strategic, Trends and Policy Report of
- Five Goals: Key for Legislative Review of North Carolina

Economic and Community Development

Summaries posted online:  
<https://irs.sog.unc.edu/irs/legsumms/2018>

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# Emergency Management

Norma Houston

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## Disaster Relief and Recovery

**Disaster Funding**

\$60m in additional disaster relief funding for 2016 disasters (S.L. 2018-5, § 5.6)



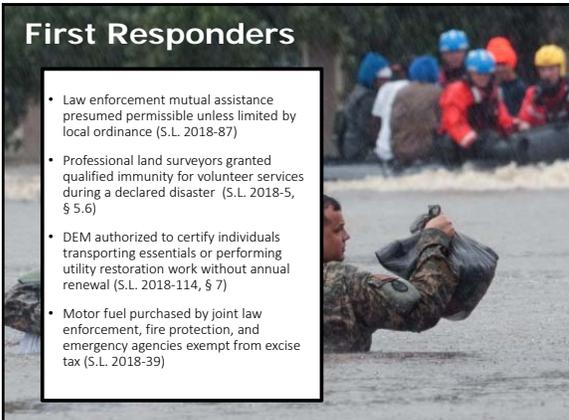
**Property Tax Deadline Extension**

“Weekend and Holiday” rule for property tax deadlines expanded to include tax office closures during declared disasters (S.L. 2018-5, § 39.8)



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## First Responders



- Law enforcement mutual assistance presumed permissible unless limited by local ordinance (S.L. 2018-87)
- Professional land surveyors granted qualified immunity for volunteer services during a declared disaster (S.L. 2018-5, § 5.6)
- DEM authorized to certify individuals transporting essentials or performing utility restoration work without annual renewal (S.L. 2018-114, § 7)
- Motor fuel purchased by joint law enforcement, fire protection, and emergency agencies exempt from excise tax (S.L. 2018-39)

## 2018 EM Legislative Summary

[www.sog.unc.edu/ncem](http://www.sog.unc.edu/ncem)



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# Purchasing and Contracting

Norma Houston

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## What Did NOT Happen in 2018



time to renew



NO CHANGES

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## What DID Happen in 2018

School Capital Lease Authority



Wired and Wireless Network Leasing Authority



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## School Capital Lease Authority

- New authority for school capital leases funded with Needs-Based Public School Capital Fund grants
- Available only for tier one and tier two counties, *not* local school boards
- Lease requirements:
  - County ownership of property on which school facility is built
  - Lease term of between 15 and 25 years
  - Landlord must bear all expenses for ongoing repair and maintenance

- Because public funds are expended for construction work, lease subject to state competitive bidding requirements
- P3 most logical and legally valid procurement method to use:
  - Competitive RFQ process
  - Private developer must fund at least 50% of total project costs

Coates' Canons Blog:  
[New School Construction Lease Authority](#)

S.L. 2018-5, § 5.3(e2)

## Wired and Wireless Network Leases

### Grant-Funded Leases

- Term up to 25 years without treated as sale of property
- Government-owned property
- Used for operation and use of wired or wireless network
- Partnership with private broadband provider
- Serving unserved or economically distressed area
- Funded with grant funds (new GREAT grant program)

### All Leases

- Any lease of government-owned property used as a component of a "wired or wireless network"
- Of any duration
- Subject to restrictions:
  - Competitively neutral and nondiscriminatory basis
  - Made available to similarly situated providers on comparable terms and conditions
  - Cannot subsidize competitive service

S.L. 2018-5; § 37.1(c)

**2018 P&C Legislative Summary**

[www.ncpurchasing.unc.edu](http://www.ncpurchasing.unc.edu)

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**Questions?**

Evaluation: [https://unc.az1.qualtrics.com/jfe/form/SV\\_8wu7yZWYrKC7lpH](https://unc.az1.qualtrics.com/jfe/form/SV_8wu7yZWYrKC7lpH)

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**Municipalities May Fund Schools**

Kara Millonzi

**2018 Local Government Legislative Update**

A municipality may "supplement funding for elementary and secondary public education" that benefits the residents of the municipality.

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**Public Schools**

- Traditional public schools
- Charter schools
- Regional public schools
- Innovative public schools
- Laboratory public schools

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A municipality may "supplement funding for elementary and secondary public education" that benefits the residents of the municipality.

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**Schools Located in Municipality**

- Fund anything except purchase of real property or mobile classrooms

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**Schools Located Outside Municipality, Attended by Municipal Residents**

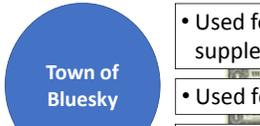
- Make per pupil contribution

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**No Equal Funding Requirement**

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- Used for teachers supplements only
- Used for pre-K only
- Used Ms. Smith's 1<sup>st</sup> grade class only

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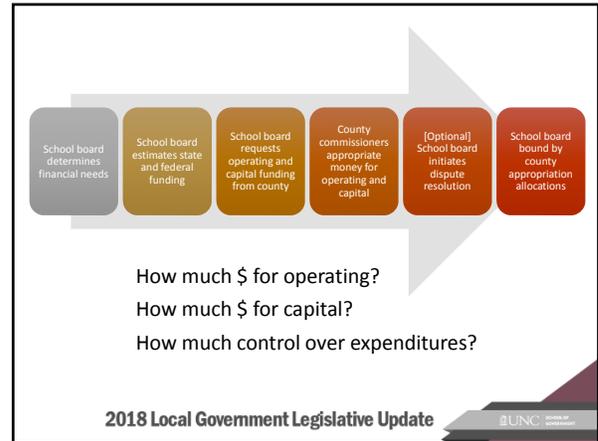
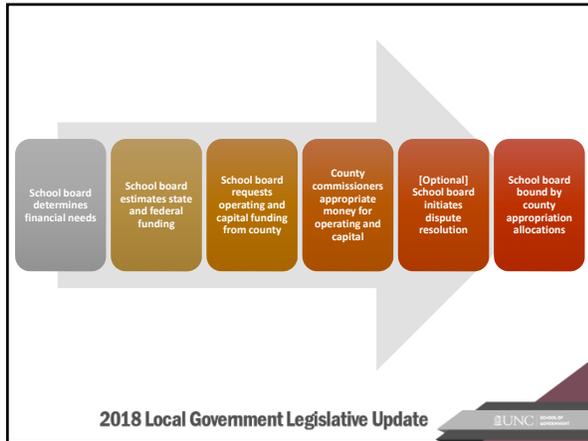
<b>Municipalities</b>	<b>Counties</b>
<ul style="list-style-type: none"> <li>• May fund traditional public schools, regional schools, innovative schools, laboratory schools, and charter schools directly</li> <li>• May direct how funds are spent by program, object, or specific expenditure item</li> <li>• May fund all capital, except purchases of real property or mobile classrooms</li> <li>• Not required to distribute funds among schools equally</li> <li>• Only allowed to fund schools in municipality or that serve municipal residents</li> </ul>	<ul style="list-style-type: none"> <li>• Must fund traditional public schools directly; fund other public schools indirectly</li> <li>• May only direct how funds are spent by purpose or function code</li> <li>• Must fund all needed capital, within county financial resources</li> <li>• Required to distribute operating funds on a proportional basis among traditional school units in county</li> <li>• Must fund all traditional public schools in county</li> </ul>

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**County / School Dispute Resolution Process**

Kara Millonzi

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### County Funding

<p><b>Direct Funding Requirement</b></p> <ul style="list-style-type: none"> <li>G.S. 115C-521: school facilities, furniture and apparatus</li> <li>G.S. 115C-249: buildings for bus and vehicle storage</li> <li>G.S. 115C-522(c): library, science, and classroom equipment</li> <li>G.S. 115C-522(c): water supply and sanitary facilities</li> <li>G.S. 115C-524(b): keeping school buildings in good repair</li> <li>G.S. 115C-524: school maintenance and repairs</li> <li>G.S. 115C-522(c): instructional supplies and reference books</li> <li>G.S. 115C-534: school property insurance</li> <li>G.S. 115C-525(b): fire inspections</li> </ul>	<p><b>Indirect Funding Requirement</b></p> <ul style="list-style-type: none"> <li>G.S. 115C-431: Dispute resolution</li> </ul>
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<p><b>Fund 2: Local Current Expense Fund</b> (Mainly County Funded)</p> <ul style="list-style-type: none"> <li>County appropriations</li> <li>Fines, penalties, forfeiture distributions</li> <li>Supplemental school taxes</li> <li>Other monies accruing to the school unit for operating expenses</li> </ul>	<p><b>Fund 4: Capital Outlay Fund</b> (Mainly County Funded)</p> <ul style="list-style-type: none"> <li>County appropriations (including earmarked sales taxes and lottery monies)</li> <li>Supplemental school taxes</li> <li>Proceeds of sales of capital assets</li> <li>Donations/grants restricted to capital</li> </ul>	<p><b>Fund 8</b> (Limited County Funding)</p> <ul style="list-style-type: none"> <li>Restricted gifts and grants</li> <li>Reimbursements</li> <li>Tuition</li> <li>Sales tax distributions</li> <li>Sales tax refunds</li> <li>Funds for pre-kindergarten programs</li> <li>Federal appropriations directly to school unit</li> <li>Trust funds</li> </ul>
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### Dispute Resolution Process

**A school board may challenge a county's appropriation of capital outlay funds or operational funds, or both, if it feels the amount appropriated is "not sufficient to support a system of free public schools."**

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### Dispute Resolution Process

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### Dispute Resolution in Practice

**Duplin County Case**

- **September 2008**
  - trial court awarded local school board \$4.8 million in additional current expense funds for 2008-09 school year
- **November 2009**
  - NC Court of Appeals upheld trial court decision
- **April 2010**
  - NC Supreme Court denied review; county pays school \$4.8 million
- **July 2010**
  - County appropriates money to school for FY 2010-11 school year; county cannot consider \$4.8 million when making appropriation decision



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### Dispute Resolution Revamp



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### Statutory Formula

Per pupil maintenance of effort + inflation

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### Appropriation Factors

- Educational goals and policies of the State and the local board of education
- Budgetary request of the local board of education
- Financial resources of the county and the local board of education
- Fiscal policies of the board of county commissioners and the local board of education

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Default Formula < 2 Years in a Row	Default Formula >= 2 Years in a Row
<ul style="list-style-type: none"> <li>• Amount of county local current expense appropriation actually spent in prior year</li> <li>• Divided by prior year ADM</li> <li>• Multiply by inflationary factor</li> <li>• Multiply by budget year in dispute ADM</li> </ul>	<ul style="list-style-type: none"> <li>• Amount of county local current expense appropriation actually spent in prior year</li> <li>• Divided by prior year ADM</li> <li>• Multiply by higher inflationary factor</li> <li>• Multiply by budget year in dispute ADM</li> </ul>

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### Needs-Based Public School Capital Fund

Kara Millonzi

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<p><b>Public School Building Capital Fund</b></p> <ul style="list-style-type: none"> <li>• \$100 million lottery funds in FY 2018-19</li> <li>• Allocated based on ADM among 100 counties</li> <li>• County board and school board jointly apply to use funds for capital projects</li> <li>• No county match required</li> </ul>	<p><b>Needs Based Public School Capital Fund</b></p> <ul style="list-style-type: none"> <li>• \$117,320,354 lottery funds in FY 2018-19</li> <li>• Grants to Tier 1 and 2 counties by Superintendent of Public Instruction</li> <li>• Tier 1 – up to \$15 million each; 3 to 1 grant to county match</li> <li>• Tier 2 – up to \$10 million each; 1 to 1 grant to county match</li> <li>• Used to fund construction of new school facilities; debt service on new school facilities; or certain capital leases for school facilities</li> <li>• Must comply with certain administrative/reporting requirements</li> <li>• Not eligible for another grant or a PSBCF allocation for 5 years</li> </ul>
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# Inspections

Kara Millonzi

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“The city council may appropriate for the support of the inspection department any funds that it deems necessary. It may provide for paying inspectors fixed salaries or it may reimburse them for their services by paying over part or all of any fees collected. It shall have power to fix reasonable fees for issuance of permits, inspections, and other services of the inspection department. All fees collected under the authority set forth in this section shall be used for support of the administration and activities of the inspection department and for no other purpose.”

G.S. 160A-414; G.S. 153A-354

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**"§ 159-33.1. Semiannual reports of financial information.** The finance officer of each unit and public authority shall submit to the secretary on January 1 and July 1 of each year (or such other dates as the secretary may prescribe) a statement of financial information concerning the unit or public authority. The secretary may prescribe the information to be included in the statement and may prescribe the form of the statement; provided, however, the secretary shall prescribe that the finance officer of each city and county **shall include in the statement the total revenues received from building inspections, by type, and the total expenditures paid from all revenues received, by type.**"

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Revenue Types	Expenditure Types
Entitlement Permits/Inspections	Administrative Costs
Site Preparation Permits/Inspections	Enforcement Costs?
Trades Permits/Inspections	Other?
Fire Permits/Inspections	
Environmental Permits/Inspections	
Other?	

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# System Development Fees

Kara Millonzi

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## Planning Horizon

5 YEARS 20 YEARS

SPECIFIC CAPITAL PROJECTS RELATED TO NEW DEVELOPMENT

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## Collection Timing

- **Subdivision of Land.** If the trigger is subdivision of land, the local government utility must collect the SDF at the **later occurrence** of the following:
  - The time of plat recordation, OR
  - When water or sewer service is committed by the local government unit.
  
- **Change to structure or land that increases service units.** If the trigger is a change to structures or land that increases service units, the SDF fee must be collected at the **earlier occurrence** of the following:
  - The time of application for connection of the individual unit of development to the service or facilities, OR
  - When water or sewer service is committed by the local government utility.

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## Capital Reserve Fund (CRF)

**Board adopts Resolution or Ordinance that states:**

1. **The purposes for which the fund is being created.**  
A board may accumulate moneys for multiple capital projects within a single capital reserve fund, but it must list each project separately.
2. **The approximate periods of time during which the moneys will be accumulated for each purpose.**  
A board must provide a rough estimate of when moneys will be expended from the capital reserve fund for each capital project.
3. **The approximate amounts to be accumulated for each purpose.**  
A board must provide a rough estimate of the total amounts it intends to save for each capital project.  
After initial appropriation, to add new money to capital reserve fund, board must make the appropriation specifically to the CRF.
4. **The sources from which moneys for each purpose will be derived.**  
A board must indicate the revenue sources it intends to allocate to the capital reserve fund to finance each project (e.g. property tax proceeds, utility fees, local sales and use tax proceeds, grant proceeds, etc.).

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## CAPITAL RESERVE FUND RESOLUTION

WHEREAS, there is a need in the Town of Blue Sky to provide funds for future capital projects related to its combined water and wastewater system, and to make debt service payments on existing debt related to past capital projects for its water and wastewater systems, and WHEREAS, NCS 2-26 authorizes the creation of a capital reserve fund, and WHEREAS, NCS 182A, Art. 8 requires that all system development fee proceeds be accounted for in a capital reserve fund,

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD THAT

**Section 1.** The Governing Board hereby creates a Capital Reserve Fund for the purpose of funding the following capital projects related to the town's water and wastewater system:

**Water Treatment Plant Upgrade.** The existing plant on Fuller Avenue is designed to serve a population equivalent (PE) of 10,000, but is currently operating above its capacity of 1,200 PE, calling for an upgrade to meet current and projected future requirements. The estimated cost of the project is \$1.2 million. The town expects to complete the project in 2020, and intends to appropriate approximately \$300,000 of system development fee revenues to the CRF for this purpose. The town anticipates receiving a zero-interest loan from the state to fund the remainder of the cost. It will use future system development fee collections to make debt service payments on the loan.

The 2018-2019 appropriation from the budget ordinance to the CRF is \$100,000.

**Construction of new elevated water storage tanks.** Estimated to be 0.650 million gallons, this new tank is planned for the distribution system near North Ponds Park, at a cost of \$2.2 million. Construction of the tank is expected in FY 2024-25. The town anticipates funding approximately 40 percent of the cost of the tank with system development fee proceeds. The remaining cost will be funded through existing fund balance in the water fund.

The 2018-2019 appropriation from the budget ordinance to the CRF is \$550,000, comprised of \$150,000 in SDF proceeds from the water and sewer enterprise fund, and \$400,000 in water and sewer enterprise fund balance.

**Regional Pump Station and Force Main.** One regional pump station project and one force main replacement project are already under design, to be completed by FY 2022. The estimated cost is \$900,000. The town anticipates funding 100 percent of the cost with SDF proceeds.

The 2018-2019 appropriation from the budget ordinance to the CRF is \$156,000 in SDF proceeds.

**Expansion of the Town of Blue Sky Wastewater Treatment Plant.** Capacity expansion by 1.4 MGD is estimated to cost \$30 million. The project will occur in phases, with an expected completion date of 2030. Within the town's 10-year CRF planning period (FY 2018-19 through FY 2028-29), approximately \$20 million or 67% of the total cost, is anticipated to be expended. The town expects to issue revenue bonds to fund this project, to be repaid from both SDF proceeds and general wastewater user fees.

The 2018-2019 appropriation from the budget ordinance to the CRF is \$75,000 in SDF proceeds.

**Section 2.** This CRF shall remain effective until all the above listed projects, and any projects added in the future, are completed. The CRF may be amended by the governing board as needed to add additional appropriations, modify or eliminate existing capital projects, and/or add new capital projects.

**Section 3.** This Resolution shall become effective and binding upon its adoption.

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## CRF Exception

Not required if revenue bond covenant specifies that funds be deposited in debt service fund, accounts or subaccounts

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## Questions?

Evaluation: [https://unc.az1.qualtrics.com/jfe/form/SV\\_8wu7yZWYrKc7lpH](https://unc.az1.qualtrics.com/jfe/form/SV_8wu7yZWYrKc7lpH)

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# Voting

Bob Joyce

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## Changes in Voting

Early voting standardization

- Returns the statute to longer early voting period
- Weekdays: each site must be open 7 am to 7 pm
- Weekends: total hours but not start/stop times must be same
- If any site is open on a day, all sites must be open on that day
- Whether to have Saturday/Sunday hours remains local option
- But required on final Saturday

S.L. 2018-112; S.L. 2018-129

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## Changes in Voting

Primary elections moved from May to March

S.L. 2018-21

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## Changes in Voting

Constitutional amendment requiring voter ID on November ballot

“Voters offering to vote in person shall present photographic identification before voting. The General Assembly shall enact general laws governing the requirements of such photographic identification, which may include exceptions.”

S.L. 2018-128

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# Elections Administration

Bob Joyce

2018 Local Government Legislative Update

## Changes in Elections Administration

### State Board of Elections

- 1901-2017 • 5 members → 3 and 2
- 2017 • 8 members → 4 and 4
- 2018 • NC Supreme Court Says No
- 2018 • 9 members → 4, 4, and 1
- 2018 • Proposed Con'l Amendment → 4 and 4

S.L. 2018-2; 2018-117

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# Judicial Elections

Bob Joyce

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## Changes in Judicial Elections

### Vacancies in Judgeships

Now	Proposed constitutional amendment
<ul style="list-style-type: none"> <li>• Governor fills vacancies until next election (district court different)</li> </ul>	<ul style="list-style-type: none"> <li>• Commissions review nominees and send qualified names to General Assembly</li> <li>• General Assembly sends two names to Governor</li> <li>• Governor picks between the two to fill vacancy until next election</li> </ul>

S.L. 2018-118

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# Proposed Constitutional Amendments

Bob Joyce

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## Proposed Constitutional Amendments

- Photo ID to vote
  - S.L. 2018-128
- 8-member elections board/General Assembly app'ts
  - S.L. 2018-117
- General Assembly role in filling judicial vacancies
  - S.L. 2018-118
- 10% maximum income tax replaced by 7%
  - S.L. 2018-119
- Rights of victims of crime
  - S.L. 2018-110
- Right to hunt and fish "forever preserved"
  - S.L. 2018-96

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# Redistricting

Bob Joyce

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## Redistricting

1. Cooper v. Harris
  - Race discrimination in Congressional districts
  - Finding of racial gerrymandering affirmed by the US Supreme Court
  - Court refuses to hear partisan gerrymander claim

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## Redistricting

1. Cooper v. Harris
2. Covington v. North Carolina
  - Race discrimination in legislative districts
  - Finding of racial gerrymandering affirmed by the US Supreme Court
  - Final disposition by US District Court affirmed in part and reversed in part

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## Redistricting

1. Cooper v. Harris
2. Covington v. North Carolina
3. Dickson v. Rucho
  - Race discrimination in all districts
  - Long history in many levels of court
  - Case concluded in light of Cooper and Covington

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## Redistricting

1. Cooper v. Harris
2. Covington v. North Carolina
3. Dickson v. Rucho
4. Common Cause v. Rucho
  - Partisan gerrymander in Congressional districts
  - US district court finds unlawful partisan gerrymander
  - US Supreme Court has remanded for further consideration

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## Redistricting

Original 2011 Congressional and legislative districts found to be unconstitutional racial gerrymanders; the US Supreme Court affirms

Redrawn legislative districts found to be unconstitutional racial gerrymanders; the US Supreme Court affirms

Redrawn Congressional districts found to be unconstitutional partisan gerrymanders; the US Supreme Court sends the case back

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## Questions?



Evaluation: [https://unc.az1.qualtrics.com/jfe/form/SV\\_8wu7yZWYrKC7lpH](https://unc.az1.qualtrics.com/jfe/form/SV_8wu7yZWYrKC7lpH)

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## Ordinance Reports

Trey Allen

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## Ordinance Violations

- **Default Rule:** Any violation of a city or county ordinance is a misdemeanor. [G.S. 14-4\(a\)](#).
- If the ordinance regulates the operation or parking of vehicles, a violation constitutes an infraction. [G.S. 14-4\(b\)](#).
- The city or county governing board may provide that violations of the ordinance are not misdemeanors or infractions. [G.S. 160A-175\(b\)](#).



S.L. 2018-69

2018 Local Government Legislative Update 

## Ordinance Report to NCGA

- [S.L. 2018-69: Act to Assist the Criminal Law Recodification Working Group](#)
- If a city or county has ordinances that create offenses punishable under G.S. 14-4(a), it must prepare “a list of applicable ordinances with a description of the conduct subject to criminal punishment in each ordinance.”
- Each city or county must submit its list to two legislative committees “no later than December 1, 2018.”
  - [Joint Legislative Administrative Procedure Oversight Committee](#)
  - [Joint Legislative Oversight Committee on Justice and Public Safety](#)
- The Act offers no guidance as to format (e.g., hard copy or electronic).

S.L. 2018-69

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## Ordinance Report to NCGA

- The lists should **not** include any ordinance the violation of which is merely an infraction under G.S. 14-4(b).
- The Act’s reporting requirement for cities and counties expressly applies to Metropolitan Sewerage Districts.

S.L. 2018-69

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# Public Health

Jill Moore

S.L. 2018-69

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## Raw Milk

- Farm Bill, Section 15.2
- Allows the dispensing of raw milk and raw milk products for consumption by humans in limited circumstances:
  - Recipient must own a share in the animal producing the milk
  - Dispensing or acquisition of the milk must be for the personal use or consumption of the share-holder



S.L. 2018-113; § 15.2

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## Regulatory Reform

Temporary Food Establishments (TFE)

- May operate for up to 30 days (was, 21 days).
- May operate at agritourism businesses.
- Local health department (LHD) may grant a one-time 15-day extension to a TFE that continues to meet food sanitation requirements.

S.L. 2018-114; § 2

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## Regulatory Reform

On-site wastewater (OSWW) permit extensions

- Previous legislation: Improvement permits and construction authorizations issued between 2000 & 2015 that were not acted on and would have expired were extended to January 1, 2020, unless there were certain changes from the LHD's original evaluation.
- Provides that site activities begun or completed pursuant to LHD requirements on original permit do not constitute "altered conditions" and may not be used to deny extension.
- Allows a property owner with extended permit to hire a licensed soil scientist to conduct a site verification to determine if conditions of original permit are unchanged (i.e., if permit qualifies for the extension), and requires LHD to accept soil scientist's verification.

S.L. 2018-114; § 9

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## Regulatory Reform

Revise OSWW permitting requirements

- Provides that replacement of a damaged gravity distribution box by a certified OSWW contractor does not constitute a "repair." This means it can be replaced without a permit from LHD.
- Requires LHDs to accept evaluations of proposed OSWW sites by licensed soil scientists or licensed geologists. Requires the licensed professional who conducts the evaluation to maintain liability insurance commensurate with the risk.
- Under prior law, a local board of health may adopt local OSWW rules only if they are at least as stringent as state OSWW rules and are approved by the state. The legislation adds a requirement that local boards use historical experience in establishing any local modifications or additions to the state rules.

S.L. 2018-114; § 11

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## HOPE Act

**Heroin and Opioid Prevention and Enforcement (HOPE) Act of 2018**

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017  
SENATE BILL 418

SENATE BILL 418

AN ACT AMENDING LAWS PERTAINING TO THE NORTH CAROLINA CONTROLLED SUBSTANCES ACT AND THE NORTH CAROLINA CONTROLLED SUBSTANCES REPORTING SYSTEM ACT, INCLUDING THE REVISED SCHEDULES OF PENALTIES FOR CERTAIN VIOLATIONS, AND EXPRESSING THE INTENT TO APPROPRIATE ADDITIONAL FUNDS TO THE FUND FOR COMBATING DRUGS, INCLUDING THE HEROIN PREVENTION AND ENFORCEMENT FUND, THE PURCHASE OF OVERDOSE MEDICATIONS OPERATIONS MODEL GRANT, AND A DRUGS AGENT PROGRAM WITHIN THE STATE HEALTH INVESTIGATION, AND TO AMEND THE STATEWIDE TELEPHONARY PROGRAM THAT PROVIDES MENTAL HEALTH AND SUBSTANCE ABUSE CARE.

The General Assembly of North Carolina enact:

**PART I. TITLE.**  
SECTION 1. The act shall be known and may be cited as "The Heroin and Opioid Prevention and Enforcement (HOPE) Act of 2018."

**PART II. AMENDMENTS TO THE NORTH CAROLINA CONTROLLED SUBSTANCES ACT.**  
SECTION 2. G.S. 90-89(a) read as enacted:

(a) *Substance or substance preparation* means (1) a substance or substance preparation that is a Schedule I, II, or III controlled substance; (2) a substance or substance preparation that is a Schedule IV controlled substance; or (3) a substance or substance preparation that is a Schedule V controlled substance.

SECTION 3. For each Schedule I controlled substance listed in G.S. 90-89(a), through (c), the amount of substance is authorized to exceed the highest dose approved after "testing" and before "in" with an error.

SECTION 4. G.S. 90-89(b) is amended by adding a new subdivision to read:

(2) "Controlled substance preparation" means a substance or substance preparation that is a Schedule I, II, or III controlled substance.

SECTION 5. G.S. 90-89(c) is amended by adding a new subdivision to read:

(2) "Substance or substance preparation" means (1) a substance or substance preparation that is a Schedule I, II, or III controlled substance; (2) a substance or substance preparation that is a Schedule IV controlled substance; or (3) a substance or substance preparation that is a Schedule V controlled substance.

S.L. 2018-44

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## Definitions

- Certified diversion investigator (CDI)**
  - An officer with a qualified law enforcement agency who is certified as a diversion investigator by either the NC Sheriffs' Education & Training Standards Commission or the NC Justice Education & Training Standards Commission.
- Certified diversion supervisor**
  - A person with supervisory authority over CDIs who has been certified as a diversion supervisor by either of the above commissions.
- Qualified law enforcement agency (QLEA)**
  - A municipal police department, county police department, or sheriff's office whose head is a CDI or that employs at least one CDI and one certified diversion supervisor.

S.L. 2018-44

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## Amendments to Controlled Substances Act

- Amends G.S. Ch. 90, Art. 5
- CDIs from QLEAs may obtain copies of prescriptions and related records on request, if needed for bona fide active investigation
  - Request must be in writing and include specified information
  - Copy of request must be transmitted to SBI, Diversion and Environmental Crimes Unit
  - CDI must not disclose information acquired except as allowed by law
- Expanded criminal liability for diversion of controlled substances by people who have access to them due to profession or occupation
  - More people covered by law
  - Expressly addresses diversion by dilution or substitution

S.L. 2018-44

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## Amendments to Controlled Substances Reporting System (CSRS)

- Amends G.S. Ch. 90, Art. 5E
- CDI access to CSRS
  - A CDI who works for a QLEA may access CSRS information for a bona fide active investigation of a specific violation of state or federal controlled substances laws
  - CDI must not disclose information acquired except as authorized by CSRS law
  - SBI must conduct random audits of CDI requests for access
- New criminal penalties for authorized users of CSRS who access or disclose CSRS information for unauthorized purposes:
  - Knowingly and intentionally accessing or disclosing: Class I felony
  - Willfully or maliciously accessing or disclosing for commercial advantage, personal gain, or to maliciously harm any person: Class H felony

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# Potpourri

Aimee Wall

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## Topics

Property Tax

Community Economic Development

Animal Services

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## Property Tax Law Changes







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## Interest & Inclement Weather

- G.S. 105-395.1: No interest or penalties for late payment or listing of property when
  - Tax office closed
  - No US mail delivery
  - State or local disaster declaration
- Retroactive to July 2017, so it covers January 2018 winter storm

S.L. 2018-5, § 38.9(a); S.L. 2018-76, § 9.5

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## Leasehold Interest in Gov't Property Now Exempt

- Amends G.S. 105-275(31) to exempt leases of government property by private parties
- Effective July 1, 2019

S.L. 2018-98, § 1

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## Expanded PUV for "Wildlife" Land

- G.S. 105-277.15 amended to extend wildlife PUV exclusion to land used for hunting, fishing, "wildlife observation"
- Increases maximum wildlife PUV acreage from 100 to 800
- Effective July 1, 2019

S.L. 2018-95

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### Community Economic Development

- **New receivership law** (effective October 1)
  - Municipalities only (not counties) may petition court for receiver
  - Applies to vacant structures not in compliance with code enforcement order
  - Receiver actions:
    - Take control of the property
    - Demolish or rehabilitate – costs become a high priority lien
    - Manage or sell property to recover the receiver’s costs
  - See Tyler Mulligan’s [blog post](#) on the new receivership law

S.L. 2018-65

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### Community Economic Development

- **New federal incentive program: “Opportunity Zones”**
  - Investors with capital gains can get break on capital gains taxes
    - To receive benefits, capital gains must be invested in designated “Opportunity Zones”
    - North Carolina has 252 designated zones—every county has at least one
    - Thousands of zones across the nation—investors will be looking for the most attractive investments
  - Investor benefits decrease after 2019
  - What can local governments do? *Due to time limited opportunity, proactive local governments are already preparing their zones for investment.*
  - See online resource created by SOG’s Development Finance Initiative (DFI): [sog.unc.edu/dfi/oz](http://sog.unc.edu/dfi/oz)

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### Animal Services (Local Bill)

- General rule: Most animal services records are public records
  - Exceptions include potential rabies exposures (time-limited), law enforcement investigations
  - See this [blog post](#)
- New exception applicable only in **Guilford County**
  - Personally identifiable information held by a county animal services agency
    - Voluntarily surrender ownership of an animal to a shelter
    - Adopt or foster a shelter animal
  - Exception does not extend to animal rescue organizations
  - Discretionary – county may choose to disclose

S.L. 2018-105

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### Woolly Worms

“The Woolly Worm Festival, held the third weekend of October of every year in the Town of Banner Elk in Avery County, is adopted as the official Woolly Worm Festival of the State of North Carolina.”



S.L. 2018-89  
Image: <http://www.woollyworm.com/>

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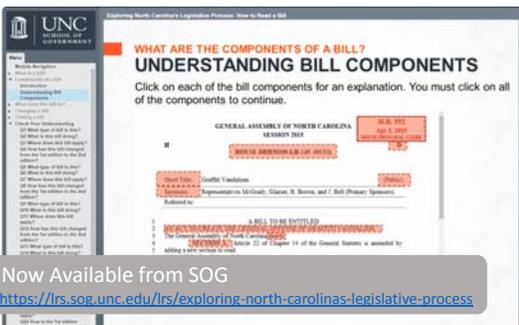
### Questions?



Evaluation: [https://unc.az1.qualtrics.com/jfe/form/SV\\_8wu7yZWYrKC7lpH](https://unc.az1.qualtrics.com/jfe/form/SV_8wu7yZWYrKC7lpH)

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### FREE Module: How to Read a Bill?



Now Available from SOG  
<https://irs.sog.unc.edu/irs/exploring-north-carolinas-legislative-process>

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## Legislative Reporting Service

Evaluation

Thanks for joining us today.

Please take a moment to complete our short evaluation. Your feedback is invaluable.

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