The Association thanks the many county commissioners and county staff across the state, with whom staff worked hand-in-hand to achieve the county legislative agenda and to protect county priorities. In many ways, the General Assembly’s 2011 Regular Session was a historic session with new leadership, new members and scarce fiscal resources. Due to county officials’ strong connections with your delegations and diligent communications, the Association achieved many county goals. A more detailed summary of the session is available on the NCACC’s website at www.ncacc.org/countylines/2011/07/legislature.html. In addition, a look at issues included in bills that made the crossover deadline and are eligible for consideration in 2012 can be found at www.ncacc.org/countylines/2011/08/legislature.html.

**STATE BUDGET**

**Where we started**
- $3.5 billion deficit of $20 billion budget
- Likely diversion of cost shifts to counties
- Attacks on school construction lottery funds
- Raiding of county revenues
- Community impacts from state budget cuts

**Where we ended**
- Increased lottery funding to $100 million
- Stopped shift of school bus responsibility ($56 million)
- Stopped shift of workers’ compensation (at least $36 million)
- Stopped shift of tort claims (at least $5 million)
- Minimized recurring mental health cuts

**Staff contact:** Rebecca Troutman, (919) 715-4360

**JUSTICE REINVESTMENT**

**Where we started**
- H61.2 proposed to shift all misdemeanants to county jails; estimated cost to counties of $35 million – $48 million

**Where we ended**
- Voluntary program begins January 2012
- Contracts between counties and Department of Correction for space; other costs to be reimbursed
- “Quick Dip” provision included – allows probation officers to jail probation violators up to six days per month

**Bill:** H61.2
**Staff contact:** Amy Bason, (919) 715-1430

**COUNTY REVENUES**

**Where we started**
- Continued erosion of the county property tax base through new and expanded exemptions and exclusions
- County revenues at risk due to state budget deficit

**Where we ended**
- 0.4 percent Land Transfer Tax option repealed
- Worked to prevent movement of various property tax exemption bills, such as exempting commercial fishing boats, expanding religious exemptions, increasing homestead exemptions and charitable organization exemptions, etc.
- Property tax exemption study bill introduced to evaluate assessment process and extent of current property tax exemptions

**Bills:** H92, H246, H477, H828, S210, S216
**Staff contact:** Rebecca Troutman, (919) 715-4360

**COUNTY AUTHORITY**

**Where we started**
- Protect against erosion of county autonomy
- Expand county authority

**Where we ended**
- Numerous bills introduced seeking limits on county authority in areas such as zoning, awarding of attorneys fees, gun regulations, building inspections, pre-trial programs, etc. Many of these bills were delayed, moved to study or modified to lessen the impact to counties
- Worked to increase county authority
- Human Services consolidation passed by Senate. Currently in House committee. Would grant counties increased local authority

**Bills:** H993, H650, H652, H687, H806, S98, S182, S183, S433, S756
**Staff contact:** Amy Bason, (919) 715-1430

**ANNEXATION**

**Where we started**
- Municipalities can involuntarily annex
- Counties not involved in process
- Municipalities may charge citizens fees for connection to water and sewer

**Where we ended**
- Municipalities must provide notice to counties when crossing county lines
- Municipalities required to provide free water and sewer connections to newly annexed citizens within 3.5 years
- Landowners may block involuntary annexation via new 60 percent petition process
- Tax assessor’s role in petition process changed; now the responsibility of the Board of Elections

**Bill:** H84
**Staff contact:** Kevin Leonard, (919) 715-4369
1. Oppose shift of state transportation responsibilities to counties
   • No legislation introduced to shift secondary road responsibility
   • Budget continues to lower secondary road maintenance and construction funding

2. Reinstate ADM and lottery funds for school construction
   • $100 million appropriated in county school construction lottery funds
   • ADM Fund remains unfunded, but not eliminated

3. Ensure adequate mental health funding
   • Budget for community mental health reduced in year one only
   • State funding for local psych bed capacity maintained at current levels

4. Preserve the existing local revenue base
   • 0.4 percent land transfer tax option repealed
   • Other introduced property tax exemptions and exclusions not considered

5. Authorize local revenue options
   • Legislation introduced to grant counties menu of revenue options; bill was not considered this session

NCACC LEGISLATIVE GOALS ACHIEVED IN 2011 SESSION

AGRICULTURE
• Fund agricultural research and extension services – SL2011-145 (State Appropriations Act – minimal cut of $50,000)
• Support Sustainable Local Food Advisory Council recommendations – H168 (Farms Exempt From City Annexation & ETJ)

ENVIRONMENT
• Streamline water supply reservoir permitting – H609 (Promote Water Supply Development)
• Authorize county oversight of bio-solids disposal – Studies Bill, H733 (Modify Property Finder Provisions)
• Clarify yard waste facility runoff statutes – H119 (Environmental Technical Corrections)
• Create study commission on horizontal drilling and hydraulic fracturing – H242 (Natural Gas, Bonds, Fees, Studies)

HEALTH & HUMAN SERVICES
• Maintain TANF Funds to counties – SL2011-145 (State Appropriations Act – maintains funding)
• Maintain childcare subsidy administration at 5 percent – SL2011-145 (State Appropriations Act – sets admin 4 percent)
• Expedite NCFAST automation and policy simplification – SL2011-145 (State Appropriations Act – authorizes DHHS to fund and expedite program)
• Retain “electing” counties’ financial incentives – SL2011-145 (State Appropriations Act – retains incentives)

INTERGOVERNMENTAL RELATIONS
• Modernize annexation laws – H845 (Annexation Reform Act of 2011)
• Authorize counties to offer broadband through partnership or direct service – SL2011-163 (Allow County Public-Private Partnerships – Nash County only)
• Protect privacy of citizen email notification and distribution lists – SL2011-54 (Statewide Email Subscription Lists)
• Reform workers’ compensation – H709 (Protect and Put NC Back to Work)
• Oppose contributory negligence tort reform – H542 (Tort Reform Act of 2011)
• Promote utilization of 911 centers by protecting confidentiality – S98 (911 Call Transcripts)

JUSTICE & PUBLIC SAFETY
• Protect county jail system – SL2011-192 (Justice Reinvestment)
• Allow court facility fee flexibility – SL2011-145 (State Appropriations Act)
• Authorize inmate electronic monitoring cost reimbursement – H662 (Electronic Monitoring Fee)

PUBLIC EDUCATION
• Increase high school graduation rates – H822 (Dropout Recovery Pilot)
• Reinstate ADM and lottery funds for school construction – SL2011-145 (State Appropriations Act – maintains funding at $100 million)

TAX & FINANCE
• Recover costs through In Rem foreclosure fee – S537 (Increase In Rem Foreclosure Fee)
• Simplify Register of Deeds fees – H984 (Register of Deeds)