



Local Government Legislative Update
Day 1 October 27, 2015



Agenda

10:10	Public health
10:25	Social services
10:40	Medicaid reform
11:00	Income tax and sales tax
11:15	Local government finance
11:50	Purchasing and contracting
12:15	Community and economic development
12:30	Conclude



Local Government Legislative Update

Materials

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Legislative Summaries for 2015

Each year, School of Government faculty and professional staff members produce summaries of legislation of interest to local and state government officials. To your convenience, these summaries have all been collected and can be found below according to subject matter. A number of bills affect several subject matter documents. To further investigate bills referred to in these summaries, explore the North Carolina General Assembly Web site. To access summaries of legislative legislation.

Children and Juvenile Law

Legislative summary

- 2015 Child Welfare Legislative Summary

Blog post

- Juvenile Code Reform Legislation (HB 879) Becomes Effective December 1, 2015
- Initial Removal of a Child from a Home Because of Suspected Abuse, Neglect, or Dependency: Amended G.S. 7B-504
- What Is the Role of a Foster Parent in the AFD Court Action?
- Children in Foster Care, "Normal Childhood Activities," and the "Reasonable and Prudent Parent" Standard

Community Planning, Land Development

Blog post

- Proposed Reorganization and Subdivision Performance Guidelines
- Can the City Tell Its What?

Courts and Civil Procedure

Blog post

- Retention Elections for the State Supreme Court?

Summaries posted online:
<https://lrs.sog.unc.edu/lrs/legsumms/2015>

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De-coding

S 123	• Senate Bill 123
H 456	• House Bill 456
S.L. 2015-789; H 456	• House Bill 456 was enacted and became S.L. 2015-789
G.S. 99-111 (S.L. 2014-789; H 456)	<ul style="list-style-type: none"> • N.C. General Statute Chapter 99, Section 111 • The changes in S.L. 2015-789 included either the addition of a new statute or an amendment to an existing statute

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Public Health



Jill Moore



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Environmental Health (EH): Food



- Food stands
 - May provide tables and up to 8 seats, no further evaluation of on-site wastewater system required
- Pushcarts/mobile food units – large arenas
 - May prepare and serve food on premises of facilities with > 3000 permanent seats
 - If handling raw food items, must have handwashing sink on unit
 - Raw meat, poultry, fish must be prepared in permitted commissary or restaurant
- S.L. 2015-104 (S 7)



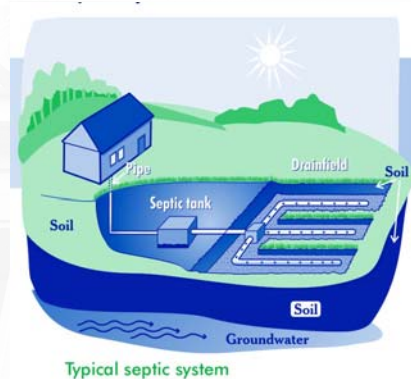
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EH: Food

- Plans for franchise/chain restaurants
 - If state has reviewed and approved, no local review required. Local health department may suggest revisions to plan but may not require them.
 - S.L. 2015-246 (H 44), sec. 10
- Permits for multiple owners/lessees in same facility
 - Clarifies that local health department may issue permits to operate a food establishment to more than one owner or lessee when more than one establishment is being operated in the same physical location. Each permittee must meet applicable rules.
 - S.L. 2015-__ (H 765), sec. 3.8

EH: On-Site Wastewater



- State rules must be amended to:
 - Allow repair areas that accommodate different types of replacement systems.
 - Remove the requirement for a certified operator for a sand lined trench system when drainage is used to lower the water table.
 - Repeal maximum capacity requirements for saporlite systems.
- S.L. 2015-147 (H 705)

EH: On-Site Wastewater

- Engineered option permits
 - Person installing septic system may work with a licensed professional engineer (PE) to plan the design, construction, and operation of the system.
 - System must comply with state OSWW rules and local rules if applicable.
 - Notice of intent to construct & completeness review:
 - Owner or PE must give notice of intent to local health department (LHD).
 - Notice contents are specified and include description of facility served, type and location of system, soil evaluation, proof of insurance held by parties including PE, soil scientist, contractors.
 - Within 15 business days, LHD must determine whether notice is complete and request additional information if incomplete. If additional info required, LHD must re-determine if notice is complete within 10 business days after receipt.
 - Inaction within timeframes → notice may be treated as complete.
 - "A determination of completeness means that the notice of intent to construct includes all of the required components."
 - No public liability for systems designed, constructed, and installed pursuant to this option.
- S.L. 2015-__ (H 765), sec. 4.14.

Other Regulatory Reform

- County maintenance of effort requirement repealed
 - Effective July 1, 2014, counties were required to maintain appropriations to local health department at FY 2010-11 levels. This requirement is repealed effective July 1, 2016.
 - S.L. 2015-246 (H 44), sec. 2.5.
- Well permits
 - Well permits deemed to include authorization for installation, construction, maintenance, or repair of electrical wiring, devices, appliances, or equipment by a certified well contractor.
 - Private drinking water well permits may be issued to property owners developing or improving property located in service area for public water if public lines not yet in place. Owner may not be required to connect to public system if lines subsequently extended, so long as well remains compliant and in use.
 - S.L. 2015-246 (H 44), sec. 3.5.

Other Public Health Interest



School health assessments
(S.L. 2015-222, H 13)



Prohibition on use of tanning beds
(S.L. 2015-21, H 158)



Epi-pens in child-serving businesses
(S.L. 2015- 274, H 647)



Regulate sale of e-liquid containers
(S.L. 2015-141, S 286)



Pilot project: used needle disposal
(S.L. 2015-____, H 712)



Sudden unexplained deaths from epilepsy
(S.L. 2015-211, H 814)

Social Services



Aimee Wall

Economic Services

- Child Support Enforcement Incentive Payments

- State to retain 15% of federal funding
- New methodology for distribution
- New county reporting requirements
- S.L. 2015-241 (H 97; Sec. 12C-7)



- Foster Care Assistance Payments

- With increase in age to 21, assistance program extended
- BUT counties held harmless for their share for children 18-21 (50% of nonfederal share in some situations)
- S.L. 2015-241 (H 97; Sec. 12C-9, amending G.S. 108A-49.1)

Economic Services

- Child Care Subsidy Program

- More children may be eligible because of revised definition of "income unit"
- Tier 1 and 2 counties eligible for market rate increase 1/16



- Counties may use 2% of subsidy funds for fraud detection and investigation activities
- State must develop plan to require subsidy recipients to cooperate with county child support services programs (plan due 2/16)
- S.L. 2015-241 (H 97; Sec. 12B), S.L. 2015-51 (S 114)

Adult Services



- New adult protective services reporting requirement
 - Employees and volunteers in MH/DD/SA facilities must report
 - To DSS, DA, and/or law enforcement
 - If they witness a client become a victim of certain crimes, primarily involving sexual violence or abuse
- Does not change the existing law requiring reporting to DSS
- Does not authorize or require DSS to take action on these reports if adult is not disabled
- S.L. 2015-36 (S 445)

Social Services: Child Welfare



Sara DePasquale

S.L. 2015-123 (S 578)



- Effective January 1, 2016
- County DSS → NC DHHS
- “Caretaker” → “Caregiver”
- New reporting: G.S. 110-105.4
- Child Maltreatment Registry, G.S. 110-105.6

Notification to Relatives/Others

S.L. 2015-136 (H669), S.L. 2015-135 (S423)

- Resources for Placement and Support
- Relatives
- Other persons with legal custody of “sibling”
P.L. 113-183, 42 USC 675(12)

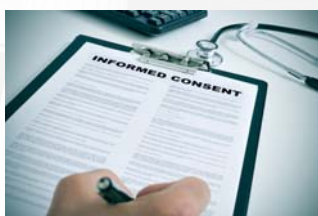


Throughout case

Consent to Medical Care, S.L. 2015-136 (H669)



- Routine
- Emergency medical, surgical, mental health
- Testing/evaluation in exigent circumstances



- ** Certified Medical Evaluation
Written Findings:
"compelling interest"

Medical Care Continued

- Parent, guardian, custodian consent or
- Court authorize department if
 - Clear and convincing evidence treatment is BIC
 - Non-routine..."informed consent"

4. The Department Of Social Services is authorized to arrange and consent to:

- ☐ a. treatment the medical provider recommends in order to cure, alleviate, or prevent the juvenile from suffering physical harm pursuant to 6(d) set forth on the reverse as a ground for nonsecure custody.
- ☐ b. only the following types of evaluation and/or treatment, after first attempting to obtain consent from the juvenile's parent, guardian, custodian, or caretaker: _____

- Make records available
- Information sharing by DSS
- Dr. share with DSS and parent
 - unless court order or federal law

Decision-Making

S.L. 2015-135 (S423), 2015-136 (H669)

- Custody with DSS
 - DSS Decision-making
 - Generally made by custodian
 - Including educational
 - Unless prohibited by federal law (≠ IDEA)
 - Remember, Medical Care Statute



Decision-Making (cont.)

- Placement Provider
 - Normal Childhood Activities
 - Extracurricular, enrichment, social activities (sleepover 24-72 hours)



- Unless court order if not BIC...

Decision-Making (cont.)

S.L. 2015-135 (S423)

Reasonable and Prudent Parent

Careful and sensible parental decisions

Health, safety,
best interests



Encourage
emotional &
developmental
growth

S.L. 2015-135 (S423)

- Driver's Permit/License
- G.S. 20-11(i), application:
 - Legal custody of DSS, signed by teen and
 - GAL or attorney advocate
 - DSS
 - Court
- Car Insurance



Concurrent Permanency Planning S.L. 2015-136 (H669)

Primary or Secondary?

“Court shall adopt concurrent permanent plans and shall identify the primary and secondary plan”

Reunification unless court order reasonable efforts are not required

APPLA

S.L. 2015-136 (H669), S.L. 2015-135 (S423)

- COURT FINDINGS of EACH!
 - 16 or 17 years old
 - DSS made diligent efforts to place w/parent or relative, guardianship, or adoption
 - Compelling reasons exist that not in BIC to place permanently w/ ...
 - APPLA is best permanent plan
- If approved, after questioning teen, the teen's desired permanency outcome



Coming in January 2017

- S.L. 2015-241 (H97)
- Extend Foster Care to 21
- Voluntary participation
 - School, vocation, employment, or disability
- May opt-in after 18 and before 21
- Court Review hearing



Medicaid Reform



Mark Botts

Medicaid Reform—S.L. 2015-245 (H 372)

- Effective immediately (Sept. 23, 2015)
 - Establishes the Joint Legislative Oversight Committee on Medicaid and NC Health Choice
 - Creates a new Division of Health Benefits in DHHS
 - Directs the Division of Health Benefits (DHB) to develop a federal waiver application to transform the Medicaid and NC Health Choice systems from a

fee for service system



managed care system
prepaid health plan structure

Managed Care Through Prepaid Health Plans

- Prepaid Health Plan (PHP)=an entity
 - that enters into a prepaid, capitated contract with DHB
 - for the delivery of all Medicaid and NC Health Choice services, i.e., physical health services, prescription drugs, long-term care and supports, and behavioral health services—“whole care”
 - to all Medicaid and NC Health Choice aid categories—“enrollees” (except those dually eligible for Medicaid and Medicare)
 - in a geographic region defined by DHB— “catchment area”
- Contracts
 - must define goals and measures for quality of care, health outcomes, patient satisfaction, access, and cost
 - cover all administrative functions, e.g., service authorization, claims processing, care and case management, grievances and appeals
- Exclusion
 - Behavioral health services (MH/DD/SA) are excluded from the PHP contracts for the first four years after contracts begin

Providers

- PHPs must develop and maintain a provider network that meets the needs of its enrollees
 - PHP can exclude providers for failure to meet objective quality standards or refusal to accept network rates
 - PHP must include in its network any provider in its geographic area that is designated by DHB as an “essential provider”
 - Discretionary designation—A provider that offers services not available from others within reasonable distance, or that is a substantial service provider in an insufficiently served region
 - Automatic designation—
 - Federally qualified health centers
 - Rural health centers
 - Free clinics
 - Local health departments
- All providers must submit data through the Health Information Exchange Network (must have an EHR)

Managing Care—Cost and Quality



- Eligible individual?
- Covered service?
- Based on clinical assessment?
- Medically necessary?
- Qualified provider?
- Evidence that treatment helps?
- Other needed services?
- Outcomes over time?



PHP

Provider

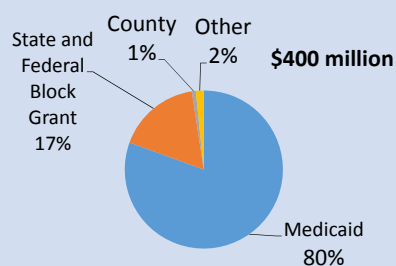
Timeline

- March 1, 2016—DHB reports to Oversight Committee
- June 1, 2016—DHB submits waiver application to Centers for Medicare & Medicaid Services (CMS)
- Within unknown period—CMS approves NC's plan
- 18 months after CMS approval—PHP contracts begin and initial recipient enrollment is complete
- 4 years after contracts begin—LME/MCOs stop managing behavioral health services

3-4 years → enrollees receive services through PHPs
 7-8 years → LME/MCOs cease to exist

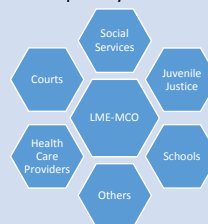
When LME/MCOs Go Away . . .

What happens to the State funding for the indigent and uninsured who are not eligible for Medicaid?



What happens to the non-Medicaid functions of an LME/MCO?

- Local service planning with key stakeholders
- Collaborative working relationships with other public agencies
- Community collaborative of crisis/emergency stakeholders
- Coordinate services to juveniles in the juvenile justice system
- Perform multidisciplinary evaluations



Questions?



Evaluation: https://unc.az1.qualtrics.com/SE/?SID=SV_3ObuZxeI5zXmx8h

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Income Tax and Sales Tax



Whitney Afonso

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Income Taxes: Background

- Changes to Income Taxes (2013):
 - Personal Income Taxes
 - Change from progressive rate structure
 - 6-7.75%
 - Went to flat structure
 - 5.75%
 - Standard deduction more than doubled
 - Married: From \$6,000 to \$15,000
 - Single: From \$3,000 to \$7,500
 - Eliminated majority of deductions, exemptions, and credits

SL 2013-316; HB 998



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Income Taxes: Background

- Changes to Income Taxes (2013):
 - Corporate Income Taxes
 - Expand R&D credit
 - Eliminate credits
 - Rate reduction (6.9% -> 6%)



SL 2013-316; HB 998



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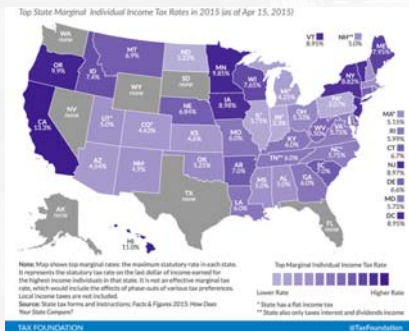
Income Taxes: Why does this matter?

- Revenue reduction
 - Partially offset by elimination of exemptions
- Goal
 - Make NC more business friendly
 - Increase in-migration
 - Increase growth of state's businesses
 - Reductions (or [elimination](#)) of corporate income taxes may increase personal income dramatically
- Less progressive

Income Taxes: New legislation

- Personal Income Taxes:
 - Rate further reduced from 5.75% to 5.499%
 - Standard deduction increased:
 - Married: From \$15,000 to \$15,500
 - Single: From \$7,500 to \$7,750
 - Addition of medical and dental expenses allowed as an itemized deduction
- Impact:
 - More competitive with our neighbors

HB 97



Income Taxes: New legislation

- Corporate Income Taxes:
 - Rate further reduced from 5% to 4%
 - Elimination of some subtraction modifications
- Impact:
 - Lower than many of our neighbors

HB 97



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Sales Taxes: Background

- Pre-2014:
 - State exempts food
 - Local taxes food (2%)
- 2014:
 - Expanded the base:
 - Modular/manufactured homes
 - Nutritional supplements
 - Higher-Ed meals
 - Newspapers
 - Entertainment activities



SL 2013-316; HB 998



Local Government Legislative Update

Sales Taxes: Why does this matter?

- Services have become more important
 - 57% of personal income
 - Up by 35% since 1970
 - Shift from tangible items to services
 - Narrower tax base
- Regressive?
- **Result of 2013 legislation:** Increased Revenue
 - Sales tax revenue is up 17% (~\$400 million)



Sales Taxes: New legislation

- Expansion of the base:
 - Repair, maintenance, and installation (RMI)
 - Attempt to not tax retailers that had not previously been in the base
 - Motor vehicle expansion
 - Not for service contract work though
 - Aircraft and jet engines (with a cap)
 - Not retail contractors or real property contractor

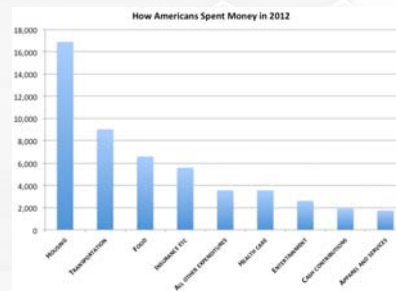
HB 97

Sales Taxes: New legislation

- Revenue use for local governments:
 - FY2016: \$84,800,000 redistribution
 - Return to local governments
 - 79/100 counties will receive additional revenue
 - Range from:
 - Hyde (0.03%)
 - Harnett (5.17%)
 - 21 counties will get \$0
 - Revenue earmarked:
 - Public Education
 - Community Colleges
 - Economic Development
 - State Revenue
 - ~\$18 million
 - Distributed based on Articles 39, 40, and 42

Sales Tax: Other considerations

- In the last year there has been a great deal of discussion about redistribution of sales taxes
- Proposals:
 - All per capita
 - Return to the half per capita
- NC context:
 - Only state with any per capita
 - Food taxed at local level (2%)
 - Per capita portion earmarked for education capital



Final Thoughts

- Overall, NC's tax policy has been broadening the base and/or lowering the rate
- For more details on the legal changes please join my colleagues at the additional **Finance Legislation Webinar**
- Any questions about other states or implications please contact me: afonso@sog.unc.edu

Local Government Finance



Kara Millonzi

Local Government Finance

- ✓ Preaudits and Disbursements
- ✓ Powell Bill Funds
- ✓ Motor Vehicle License Tax
- ✓ Municipal Service Districts
- ✓ Critical Infrastructure Assessments
- ✓ Legislative Studies

Preaudits and Disbursements: S.L. 2015-246

- Amends G.S. 159-28 to modernize the preaudit and disbursement requirements and effectively nullify recent court of appeals holdings
- The major change with respect to electronic transactions is not effective until the Local Government Commission (LGC) adopts regulations governing these types of transactions

Preaudit or Disbursement Process?

Are you ordering goods or capital assets, hiring employees, or entering into a contract for construction or services that will require your government to pay money?



Go To
Preaudit
Process

Are you paying bills, invoices, payroll, or other monetary claims?



Go To
Disbursement
Process

Preaudit Process Triggered When:

- A unit enters into contract or agreement or places an order for goods or services that are accounted for in the budget ordinance or a project ordinance; **AND**
- the unit is obligated to **pay money** by the terms of the contract/agreement/order; **AND**
- (if the appropriation is accounted for in the budget ordinance) the unit anticipates paying at least some of the money in the fiscal year in which the contract/agreement/order entered into.

Preaudit Process

As of October 1, 2015

Finance Officer (or deputy finance officer) must:

1. Check to see if there is an appropriation in budget ordinance or project ordinance for amount due this fiscal year
2. Check to see if sufficient funds remain in the appropriation to cover amount that will come due this fiscal year
3. ~~Memorialize contract/agreement/order in writing~~
4. Affix signed preaudit certificate to "writing" that evidences contract/agreement/order, **if a writing exists**

Be Careful!

- Other laws may require that the contract, agreement, order, etc. be in writing.
- For example...
 - All city contracts must be in writing; if not, contracts are void unless ratified by governing board (G.S. 160A-16)
 - All contracts involving sale of goods over \$500 must be in writing (G.S. 25-2-201)
 - Contracts for purchases and construction or repair subject to formal bidding must be in writing (G.S. 143-129(c))



Preaudit Process

As of October 1, 2015

Finance Officer (or deputy finance officer) must:

1. Check to see if there is an appropriation in budget ordinance or project ordinance for amount due this fiscal year
2. Check to see if sufficient funds remain in the appropriation to cover amount that will come due this fiscal year
3. ~~Memorialize contract/agreement/order in writing~~
4. Affix signed preaudit certificate to "writing" that evidences contract/agreement/order , **if a writing exists***

*** there are now exemptions from the preaudit certificate requirement for certain transactions**

Exemptions from Preaudit Certificate Requirement*

- Any obligation that has been approved by the Local Government Commission (LGC)
- Payroll and employee benefits
- Electronic payments (charge card, credit card, gas card, procurement card), **BUT** only if the LGC adopts rules governing these transactions **AND** only if the unit follows the LGC rules

**All of these transactions are still subject to the other steps in the preaudit process.*

Preaudit or Disbursement Process?

Are you ordering goods or capital assets, hiring employees, or entering into a contract for construction or services that will require your government to pay money?



Go To
Preaudit
Process

Are you paying bills, invoices, payroll, or other monetary claims?



Go To
Disbursement
Process

Disbursement Process

- Finance Officer (or deputy finance officer) must:
 - Check to make sure amount is payable
 - Check to see if there is (still) an appropriation in budget ordinance or project ordinance for amount due
 - Check to see if sufficient funds remain in the appropriation to cover amount due
 - Affix signed disbursement certificate to check or electronic payment

Disbursement Process

As of October 1, 2015

- Finance Officer (or deputy finance officer) must:
 - Check to make sure payment is due and owing
 - Check to see if there is (still) an appropriation in budget ordinance or project ordinance for amount due
 - Check to see if sufficient funds remain in the appropriation to cover amount due
 - Affix signed disbursement certificate to check or electronic payment*

*** Some payments are exempt from disbursement certificate requirement**

Exemptions from Disbursement Certificate Requirement*

- Payment for any obligation that has been approved by the Local Government Commission (LGC)
- Payroll or any payment for employee benefits
- Electronic funds transfers, **BUT** only if the LGC adopts rules governing these transactions **AND** only if the unit follows the LGC rules

*** All of these transactions are still subject to the other steps in the disbursement process.**

Powell Bill S.L. 2015-241

- Powell Bill funds no longer tied to gas tax collections; will be subject to state appropriations
 - \$146.5 million appropriated for FY 2015-16 and FY 2016-17
- Municipalities must use Powell Bill revenue PRIMARILY for the resurfacing of streets within the corporate limits of the municipality.
- DOT must report to legislature on municipal use of Powell Bill funds.

Motor Vehicle License Tax: S.L. 2015-241

- Effective July 1, 2016, authorizes municipalities to levy up to \$30 per vehicle tax
- Earmarks on revenue:
 - Up to \$5 may be used for any lawful purpose
 - Up to \$5 may be used to fund a public transportation system (if the municipality operates one, as defined in G.S. 105-550)
 - The remainder of the tax proceeds must be used for “maintaining, repairing, constructing, reconstructing, widening, or improving public streets in the municipality that do not form a part of the State highway system”

Municipal Service Districts (MSD): S.L. 2015-241

- Applies to all MSDs
 - Board must set MSD tax rate each year such that “no accumulation of excess funds beyond that necessary to meet current needs, fund long-range plans and goals, and maintain a reasonable fund balance.”
- Applies only to MSDs for **Downtown Revitalization** or **Urban Area Revitalization**
 - Process requirements before entering into a contract with a private entity to “provide services, facilities, functions, or promotional and developmental activities” in a downtown or urban area revitalization MSD.
 - Must solicit input from residents and property owners; use bid process to select private contractor; hold a public hearing on the contract; limit contracts to a maximum of 5 years; specify specific projects/services that private contractor will perform in the contract; require a periodic accounting from private contractor.

Critical Infrastructure Assessments: S.L. 2015-121

- Authority to levy critical infrastructure assessments extended until 2020.
- Limits assessment period to a maximum of 25 years.

Legislative Studies: S.L. 2015-241

- Local solid waste management
 - Legislative committee to look at (1) local government authority to enact ordinances concerning collection and processing of solid waste; (2) costs to local governments for providing solid waste collection and processing services; (3) possible impacts of privatization
- School facility needs
 - Contract outside entity to do an independent assessment of school construction needs in school units in 50 counties that have lowest ability to pay for school facilities according to the low-wealth funding formula

Questions?



Evaluation: https://unc.az1.qualtrics.com/SE/?SID=SV_3ObuZxeI5zXmx8h



Purchasing and Contracting

Norma Houston



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E-Verify (again . . .)

- Repeals 2014 E-Verify "roll-back"
- Applies to ALL local government contracts except those exempted under the new statute
- Contract deemed compliant if contains provision requiring contractor to comply with E-Verify

Exempt:

- Travel expenses
- "Sole" purchase contracts
- Purchases from other governments, State, or GSA contracts
- Piggyback contracts

H318, Sec.'s 1-10 (awaiting Governor)



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E-Verify – 2014

	City	County	Other Local Gov't	State Agency
Construction - Formal	✓	✓	✓	✓
Construction - Informal				✓
Purchase - Formal	✓	✓	✓	✓
Purchase - Informal				✓
Design Services (Mini-Brooks)				✓
All Other (services, construction below bid threshold, etc.)				✓

E-Verify – 2015

	City	County	Other Local Gov't	State Agency
Construction - Formal	✓	✓	✓	✓
Construction - Informal	✓	✓	✓	✓
Purchase - Formal				
Purchase - Informal				
Design Services (Mini-Brooks)	✓	✓	✓	✓
All Other (services, construction below bid threshold, etc.)	✓	✓	✓	✓

New State IT Department

- ITS becomes Department of Information Technology (cabinet level agency); State CIO is department head
- All IT functions of Cabinet agencies consolidated in new department; controls all IT procurement
- Relationship with local governments:
 - Provide IT support and allow access to Department's services (fee-based)
 - Create procedures for state and local government IT procurement through GSA (Schedule 70)
 - Buy IT goods and services off state IT contracts, including refurbished computers program
 - Give access to state telecommunications and broadband services (fee-based)
- Personal use of state IT contracts is Class 1 misd.

S.L. 2015-241, Part VII-A (H97)



Local Government Legislative Update

Computer/TV Purchases

- State agencies and local governments prohibited from purchasing computer equipment or TV's from manufacturers not compliant with NC Electronics Management Program (labeling and recycling requirements)
- DEQ posts list of manufacturers' compliance status

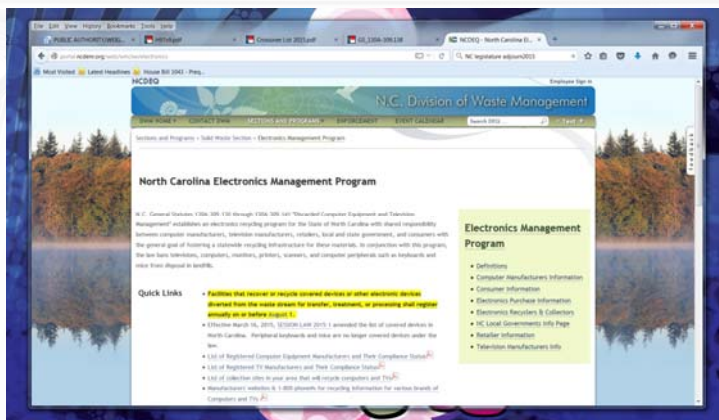


S.L. 2015-241, Part VII-A (H97)



Local Government Legislative Update

www.ncdenr.org > Sections and Programs > Solid Waste > Electronics Management Program



Jail Food

Food and food services supplies for county jails not subject to competitive bidding **ONLY** in these counties:

Alamance	Craven	Guilford	Madison	Rockingham
Anson	Cumberland	Haywood	Onslow	Stanly
Beaufort	Currituck	Henderson	Orange	Transylvania
Caswell	Dare	Iredell	Pamlico	Yancey
Cherokee	Davidson	Jones	Pasquotank	Wake
Chowan	Granville	Lincoln	Randolph	Washington

S.L. 2015-156 (H58); 2015-157 (H236); 2015-158 (H312)



Construction Contracting



Norma Houston

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Local Government Legislative Update

Construction Notice

- Cities and counties must notify property owners and adjacent property owners of construction projects
- Only applies to NEW construction; does not include routine maintenance and repair
- Notice must be in writing at least 15 days before project starts

Exceptions:

- Emergency
- Owner requests construction
- Owner consents to less than 15 days' notice
- Notice is given at open meeting of the board

S.L. 2015-246, Sec. 12 (H44); effective 10/1/2015; amended by H765 (awaiting Governor)

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Force Account Threshold Increase

Increases thresholds for local government force account exception to:

- Total project cost under \$500,000 *or*
- Total labor cost under \$200,000

Thresholds for state agencies and UNC campuses remain the same



*H924, Sec. 6 (awaiting Governor)
effective when act becomes law*

Water and Sewer Construction

- Authorizes water and sewer authorities to enter into reimbursement agreements with developers for infrastructure construction (similar to cities and counties)
- Infrastructure projects must be on Authority's CIP
- Eligible projects include water mains, sanitary sewer lines, lift stations, water pump stations, stormwater lines, and other associated facilities
- Developer must use competitive bidding



S.L. 2015-207, Sec. 2 (H538)

Property Disposal

Norma Houston



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Tower Leases

- Leases for siting and operation of a communications tower
- Terms up to 25 years
- Do not have to be treated as sale of property

“Tower” includes structures that support TV, radio, and wireless communications



S.L. 2015-246, Sec. 9 (H44)

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Local Government Legislative Update

Donating Service Animals

Law enforcement service animals may be donated to the animal's handler **ONLY** in the following cities:

- Raleigh
- Municipalities in Mecklenburg County (*not the county*)



S.L. 2015-174 (H199)

Questions?



Evaluation: https://unc.az1.qualtrics.com/SE/?SID=SV_30buZxeI5zXmx8h



Community & Economic Development



Tyler Mulligan

 UNC School of Government

Local Government Legislative Update

Economic Development Powers of Local Governments “Clarified”

- S.L. 2015- 277; S 472 modified G.S. 158- 7.1:
 - Discretionary language removed
 - New board determination required for every appropriation
 - New public hearing required for every appropriation
 - Historic rehab included



 UNC School of Government

Local Government Legislative Update

G.S. 158-7.1: Discretion Removed, More Process Imposed

- Before:

- “Each county and city ... is authorized to make appropriations for the purposes of aiding and encouraging the location of manufacturing enterprises ... and locating industrial and commercial plants ... *or other purposes which, in the discretion of the governing body* ...
- “... will increase the population, taxable property, agricultural industries and business prospects of any city or county.”
- Notice and public hearing prior to approving incentives and real estate activities

G.S. 158-7.1: Discretion Removed, More Process Imposed

- After

- “Each county and city ... is authorized to make appropriations for ~~the purposes of aiding and encouraging the location of manufacturing enterprises ... and locating industrial and commercial plants ... or other purposes which, in the discretion of the governing body~~ **economic development purposes.**
- “... will increase the population, taxable property, agricultural industries and business prospects of any city or county.”
- Notice and public hearing prior to approving incentives and real estate activities

G.S. 158-7.1: Discretion Removed, More Process Imposed

• After

- “Each county and city ... is authorized to make appropriations for ~~the purposes of aiding and encouraging the location of manufacturing enterprises ... and locating industrial and commercial plants ... or other purposes which, in the discretion of the governing body~~ **economic development purposes.**
- **Board must determine that appropriation** “will increase the population, taxable property, agricultural industries, **employment, industrial output, or** ~~and~~ business prospects of ~~any~~ **the** city or county.”
- Notice and public hearing prior to approving incentives and real estate activities

G.S. 158-7.1: Discretion Removed, More Process Imposed

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- “Each county and city ... is authorized to make appropriations for ~~the purposes of aiding and encouraging the location of manufacturing enterprises ... and locating industrial and commercial plants ... or other purposes which, in the discretion of the governing body~~ **economic development purposes.**
- **Board must determine that appropriation** “will increase the population, taxable property, agricultural industries, **employment, industrial output, or** ~~and~~ business prospects of ~~any~~ **the** city or county.”
- Notice and public hearing prior to approving ~~incentives and real estate activities~~ **any appropriation**

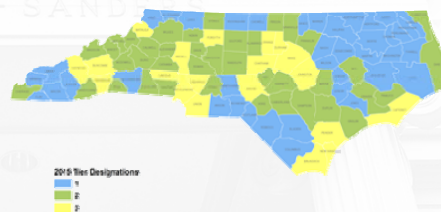
G.S. 158-7.1: Historic Rehab

- “A county or city may make grants or loans for the rehabilitation of commercial or noncommercial historic structures, whether the structure is publicly or privately owned.”
- Still subject to statutory and constitutional limits
 - Statute requires jobs
 - No gifts
 - *Maready* and public purpose of economic development
- Historic Preservation Commission statutes



State Economic Development Incentives Reauthorized

- State historic rehabilitation tax credit
- Recruitment incentives
 - JDIG
 - OneNC Fund
- Certain development tiers favored



Questions?



Evaluation: https://unc.az1.qualtrics.com/SE/?SID=SV_30buZxeI5zXmx8h



Local Government Legislative Update

Legislative Reporting Service



- Subscription information
 - <https://lrs.sog.unc.edu/>
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Local Government Legislative Update

Evaluation

Thanks for joining us today.

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

Evaluation:

https://unc.az1.qualtrics.com/SE/?SID=SV_3ObuZxeI5zXmx8h