BARRY JACOBS, CHAIR
EARL MCKEE, VICE CHAIR
MARK DOROSIN
ALICE M. GORDON
BERNADETTE PELISSIER
RENEE PRICE
PENNY RICH

ORANGE COUNTY BOARD OF COMMISSIONERS
POST OFFICE BOX 8181
200 SOUTH CAMERON STREET
HILLSBOROUGH, NORTH CAROLINA 27278

April 22, 2014

Senator Valerie Foushee
Representative Verla Insko
Representative Graig Meyer

Dear Senator Foushee and Representatives Insko and Meyer:

I write on behalf of the Board of Commissioners first to express Orange County's gratitude for your support and assistance with legislative initiatives of importance to the Orange County Board of Commissioners. We appreciate the effort and time you invest on our behalf and trust that the 2014 legislative session will afford opportunities to further that support.

Please find enclosed materials outlining Orange County's legislative agenda package for the 2014 General Assembly session. These documents, which were approved following the Board's April 15, 2014 public hearing on legislative issues, address the Board's positions on issues of importance to the Board and County residents. The package includes:

1) A "Topics for Priority Discussion" document for our April 28, 2014 Legislative Breakfast;
2) One Resolution and related Exhibits addressing Statewide Issues;
3) One Resolution Requesting Legislative Action on Coal Ash in North Carolina; and
4) For reference purposes, the North Carolina Association of County Commissioners (NCACC) 2013-2014 Legislative Goals document.

We appreciate the opportunity to share this package with you and look forward to your support of these items. Please contact me or other Board members directly for any additional information. We can also be reached through Donna Baker, the Clerk to the Board, at her office in Hillsborough at (919) 245-2130.

Best,

Barry Jacobs, Chair
Orange County Board of Commissioners

Enclosures

TOPICS FOR PRIORITY DISCUSSION

ORANGE COUNTY BOARD OF COMMISSIONERS AND ORANGE COUNTY'S LEGISLATIVE DELEGATION
April 28, 2014

PRIORITY DISCUSSION TOPICS Statewide Issues	Format in Legislative Package	Page Number and Item Number
Oppose any shift of state transportation responsibilities to counties	Board of Commissioners' Statewide Issues Resolution	Page #3 / Item #2
	AND	
	North Carolina Association of County Commissioners 2013-14 Legislative Goals TOP PRIORITY	Page #23 / Item #1 AND Page #27 / Item #IGR-1
Broadband	Board of Commissioners' Statewide Issues Resolution	Page #4 / Item #3
Smart Start and More at Four	Board of Commissioners' Statewide Issues Resolution	Page #5 / Item #5
	AND	
	North Carolina Association of County Commissioners 2013-14 Legislative Goals	Page #26 / Item #HHS-7

Authority to Amend the Orange County Civil Rights Ordinance	Board of Commissioners' Statewide Issues Resolution	Page #7 / Item #8
Land, Water and Agricultural Preservation Funding/Conservation	Board of Commissioners' Statewide Issues Resolution AND North Carolina Association of County Commissioners 2013-14 Legislative Goals	Page #9 / Item #11 Page #23 / Item #AG-2
Homestead Exemption	Board of Commissioners' Statewide Issues Resolution	Page #10 / Item #13
Concealed Weapons in Parks	Board of Commissioners' Statewide Issues Resolution	Page #12 / Item #16

RES - 2014 - 021

NORTH CAROLINA

ORANGE COUNTY

RESOLUTION REGARDING LEGISLATIVE MATTERS

BE IT RESOLVED by the Board of County Commissioners of Orange County that the Board hereby requests the Senator and Representatives representing Orange County take the following positions on legislation regarding the following Statewide matters:

1) *** Revenue Options for Local Government** - Support legislation that authorizes any local government to enact any revenue source that is presently available to one or more local governments in the state. Local governments have experienced significant budget cuts in recent years. Providing flexibility regarding revenue options to fund local government services will allow local governments to tailor their respective funding plans based on individual needs and goals;

2) *** Oppose any shift of state transportation responsibilities to counties** - Oppose legislation to shift the state's responsibility for funding transportation construction and maintenance projects to

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An item denoted with a "*" generally coincides with a similar North Carolina Association of County Commissioners (NCACC) 2013-14 Legislative Goal.

counties. Counties cannot afford to assume costs for maintaining secondary roads and/or funding expansion projects. Unlike counties in other states, whose traditional funding responsibilities are secondary roads, North Carolina counties are responsible for the administration of local human services programs, and fund educational operating and capital expenses. The North Carolina Association of County Commissioners (NCACC) estimates that a transfer of secondary road maintenance responsibilities would cost counties more than $500 million annually. Some of the more rural counties would have to increase property taxes by as much as 30 cents per $100 in valuation to generate the amount of revenue needed to maintain the same level of service;

3) **Broadband** - Support legislation, funding, and other efforts to expand broadband capability to the un-served and under-served areas of the State to enhance quality of life as well as expand opportunities for jobs creation, small business development, and growth in farm enterprises. Orange County opposes legislation limiting local governments' efforts to provide broadband and supports legislation and regulations that

would preserve local option and authority where needed to deploy community broadband systems and ensure community access to critical broadband services;

4) *** Sales Tax Exemption** - Support legislation to exempt counties, cities, school boards, community colleges, and the Orange Water & Sewer Authority from payment of state and local sales taxes on purchases within North Carolina. The legislation should contain a provision permitting the state to repay the last refund over a multi-year period to minimize state budget impacts. Alternatively, Orange County supports legislation to fully restore public schools' access to sales tax refunds;

5) *** Smart Start and More at Four** -Orange County supports legislation to increase and ensure secure and stable funding, enhanced quality early care and education, and family access and benefits in settings public and private. The County advocates sustaining teacher quality; evidence-based learning objectives; healthy life styles; and community engagement. Quality early childhood education has proven to help alleviate the achievement gap; curb the need for costly services (including special education); and reduce societal cost

by increasing graduation rates. Orange County Schools and Chapel Hill-Carrboro City Schools are ardent allies in ensuring that actions at the state level support local implementation. Orange County remains strongly supportive of the Orange County Partnership for Young Children in the effective administration and evaluation of services reaching all children throughout the County **(Exhibit A is a summary from Partnership Director Robin Pulver.)**;

6) **County Jail System/Housing State Inmates Reimbursement** - Orange County seeks legislation to protect the fiscal viability of the county jail system by reinstating a reimbursement rate for state inmates housed in county jails and increasing the reimbursement rate for state inmates awaiting post-trial prison transfer. The County appreciates past efforts, in particular the establishment of a Statewide Misdemeanor Confinement Program to provide housing for misdemeanants serving periods of confinement of more than 90 days and up to 180 days. Orange County does not participate in the program due to limited space in the County Jail. The Program which houses misdemeanants serving periods of confinement of more than 90 days and up to 180 days is

working, with Orange County inmates routinely transferred out of Orange County to other facilities;

7) **Agriculture/Solar Energy** – Orange County supports renewable energy initiatives such as House Bill 495/Senate Bill 473 (2011) and Senate Bill 694 (2011) to create a market for agricultural-sourced energy credits. Both provide incentives for farmers to produce renewable energy, which will become increasingly important to preserving and strengthening the agricultural economy and rural infrastructure as well as maintaining Orange County's rural heritage and culture. The lack of continued effective solar energy incentives is a lost opportunity for all North Carolinians, but this is especially true for the agricultural sector. Farmers use a lot of electrical power and are uniquely positioned to become energy producers. Every south-facing barn roof is a candidate for a photo-voltaic (PV) array, and farms usually have open acreage that can support a stand-alone PV array;

8) **Authority to Amend the Orange County Civil Rights Ordinance** – Orange County seeks legislative action to provide the County the authority to include sexual orientation and sexual identity as protected classes.

The Board of Commissioners adopted the Orange County Civil Rights Ordinance in 1994 with the purpose and policy to promote the equal treatment of all individuals. In subsequent years, the County has requested, to no avail, additional legislative authority to amend the Ordinance to include additional protected classes. The Orange County Human Relations Commission formally acted in October 2011 requesting that the Board of Commissioners take the appropriate steps to amend the Orange County Civil Rights Ordinance to include sexual orientation and sexual identity as protected classes. Approximately 89% of Fortune 500 companies prohibit discrimination based on sexual orientation, including Bank of America, Lowe's, Duke Energy, Branch Banking and Trust (BB&T), and Reynolds American (the five largest North Carolina-based public companies in that order);

9) *** E-911 Funds** - Orange County supports permanently extending the authorization to use E911 funds for all public safety disciplines. Orange County appreciates past efforts and supports future initiatives to expand the uses for these funds within the public safety disciplines related to emergency communications and Emergency Medical Services. North Carolina General

Statute (NCGS) 62A-47 Section 9 allowed local governments to use 50% of the funds in the Emergency Telephone System to provide for public safety needs, without limitations imposed under NCGS 62A-46. Public Safety expenditures authorized under Section 9 had to be completed by June 30, 2012;

10) *** Mental Health** - Orange County seeks legislation to ensure that State-funded mental health, developmental disability, and substance abuse services are available, accessible and affordable to all residents and that sufficient state resources fund service provision costs inclusive of sufficient crisis beds;

11) *** Land, Water and Agricultural Preservation Funding/Conservation** - Orange County supports Park, Agricultural Preservation, Clean Water and other existing trust funds established for the protection of the State's land, water, biological resources, agriculture, and special places before they are irreversibly lost, and requests that these funds receive additional funding (See Exhibit B - RES-2013-015 regarding funding for the Clean Water Management Trust Fund); and also supports a conservation option under the Use Value Program and a revision to the

revenue and acreage requirements of the Use Value Program to address operations that meet the revenue requirements, but do not meet the minimum ten acres threshold for agricultural operations;

12) **Machinery Act** - Orange County believes that local governments need more flexibility to remedy measurement and/or condition property appraisal errors related to local property tax functions. North Carolina property tax law substantially limits the ability of local governments to address property tax discrepancies, such as prohibiting the refund of prior years' taxes paid after a measurement and/or condition property appraisal error is discovered. Just as local governments can recoup prior years' property taxes from owners for "discoveries", local governments should likewise be authorized to refund prior years' taxes paid when situations such as measurement and/or condition property appraisal errors are discovered;

13) **Homestead Exemption** - Support revisions to the Homestead Exemption provisions of the Machinery Act to

a) provide greater opportunities for low-income seniors to remain in their homes and not be displaced due to property tax burdens by

approving a one-time ten percent (10%) increase in the income qualification standard; and maintaining the current provisions which increase the income qualification standard each year based on any cost-of-living adjustment made to the benefits under Titles II and XVI of the Social Security Act for the preceding calendar year;

b) diminish the discriminatory features of the current exemption provisions relating to married couples by establishing graduated income qualification standards for single individuals versus married couples; and

c) address the ineffectiveness of the exemption provisions in communities where property values increase at substantial rates over short periods of time by capping the increase in additional taxes to be paid to the increase in the Consumer Price Index (CPI) for the preceding year;

14) **Bond Referendum for Education** - Orange County supports a statewide bond referendum to provide State assistance to meet public school and community college construction needs caused by increased enrollment, mandated reduction in class size and other factors;

15) **Electronics Advanced Recycling Fee** - Orange County supports legislation requiring an advance recycling fee (ARF) - for the collection and recycling of computer, television, cell phone and other discarded electronic equipment – to fund the shortfall from the existing producer responsibility funding. The producer responsibility provisions for electronics recycling require manufacturers to maintain records by category on equipment sales and pay corresponding fees to the State of North Carolina. The State in turn distributes those funds to North Carolina counties. The producer responsibility funds only cover a portion of the expenses that North Carolina counties incur for electronics recycling (Example: Orange County receives funding equal to approximately ten percent (10%) of its actual electronic recycling expenses);

16) **Concealed Weapons in Parks** - Seek legislation authorizing counties to fully regulate the carrying of concealed weapons in parks. Specifically the Orange County Board of Commissioners supports revision of North Carolina General Statute 14-415.23, which limits the authority of local governments to regulate the carrying of concealed weapons in parks and other areas where large numbers of children may congregate. Parks

are areas where families with young children spend significant amounts of time. Ensuring there are no firearms present which may accidentally or unintentionally discharge is a legitimate interest of local governments in furthering the safety of their residents.

17) **Participation in Solid Waste Programs for Recycling** – Orange County supports legislation authorizing counties to require county residents to participate in solid waste collections programs conducted by counties and impose a fee for the solid waste collection services in a manner similar to the authority granted to cities. The fee may not exceed the costs of collection. (See Exhibit C – Draft Statewide Bill);

An item denoted with a "*" generally coincides with a similar North Carolina Association of County Commissioners (NCACC) 2013-14 Legislative Goal.

Upon motion of Commissioner Bernadette Pelissier, seconded by Commissioner Alice Gordon, Item #1 of the foregoing resolution was adopted by a vote of 6-1 (Commissioner Earl McKee voting nay) this the 15th day of April, 2014.

Upon motion of Commissioner Earl McKee, seconded by Commissioner Alice Gordon, Item #17 of the foregoing resolution was adopted by a vote of 5-2 (Commissioners Mark Dorosin and Renee Price voting nay) this the 15th day of April, 2014.

Upon motion of Commissioner Alice Gordon, seconded by Commissioner Bernadette Pelissier, the foregoing resolution was adopted by a vote of 6-1 (Commissioner Mark Dorosin voting nay) this the 15th day of April, 2014.

I, Donna Baker, Clerk to the Board of Commissioners for the County of Orange, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Board at a meeting held on April 15, 2014 as relates in any way to the adoption of the foregoing and that said proceedings are recorded in Minute Book No. ____ of the minutes of said Board.

WITNESS my hand and the seal of said County, this 23 of April, 2014.

Donna S Baker

Clerk to the Board of Commissioners

Orange County 1752 North Carolina

EXHIBIT A

Orange County Partnership for Young Children
Robin Pulver, Executive Director
Smart Start NC Pre K Information

Smart Start 2014-2015:

- Maintain Smart Start funding or increase funding to prior year levels.
- Continue the focus on developmentally appropriate early literacy and evidence based programs for early care, education, and services.
- Increased funds will allow OCPYC to fund necessary programs in our community and expand funding to Early Intervention/Health and Family Support projects. Continued cuts to Smart Start funding over the years have decimated these programs.
- Continue the waitlist reduction for child care subsidy in the upcoming year.
- Enhance and maintain quality in early care and education in all settings (public and private) by supporting teacher quality; evidence based learning objectives; healthy life styles and community engagement.

NC Pre K (MAF) 2014-2015:

- Support and increase funding to serve more children in quality early education.
- NC Pre K should continue to be offered in a variety of settings, including child care, public schools, head start, etc. Maintaining this diversity allows the maximum of parent choice and funding.
- Maintain the definition of "at-risk." At a time when more children are living in poverty, more NC Pre K slots need to be available for children.

OCPYC in conjunction with school districts, CHTOP Head Start and 5 private child care centers continue to work collaboratively to provide the highest quality Pre K services. The school districts have been supportive of OCPYC and its administration and implementation of NC Pre K in Orange County.

Conclusion:

I want to thank the Orange County Board of County Commissioners for the opportunity to give an update on the status of Smart Start and NC Pre K funding. We know that quality early childhood programs help to alleviate the achievement gap, reduce the need for costly services including special education, and reduce overall societal cost by increasing graduation rates. I also want to thank Commissioner Mark Dorosin and Assistant County Manager Grier for their service to the OCPYC Board as well as thanking the County Department Directors who serve on our Board and provide guidance and assistance to early childhood services in Orange County.

Please do not hesitate to contact Robin Pulver, OCPYC Executive Director at 919-967-9091 or rpulver@orangesmartstart.org if you need any additional information.

ORANGE COUNTY BOARD OF COMMISSIONERS

Resolution to Support 2013-2015 Funding for the Clean Water Management Trust Fund

Whereas, the 1996 North Carolina General Assembly established the Clean Water Management Trust Fund to provide an innovative and non-regulatory approach to the protection and restoration of the surface waters all across the state; and

Whereas, the Clean Water Management Trust Fund is a non-regulatory program established to help meet infrastructure needs of municipalities and counties, restore degraded surface water, protect watersheds, increase recreational opportunities, and enhance quality of life in this state, all critical components for communities to obtain a competitive edge in their economic development; and

Whereas, the Clean Water Management Trust Fund has funded 452 infrastructure projects to assist North Carolina communities balance infrastructure needs with environmental protection and to help struggling communities become self-reliant with future infrastructure needs; and

Whereas, infrastructure needs across the state addressing drinking water, wastewater, and stormwater are estimated at $16.6 billion between 2005 and 2030; and

Whereas, the Clean Water Management Trust Fund has leveraged more than $1 billion of private, local and federal funds to support projects, and Orange County has, either directly or in partnership efforts with other entities, benefited from approximately $2.6 million in grants and approximately $2.3 million in loans from the Fund; and

Whereas, the General Assembly has reduced funding for the Clean Water Management Trust Fund by 78% since 2010; and

Whereas, limited funding for the Clean Water Management Trust Fund left 88% of 2012 critical local needs unmet; and

Whereas our economic vitality, health and ability to sustain ourselves and the natural environment all rely on clean water; and

Whereas, surface water must be protected to ensure sufficient drinking water supply for the state's growing industrial base and population; and

Whereas, Clean Water Management Trust Fund has provided grant(s) to Orange County to do one or more of the following: to protect, restore or enhance surface water quality for the benefit of the state's agriculture, military, recreation and tourism economies and to protect our natural heritage for the benefit of all North Carolinians;

NOW, THEREFORE, BE IT RESOLVED by the Orange County Board of Commissioners at its meeting on February 19, 2013 that Orange County supports the Clean Water Management Trust Fund and requests that the Fund receive an increase in recurring funding from the Governor and the North Carolina General Assembly for the 2013-2015 biennial budget.

This the 19th day of February 2013.

Barry Jacobs, Chair
Orange County Board of Commissioners

EXHIBIT C

BILL DRAFT 2013-

A BILL TO BE ENTITLED AN ACT TO AUTHORIZE COUNTIES TO OPERATE RESIDENTIAL RECYCLABLE MATERIALS COLLECTION PROGRAMS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 153A-292 is amended to read:

County collection and disposal facilities and collection programs.

(a) The board of county commissioners of any county may establish and operate solid waste collection and disposal facilities in areas outside the corporate limits of a city. The board may by ordinance regulate the use of a disposal facility provided by the county, the nature of the solid wastes disposed of in a facility, and the method of disposal. The board may contract with any city, individual, or privately owned corporation to collect and dispose of solid waste in the area. Counties and cities may establish and operate joint collection and disposal facilities. A joint agreement shall be in writing and executed by the governing bodies of the participating units of local government. The board may by ordinance establish a program for the collection of residential recyclable materials.

(b) The board of county commissioners may impose a fee for the collection of solid waste. The fee may not exceed the costs of collection.

The board of county commissioners may impose a fee for the use of a disposal facility provided by the county. The fee for use may not exceed the cost of operating the facility and may be imposed only on those who use the facility. The fee for use may vary based on the amount, characteristics, and form of recyclable materials present in solid waste brought to the facility for disposal. A county may not impose a fee for the use of a disposal facility on a city located in the county or a contractor or resident of the city unless the fee is based on a schedule that applies uniformly throughout the county.

The board of county commissioners may impose a fee for the availability of a disposal facility provided by the county. A fee for availability may not exceed the cost of providing the facility and may be imposed on all improved property in the county that benefits from the availability of the facility. A county may not impose an availability fee on property whose solid waste is collected by a county, a city, or a private contractor for a fee if the fee imposed by a county, a city, or a private contractor for the collection of solid waste includes a charge for the availability and use of a disposal facility provided by the county. Property served by a private contractor who disposes of solid waste collected from the property in a disposal facility provided by a private contractor that provides the same services as those provided by the county disposal facility is not considered to benefit from a disposal facility provided by the county and is not subject to a fee imposed by the county for the availability of a disposal

facility provided by the county. To the extent that the services provided by the county disposal facility differ from the services provided by the disposal facility provided by a private contractor in the same county, the county may charge an availability fee to cover the costs of the additional services provided by the county disposal facility.

The board of county commissioners may impose a fee for a residential recyclable materials collection program provided by the county. A fee may not exceed the cost of providing the collection service and may be imposed on all benefited improved property along designated collection routes. A county may not impose a recyclable materials collection program fee on improved property from which residential recyclable material is collected by a private contractor for a fee if the private contractor collects the same recyclable materials as those collected by the county collection program. The fee may be imposed in full if the private contractor does not, at a minimum, collect the same recyclable materials collected by the county. Upon presentation to the county of a valid contract for such service between the property owner or current resident and private contractor, such improved property is not considered to benefit from a residential recyclable materials collection program provided by the county and is not subject to a fee imposed by the county for the residential recyclable materials collection program provided by the county. A pro-rated fee may be assessed to benefited property for any portion of a calendar year the benefited property is not served by a private contractor.

In determining the costs of providing and operating a disposal facility or residential recyclable materials collection program, a county may consider solid waste management costs incidental to a county's handling and disposal of solid waste at its disposal facility or residential recyclable materials collection program, including the costs of the methods of solid waste management specified in G.S. 130A-309.04(a) of the Solid Waste Management Act of 1989. A fee for the availability or use of a disposal facility may be based on the combined costs of the different disposal facilities provided by the county. A fee for the residential recyclable materials collection program may be based on the combined costs of the different materials collected through the program and may also be based on differing levels of service.

A county may operate a residential recyclable materials collection program within the corporate limits of a city upon a resolution to that effect by the city governing board.

(c) The board of county commissioners may use any suitable vacant land owned by the county for the site of a disposal facility, subject to the permit requirements of Article 9 of Chapter 130A of the General Statutes. If the county does not own suitable vacant land for a disposal facility, it may acquire suitable land by purchase or condemnation. The board may erect a gate across a highway that leads directly to a disposal facility operated by the county. The gate may be erected at or in close proximity to the boundary of the disposal facility. The county shall pay the cost of erecting and maintaining the gate.

(d), (e) Repealed by Session Laws 1991, c. 652, s. 1.

(f) This section does not prohibit a county from providing aid to low-income persons to pay all or part of the cost of solid waste management services for those persons. (1961, c. 514, s. 1; 1971, c. 568; 1973, c. 535; c. 822, s. 2; 1981, c. 919, s. 22; 1989 (Reg. Sess., 1990), c. 1009, s. 3; 1991, c. 652, s. 1; 1995 (Reg. Sess., 1996), c. 594, s. 27; 2007-550, s. 10(a).)

SECTION 2: This act is effective when it becomes law.

RES-2014-026

ORANGE COUNTY BOARD OF COMMISSIONERS

A RESOLUTION REQUESTING LEGISLATIVE ACTION ON COAL ASH IN NORTH CAROLINA

WHEREAS, coal-burning power plants across North Carolina annually produce over 5.5 millions tons of coal ash, a by-product of burning coal that contains toxic metals including mercury, selenium, lead, and arsenic that can cause cancer and serious damage to the nervous system in humans.

WHEREAS, there is a lack of federal controls over coal ash and weak state regulations governing coal ash disposal, and there are no clear closure requirements for coal ash ponds when coal-fired power plants are retired.

WHEREAS, in February 2014, approximately 39,000 tons of coal ash and 35 million gallons of wastewater laden with toxic heavy metals were discharged into the Dan River from a broken stormwater pipe beneath an unlined coal ash pit at Duke Energy's Dan River power plant, and an unknown amount of untreated coal ash wastewater containing high levels of arsenic discharged from a second ruptured pipe into the Dan River.

WHEREAS, twenty-nine of North Carolina's thirty-seven coal ash ponds have been rated "high hazard" by the Environmental Protection Agency, meaning that pond failure will likely cause loss of human life in addition to economic loss, environmental damage and damage to infrastructure.

WHEREAS, none of North Carolina's thirty-seven coal ash ponds have a composite liner.

WHEREAS, the North Carolina Department of Environment and Natural Resources has stated under oath, in filings with the court, that all of Duke Energy's coal ash ponds in North Carolina are violating the Clean Water Act by discharging pollutants to rivers, lakes, and/or groundwater drinking supplies, and that pollution from the coal ash ponds is a serious threat to public health, safety, and to water resources.

WHEREAS, South Carolina utilities Santee Cooper and SCE&G have agreed to close out their coal ash ponds by removing and drying the coal ash and disposing of it in lined landfills.

WHEREAS, the North Carolina Department of Environment and Natural Resources has failed to require Duke Energy to cease its ongoing groundwater and surface water discharge violations, and despite groundwater contamination at each of Duke Energy's North Carolina coal ash facilities, the utility has made no

commitments to cease or clean up its pollution of public water sources.

NOW, THEREFORE BE IT RESOLVED, the Orange County Board of County Commissioners urges the North Carolina General Assembly to pass legislation prohibiting the placement of any additional waste into any existing coal ash ponds.

NOW, THEREFORE BE IT RESOLVED, the Orange County Board of County Commissioners urges the North Carolina General Assembly to pass legislation requiring all coal ash in North Carolina be moved to safe, dry, lined storage away from water resources, with leachate collection systems and appropriate groundwater monitoring.

BE IT FURTHER RESOLVED, the Orange County Board of County Commissioners urges the North Carolina General Assembly to repeal Section 46 of the Regulatory Reform Act of 2013 (S.L. 2013-413), which changed the regulations governing compliance boundaries allowing Duke Energy and other polluters to avoid or delay cleanup of pollution that is contaminating groundwater.

BE IT FURTHER RESOLVED, the Orange County Board of County Commissioners urges the North Carolina General Assembly to require that Duke Energy pay for the cost of the cleanup both at Dan River and the other coal ash ponds across the state, and that the cost not be passed on to ratepayers.

BE IT FURTHER RESOLVED, the Orange County Board of County Commissioners urges the North Carolina General Assembly to fund the North Carolina Department of Environment and Natural Resources at a level that allows them to adequately and responsibly monitor coal ash sites.

BE IT FURTHER RESOLVED the Orange County Board of County Commissioners calls upon all other municipal and county governing bodies of North Carolina to pass similar resolutions to this one.

BE IT FURTHER RESOLVED that copies of this resolution are sent to our legislative delegation and to the leadership of the North Carolina General Assembly.

Upon motion of Commissioner Earl McKee, seconded by Commissioner Alice Gordon, the foregoing resolution was adopted this the 15th day of April, 2014.

I, Donna Baker, Clerk to the Board of Commissioners for the County of Orange, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Board at a meeting held on April 15, 2014 as relates in any way to the adoption of the foregoing and that said proceedings are recorded in Minute Book No. ____ of the minutes of said Board.

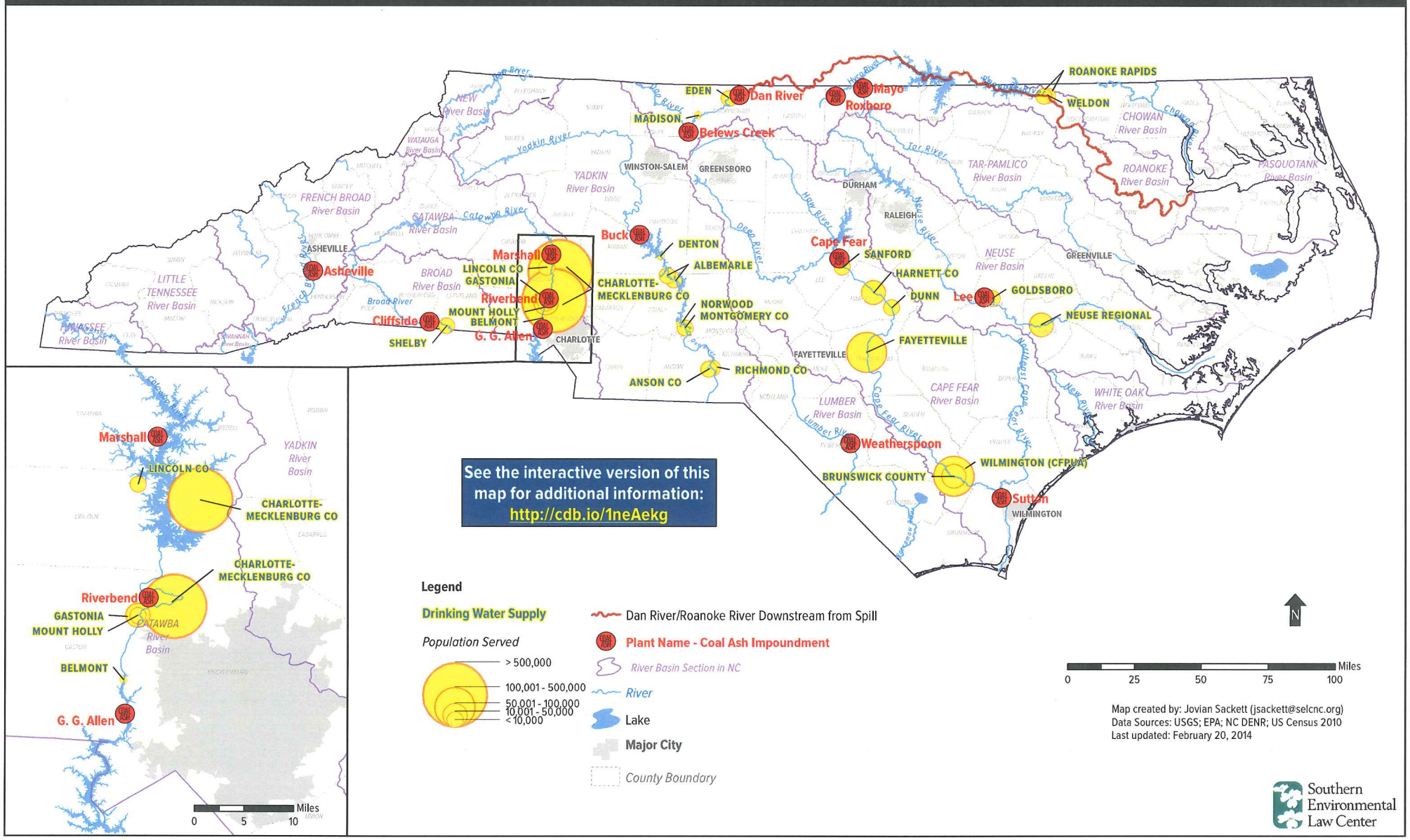
WITNESS my hand and the seal of said County, this 23 day of April, 2014.

Donna S. Baker

Clerk to the Board of Commissioners

Orange County 17 52 North Carolina

North Carolina Drinking Water Supplies Downstream from Coal Ash Impoundments



FOR REFERENCE PURPOSES ONLY

NORTH CAROLINA
ASSOCIATION OF COUNTY COMMISSIONERS

Top Five Goals for 2013-14

1. Oppose shift of state transportation responsibilities to counties
2. Reinstate ADM and lottery funds for school construction.
3. Oppose unfunded mandates and shifts of state responsibilities to counties.
4. Ensure adequate mental health funding.
5. Preserve the existing local revenue base.

Agriculture Legislative Goals

AG-1: Adequately fund agricultural research and extension services.
Support legislation to fund the agricultural and research extension offices through the University of North Carolina system, principally at N.C. State University and N.C. A&T State University. Extension offices are located throughout the state and facilitate programs that assist residents in a wide variety of programs focused on agricultural economic development. Adequate funding of these programs benefits the agriculture economy in every county.

AG-2: Support and promote conservation of working lands and farmland preservation.
Support legislation to promote and preserve working farmlands by including these lands in the state tourism plan, by retaining the current authority for the present use value system, by maintaining funding for the Ag Development and Farmland Preservation Trust, and by exploring the impacts of transfer of development rights.

Environment Legislative Goals

ENV-1: Restore state funding and responsibility for river basin monitoring, streamline rulemaking, and enhance regional cooperation.
Support legislation to enhance monitoring for all river basins in North Carolina and review the rule-making process to enhance regional cooperation. Increased monitoring would allow jurisdictions to better assess compliance with water quality rules and, over time, allow the Division of Water Quality to make better decisions regarding future promulgation of water-quality rule making.
Seek legislation to streamline local water supply reservoir permitting without sacrificing the scientific rigor of Environmental Impact Assessment and ensure adequate opportunities for public and local official comment. North Carolina is a fast-growing state that has already experienced drought-related challenges to its water supply, impacting both quantity and quality. It is likely that many new sources of drinking water will be needed to meet future demand, yet the timetable to bring a new water reservoir on line can take years, even decades, to satisfy all the environmental permitting requirements mandated by the state.

ENV-2: Eliminate requirement for a 10-year solid waste management plan and add a requirement in the Solid Waste Management and Facilities annual report for long-term planning.
Support legislation to eliminate the statutory provisions requiring units of local government to prepare 10-year solid waste management plans in order to simplify the process, reduce costs and produce results more relevant for local governments. Currently, a 10-year plan and any changes to it, including mandatory three-year updates, must often be approved by multiple units of government, even those that may not utilize local waste disposal facilities. The original and primary reason for requiring 10-year plans was to measure remaining landfill space to ensure future space availability. Other state rules require an annual survey of all landfill facilities to calculate remaining space and, with modern Geographical Information Systems, there is no need for the 10-year plan to duplicate this effort.

ENV-3: Authorize some county oversight of bio-solids application.
Support legislation that provides county governments some opportunity to regulate and/or have input into, but not prohibit, bio-solids application activities, including the acceptable "classes" of bio-solids for application and the prohibition of bio-solids application in certain environmentally sensitive areas such as critical watersheds. The appropriate application of bio-solids for agricultural use should be allowed with counties playing a role in the process.

ENV-4: Modify spray irrigation systems classification for volunteer fire departments.
Support legislation to change North Carolina Division of Water Quality (DWQ) wastewater system classification rules that currently classify a spray irrigation system such as one utilized by volunteer fire departments as "commercial." When the flow generated by the system is domestic quality/non-industrial process wastewater, the system should be held to the same monitoring and testing standards as a residential wastewater system under DWQ jurisdiction. In the alternative, volunteer fire departments should also be excluded entirely from the "commercial" classification. The annual inspections and testing costs associated with a "commercial" designation for a spray irrigation system serving a volunteer fire department can be several thousands of dollars. Accounting for the type of flow actually treated by a system rather than assigning a blanket "commercial" designation to the system would significantly reduce volunteer the annual costs for fire departments across the state, saving taxpayer dollars supporting these services.

ENV-5: Monitor and protect counties from negative fiscal and environmental impacts caused by natural resource extraction and oppose removal of Virginia's ban on uranium mining.
Support state legislative and regulatory actions to protect county budgets and services from any negative impacts resulting from natural resource extraction. The state is moving forward in exploring new means of, and additional locations for, natural gas extraction. Such activities have the potential to affect county government operations and quality of life in impacted areas, and therefore could increase county service costs.

Health & Human Services Legislative Goals

HHS-1: Ensure adequate mental health funding.
Seek legislation to ensure that state-funded mental health, developmental disability, and substance abuse services are available, accessible and affordable to all residents and that sufficient state resources fund service provision costs inclusive of sufficient crisis beds and supportive housing. While North Carolina counties largely fund social services administration and health services, the state has been traditionally responsible for mental health expenses.
The state is undertaking a massive restructuring of community mental health services, converting and merging existing local management entities into managed care organizations charged with overseeing a capitated model of funding. State budget cuts and federal policy changes have reduced statewide resources to support crisis services, chronic mental health management, and state psychiatric hospital capacity. Policy changes have shifted public guardianship responsibilities from LMEs to county social services staff.
The state has purchased local hospital beds set aside for the mentally ill, but additional funding is needed for increased bed capacity. Recent federal action to relocate adult care home residents suffering from mental illness to community-based housing will require increased and sustained state funding to build local supportive housing resources and wrap-around services.

HHS-2: Retain county management of nonemergency Medicaid transport.
Seek legislation that allows counties to retain the management and coordination of Medicaid nonemergency medical transportation services. A special provision in the 2013 State Appropriations Act directed the N.C. Department of Health and Human Services to develop and issue a request for proposals to privatize the management of nonemergency medical transportation services for Medicaid recipients. A statewide transportation management brokerage firm could remove all coordination efforts currently in place to share transportation services costs amongst funding sources.
North Carolina is recognized nationally for its coordinated system of community human services transit systems. Largely managed by professional transit administrators under the oversight of county management, these coordinated systems provide efficient trip scheduling and travel for an array of human services clients including veterans, elderly citizens, children in daycare, and Medicaid recipients. Shared trips to the same geographic area equate to shared costs among the clientele, with cost efficiencies evidenced by North Carolina's cost-effective per member per month (pmpm) cost of $2.45. Other states have pmpm costs averaging $6 and above.

HHS-3: Preserve federal block grants and state aid to counties for county-administered programs and oppose unfunded workload mandates.
Seek legislation and monitor state budget activities to ensure that federal block grant and state aid to counties funds, traditionally used to support county-administered social and health services, are not redirected to offset state administrative expenses. Support human services administrative simplification efforts and resist changes in state policies and procedures that add to county administrative costs.
Counties have already experienced an annual loss of $36 million in federal welfare reform funds and looming federal deficit reduction measures are likely to compound these losses for health, social services, and mental health programs. The state has eliminated its $5.4 million annual appropriation in state aid to counties for social services, although some state aid dollars remain

for county health expenses. The state has backfilled state budget cuts in childcare and other human services programs with federal dollars once designated for direct county programs. County budgets must be protected as the state continues to grapple with anemic revenue growth, and as fewer federal dollars are made available for community-based human services.

HHS-4: Restore local autonomy to LME/MCO governance structure.
Seek legislation to restore local autonomy to LME/MCO governance structure, to ensure that each county be allowed to appoint, at a minimum, one county commissioner to its local LME/MCO Board. S191, enacted in the 2012 legislative session, sets maximum size limitations of 21 members on LME/MCO boards, and stipulates board membership composition for 10 of these members to specific consumer, health, insurance and finance disciplines. Counties participating in an LME/MCO with at least 12 county members cannot be assured of appointing one of its county commissioners to represent its interests and that of its constituents on the LME/MCO governance board. LME/MCOs with population catchment areas of 1.25 million or more are exempt from these limitations.

HHS-5: Oppose weakening of smoke-free restaurant and bars law.
Oppose any bill or amendment that weakens current statutory regulations requiring smoke-free restaurants and bars. The 2004 General Assembly enacted a comprehensive ban on smoking in all restaurants and bars and set up a regulatory framework to ensure compliance with the smoke-free requirements.

HHS-6: Increase Nursing Home Community Advisory Committee membership flexibility.
Seek legislation to provide greater flexibility in the membership of Nursing Home Community Advisory Committees. Per G.S. 131E-128, every county having a nursing home within its boundaries must establish a nursing home advisory committee to monitor nursing home care and resolve grievances of nursing home residents. As a part of its monitoring responsibilities, each advisory committee must visit each nursing home within its jurisdiction at least four times per year. Counties with four or more nursing homes must appoint NHCA subcommittees to manage this on-site workload. Advisory committees and subcommittees cannot include any members who are persons or family members with a financial interest in a home served by the committee, an employee or governing board member of such a home, or an immediate family member of a nursing home resident. These exclusions limit the number of interested parties wishing to serve on an NHCA, and counties throughout the state are having difficulty identifying persons to serve on these committees.

HHS-7: Increase childcare subsidies to reduce waiting lists and support funding for Smart Start and NC Pre-K.
Support an increase in childcare subsidies to ensure access to affordable childcare and support funding for early childhood and pre-kindergarten programs. Continuing state budget challenges have diminished state resources to backfill one-time federal dollars for childcare expenses and offset state cuts in childcare subsidies Smart Start and N.C. Pre-K. As of July 2012, nearly 37,500 children were waiting for childcare services, likely preventing their parents from remaining in, or joining, the workforce. Smart Start and N.C. Pre-K faced 20 percent state budget cuts in 2011, despite continued growth in the Pre-K population.

HHS-8: Increase Medicaid rates to cover costs.
Support a rate increase for Medicaid services to at least cover cost of service. In an effort to curb Medicaid costs, legislative actions over the past 10 years routinely show a Medicaid service-provider rate reduction or a reduction in the inflationary increases for reimbursement rates, increases to keep pace with medical inflation. Despite a 50 percent plus increase in Medicaid clients, fewer physicians are choosing to treat Medicaid clients given lower reimbursement rates than that offered under private insurance plans.

HHS-9: Support an increase in food and lodging inspection fees to cover costs.
Seek legislation to increase food and lodging inspection fees or authorize county governments to charge cost-based fees for restaurant and facility inspections. Unlike other inspection fees such as building inspections fees that can be set to recover costs, food and lodging inspection fees are set statutorily and do not reflect county costs of inspections operations and administration. The state collects the current fee, which is set at $75 per annual business inspection, and returns 66 percent of these revenues to the county of origin. Not only is this fee well below actual inspections costs, no additional fees are permitted should county inspectors need to revisit an individual business multiple times to ensure compliance with health and safety regulations.

HHS-10: Restore state funding of public health accreditation.
Seek legislation to restore state funding for the state-mandated accreditation program for county public health departments. G.S. 130A-34.1 requires all local public health departments to obtain and maintain accreditation, which examines a local health department's capacity to provide essential public health services, its facilities and administration, its staffs' competencies and training procedures or programs and its governance and fiscal management. The process includes a self-assessment, a site visit by a team of experts to clarify, verify, and amplify the information in the self-assessment and accreditation approval by the Local Health Department Accreditation Board, which is housed and staffed by UNC's Institute for Public Health. Failure to obtain and maintain accreditation by July 1, 2014, will jeopardize state and federal funding for public health services. The 2012 State Appropriations Act eliminated the $300,000 in recurring funding to support UNC administration of the public health accreditation program.

Intergovernmental Relations Legislative Goals

IGR-1: Oppose any shift of state transportation responsibilities to counties.
Oppose legislation to shift the state's responsibility for funding transportation construction and maintenance projects to counties. Counties cannot afford to assume costs for maintaining secondary roads and/or funding expansion projects. Unlike counties in other states, whose traditional funding responsibilities are secondary roads, North Carolina counties are responsible for the administration of local human services programs, and fund educational operating and capital expenses. The NCACC estimates that a transfer of secondary road maintenance responsibilities would cost counties more than $500 million annually. Some of the more rural counties would have to increase property taxes by as much as 30 cents to generate the amount of revenue needed to maintain the same level of service.

IGR-2: Allow more cost effective methods for second primary elections.

Support legislation to authorize alternatives to second primary elections that minimize excessive costs while protecting the integrity of the electoral process. The costs for second primary elections can be very high, especially when compared to voter turnout. New and expanded alternatives, similar to one-stop voting or limited early voting sites and schedules, should be explored and piloted for second primaries and run-off elections.

IGR-3: Maintain current requirements for county commission approval of Extraterritorial Jurisdictions (ETJ) designations and expansions.
Support legislation that maintains the current requirements for county approval of ETJ changes. With recently enacted changes to the annexation laws, ETJ will certainly be a focus of planning and growth. In certain jurisdictions with higher populations, current law calls for Board of County Commissioner approval for ETJs beyond any one-mile expansion. Counties would like to maintain that level of input and make sure that the county voice is included in further ETJ expansion.

IGR-4: Implement combined motor vehicle registration and property tax collection system by July 1, 2013.
Support legislation to ensure that the combined motor vehicle registration and property tax collection system be implemented by its statutory deadline of July 1, 2013. In 2005, the NCACC included this issue in our legislative goals and supported its passage. Implementation of the combined motor vehicle registration/property tax system has been delayed several times given the complex automation systems needed for operations, but the program is still important to county governments. North Carolina is the only state that continues to collect motor vehicle property taxes in arrears of license plate registration and renewal. Property tax collection rates for motor vehicles alone are 10 percentage points below that of all other property. It is estimated that once this system is up and running, counties will reap more than $50 million annually in currently uncollected property taxes on motor vehicles.

IGR-5: Allow county participation in the State Health Plan.
Support continued legislative action aimed at allowing optional participation by counties in the State Health Plan (SHP). Proposed language would allow counties to participate on a short-term basis in order for the State to determine the impacts from the Federal Affordable Health Care Act.

IGR-6: Support legislation to grant counties the option to provide notice of public hearings and other legal notices through electronic means in lieu of required publication in any newspaper.
Seek legislation to provide counties with options for notice of public hearings, notice of delinquent taxpayers, and other legal notices, through electronic means. Current statutes require counties to purchase expensive ads in local newspapers when announcing various public hearings, meetings or other items. With many more citizens now getting their news online instead of from traditional newspapers, allowing counties to post these notices on their county-owned Web sites will save taxpayers money and make it easier on taxpayers to find the information at their demand.

IGR-7: Increase informal let bid threshold for NCDOT local projects.

Support legislation that increases the informal bid limit of $1.2 million for NCDOT projects. Current law permits local NCDOT divisions to approve projects that are less than $1.2 million in scope instead of completing the more lengthy and cumbersome formal bidding process. Board of Transportation approval is still required, but this informal bid limit does help to streamline and expedite the building process. The $1.2 million cap was established several years ago and has not been adjusted to compensate for increased construction costs involved in road construction.

IGR-8: Oppose collective bargaining for public employees.
Oppose legislation to authorize local governments to enter into collective bargaining agreements with public employees, or to mandate dues check-off programs. Salaries and benefits for public sector employees remain strong in North Carolina because different jurisdictions are competing over the same highly skilled and specialized employees, such as police, firefighters, emergency medical personnel and public school teachers. Lifting the state's ban on collective bargaining would require every county in the state to negotiate for salaries and benefits with groups representing local teachers, firefighters, sheriff's deputies, EMS employees and others that are unionized. Collective bargaining for public employees would neither improve county government efficiency nor result in improved services to citizens. The likelihood is that collective bargaining would increase operational costs for county governments, would create an adversarial relationship between management and employees, and would create two classes of employees – those in unions and those not in unions.

IGR-9: Support maintaining local control of the NC ABC System and preservation of local ABC revenues.
Support legislation to protect local control of the local ABC system, including all local revenue streams generated through local ABC store operations. Given the state's dire budget situation, legislative leaders have considered privatizing all or parts of the state's system of alcoholic beverage control to generate significant amounts of cash in the short term. Many counties recognize ABC revenues in their budgets. The loss of these revenues would create holes in county budgets. In addition, cities and counties are better suited to make decisions about alcoholic beverage distribution, including where to locate stores and whether to merge with other systems.

IGR-10: Support release of Help America Vote Act (HAVA) funds to assist counties with election costs.
Support legislation that provides the state maintenance-of-effort match to draw down the $4 million in remaining federal HAVA funds. Counties use various county, state, and federal funds to operate election services. Taking advantage of Help America Vote Act (HAVA) funds would be very beneficial to ease funding pressures at the county level.

Justice & Public Safety Legislative Goals

JPS-1: Seek legislation to limit the amount that providers can charge counties for inmate medical care to no more than what is allowed by the Department of Correction.
Seek legislation that would authorize medical care providers to charge counties for inmate medical services at a rate not to exceed the rates paid by the State Department of Public Safety to inmate medical providers. Counties are responsible for medical costs when inmates are incarcerated in county jails, and counties often pay full, non-negotiated rates for inmate medical care, resulting in great expense to counties. State reimbursement rates have been capped in recent state budget provisions, and counties seek the same cap on inmate medical expenses to save taxpayer dollars on these costs.

JPS-2: Seek legislation to expand county governments' use of 911 funds, protect and enhance current funding streams and maintain full operational flexibility and autonomy.
Seek legislation to protect and enhance current e911 funding streams, as well as increase flexibility in use of those funds for the betterment of county 911 systems. Significant strides were made in 2010 to revamp 911 laws and give counties greater flexibility in utilizing 911 funds. At the same time, the 911 Board was directed to adopt a funding model and standards. Counties have expressed concern about decisions made at the Board level related to the funding model, as well as the adoption of certain standards that would have negative economic impacts on county 911 systems.

JPS-3: Oppose legislation that would limit a county's ability to operate a pretrial release program.
Oppose legislation that would limit counties from operating pretrial programs. Such limitations would result in increased costs to counties and put additional burdens on county jails. Counties throughout the state operate pretrial programs that help to evaluate individuals awaiting trial in county jails. These programs assist the judicial system in determining if those individuals can safely be released, saving taxpayer dollars and saving space in county jails. In addition, many pretrial programs offer needed services to individuals awaiting trial in an effort to reduce recidivism rates.

JPS-4: Support legislation to fully fund the Justice Reinvestment Act of 2011.
Support increased funding for the Justice Reinvestment Act Initiatives. Last session, lawmakers approved a budget that fell short of fully funding the initiatives included in the legislation. Policies in the comprehensive criminal justice bill include new tools for probation officers to hold offenders accountable, longer sentences for individuals with repeat breaking and entering offenses, and increased funding for drug treatment programs in prison and in the community. Without adequate funding, the programs will not achieve the desired goals.

JPS-5: Provide greater funding of state crime labs.
Support legislation to increase state funding for state crime lab operations. Court officials throughout the state have noted that North Carolina's State Crime Laboratory now has fewer resources, money and personnel than in past years. That situation greatly impacts court proceedings by causing defendants and prosecutors to often wait a year or more for results. Without a substantive increase in funding for the lab, criminal court proceedings across the state

will continue to lag. These delays can cause overcrowding in county jails and the need for additional county resources as individuals await trial.

JPS-6: Preserve current county authority for local electronic offender monitoring.
Support legislation to maintain county authority for electronic monitoring. In 2011, a bill was passed authorizing counties to collect a fee from individuals ordered to be placed on electronic monitoring as a condition of the offender's bond or pretrial release. Utilization of electronic monitoring helps with county jail overcrowding and also reduces the amount of taxpayer dollars needed for incarceration. The fee allowed by law is capped and cannot be collected from those entitled to court-appointed counsel. Counties want to ensure that the authority for this fee is preserved.

JPS-7: Provide funding for gang prevention, adolescent substance abuse and domestic violence prevention, intervention and treatment.
Support legislation to provide state funding for gang prevention, adolescent substance abuse and domestic violence prevention, intervention and treatment. In past budget years, the state budget has included funds for these critical programs. These programs pay dividends because they help reduce criminal activity. Failure to fund these types of programs will result in significantly higher costs to the legal system.

JPS-8: Request the reduction of detention center space requirements in existing and new detention center facilities in all counties in North Carolina, consistent with the language in N.C. G.S. 153A-221.
Seek legislation to provide all counties with the authority to house 64 inmates in each county detention dormitory, as permitted for counties with populations in excess of 300,000. Counties with populations of less than 300,000 can only house up to 56 inmates in each dormitory. The same minimum space requirements still apply to these additional inmates. Allowing all counties to have this same authority will make the law consistent for all 100 counties and allow for cost-savings when constructing new jail facilities.

JPS-9: Restore state funding for Drug Treatment Court (added at Legislative Goals Conference).
Seek legislation to restore funding to Drug Treatment Courts in North Carolina. In 2011, the General Assembly eliminated all state funding for Drug Treatment Courts. These courts were created by the General Assembly in 1995 and have been utilized across the state to address substance abuse issues in the criminal justice system, reduce alcohol and drug-related caseloads, and promote effective use of resources for substance abuse treatment. Without funding for these courts, many counties have lost a valuable resource for managing judicial caseloads and addressing substance abuse issues.

Public Education Legislative Goals

PE-1: Reinstate ADM and lottery funds for school construction.
Seek legislation to fully reinstate the Average Daily Membership funds and Lottery proceeds to the Public School Building Capital Fund. The Public School Building Capital Fund is housed in the N.C. Department of Public Instruction and is comprised of two sources of revenue: a set-aside from the corporate income tax, known as the ADM fund, which is allotted based on average daily membership (ADM) in each county; and 40 percent of the net proceeds from the N.C. Education lottery. Counties have relied on these funds to repay debt service for public school construction and renovation.
Since 2009, the General Assembly has redirected the ADM Fund's corporate income tax proceeds to offset state dollars for public school operations, costing counties from $50 to $100 million each year. Since 2010, the legislature has set the county lottery appropriation below the statutory 40 percent of net lottery proceeds, with the 2012 allocation appropriated at $100 million or 22.7 percent of expected net proceeds. The total loss for the past two biennia amount to nearly half a billion dollars in school construction funds. Counties are forced to delay school construction projects, use their emergency fund balances to make up the debt service losses, or reduce funding for other essential services.

PE-2: Maintain state responsibility for replacement and risk management exposures for operation of school buses.
Seek legislation to ensure that the state retains responsibility for the purchase, repair and replacement of school buses, and to preserve state insurance coverage under the State Tort Claims Act for school bus accidents and other school bus risk management exposures. North Carolina counties are financially responsible for the initial purchase of new school buses, either to service new schools or new routes. Since the 1930s and per G.S. 115C-240(e)(f), the state is financially responsible for school bus replacement, generally based on mileage (250,000 miles) or age (20 years or older). The state's tort claims act has traditionally covered school bus driver negligence. In 2011, in an effort to manage growing state budget deficits, Governor Bev Perdue proposed shifting school bus replacement and tort claim coverage to counties, costing counties $57 million and $4.6 million, respectively, for these new responsibilities. While the House rejected these proposals outright, the Senate initially considered the school bus cost shift to counties. The adopted budget retained state responsibility for both school bus replacement and school bus risk management exposure.

PE-3: Provide sufficient funds for community college workforce training programs.
Support legislation to restore and maintain state funding for workforce development training and programs through the community college system. State budget cuts over the past two biennia have reduced community college funding for classroom operations by $83 million. New tuition fee increases have helped minimize the impact of these losses, and several new programs such as non-recurring funds for N.C. Back to Work, a $5 million retaining program for long-term unemployed, have been authorized. Continuing and increased state investments are needed to provide community colleges with 21st century equipment to support training that leads to third party credentials in career areas such as advanced manufacturing and STEM (science, technology, engineering and math).

PE-4: Restore local control of school calendar.
Support legislation to restore control of the local school calendar to local boards of education. The General Assembly enacted H1464 in 2004, which restricted a local board of education's ability to open schools prior to Aug. 25 or to close schools prior to June 10. It is believed that the Legislature was reacting to concerns by resort communities regarding earlier school openings, which in turn shortened the summer vacation season and reduced the teen labor force for the service industries. The State Board of Education was authorized to grant waivers based on the number of weather-related closures historically experienced or for good cause based on educational purposes. In 2012, the General Assembly further restricted LEA school calendar control, by eliminating start/end date waivers based on educational purposes.

PE:5: Authorize the option for counties to acquire, own and construct traditional public school sites and facilities. (added at Legislative Goals Conference).
Support legislation to authorize counties the option to acquire, own and construct traditional public school sites and facilities. N.C. counties are statutorily responsible for funding the construction, renovation, and maintenance of all school facilities, but schools retain title and ownership of school facilities. This divergence of funding versus ownership requires administrative work-arounds to obtain sales tax refunds on school construction materials and results in an imbalance of liabilities to assets, as county-issued school debt shows as a liability on the county's financial statement, while the building increases the LEA's assets.

Tax & Finance Legislative Goals

TF-1: Preserve the existing local revenue base.
Support legislation that recognizes the importance of county revenues and ensures that the existing tax base is maintained and preserved. During the current recession, one of the means used by the General Assembly to balance the state budget has been to shift some local funds to state use and make cuts in some county programs. For example, in 2009-10, the General Assembly diverted to the state's general fund the portion of the Corporate Income Tax that was dedicated to school construction, costing counties approximately $200 million for the biennium. For 2010-11, the General Assembly reduced the county share of lottery proceeds by $63 million. Counties also saw numerous state cuts to county programs approaching $75 million in 2009-10 alone. Counties face similar revenue declines as that experienced by the state and cannot afford to sacrifice any additional revenues to the state.

TF-2: Oppose unfunded mandates and shifts of state responsibilities to counties.
Oppose legislation that establishes new or expanded state mandates without a commensurate increase in state resources to support service provision. A continuing difficult state financial status may increase the likelihood of attempts to balance the state budget by shifting more responsibilities to counties without corresponding funds.

TF-3: Authorize local revenue options.
Seek legislation to allow all counties to enact by resolution or, at the option of the Board of Commissioners, by voter referendum, any or all revenue options from among those that have been authorized for any other county. Several counties have access to certain revenues, such as prepared meals taxes, occupancy taxes, and land transfer taxes, that are not available to other

counties. Granting counties the authority to implement these revenue options would lessen the reliance on property tax and give counties more flexibility in designing a revenue system that reflects their community's preferences and is best suited for their tax base.

TF-4: Protect county revenues in tax reform consideration.
Support legislation that recognizes the importance of county revenues and secures existing county resources as the state considers tax reform strategies. The General Assembly will be considering comprehensive tax reform this legislative session. Specifics of these changes to tax statutes are uncertain and likely to be fluid throughout the session. County revenues should be protected in any final outcome.

TF-5: Repeal moratorium on contingency fee audits.
Seek legislation to repeal the moratorium on contingency fee tax audits beginning July 1, 2013. Allow counties the flexibility to contract for tax audit services by fee-based or contingency-based arrangements. If a repeal of the moratorium is unviable, work with the state Department of Revenue on alternative solutions.

TF-6: Improve and maintain incentive programs, workforce development and job creation programs, NC's tax credit programs, and increase access to tax credit financing for smaller economic development projects.
Support legislation to defend and maintain the state's tax credit programs to help stimulate economic development activity in rural and economically distressed counties. In an era of fiscal constraint and economic challenges, North Carolina's legislators may be tempted to terminate the state's tax credit programs in an effort to increase tax revenues. However, these programs – including Historic Preservation Tax Credits, the Renewable Energy Tax Credits, and the Article 3J Tax Credits – stimulate investment and business growth that otherwise might not take place in our state. These tools are particularly important to stimulating economic development in rural and Tier One counties.
Support legislation to improve access to tax credit financing for smaller economic development projects. In order to finance commercial projects, businesses frequently benefit from being able to attract investors who can utilize the tax credits generated by the project to offset their own tax liabilities. However, it is difficult for small business owners to identify investors who may be interested in their tax credits, and it is often prohibitively complicated and costly to broker tax credit finance deals. Furthermore, tax credit investors are typically only interested in multi-million dollar projects – a threshold that excludes many potentially eligible economic development projects, especially in small rural counties. As a result, many tax credit-eligible projects do not move forward because they are not able to access the potential equity generated by their tax credits. The Legislature could help make this process less complicated and more accessible to small businesses by: 1) enabling the "bundling" of multiple smaller projects into projects that are large enough to attract investors; 2) establishing a central tax credit "exchange" that brings tax credit-eligible projects together with potential investors; and 3) supporting increased technical assistance and training in the utilization of tax credits.

TF-7: Explore and authorize use of alternate, sustainable revenue options and funding sources for beach, inlet and waterway maintenance.

Support legislation to explore and authorize use of alternate, sustainable revenue options or funding sources like licenses, taxes and/or fees for beach, inlet and waterway maintenance (as proposed via 2009 CRC and CRAC resolution for Trust Fund; Senate DRS85164-SB-12 Beach Management Study Commission Section 2.2 (3) Trust Fund, 2012 Session H1181 Study Municipal Local Option Sales Tax, and 2004 Session H142 Dare County Sale Tax).

TF-8: Replace current non-profit sales tax refund process with a revenue-neutral exemption.
Support legislation to eliminate the requirement for tax-exempt non-profit corporations to pay sales tax. The current burdensome process, which requires the eligible non-profits to pay sales taxes and then seek a refund from the State has resulted in significant negative impacts upon county budgets. Sales tax revenues received by the local governments that include payments from tax-exempt corporations overstate the amount of funding actually available to the local government, and state audit adjustments result in unpredictable repayment obligations over which the local government has no control.

TF-9: Replace current refund sales tax process for public institutions with a revenue-neutral exemption.
Seek legislation that streamlines the sales tax refund regulatory process by exempting public institutions (counties, cities, school boards, community colleges, local utility authorities, etc.) from payment of state and local sales taxes on purchases within the state and thereby diminish the administrative burden on the local and state level to pursue/account for/recoup sales tax proceeds.

TF-10: Extend Article 44 hold harmless.
Seek legislation that extends hold harmless payments for local governments whose expected Article 44 receipts do not replace their repealed state reimbursements. The 2004 Appropriations Act (H1414) amended G.S. 105-521 by guaranteeing hold harmless payments through 2012 for local governments. The 2012-13 payment is scheduled to be the last unless additional legislation is passed. The Article 44 hold harmless payments are approximately $15 million, and these funds are an important source of revenue for the economically distressed counties and municipalities that receive them.

TF-11: Allow counties to provide triple credit toward renewable energy portfolios.
Support legislation similar to legislation passed in 2010 (Cleanfields of 2010) to allow counties to provide triple credit toward renewable energy portfolios.

TF-12: Authorize greater county oversight of legal electronic gaming operations and support legislation to authorize counties to levy privilege license taxes on these operations.
Support legislation to authorize counties to levy privilege license taxes on internet sweepstakes businesses. Counties do not have the same authority as municipalities to levy a privilege license tax on video sweepstakes businesses, and this disparity may create an incentive for such businesses to locate in rural areas outside the corporate limits of municipalities. Seek legislation similar to H1180 from the 2011-12 session that would give counties and municipalities the same authority to levy privilege license taxes on internet sweepstakes businesses in order to discourage the proliferation of those businesses in rural areas outside corporate limits.

TF-13: Promote county property tax system modernization.
Seek legislation that enhances the county property tax system through effective modernization strategies.

TF-14: Authorize design build option for all counties.
Seek legislation to authorize for all counties the option of using the "Design Build" process to construct and/or renovate public facilities. A number of counties in North Carolina have special legislation allowing the "Design Build" method, which allows the bidding of design and construction of a project in the same package, often resulting in cost and time savings. The "Design Build" option should be made available as an alternative process for construction/renovation of county facilities and schools statewide.

TF-15: Require payment of property taxes on manufactured homes and other titled properties before transfer of title.
Seek legislation to require that all taxes levied on manufactured homes be paid before the home may be moved, repossessed or sold on site. County property tax collection efforts for delinquent taxes on manufactured homes are often hampered by ownership and location transfers.

TF-16: Clarify centralized listing and assessing of cellular and cable companies.
Seek legislation to implement the central listing and assessment of cellular and cable companies. The Department of Revenue's Local Government Division would manage the listing and assessment process, similar to its assessment of other utilities such as telephone, power and railroad. DoR supports this change.

TF-17: Support local county law enforcement and rehabilitation services through an increase in the beer and wine tax revenues.
Support an increase in the excise tax on beer and wine by 10 cents or 20 cents with the total increased amount distributed to counties. For each 10 cent increase, 7 cents would be dedicated to law enforcement and 3 cents would be dedicated to rehabilitation purposes.

TF-18: Preserve scrap tire disposal tax proceeds.
Oppose the use of Scrap Tire Disposal Tax Proceeds for other than what is allowed by current statute (G.S. 105-187.19).

TF-19: Compensate counties for property acquired by the state and removed from the ad valorem tax base.
Develop state Payment in Lieu of Taxes (PILT) for game lands or other revenue sharing in lieu of taxes on state-owned wildlife/gamelands. Large portions of some counties are not subject to property taxes because they are owned by the State. Most of these lands are wildlife or game lands. In addition, the state continues to buy land using conservation funds. The lands purchased are already being used for agriculture or timber and therefore require a low level of service. Although transferring the lands to state control does not affect the levels of service provided by counties, it does force the tax burden onto a smaller population.