

ATTACHMENT A

**A RESOLUTION DECLARING THE LEGISLATIVE PRIORITIES OF THE CARRBORO
BOARD OF ALDERMEN FOR THE 2013 SESSION OF THE N.C. GENERAL ASSEMBLY
Draft Resolution No. 66/2012-13**

WHEREAS the General Assembly of the State of North Carolina will begin its 2013 session in January of 2013, and

WHEREAS the Carrboro Board of Aldermen wish to express their legislative priorities for this session to the individuals and groups which represent their legislative interests, and

WHEREAS, those individuals include Carrboro's delegation to the General Assembly as well as the NC League of Municipalities and the Triangle J Council of Governments,

NOW THEREFORE BE IT RESOLVED that the Carrboro Board of Aldermen's legislative priorities for this session, include (not in order of importance):

1.

NOW THEREFORE BE IT ALSO RESOLVED that the Carrboro Board of Aldermen select (INSERT NAME) to be a voting delegate at the 2013 NCLM Advocacy Goals Conference and that (INSERT NAME) is selected as an alternate voting delegate.

ATTACHMENT B

The following resolution was introduced by Alderman Coleman and seconded by Alderman Gist:

A RESOLUTION DECLARING THE LEGISLATIVE PRIORITIES OF THE CARRBORO BOARD OF ALDERMEN FOR THE GENERAL ASSEMBLY SESSION STARTING IN MAY 2012

Resolution No. 122/2011-12

WHEREAS the General Assembly of the State of North Carolina will begin its 2012 session in May of 2012, and

WHEREAS the Carrboro Board of Aldermen wish to express their legislative priorities for this session to the individuals and groups which represent their legislative interests, and

WHEREAS, those individuals include Carrboro's delegation to the General Assembly as well as the NC League of Municipalities and the Triangle J Council of Governments,

NOW THEREFORE BE IT RESOLVED that the Carrboro Board of Aldermen's legislative priorities for this session, include (not in order of importance):

- 1) Revolving loan discussion
- 2) An update on SBI reform
- 3) Improved and more efficient building codes (15%/30%) possibility of Carrboro serving as pilot town.
- 4) Exploring credit unions for municipal deposits
- 5) Re-propose a Town Charter amendment that would add sexual orientation, gender identification and gender expression to the list of bases upon which Board of Aldermen may, by ordinance, prohibit housing discrimination
- 6) Approval of the NCLM Agenda with the distinction that they do not approve of item #25 language reading, "and study the injection of treated water into aquifers."
- 7) Communicating the importance of keeping anti-hydraulic fracturing regulations
- 8) Opposing automatic annual rate hikes for power plants (Construction Work in Progress Bill)
- 9) Climate change
- 10) State-wide tax on fertilizer purchases
- 11) State protection from unwarranted foreclosures/robo-signing protections

The foregoing resolution having been submitted to a vote received the following vote and was duly adopted this 10th day of April 2012:

Ayes: Dan Coleman, Sammy Slade, Lydia Lavelle, Mark Chilton, Michelle Johnson, Jacquelyn Gist, Randee Haven-O'Donnell

Noes: None

Absent or Excused: None

2013-14 Proposed NCLM Advocacy Goals

Infrastructure/Utilities/Land Use/Planning

- **Seek legislation authorizing Land Banks.**
 - Land banks help local governments manage vacant, foreclosed, and abandoned property that is either severely tax delinquent or has become a chronic nuisance issue due to repeated violations of health and safety codes. Set up as a public authority or a separate corporate entity from a government, land banks provide special tax and lien foreclosure tools and the ability to manage and sell or otherwise reuse problem properties or districts within a city. While not currently authorized under N.C. law, land banks are becoming a more widely-used tool in the revitalization process around the country and are often used in public-private partnerships for the development of stable neighborhoods with widespread tax delinquency and code violation issues. Funding may initially come from a city's general fund, but over time, land banks can become self-funding.
- **Support legislation that bolsters the authority of municipalities to balance the property rights of existing development with new development, protect existing property values, enhance public safety, and increase opportunities for economic development.**
 - This goal counters a priority of the state's homebuilders' association in the past legislative session. The bill was ultimately unsuccessful, but would have restricted the ability of local governments to use zoning codes to impose design and aesthetic controls on single family residential structures in zoning districts with densities of five or fewer dwelling units per acre. Among the controls it would have prevented were exterior building color; type, color, or style of exterior cladding; style or materials of roof structures, porches, and architectural ornamentation; location or style of windows and doors (including garage doors); number and types of rooms; and interior layout of rooms. These controls are often applied to proposed new developments, to ease conflict between the developer and existing neighborhoods by improving compatibility of the new development, thereby increasing support for the project with the community and city council.

2013-14 Proposed NCLM Advocacy Goals

- **Protect local authority and localities' power to regulate hydraulic fracturing and related infrastructure in their communities.**
 - Along with writing regulations for the hydraulic fracturing industry, the N.C. Mining & Energy Commission will make recommendations on the extent to which local governments can enact local regulations on the industry. Such local regulations could include zoning ordinances, setbacks, and noise and light restrictions. This goal restates an NCLM Core Municipal Principle specifically in the context of hydraulic fracturing.

- **Seek legislation to authorize a state bond to provide low-cost loans to local governments for upgrades to water and wastewater treatment systems, expansion of stormwater programs, and assured water supplies.**
 - Grants to assist with funding water, wastewater, and stormwater infrastructure improvements are very limited, which means municipalities must borrow to finance large projects. This goal proposes increasing funds by having the state borrow funds through a general obligation bond and then loan the funds to local governments. The funds would be borrowed at the interest rate available to the state under its AAA bond rating, which would be a lower rate than is available to many cities and towns. Such an approach would not require the state to spend additional money because the debt service on the bonds would be paid by local governments through their repayment of the funds loaned to them.

- **Seek legislation to provide adequate representation for extra-territorial jurisdiction (ETJ) residents on advisory boards for land use decisions affecting ETJ areas, place reasonable limitations on the creation of new ETJ boundaries, and retain existing ETJ areas to help protect orderly development and building improvements, while facilitating economic development and protecting individual property values.**
 - In anticipation of bills being introduced to remove municipal ETJ authority, this goal seeks to preserve existing ETJ boundaries while reforming existing ETJ law to address two concerns: (1) ETJ residents claim that they do not have an opportunity to vote for the council members who make decisions affecting their property; and (2) creation of new ETJ areas.

2013-14 Proposed NCLM Advocacy Goals

- **Seek legislation to reestablish authority for city-initiated annexation of “donut holes,” areas of land that are completely surrounded by municipal territory.**
 - In the 2012 annexation reform bill, legislative leaders intended to allow cities to retain the authority to annex areas completely surrounded by municipal jurisdiction without utilizing the referendum process otherwise required for city-initiated annexations. However, this authority was not preserved in the final version of the bill. Annexation of these areas allows for a continuity of municipal services within a city’s larger sphere of jurisdiction.
- **Seek legislation to correct the constitutional issue within the annexation law requiring municipal construction of/payment for water and sewer lines across private property all the way to the home or structure.**
 - Annexation reforms in the last legislative biennium require a city that undertakes city-initiated annexation to extend water and sewer infrastructure to service a home or structure. Prior to these legislative changes, city-owned water and sewer infrastructure typically ended at the meter in the city-owned right-of-way. This new requirement may violate North Carolina’s “exclusive emoluments” constitutional provision, which disallows governments from providing benefits to private individuals.
- **Seek legislation to strengthen the law regarding municipal decision-making authority of water and sewer provisions beyond municipal limits and ensure the existing water and sewer system is given deference in order to support orderly growth.**
 - This goal responds to recent attempts by members of the General Assembly to control the municipal provision of water and sewer service to areas outside municipal jurisdiction. It also addresses situations in which competing utility systems attempt to expand into areas otherwise associated with a city’s own water and sewer service.

2013-14 Proposed NCLM Advocacy Goals

- **Seek legislation to enhance the authority of cities to own and operate broadband systems serving citizens by redefining what constitutes unserved and underserved areas, in order to promote economic development opportunities for citizens and businesses.**
 - HB 129 (Level the Playing Field/Local Govt Competition) became law in 2010. The bill, promoted by the telecommunication industry, significantly restricts the ability of cities to own and operate retail broadband systems. Limited exceptions were provided for city systems which were operating by a date certain, and for areas which were “underserved and unserved.” The definitions of underserved and unserved areas were drafted very narrowly as to prevent any significant penetration of city owned systems.
- **Seek legislation to amend land use enabling statutes to specify authority for common municipal regulations such as those for signs, greenways, design controls, and others potentially threatened by the analysis in *Lanvale v Cabarrus County*.**
 - In *Lanvale v Cabarrus County*, the NC Supreme Court invalidated the use of adequate public facilities ordinances by concluding they are not authorized by general zoning statutes, and instead require express authority from the General Assembly to be effective. And in doing so, the court now threatens other local government planning activities whose authority rest on implied authority derived from the same general zoning statutes as adequate public facilities ordinances. This goal seeks to expressly authorize a host of these activities to confirm the powers that cities historically believe to be vested in general zoning statutes (N.C.G.S. 160A-381 and 160A-383).

2013-14 Proposed NCLM Advocacy Goals

Environment/Natural Resources

- **Support legislation to develop a holistic approach to water supply that offsets potable water supply demands and includes: opportunities for increased water storage options, reclassification of reclaimed water as a resource, and expanded uses of reclaimed water such as for recycling to surface water supplies.**
 - This goal addresses three facets of ensuring a steady public drinking water supply for cities and towns. First, the goal expresses support for legislation that increases storage options for public water supplies. The last two components of the goal address reclaimed water, which is a highly treated wastewater product. To allow more uses of this water source, state law needs to be changed to classify reclaimed water as a resource rather than a waste. Other areas of the country utilize reclaimed water in many more ways than North Carolina, including safe recycling of this water back into surface drinking water supplies for further treatment to drinking water standards.
- **Seek changes to stormwater laws to provide more flexibility for mitigation in established urban areas, including restoring the option for cities and towns to create their own mitigation banks and to access the state-run mitigation bank.**
 - Mitigation for development is a tool by which any party that disturbs land compensates for the increased stormwater runoff from their development. Mitigation may be done by installing stormwater controls or paying a fee for off-site mitigation done through a mitigation bank. Since the state's earliest stormwater laws were implemented over a dozen years ago, cities and towns have pinpointed places where the laws may provide more flexibility while still protecting waters from stormwater runoff. This goal seeks those flexibilities, in addition to allowing cities to create their own mitigation banks for developers and the city itself to use.

2013-14 Proposed NCLM Advocacy Goals

- **Support legislation requiring a septic tank inspection and maintenance program as the responsibility of businesses and residences that are dependent upon septic tanks for treatment of their wastewater.**
 - Owners and operators of septic tanks systems are not required by the State to have a regular inspection and maintenance program, resulting in an increasing number of septic tank systems in some stage of failure. Failing septic tanks have severe water quality environmental consequences: the discharge of partially treated or even raw sewage to ground and surface waters, and the ultimate degradation of ground and surface water supplies. The cost of treatment is then passed on to nearby municipalities who hold permits for drinking water and wastewater operations.
- **Seek legislation to increase Clean Water Management Trust Fund appropriations and restore the fund's recurring appropriation.**
 - The Clean Water Management Trust Fund receives a direct appropriation from the N.C. General Assembly to issue grants to local governments, state agencies and conservation non-profits to help finance projects that specifically address water pollution problems. In the last state budget, legislators cut the funding level and also made the funding non-recurring.
- **Seek legislation requiring that roads being built in and around municipalities be built to municipal storm water standards, rather than NCDOT storm water standards.**
 - Storm water standards for NCDOT's NPDES Phase I permit do not rise to the level of negotiated terms of the municipal NPDES Phase I/II permits.
- **Seek legislation to include municipalities and utility authorities and commissions in the permit approval process of package wastewater treatment plants to be constructed within town boundaries or within the periphery that will negatively affect the town's infrastructure.**
 - Package wastewater treatment plants have small service areas, such as a single residential development or a school or industry. Package plants serve as an alternative wastewater disposal and treatment system to a full sewer system. Currently, the state of North Carolina issues federal wastewater permits to allow package plants.

2013-14 Proposed NCLM Advocacy Goals

- **Support legislation to provide local governments with additional flexibility in the implementation of the Jordan Lake Rules.**
 - The Jordan Lake Rules are a comprehensive nutrient management strategy for the Jordan Lake watershed in the western Triangle and eastern Piedmont Triad. Legislation was passed during the 2012 Short Session to delay the new development stormwater rules portion of the Jordan Lake Rules until 2014. The rules also have other components with their own implementation deadlines, including wastewater treatment plant upgrades, existing development stormwater, riparian buffer, agriculture, fertilizer management, and nutrient trading rules. In addition, the Falls Lake Rules were modeled on the Jordan Rules and include similar provisions.

2013-14 Proposed NCLM Advocacy Goals

General Government/Public Safety

- **Seek legislation allowing the people to vote on an amendment to the North Carolina Constitution establishing Home Rule authority for municipal governments.**
 - North Carolina is one of six states in which the state constitution does not expressly provide “Home Rule” authority for local governments. Under current law, N.C. local governments are creatures of statute and exist at the pleasure of the NC General Assembly. Either express or implied authority must be identified in order for a local government to act, and sprinkled throughout Chapter 160A of the NC General Statutes are statements of broad authority for municipal government. Home rule potentially enables city governments to act more independently from the state.
- **Seek legislation to give municipalities the option to award contracts for goods and materials to local bidders that are not low bidders, under specified circumstances.**
 - North Carolina cities and towns do not have the authority to establish local preference programs, but must award contracts for the purchase of goods costing \$30,000 or more to the lowest responsive, responsible bidder. State government has a program under which qualified North Carolina companies whose price is within 5 percent or \$10,000 of the lowest bid, whichever is less, may be awarded a contract despite not being the low bidder. Allowing municipalities to establish local bidder preference programs could encourage the growth of local companies, but also could reduce competition for contracts and thereby increase costs.

2013-14 Proposed NCLM Advocacy Goals

- **Seek legislation authorizing cities to establish time, manner, and place restrictions on the placement of political signage in all public rights-of-way located inside a city.**
 - During the 2011 General Assembly session, legislation was introduced creating a uniform system for campaign sign regulation in the state highway rights of way, effective January 1, 2012, with an exemption for cities wishing to establish local regulations on all city streets and highways within the city limits. In the absence of a city regulatory program, the uniform state rules will apply on all roads within city limits. Given the confusion over which road is a state road and which is a local road, this has created confusion for cities and political candidates alike.
- **Support legislation to authorize city councils to relinquish easements without going through the General Statute 160A property disposal procedures.**
 - When cities and towns elect to close streets or portions of streets, their ability to retain specific easement rights is limited. G.S. 160A-299 allows municipalities to retain rights and interests in any utility improvement or easement if a street is closed, but does not allow cities to reserve rights to other types of easements or improvements. A city might determine there is no foreseeable need to construct a street on a right-of-way and might generally be agreeable to abandonment of its street improvement rights, but might nevertheless desire to retain some other, more limited and specific easement rights (such as a pedestrian access easement, a conservation easement, or a drainage easement) in all or part of the right-of-way to be abandoned.
- **Seek legislation to give municipalities the option to use electronic legal public notices in lieu of publication in a newspaper.**
 - Current law requires municipalities to use publication notice to provide public notice in many different situations. Cities and towns can supplement these state mandates through electronic notice on websites and other locations, but are not required to do so. This goal would eliminate the publication notice and authorize electronic notice as sufficient for public notice.

2013-14 Proposed NCLM Advocacy Goals

- **Seek legislation to grant more flexible authority for local public safety officers to enforce ABC-related laws.**
 - In order to bolster state ABC response, this goal seeks to provide local police more authority to enforce ABC-related laws.
- **Seek legislation to strengthen the role of municipalities in the approval, renewal, and revocation of ABC permits.**
 - Under current law, the ABC Commission solicits advisory input from local governments when an application or renewal permit application is received from an establishment. This goal would convert the advisory input to a stronger authorizing power.
- **Support legislation, if internet sweepstakes operations are legalized, that would expressly protect the land use decision-making and tax-levying authority of municipalities over said operations.**
 - In the wake of the video poker ban, video sweepstakes operations proliferated across North Carolina. Cities used zoning powers to restrict where the games could be operated, and taxed the operations and machines under privilege license tax authority. In 2008, the NC General Assembly banned "server based electronic game promotions," and in 2010 chased industry software and gaming changes by expanding the 2008 ban to machine operations which included "internet sweepstakes." In March of 2012, the NC Court of Appeals ruled that internet sweepstakes gaming was protected as free speech, and the 2010 law was found to be unconstitutional. The NC Supreme Court will be hearing this case. Additionally, cases are pending over the extent to which cities can tax these operations. We expect a decision on the tax issues to be made sometime in mid-2013.

2013-14 Proposed NCLM Advocacy Goals

- **Support legislation to authorize cities to require outdoor advertising owners to replant non-obstructive vegetation around billboard sites where a selective vegetation removal permit has been issued within the planning jurisdiction of a city.**
 - The NC General Assembly significantly reduced the authority of local governments to control vegetation removal permitting at billboards during the 2010 session. A provision designed to require replanting by billboard owners did not materialize, and rules were established allowing clear-cutting around billboard locations. A 2012 bill to dial back some of the 2010 changes died in the House of Representatives.
- **Support legislation to automatically remove records of arrest in cases where charges are dismissed, and reduce the waiting period for expungement from 15 years to 7 years in General Statute 15A-145.**
 - N.C. Gen. Stat. 15A-146 entitles a person to the expungement of charges that were either dismissed or for which there were findings of not guilty entered. The person cannot have any felony convictions on their record, either before or since the charge that the petitioner is attempting to expunge. The statute does NOT allow expungement if the person has previously been granted an expungement under 15A-145, 15A-145.1, 15A-145.2, 15A-145.3, or 15A-146. There is no filing fee assessed for filing a petition for an expungement under 15A-146.
- **Support legislation to continue to fully fund Workforce Development Programs that Support Summer Youth employment.**
 - Youth employment and summer jobs provide employment training and summer jobs to eligible youth. Most eligible youth include low-income youth with at least one of the following barriers to employment: deficient in basic literacy skills, school dropout, homeless, runaway or foster child, pregnant or parenting, ex-offender, youth with a disability, or youth who require additional assistance to complete an educational program or to secure and hold employment. In N.C. funding for these programs from the Department of Commerce totaled \$21.5 million in 2012-13.

2013-14 Proposed NCLM Advocacy Goals

- **Support legislation to fully fund the Smart Start and NC Pre-Kindergarten programs.**
 - The State's two primary early childhood development programs are Smart Start and NC Pre-Kindergarten (formerly known as "More At Four"). Smart Start partners with locally governed organizations across the state to invest in quality child care providers. NC Pre-Kindergarten attempts to increase the number of 4-year-olds in quality pre-K programs across the state. Since 2000, funding for Smart Start has been cut by \$49 million across the state.
- **Support legislation to permit a governmental entity to seek an order of abatement where a property may have some legitimate use, but is also the source of regular criminal nuisance activity.**
 - Recent case law (NC Court of Appeals: Salisbury v. Campbell) restricted the ability of city governments to utilize the nuisance abatement laws under Chapter 19, Article 1 of the NC General Statutes to abate nuisances of ancillary uses of building and structures. This goal would reinstate that authority.
- **Support legislation to restore state funding for the treatment and care of the mentally ill.**
 - A lack of state funding for treatment and facilities for the mentally ill has left many unable to receive the care that they need. The presence of mentally ill individuals, who are often homeless, places an increased burden on local public safety officers, who are not in a position to care for such individuals.

2013-14 Proposed NCLM Advocacy Goals

- **Support legislation which defends the fiscal integrity of the Local Government Employees' Retirement System and its defined benefit structure, promotes reasonable pension reforms that are prospective in nature, and meets the needs of local employees, employers, and retirees.**
 - Despite being 99.8% funded, pressure is building to convert the LGERS to a traditional 401(k) style pension system, in the wake of anti-public employee sentiment and public pension systems in other states which have not been well managed or funded. While reforms are needed, a complete overhaul is not warranted in North Carolina.

2013-14 Proposed NCLM Advocacy Goals

Tax and Finance

- **Seek legislation to modernize the local tax system by:**
 - a) Giving municipalities the authority to levy a sales tax that applies within their corporate limits and is solely a municipal revenue;
 - b) Expanding the sales tax base to include more services, provided that any accompanying change in the local sales tax rate includes a perpetual hold harmless provision for individual cities and towns;
 - c) Reducing the complexity and inequity of the privilege license tax while maintaining the tax as a locally controlled source of revenue that supports services to businesses and consumers;
 - d) Allowing all municipalities to adopt occupancy taxes that are available to fund municipal service and infrastructure costs in order to support travel and tourism;
 - e) Providing all municipalities with additional local option tax revenue sources;
 - f) Requiring a one-year delay in implementation when a county changes its method of distributing sales tax revenue.
 - The 2 percent local sales tax brings over \$2 billion in annual revenue to local governments in North Carolina. Even though over three-quarters of sales take place within municipalities, the current system of sales tax distribution results in municipalities receiving only 34 percent of the sales tax revenue. Also, with city-initiated annexation severely restricted by recent changes in the law, cities have very limited ability to bring nearby residents into the structure of revenue that supports the services and infrastructure needed for a prosperous urban area. Allowing cities to levy sales taxes, the revenue from which would go to the levying city, would address both of these situations.
 - Expanding the North Carolina sales tax to include more services would create a general consumption tax that does not favor some types of businesses over others. Expansion of the base would provide more revenue stability, but would likely lead the General Assembly to decrease the local rate to avoid a tax windfall. It is expected that urban counties would gain more revenue from service taxation than they might lose from a rate reduction, while rural counties likely would lose revenue. As a result, it is essential that any rate reduction be accompanied by a perpetual hold harmless provision for individual cities and towns.

2013-14 Proposed NCLM Advocacy Goals

- The privilege license tax is an important source of municipal revenue. It provides over \$62 million to 303 cities and towns. It is the only significant tax, other than the property tax, over which cities and towns have control of the tax rate. Unfortunately, the state law governing privilege taxes has created a structure that is difficult for cities and towns to administer and that raises concerns for taxpayers. Because of caps and exemptions in state law, some businesses pay little or no tax, while others pay thousands of dollars if the local tax is based on gross receipts. If the tax is not reformed it could easily be eliminated. Any reform must allow cities and towns to continue raising similar amounts of revenue from the tax in order to fund their services.
- Currently, 81 cities and towns are authorized to levy occupancy taxes, which generate over \$25 million in revenue each year. The authorizing legislation for these taxes generally requires that the funds go to a tourism development authority. Municipalities provide basic services, such as police and fire, to visitors. They also must spend funds on capital projects to protect natural resources that draw visitors to the community, such as beach nourishment, and on the facilities used by visitors, such as roads. The dedication of some portion of occupancy taxes to pay municipal operating and capital expenses would reduce the property tax burden on destination communities.
- In order to provide cities and towns with more flexibility in funding their services, all municipalities should be given the authority to adopt local option revenues such as, but not limited to, the prepared food and beverage tax.
- Every April, each county has the opportunity to change the method of sales tax distribution it is using. Any change takes effect on July 1 of the same calendar year. This creates an incentive for counties to change methods to solve budgetary problems and causes immediate budgetary shortfalls for their cities. A one-year delay in implementation of the change would reduce the incentive to counties and give cities and towns time to plan how to respond to a change.

2013-14 Proposed NCLM Advocacy Goals

- **Seek the temporary extension of the transitional hold harmless payments to cities and towns for a period of time that will allow the local option sales tax revenue to grow to the point where the loss of the promised payment can be absorbed by the local government.**
 - In 2002, the General Assembly eliminated over \$300 million in reimbursements to local governments and provided counties with the authority to levy a third ¼ percent local option sales tax (Article 44) to make up the lost revenue for cities and counties. For those local governments whose estimated revenue from the sales tax was less than the value of their repealed reimbursements, the legislation included an annual Transitional Hold Harmless payment to make up the difference. It was expected that sales tax revenues would grow sufficiently by 2012 so that few local governments would still be receiving payments, and that any remaining payments would be small. Payments did fall over time as sales tax revenue grew, but the Great Recession dramatically reduced local sales tax revenues, making cities more dependent on the Transitional Hold Harmless now than was expected when the 2012 expiration for the payments was established. If the Transitional Hold Harmless is not extended, 122 municipalities will lose a total of \$10.1 million.
- **Ensure that municipalities can provide critical services by protecting state-collected municipal revenues.**
 - While state law currently prevents the Governor from withholding distributions of state-collected local revenues to balance the state budget, the General Assembly can change the law providing cities and towns with those revenues at any time. Opposition to a legislative reduction of these local revenues is covered by the Core Municipal Principles, but their protection is of sufficient importance to merit an Advocacy Goal as well.
- **Seek legislation to allow all municipalities to adopt impact fees to pay for growth-related infrastructure and services.**
 - Impact fees are one-time public charges applied to new construction that are levied by local governments to pay for the off-site costs associated with the new development. These fees are needed to ensure that developers pay for the full public costs that development imposes on communities. Several studies have shown the local public sector costs of development exceed the local tax revenues derived from the development.

2013-14 Proposed NCLM Advocacy Goals

- **Seek legislation to tighten the property tax exemption for non-profit hospitals and link it to provision of well-defined community benefits.**
 - Non-profit hospital corporations own over \$5 billion worth of tax-exempt property in North Carolina. In some cities and towns, these hospitals are among the largest employers, yet they provide no tax revenue to support the services provided to their properties. The cost of public services to hospitals can be significant, including public safety response and capital costs of public infrastructure that supports hospital facilities. Other major private employers also create such costs for cities, but do pay property taxes. The definition of a charitable hospital used to qualify for a property tax exemption is very broad, and includes no requirement that hospitals provide any level of benefit to the community. Other states are increasingly placing such requirements on their hospitals.
- **Support legislation to ensure that assessed property values more accurately reflect market values between property revaluations.**
 - North Carolina counties must conduct a countywide revaluation of all real property within the county at least every eight years, but almost half use a shorter period. The long revaluation cycle in North Carolina keeps property tax revenue steady in times when values are declining, but also keeps revenue from growing during times of rising values. A long cycle also can create “sticker shock” for property owners when the revaluation takes place. Although state law requires a new revaluation of real property in larger counties where the ratio of sales values are 15 percent higher or lower than assessed values, no counties actually have been affected by the requirement. The population threshold and wide range of variation allowed reduce the effectiveness of the trigger provision at keeping assessed values close to market values.

2013-14 Proposed NCLM Advocacy Goals

- **Support legislation to remove the sunset date on the use of film credit.**
 - The film production expense credit is designed to make North Carolina competitive with other states as a site for film and television productions. The money spent by production companies during filming is considered to be a boost to the local economy. Every \$1,000,000 of film tax credit is estimated to generate \$230,000 of local sales tax statewide. The credit sunsets as of January 1, 2015.

2013-14 Proposed NCLM Advocacy Goals

Transportation

- **Seek legislation to authorize municipalities to direct the Division of Motor Vehicles to block the registration of motor vehicles to which an unpaid municipal parking citation is attached.**
 - Unpaid parking tickets continue to plague cash starved cities looking to bolster parking finances, and cities only collect 70-75 percent of parking tickets issued. Like other DMV block programs, cities can expect to see parking ticket collection rates improve dramatically to upwards of 90 percent with this authority. Fourteen other states provide this authority for cities.
- **Seek legislation to provide relief for municipal governments who are forced to pay the costs of municipal utility relocation related to NCDOT projects by doing the following: requiring non-municipal units of governments to pay the costs of utility relocations; raising the existing municipal population threshold for the requirement for reimbursement; and limiting reimbursement requirements to the widening of existing rights of way by NCDOT.**
 - Like nonprofit water or sewer associations/corporations, water and sewer authorities, county rural water public enterprise systems, sanitary districts, and municipalities of greater than 5,500 population to which a water and sewer authority's system was sold/transferred, municipalities with a population of 5,500 or less are not required to pay the relocation costs of city-owned underground utilities that are required to be moved as part of an NCDOT project. However, cities with populations over 5,500 are required to pay the relocation costs for underground utilities, if needed. Towns "borrow" the costs of relocation and are given four years to pay the relocation debt interest-free. Cities are then charged interest (prime plus 1%) on the outstanding balance, and Powell Bill funds are withheld and contributed towards satisfying the debt.

2013-14 Proposed NCLM Advocacy Goals

- **Support legislation to reform the state and local transportation funding system by providing flexible local revenue options and additional authority for municipalities.**
 - In many jurisdictions, city governments are voluntarily enhancing and/or maintaining state roads within city limits with local revenue sources (property and sales tax) – what one might describe as “transfer by neglect.” This goal attempts to provide additional authority for local governments who are willing to take on additional financial responsibilities in the area of transportation maintenance and enhancements.
- **Seek legislation to increase the existing municipal vehicle fee for public transportation from \$5 to a maximum of \$20, and allow it to also be used for pedestrian and bicycle projects.**
 - All municipalities may levy a \$5 fee on each vehicle within their corporate limits. For some municipalities, local legislation has increased this amount. In addition, each municipality that operates a public transportation system may levy a \$5 fee to be used for public transportation funding. This second \$5 fee is not a funding option for towns that are too small or widely dispersed to operate a viable public transportation system. These towns still may have mobility issues that could be addressed with additional funding.
- **Seek legislation to allow Powell Bill funds to be used for sidewalks and walking paths that are adjacent to, but not located within, the right-of-way of state-maintained roads.**
 - Current law enables cities to spend Powell Bill funds for certain authorized purposes. This goal expands the list of authorized purposes to include sidewalks and walking paths adjacent to state-maintained roads.

2013-14 Proposed NCLM Advocacy Goals

- **Support legislation requiring owners of mopeds to maintain a minimum level of liability insurance and register their mopeds.**
 - Mopeds are currently not required to be registered or inspected but drive on the highway just like any other motor vehicle. The current law also doesn't require the operator to have a license, but they are held to the same driving regulations as other drivers. With the increasing use of mopeds and scooters for transportation, cities are experiencing issues with untrained operators, at fault moped operator created accidents, and theft.
- **Seek legislation authorizing the NCDOT to permit dining and entertainment business activities along state-owned sidewalks within municipal limits.**
 - As a number of cities are promoting downtown outdoor dining and entertainment activities on sidewalks along state roads, the NCDOT will not permit these business activities. This goal would authorize the state to do so.
- **Seek legislation to ensure significant municipal decision-making authority and respect for local ordinances in the design of transportation projects across all NCDOT divisions by requiring the NCDOT to confer with a municipality when designing or altering state transportation projects within the planning jurisdiction of a municipality, regardless of the city's financial participation in a project.**
 - This goal seeks to bolster city involvement in DOT decision-making on new projects on state roads, without requiring a city to participate financially in the project.

2013-14 Proposed NCLM Advocacy Goals

- **Support legislation to study the effective interface of the ports system, rail, streets and other transportation methods used to distribute goods in North Carolina.**
 - There are efficiencies of moving people and materials that are not realized because the different types of transportation do not communicate in a way that the consumer is provided with the most effective transport product at the lowest price. Efficient ports and excellent rail and highway access to ports is increasingly important in worldwide commerce. North Carolina needs to develop this modern infrastructure to meet the shift in marine traffic that will result from an expanded Panama Canal.

- **Seek legislation requiring NCDOT to establish standards for greenway construction so that greenways are not required to be built to the same standard as roads.**
 - On paved greenway projects involving state or federal funding, the default rule is that the greenway project be built to similar standards/materials of other North Carolina roads – primarily roadbed depth, curvature, asphalt type, etc. In many situations, these requirements are not practical and result in significantly redesigned and expensive greenway projects. The NCDOT has not yet created separate requirements for these projects to provide local flexibility in designing and building greenway projects.

- **Support legislation to improve the quality and condition of the state transportation system by bolstering state transportation resources, including, but not limited to, increasing the Highway Use Tax and existing DMV fees, establishing registration fee add-ons for hybrids and electric cars, and promoting the use of tolls on interstate highways.**
 - Even before our state began experiencing reduced federal and state gas tax revenues due to tax caps and reduced consumption, increasing material and labor costs, and diminishing Highway Use Tax revenues due to declining auto sales and prices, North Carolina had a significant transportation funding deficit. Significant pressure is mounting on DOT budgets, and its ability to build and maintain an adequate transportation system for today and the future is compromised. Accordingly, DOT maintenance schedules are thinning, and the condition of transportation infrastructure is edging downward.

Regulatory Action Committee Proposed Advocacy Goals

- Support solutions addressing nutrient impairment in waters that: are based on site-specific data and analysis, demonstrate use impairment, assign responsibility proportionate to the source of impairment, and include measures to equitably hold accountable all contributors to the impairment.
 - The N.C. Division of Water Quality has for years stated its intention to implement numeric nutrient criteria for all N.C. waters. Because the science behind numeric nutrient criteria is not settled, and because there are examples of many other different approaches in other states that EPA has endorsed, this goal lists other factors to consider when addressing nutrient impairment of waters on a statewide level.
- Support legislation that expands the priority accorded to public water supply among various users, protects authorized public water supply withdrawals, allows for future growth, includes all withdrawers and accounts for all downstream uses.
 - This language is based on the goal approved by the NCLM membership for inclusion in the 2011-2012 Municipal Advocacy Goals package. It addresses the topic of water allocation and prioritizes preservation of existing municipal withdrawals, while also recognizing that public water supplies need an allocation to accommodate future growth in consumption. The goal also recognizes the need to make sure there's enough water left for downstream users.
- Seek policies that provide flexibility when implementing programs guided by water quality standards adopted through the triennial review process.
 - After adoption of surface water quality standards through the federally-mandated "triennial review" process, states must then implement those standards by translating the limits into wastewater permits. The policies followed by the state when implementing these standards produce results that are extremely conservative and are outliers among southeastern states. Revisions to these policies would reduce the financial impact of the revised water quality standards, while still protecting aquatic life in the receiving streams. Revisions would also allow municipalities more flexibility in recruiting industries that may discharge pretreated wastewater into the municipal system.

- Seek updated regulatory procedures that would provide more openness, transparency, and flexibility for development of the impaired waters list and the system of rating water bodies.
 - Every water quality regulation stems from the way a water body is rated. This goal advocates for more sunshine and site-specific analysis to be brought to two regulatory actions now undertaken by the state: (1) development of the 303(d) impaired waters list, and (2) use support rating of water bodies. Both actions characterize the water quality of streams across the state, and as a result, they have the potential to greatly increase costs for both wastewater treatment and stormwater programs.
- Support legislation to create a system of water use allocation that recognizes public water supply as a riparian use.
 - This goal addresses one aspect of the water allocation debate: legal rights of water. Traditionally, North Carolina has operated under a “riparian rights” legal framework. Simply, this framework allowed every riparian owner – those who owned land touching a water body – to make reasonable use of the water. Under this framework, judges made the determinations of who had riparian rights to the use of water. Longstanding judicial precedent stated that public water supplies generally did NOT have a riparian right to water. This goal seeks to change that judicial precedent through legislation.
- Seek legislation that would implement mechanisms requiring state agencies to repeal unnecessary, unduly burdensome, or inconsistent rules.
 - The Regulatory Reform Act of 2011 requires state agencies to review existing rules and identify those that are unnecessary, unduly burdensome, or inconsistent with other rules or laws. The reform does not, however, actually require the agencies to repeal those rules. This goal would push for a legislative change to require repeal of these agency-identified rules.

- Support legislation that would limit regulation of land application of biosolids to the state and federal governments.
 - Biosolids are produced during the wastewater treatment process, and the state encourages communities to dispose of biosolids by “land applying” them to agricultural fields. Biosolids then become fertilizer for crops grown on the fields. The goal responds to a local situation in Orange and Alamance counties where the county commissioners have pursued the authority to regulate/prohibit the land application of biosolids in the county’s jurisdiction. The counties have been successful in making this goal statewide and placing it on the statewide agenda of the N.C. County Commissioners Association. If achieved, this county-supported policy goal could drastically increase the land application/biosolids disposal costs of affected wastewater systems.