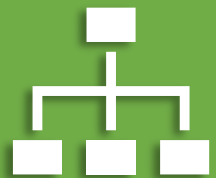


NC Government 101

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Structure



Regulations



Services



Funding



Relationships



Transparency

Fall 2024



Federal

State

Local

- Most Powerful?
- Most Important?
- The Best?

The Reality

State
Legislature

The General Assembly establishes local governments and assigns all responsibilities, powers, and authorities

Counties
100

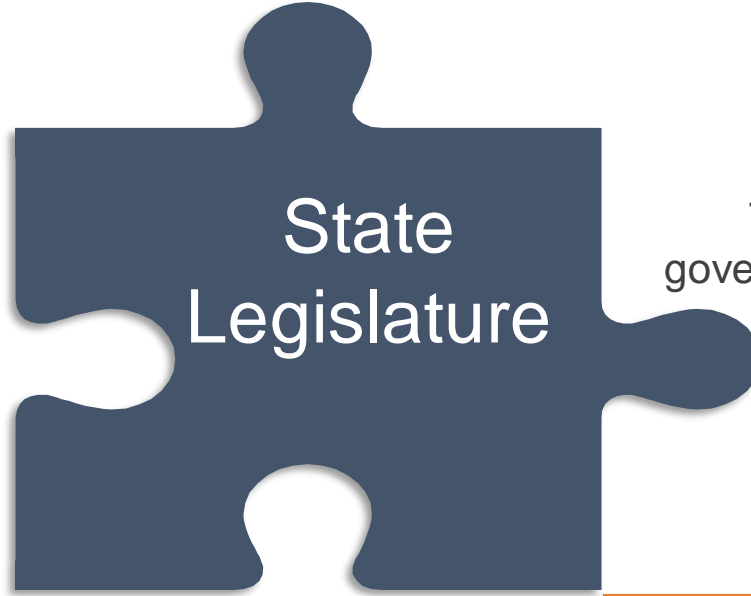
The primary function of county government is to administer state programs. But county government also serves as the local government for unincorporated territory.

Municipalities
552

The purpose of municipal government is to provide additional services and regulatory activities in incorporated areas (beyond state- and/or county-wide programs).

Special
Purpose
LGs

Special purpose local governments service one or a few purposes and often operate on a regional basis.



The General Assembly establishes local governments and assigns all responsibilities, powers, and authorities

Water and sewer authorities	Soil and water conservation districts	Housing authorities	Sanitary districts
Redevelopment commissions	Councils of governments	Area mental health authorities	Regional libraries
Planning and economic development commissions	Transportation authorities	Recreation districts	Local school administrative units



Special purpose local governments service one or a few purposes and often operate on a regional basis.

What does
local
government
mean to you?



Purpose of Local Government



Community Vision

Regulation

Services

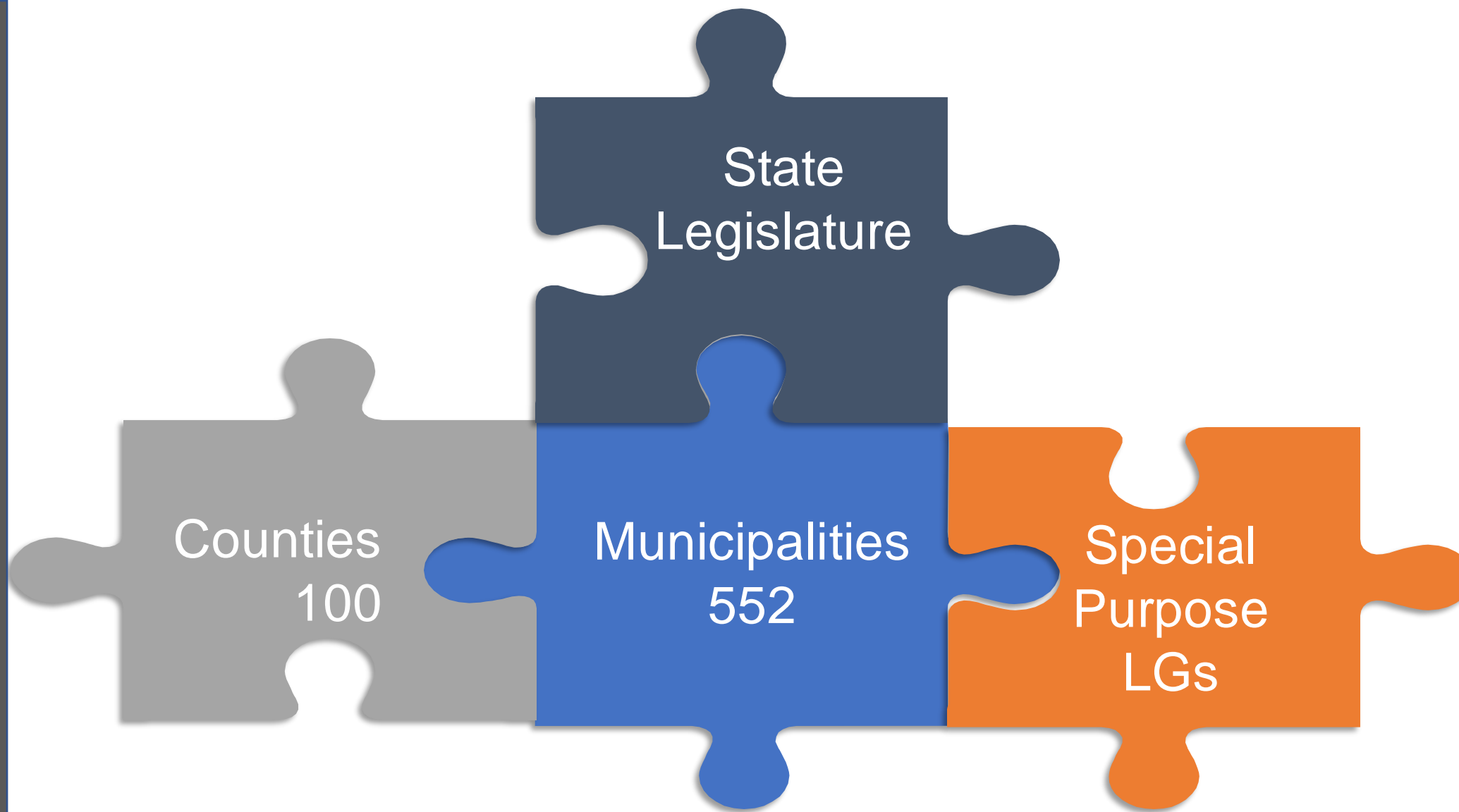
Community Assistance

Economic Development

Law Enforcement

Education

Local Government Power Structure



Non-Home Rule State

Which of the following actions can the General Assembly legally take?

- a. Enact a law removing from office all of the current members of a board of county commissioners and replacing them with other specified individuals
- b. Enact a law to un-incorporate an existing municipality
- c. Enact a law to eliminate the bidding requirements for a particular project to be undertaken by a particular county
- d. Enact a law creating an exception to the conflict of interest statutes applicable only in a specified county
- e. Enact a law eliminating a local government's privilege license tax authority.
- f. All of the above
- g. None of the above



The Great and (almost) All Powerful
General Assembly

Expenditure Authority

A local government and public authority must have statutory authority to undertake any activity!

Source of Statutory Authority

- General Laws
- Local Acts
- Charter Provisions

Limits on Authority

- Federal Constitution
- Federal Law
- NC State Constitution
- NC State Regulations



What Statute Says We Can Do It?

No Duty of Equal Service

“While it is very true that there must be equality and uniformity in imposing the burden of taxation upon property subject to it, so that each taxpayer shall pay the same proportionate tax on the same species of property taxed that every other taxpayer pays * * * this rule of equality does not apply to the distribution of the revenue arising from such taxation. * * The necessities, wants, purposes, and interests of government are such that it is practically impossible to distribute its revenues equally among those who pay taxes. Indeed, this cannot in most instances be approximately done, not even to the localities from which most of it is taken. The State may, sometimes must, expend large sums of money in one section for proper and necessary purposes while it expends very little in another, when perhaps the greater part of the taxes were paid by taxpayers in the latter. This is an essential inequality, arising from the diversified and multiplied wants and necessities of government. Its very nature renders such inequality necessary. A constitutional provision forbidding it would defeat, at all events greatly hinder, the purposes and aims of government.”

Holton v. Board of Commissioners of Mecklenburg County, 93 N.C. 430, 1885 (a statute had authorized a tax for public roads to be imposed upon all property in Mecklenburg County, and that no part of the tax be expended in the City of Charlotte for that purpose)

General purpose functions are the main activities of the local government. They are budgeted for and accounted for in the general fund.

General Government

- Law enforcement
- Land use planning
- Local regulation
- Parks & recreation
- Fire
- Community & economic development
- Human services
- Elections
- Register of deeds
- Education
- Libraries
- Parking
- Public Housing

Public Enterprises Counties

- Water
- Sewer
- Solid Waste
- Stormwater
- Public Transportation
- Airports

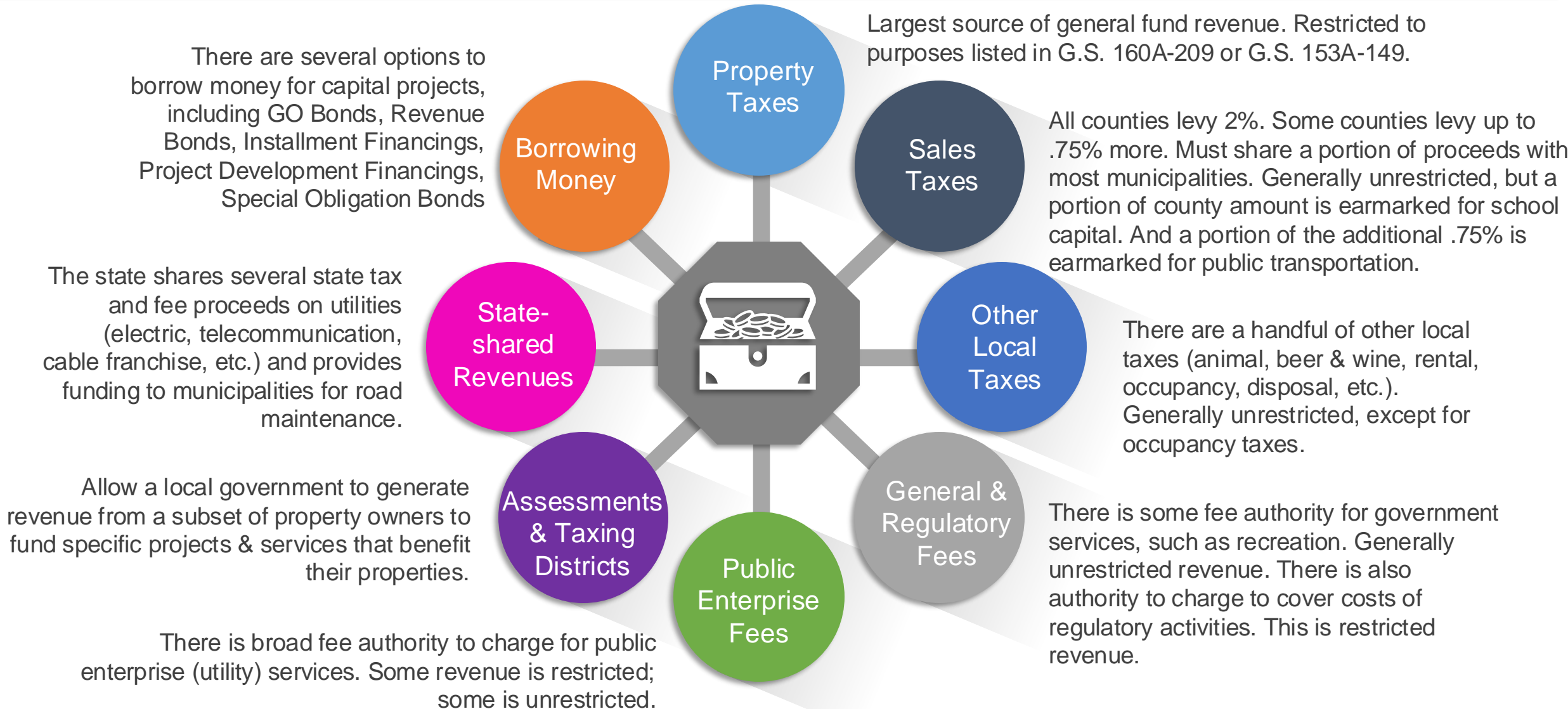
Public Enterprises Municipalities

- Water
- Sewer
- Solid Waste
- Stormwater
- Public Transportation
- Airports
- Electric
- Natural Gas
- Cable Television / Broadband*

Public enterprise functions involve the local government acting more like a private service provider. They are budgeted for and accounted for in an enterprise fund and, in most cases, should be self-supporting.

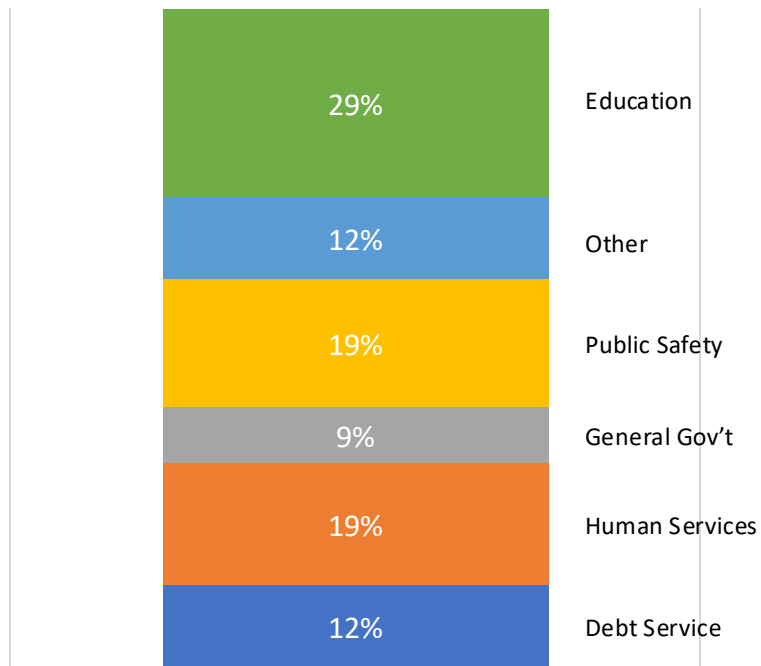
Revenues

Must have statutory authority to generate a particular revenue and authority to expend it for a particular purpose.



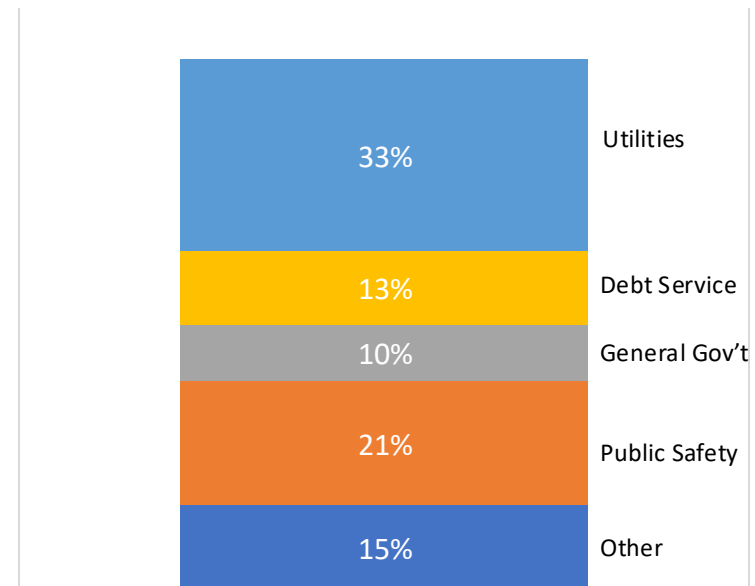
Local Government Expenditures FY 2018-19

AGGREGATE COUNTY APPROPRIATIONS



COUNTY BUDGET

AGGREGATE MUNICIPAL APPROPRIATIONS



MUNICIPAL BUDGET

What Makes NC Local Government Unique?

- State has primary responsibility for funding education and highways
- Counties have primary responsibility for human services at the local level
- Counties have authority to provide most urban-type services
- Counties and cities have extensive authority to regulate and direct urban development
- Counties and cities have broad authority to enter interlocal agreements and form regional partnerships
- Heavy reliance on general-purpose local governments (counties and cities) to perform most local functions (e.g. schools do not have taxing authority)



Municipal Government

Council /
Manager Form of
Government

Council
delegates more
administration /
operations to
staff

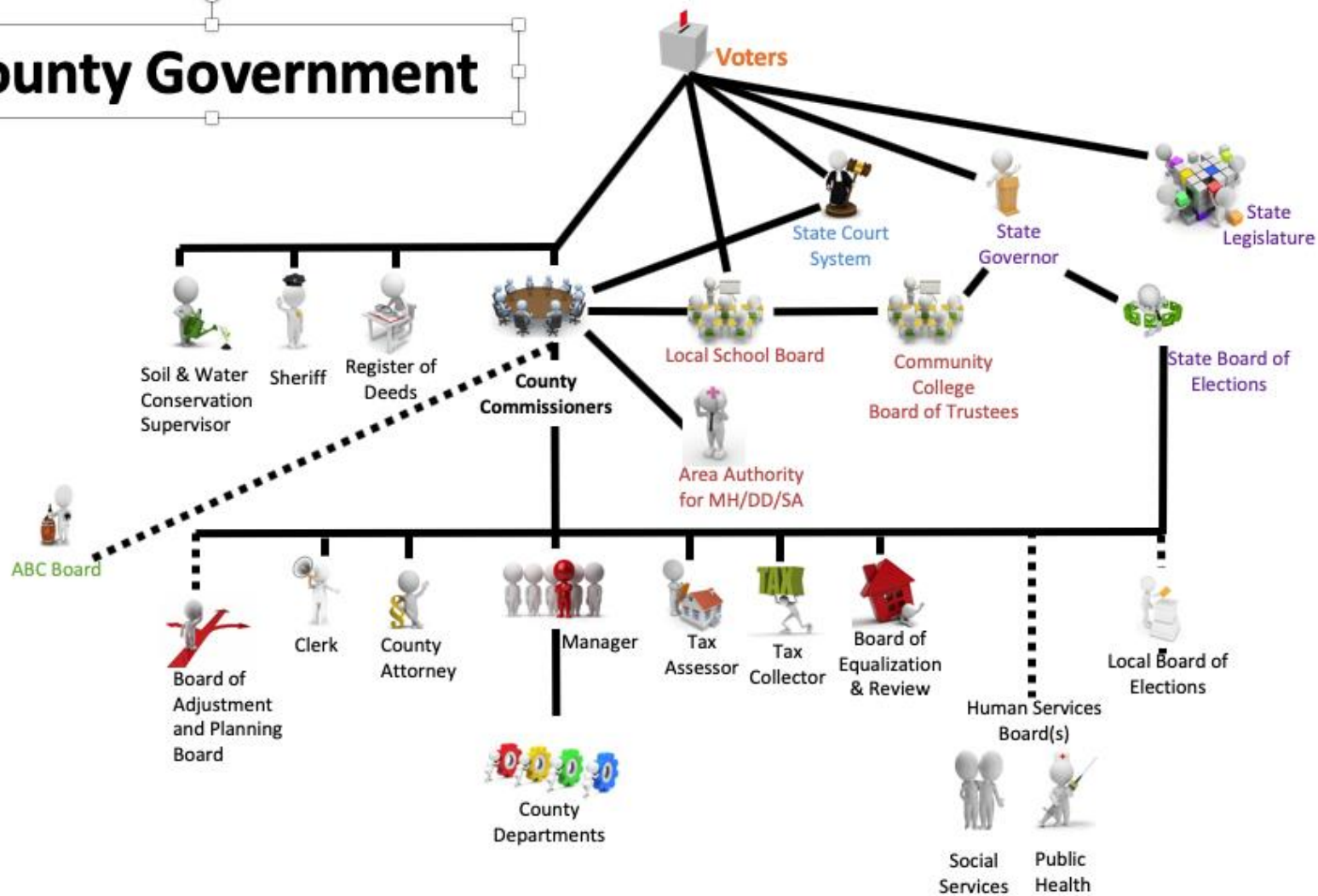


(Weak) Mayor /
Council Form of
Government

Council more
involved in
administration /
operations



County Government



A woman with long brown hair, wearing a black top and shorts, is lying on her back on a grassy field, being pulled forward by a large brown dog. She is holding a blue leash handle. The dog is running towards the left. The background consists of many trees with green leaves under a clear blue sky. The text "But Who's In Charge?" is overlaid in white in the center of the image.

But Who's In Charge?

“All powers, functions, rights, privileges, and immunities of the corporation shall be exercised by the city council and carried into execution as provided by the charter or the general law. A power, function, right, privilege, or immunity that is conferred or imposed by charter or general law without directions or restrictions as to how it is to be exercised or performed shall be carried into execution as provided by ordinance or resolution of the city council.” 160A-12

The Governing Board



Local Government Action



City councilperson Meyers decides that the board should put out a statement strongly supporting the 1st Amendment right to free speech. She directs the city manager to do so.



A single board member does not have any powers or authorities. A board must act based on majority vote in an open meeting.



RESOLUTION

A formal expression of the opinion or will of governing board

ORDINANCE

An official rule adopted by the board that is legally enforceable

DIRECTIVE

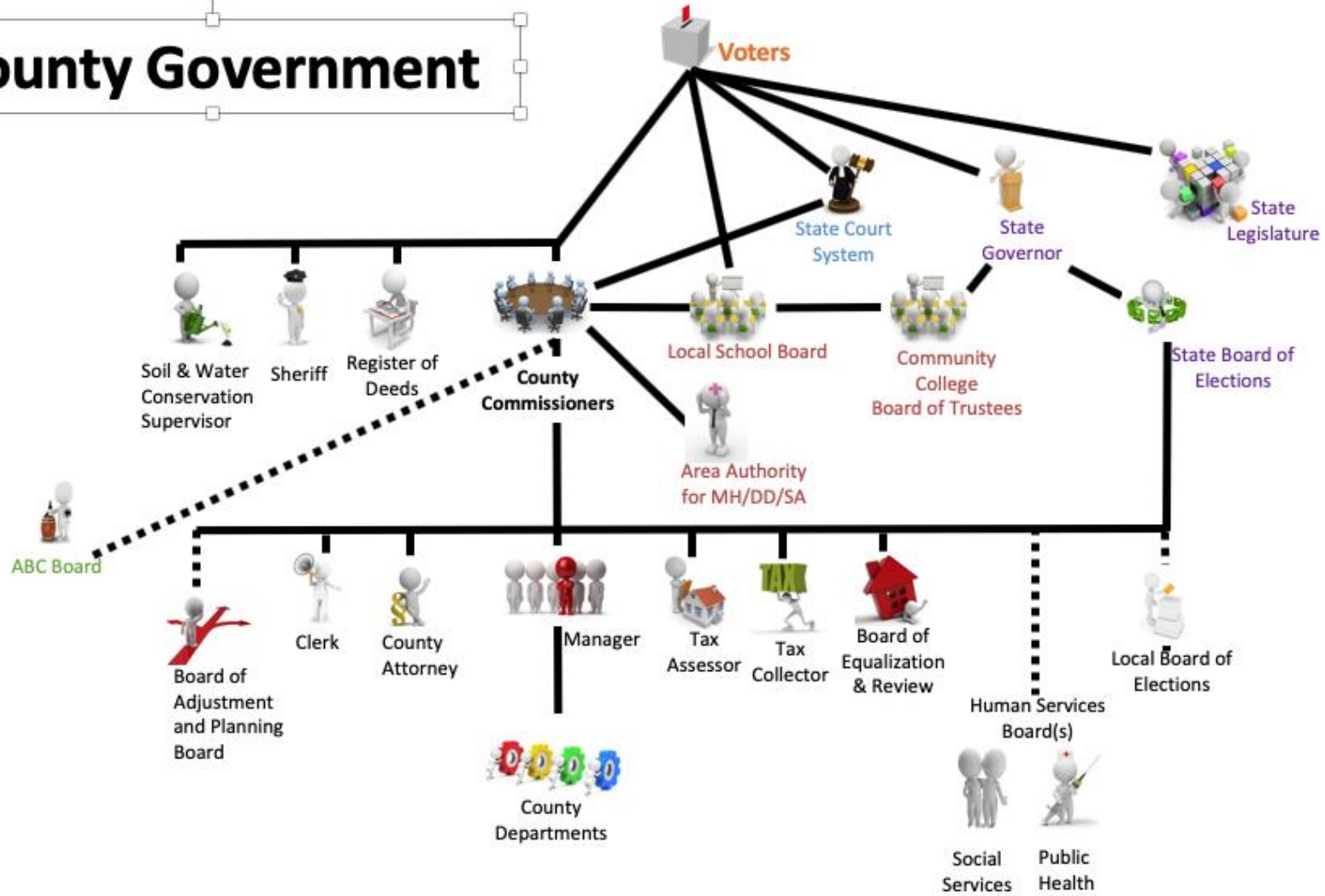
Direct board member or staff member to take a certain action on behalf of the board

In a properly convened board meeting, a majority of the county board votes to hold summer school for at-risk students in light of the loss of academic instruction time the past few years.



A local government **MUST** have statutory authority to undertake any activity.

County Government



Shared Governance within County Government

Major State-Mandated Functions	Policy-Setting Authority	Funding Authority / Responsibility	Control Over Personnel
Law Enforcement	State, Sheriff, County Board	County Board	Sheriff (but County Board sets number of personnel and compensation)
Register of Deeds	State, County Board	County Board	Register of Deeds (but County Board sets number of personnel and compensation)
Public Schools	State, Local Board of Education	State, County Board	Local Board of Education
Public Health	State, Local Public Health Board/County Board	State, County Board	Local Public Health Board/County Board
Mental Health	State, Regional Mental Health Board	State, County Board	Area Mental Health Authority Board
Social Services	State, Local Social Services Board/County Board	State, County Board	Local Social Services Board/County Board
Elections	State, Local Board of Elections	State, County Board	Local Board of Elections (but county board sets total salary amount)
Community Colleges	State, Community College Board	State, County Board	Community College Board

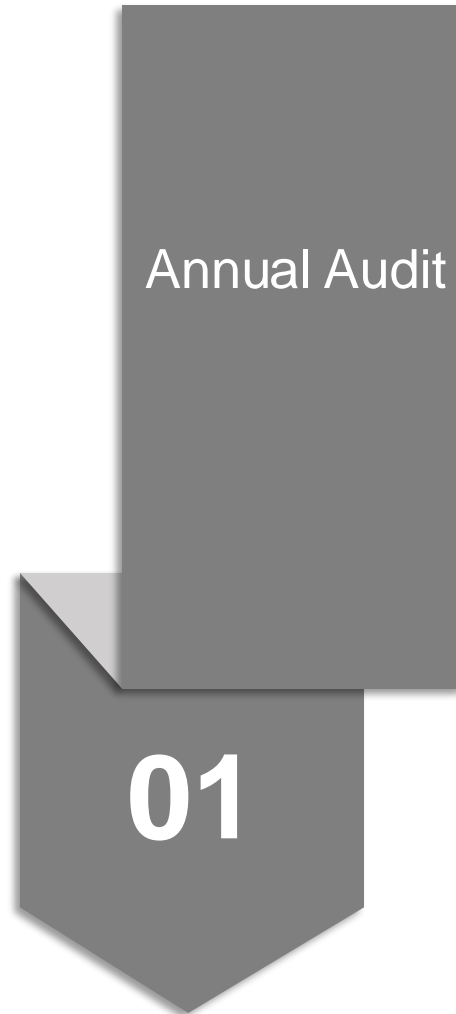


The Legislature has vested powers and authorities in various boards and officials of county government

Concerned about a delay in vote counting in the recent election, a majority of the board of county commissioners voted, at a properly convened board meeting, to hire 5 additional board of election staff members. The board amended the county budget ordinance to also fully fund the additional positions.

External Accountability & Oversight

There are separate but overlapping mechanisms to ensure local government compliance with financial and other statutory requirements.



Local Government as Part of Community Ecosystem



Which of the following may a local government undertake?

Yes

County contract with nonprofit fire department to fund purchase of fire truck that will be owned by fire department that provides services in county.

No

City contract with boys and girls club (nonprofit) to fund a new van to transport city students from school to boys and girls club facility for after school program

Yes

City contract with nonprofit museum to provide funding for operating expenses and capital maintenance on nonprofit's building.

No

County expenditure to improve city street that will lead to county industrial park site.

No

City assesses sales and use tax on sales transactions in the city.

No

City donation to community organization that runs an annual community music festival.

No

County commissioner may direct appropriation to local rotary club if part of commissioner's discretionary funds.

Funding for Nonprofits & Community Organizations

Support

vs.

Partnership

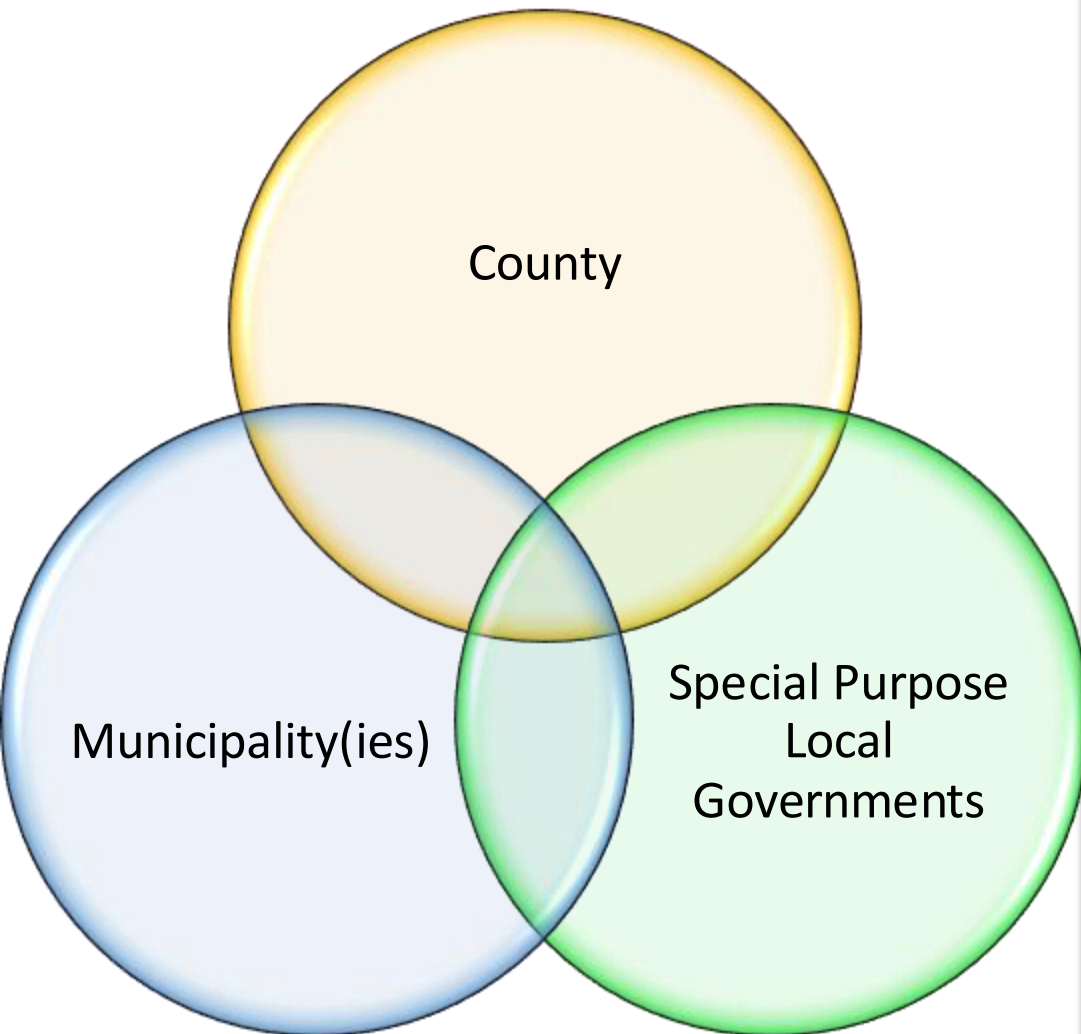
A local government generally **DOES NOT** have statutory authority to support a nonprofit's, community organization's, or other private entity's general operating or capital expenditures (but there are exceptions)

A local government **MAY** enter a partnership (contractual agreement) with any private entity to fund an activity, service, project, etc. that the local government has statutory authority to engage in.

See G.S. 160A-20.1 & G.S. 153A-449

Unless an exception applies, should treat nonprofit / other private entity as a "service provider"

Shared Governance with Other Local Governments



§ 160A-461. Interlocal cooperation authorized.

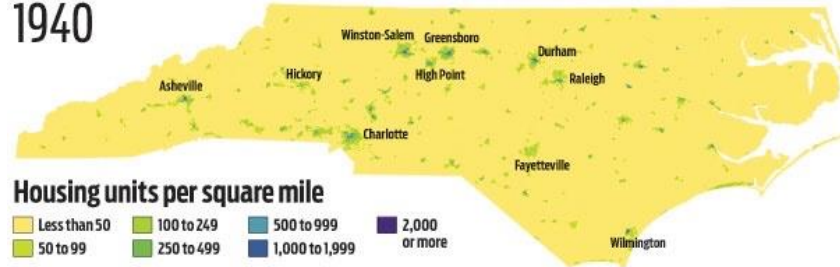
Any unit of local government in this State and any one or more other units of local government in this State or any other state (to the extent permitted by the laws of the other state) may enter into contracts or agreements with each other in order to execute any undertaking. The contracts and agreements shall be of reasonable duration, as determined by the participating units, and shall be ratified by resolution of the governing board of each unit spread upon its minutes.

Regionalization

North Carolina's population footprint

A presentation by the Carolina Demography division of the Carolina Population Center at UNC Chapel Hill shows how the growth in state population and housing units since 1940 has been centered around North Carolina's three main urban hubs. By 2050, the projected housing unit growth will further intertwine the Charlotte, Triad and Triangle economies.

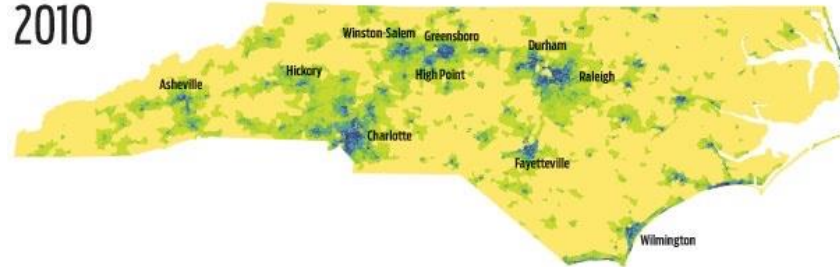
1940



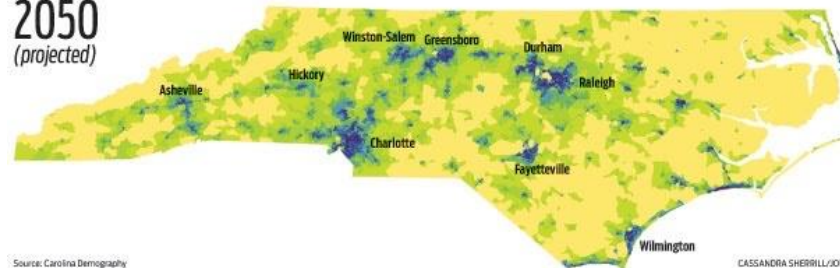
1970



2010



2050
(projected)



Source: Carolina Demography

CASSANDRA SHERRILL/JOURI

How do we adapt our structures and functions to meet the evolving challenges?