

**THE BOARD OF COUNTY COMMISSIONERS
DURHAM, NORTH CAROLINA**

Thursday, April 28, 2010

8:30 A.M. Legislative Breakfast with Durham Delegation

MINUTES

Place: Commissioners' Chambers, Second floor, Durham County Government Administrative Complex, 200 E. Main Street, Durham, NC

Present: Chairman Michael D. Page, Commissioners Joe W. Bowser, Becky M. Heron, and Brenda A. Howerton

Senators Bob Atwater (District 18) and Floyd B. McKissick Jr.(District 20); and Representatives Larry D. Hall (District 29), Paul Luebke (District 30), Henry M. Michaux (District 31), and W.A. Wilkins (District 55)

Staff: Mike Ruffin, County Manager; Kathy Everett-Perry, Assistant County Attorney; Wendell Davis, Deputy County Manager; Deborah Craig-Ray, Assistant County Manager; Drew Cummings, Assistant County Manager; Laura Jensen, Assistant to the County Manager; and Michelle Parker-Evans, Clerk to the Board

Absent: Vice Chairman Ellen W. Reckhow

Presider: Chairman Page

Welcome and Introductions

Chairman Page welcomed everyone to the April 28, 2010 Special Breakfast Meeting with the Durham Legislative Delegation. He asked persons present to introduce themselves to the group.

Opening Comments

Representative Luebke spoke on behalf of the Finance Committee. He commented on the income and sales tax deficiencies because of the recession.

Representative Michaux emphasized that "money is short."

Senator McKissick stated that employment numbers are modestly improving right now. He added that hopefully people will begin to spend money. There are 305,000 unemployed persons since the recession began. The State also experienced a \$722 million deficit. He expressed optimism that things will rebound.

Representative Wilkins spoke about a proposed bill where the Wildlife Commission is requesting bow hunting on Sundays. He wanted to make the Board aware of this proposal.

Commissioner Howerton asked what counties should do regarding this issue. Representative Wilkins responded that counties should adopt a Resolution stating opposition.

Representative Hall commented that the State continues to do work even though we have a budget crisis. The State is moving toward creating funding sources to attract economic development. He added that he hoped locally, Durham can work to create economic development opportunities to attract businesses.

Regarding sentencing services, he stated that revenue is generated because of services provided by inmates. He expressed hope that Durham can help support finding funding on the local level for this program.

Representative Luebke reiterated that it is important that there be a local share for the sentencing services program. The program minimizes the amount of jail time and looks at alternative sentencing.

Senator Atwater stated he was glad to be here and part of the Delegation.

Chairman Page spoke about the ABC issue. Commissioner Heron asked if there was research to see how privatization would work. Representative Michaux responded that we will see what the ABC Commission comes up with.

Discussion of Issues in 2010 Agenda Package

The Delegation and Commissioners held a brief discussion pertaining to the following priority goals to include in the legislative agenda for the General Assembly:

Items Supported in 2009

1. Support legislation to allow public schools systems to regain access to sales tax refunds.

Rationale: Legislation would restore public schools' access to sales tax refunds in the same manner as for private schools. Durham County, like many other counties, currently acts as project manager for Durham Public Schools construction projects to reduce the costs to DPS.

The County Attorney's staff routinely spends an average of ten hours per project providing contract management for DPS projects. Approximately 180 hours of services have been provided in the last year. This is cumbersome and expensive and takes funding away from students. In addition, substantial time is added to the completion time of each project due to this practice of counties acting as project managers.

Comments

- No problem
- Attempted to pass last year

2. Support Annexation Changes (House Bill 524)

Rationale: Bill passed the House but did not get to the Senate. This is supported by NCACC as it has many of the changes they lobbied for. Bill increases the density standards for urbanizing areas, requires the provision of water/sewer services in the area within 3 years, establishes June 30 following the adoption of an annexation ordinance as an effective date, required the development of joint utility services plans, and sets a process for a referendum it at least 15 percent of the total of the registered voters of the municipality and proposed area sign the petition. Bill passed 3rd reading in the house, but remains in the House because it has not been received by the Senate. Because it affects appropriations, it remains eligible for short session consideration.

Comments

- Highly contested
- Cities and counties looking for better processes.
- Ensure that City can provide services when annexation takes place (Heron)

3. Raise Compulsory School Attendance Age (House Bill 188)

Rationale: Several bills on the issue were introduced last year but this one directs Board of Governors of UNC, DPI and others to authorize a study relative to increasing age from 16 to 17 or 18. This has been a long standing priority with the BOCC. Passed the House and was sent to Senate.

Comments

Representative Luebke indicated there are costs involved.

New Items Requested:

4. Seek legislation to authorize medical care providers to charge the state and counties no more than the rates set in the Workers' Compensation schedule of charges for inmate medical care.

Rationale: In 2005, Durham County spearheaded an effort to tie the cost of inmate health care in hospitals to the workers comp schedule approved by the Industrial Commission. This is a higher rate than Medicare or Medicaid and is the same rate that we pay for employees who are injured on the job. We felt it was a reasonable compromise. Despite having the support of counties across the state and hearing from state officials that it could have been a good solution to the issues they face for the state prison system, the bill went nowhere. A solution is still needed for both the state and counties. We are in communication with NCACC and there is interest on their behalf in making another attempt at this issue

Action sought: Support legislation that would authorize medical care providers to charge counties no more than the rates set in the Workers' Compensation schedule of charges for county inmate medical care.

Comments

- Trying to arrange meeting with Department of Corrections to discuss the item (Wilkins)
- Large issue for short session
- Why Workers Comp vs. Medicaid (Michaux)
- Workers Comp more of a savings (Craig-Ray)
- Issues with hospital rates for inmates. State medical bill for prisoners is horrendous (Michaux)

5. Seek legislation to align Durham County Zoning Ordinance Protest Petition Process with that of the State (technical correction).

Rationale: A technical correction is requested to align Durham County's Zoning Ordinance Protest Petition with that of the City of Durham.

Action sought: **Proposed language:** The petition must meet the substantive requirements of GS 160A-385(2), and in particular must be signed by owners of either:

- a. 20% or more of the area included in the proposed change or
- b. 5% of the area of the 100-foot wide buffer extending along the entire boundary of each discrete or separate area proposed to be rezone. In evaluating the sufficiency of a protest under this provision:
 1. A discrete or separate area shall be calculated for any contiguous part of an area proposed for zoning map change that is physically separated from other areas proposed for change by property (not including the right of way) that is not part of the requested zoning map change;
 2. A street right of way shall not be considered in computing the 100 foot buffer area as long as the street right of way is 100 feet wide or less;
 3. When less than an entire parcel of land is being rezoned, the 100 foot buffer shall be measured from the property line of the entire parcel.

Comments:

- Want to mirror City regarding protest petitions. Should not be controversial (Everett-Perry)
6. Support delayed implementation of House Bill 1779 (Combined Motor Vehicle Registration/Property Taxes).

Rationale: H1779 passed the House and Senate unanimously in 2005. The bill combines the collection of property taxes on motor vehicles with the license plate renewal. It's called Mototax. In other words, no taxes, no tags. North Carolina is the only state that collects motor vehicle property taxes in arrears, which results in a very low collection rate for many counties. In 2007-08, the statewide property tax collection rate for motor vehicles was 87.2 percent. When implemented, this combined system should help counties, cities and fire districts improve their motor vehicle property tax collections and could result in as much as \$80 million in additional property tax collections per year.

Action sought: Support delayed implementation of HB1779 (Combined Motor Vehicle Registration/Property Taxes) as recommended by NCACC. The bill combines the collection

of property taxes on motor vehicles with the license plate renewal and was originally set for a 2011 implementation. At a recent meeting between representatives of the Association and representatives from the Department of Revenue (DOR), the Department of Transportation (DOT), the Division of Motor Vehicles (DMV), the N.C. League of Municipalities and Rep. Dale Folwell, it was decided that the implementation of H1779 – the combined motor vehicle registration/property tax system – needs to be delayed. DOT Secretary Gene Conti and DOR Secretary Kenneth Lay met decided it was prudent to halt the ongoing work and seek a two-year extension – to July 1, 2013 – of the implementation deadline.

Comment

- No problem

Issues to Oppose

7. Oppose House Bill 1476 “Governmental Immunity/Adequacy of Remedies.”

Rationale: The County learned that a study committee is looking at recommending a local government tort claims act. Such an act would deprive the County and its citizens of a right to a jury trial, and the right to be heard before an elected judge. Instead, all cases would be heard by an appointed bureaucrat. Without a jury to balance the biases of the decision maker, the citizens or the County would not necessarily get a fair hearing on the merits of the case. Additionally, most counties in North Carolina either have insurance or a system of paying claims which protects the citizens who are injured by the negligence of county employees

Action sought: The County requests that the Delegation oppose any bills which would establish a tort claims act for counties.

Comment

- Bill is in the Senate right now (Michaux)
- Would have supported legislation (Bowser)

Representatives Luebke and Hall were excused at 9:15 to attend another meeting.

8. Oppose House Bill 1434, “Repeal Combined MV Registration/Tax System.”

Comment: This bill was introduced in the session to repeal HB 1779. As noted above, this is already on track for a two year delay.

Items for 2011 Long Session:

1. Levy 1% Payroll Tax on Non Durham Resident Workers

Rationale: Durham County is a regional employment center. Estimates indicate over 80,000 workers come into Durham County, primarily the RTP, earn salary, use infrastructure and never contribute personal or real estate taxes. Durham County legislation would levy a payroll tax to add to Durham County’s revenue stream.

Action Sought: Enact legislation to tax nonresident workers.

Comments:

- No counties in North Carolina have this
 - Big back lash from employers. How would it be monitored? (McKissick)
 - People are getting services from our citizens. How do we recoup? (Bowser)
 - Will look at it when it comes through (Michaux)
2. Seek legislation to provide revenue sharing between Durham, Durham County, Raleigh and Wake County for sales at the Raleigh Durham International Airport.

Rationale: About 5 years ago, officials discussed a proposed Interlocal agreement between Raleigh Wake Durham and Durham County relative to revenue sharing of proceeds of Raleigh-Durham International Airport without resolution. The issue came up again late last summer with Durham Delegation members signaling their possible support of the issue. A proposed split would be based on the county's status as a part owner of the airport along with Durham, Wake County and the City of Raleigh. Before any action could take place, the governmental units would have to meet and develop an Interlocal agreement spelling out the terms.

Action Sought: Durham County proposes legislation that will allow Durham County to receive a portion of revenues generated by the shared airport.

Comments:

- Durham supplies all utilities
- No problems with this
- Supply emergency assistance services
- When it comes to mass transit, a similar tri-county agreement will be needed (Wilkins)

Protection for Victims of Witnesses

The Crime Cabinet requested that this item be added. Senator McKissick indicated that something is being drafted at this time.

Adjournment

There being no further business, Chairman Page thanked the Delegation and adjourned the meeting at 9:30 a.m.

Respectfully submitted,

V. Michelle Parker-Evans
Clerk to the Board