



END OF SESSION BULLETIN: SHORT SESSION SUPPLEMENT 2022



WORKING AS ONE.
ADVANCING ALL.

DEAR LEAGUE MEMBERS,

One year after our extremely successful 2021 legislative session, this year's session was remarkably short and, for cities and towns, to the point.

The "short session" focused primarily on adjustments to the state budget, and it was here where we saw the most significant legislation affecting municipalities. As such, this End of Session Bulletin covers the important but brief number of bills impacting cities and towns. In these pages, you will read about that budget, the continuing focus on infrastructure spending benefitting North Carolina communities, and how this session built upon the successes of last year.

Roughly \$1.5 billion was designated for infrastructure this year – a figure that excludes the state's two road building and maintenance funds. Legislators also put additional dollars toward disaster resiliency and the state's Workforce Housing Loan Program. Regarding transportation, the federal Infrastructure Investment and Jobs Act led to another \$298.6 million going to road construction, with that and other changes meaning more than \$900 million in additional transportation funding.

Although some troubling pieces of local legislation affecting local authority were approved, the legislative session was mostly absent any larger, statewide policy provisions that could harm local decision-making.

Both the investment in cities and towns and the avoidance of harmful policy are a testament to the hard work you do to help state lawmakers understand the importance of local policies affecting land use, utilities and other services that help keep North Carolina's economy strong and vital. In collaboration with the Government Affairs staff, those efforts must continue to effectively make the case that a strong North Carolina requires strong cities and towns, and strong cities and towns require local decision-making authority. Working as one, we can advance all.

In the months ahead, we will share ideas and best practices to ensure that we make the most out of the infrastructure investments coming our way. The resources are there to make lasting impacts that can improve the quality of life of our residents for many years to come.

Thank you for all of the work that you do to better each of your communities, and thank you for your continuing commitment to the North Carolina League of Municipalities to move all of our cities and towns forward.

Sincerely,

The Officers of the League's Board of Directors.



Scott Neisler
President

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Kings Mountain



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ADVOCACY GOAL ACHIEVEMENTS

2021-22 Legislative Biennium

- **GOAL: Secure federal and state aid directly to municipalities to offset all lost revenues due to the Covid-19 pandemic.**

Passage of SL 2021-180, the 2021 state budget bill, pushed over \$2 billion to municipalities, as state legislators used a large portion of federal American Rescue Plan Act dollars to address the one-time needs of cities and towns. The adjusted budget bill for 2022, HB 103, continued those investments with both targeted grants to communities and more funding for roads, water and sewer.

- **GOAL: Expand incentives and funding for local economic development.**

Passage of SL 2021-180, the 2021 state budget bill, created a new \$50 million Rural Downtown Transformation Grant program, provided \$115 million for local airport projects, pushed \$1 billion to broadband infrastructure, and extended the sunset of the Historic Preservation Tax Credit through 2030.

- **GOAL: Ensure state funding for any new, state-mandated benefits for municipal employees.**

Passage of SL 2021-180, the 2021 state budget bill (Sec. 30.4), included state funding for a new employee benefit long sought after by firefighters: coverage of certain cancers deemed to be work-related, with that coverage provided via an insurance policy. The budget provision avoids changes to the workers' compensation system and funding by municipalities.

- **GOAL: Create a permanent and adequate funding stream for local infrastructure needs.**

Passage of SL 2021-180, the 2021 state budget bill, provides nearly \$2 billion for local infrastructure needs, including \$456.4 million put into the new state Viable Utility Reserve and over \$1 billion that will flow into the existing Clean Water State Revolving Fund or the Drinking Water State Revolving Fund programs. Large sums also went to storm mitigation and resiliency and stormwater assistance. HB 103, the adjusted state budget bill for 2022, put additional money toward those programs.

- **GOAL: Provide funding to keep aging water and sewer systems financially solvent today and viable for the future.**

Passage of SB 105, the state budget bill, provides \$456.4 million put into the new state Viable Utility Reserve and over \$1 billion that will flow into the existing Clean Water State Revolving Fund or the Drinking Water State Revolving Fund programs.

- **GOAL: Improve statewide funding and support for LEO training focused on use of force, mental health and de-escalation skills.**

Passage of SB 300 Criminal Justice Reform in 2021 directs the Law Enforcement Standards Commission to develop uniform statewide minimum standards, assist law enforcement officers with training on mental health strategies, and provide instruction on a duty to intervene in certain use-of-force incidents; Passage of SL 2021-180, the 2021 state budget bill, added positions to the Criminal Justice Standards Commission and the N.C. Justice Academy, as well as established a pilot program for three police departments to use mental health professionals for some non-violent situations.

- **GOAL: Increase state and federal funding for affordable housing.**

Passage of SL 2021-180, the 2021 state budget bill, increases funding to the state Workforce Housing Loan Program to \$170 million. HB 103, the 2022 adjustments to the two-year budget, put an additional \$20 million toward the program.

- **GOAL: Extend notification timeline for any changes to sales tax revenue disbursement.**

Passage of SB 314 Local Gov Commission Assistance Toolkit would provide at least a full fiscal year notice for municipalities if county commission votes to change its method for calculating the county-level distribution of local sales taxes.



BILL SUMMARIES

WORKING AS ONE. ADVANCING ALL.

BILL SUMMARY – OVERVIEW

Over the course of the 2022 session of the North Carolina General Assembly, the League’s Government Affairs Team tracked dozens of bills that had implications for cities and towns, with many of those having significant effects. The 2022 short session involved less legislation considered than in the past, so this supplementary version of the End of Session Bulletin reflects that fact. A handful of bills were also taken up after legislators concluded the primary business of the long session in December 2021, but prior to the 2022 short session. Three of those bills are included in this summary section. You will find summaries of bills below, including descriptions of how they could affect governance of cities and towns and some of the political considerations that affected their ultimate outcome. The bill numbers and titles are linked below. The bill links will take you to actual copies of the bill on the General Assembly website. Beside each bill title, there is a designation explaining the status of the bill.

The designations indicate the following:

- **Law:** Passed by the General Assembly and now Session Law, either with the Governor’s signature, with the Governor’s inaction regarding the bill, with an override of his veto, or as a local bill over which the Governor has no say.
- **Vetoed:** Bills vetoed by the Governor, with that veto not overridden by the General Assembly.
- **Passed House:** Passed the House but not voted on by the Senate.
- **Passed Senate:** Passed the Senate but not voted on by the House.
- **In Conference:** Approved by both chambers, but with changes that have not yet been resolved by the two chambers.
- **Not Passed:** Legislation not taken up by either full chamber.

BILL CATEGORIES



If you do not see a bill summarized that you are interested in, please contact any member of the League’s Government Affairs team. A number of these bills address advocacy goals chosen by cities and towns as their top legislative priorities for the 2021-22 legislative session. You can find an assessment of goal accomplishments earlier in this Bulletin.

TAX & FINANCE

[HB 103 2022 Appropriations Act \(Rep. Stevens\) - Law - SL 2022-74 effective various dates](#)

For the second straight year, state legislators approved and Gov. Roy Cooper signed a state budget bill into law, after partisan struggles had prevented full-ranging budget agreements in previous years. Building on the huge infrastructure investments made in 2021, this adjustment to the two-year budget continued, added to and modified those investments. It also provided a 4.2% average raise for public school teachers and a 3.5% pay increase for other state employees, and continued to build state reserves that now sit at \$6 billion.

Unlike provisions in 2021 budget proposals that were mostly dropped, the spending bill did not include any statewide policy proposals restricting municipal authority. Highlights that will affect cities and towns include:

- **AFFORDABLE HOUSING:** The budget puts another \$20 million into the state’s Workforce Housing Loan Program after the previous two-year budget put \$170 million toward the program for 2022-23.
- **INFRASTRUCTURE:** In total, \$1.5 billion will go toward infrastructure—a figure that does not include the state’s two separately funded road building and maintenance funds, the Highway Fund and the Highway Trust Fund. There are a number of appropriations targeted for specific local government projects sprinkled throughout the plan. These include grants for parks, trails, public buildings and other public works projects. Four municipal airports will have a total of \$24 million directed to them. The state’s Clean Water State Revolving Fund and Drinking Water State Revolving Fund will receive an additional \$230 million from the federal Infrastructure Investment and Jobs Act.
- **RESILIENCY/DISASTER RECOVERY:** Legislators moved \$15 million from the State Emergency Response and Disaster Relief Fund (SERDRF) to meet the state’s matching share for FEMA Public Assistance for pandemic-related expenses. It also provided \$5 million of that money for debris removal for areas impacted by Tropical Storm Fred. Canton, Lillington and Colerain will receive substantial sums for storm recovery and resiliency efforts.
- **TRANSPORTATION:** Federal receipts for state transportation projects increased \$298.6 million due to the Infrastructure Investment and Jobs Act, bringing the total surface transportation federal aid programs receipts from the federal government to \$1.4 billion. Total funding in the Highway Fund and Highway Trust Fund is expected to increase by \$933 million, with a \$109 million one-time transfer from the Highway Trust Fund to the Highway Fund to speed up right-of-way purchases for Strategic Transportation Investments Prioritization (STIP) projects. Within the \$1.9 billion allocated to the Highway Trust Fund, \$1.7 billion is for STIP projects, a \$106 million increase over last year. This increase in funding is recurring. Also, the budget begins a transfer of state sales tax revenue, which had flowed to its general operating budget, to road construction and maintenance, with the transfer to grow to 6% of general sales tax revenue by the 2024-25 budget year.

[HB 243 Budget Technical Corrections](#) (Reps. Hardister, Hurley, Pickett, Terry) - Law - SL 2022-6 effective various dates

This law, passed four months after the larger state budget bill passed in November, largely made technical corrections to the budget. Included among those corrections were changes to specific “directed grants” made to municipalities. Also, Section 18.3 of the bill expanded the allowable uses for some of those directed grants for the purchase of real property, to acquire easements, or for the purchase equipment and vehicles. Previously, those grants had only been allowed to be used on property owned by the local government. Elsewhere in the bill, in Section 20.6A, legislators adjusted the 2022 elections calendar for municipal elections that had been delayed from fall 2021 due to complications with completing redistricting. Finally, in Section 10.1 and Section 20.17, lawmakers rewrote the language allocating funding to NCLM to give more flexibility in how the League may use those funds to provide technical assistance to cities and towns. This assistance is targeted toward expenditure of municipalities’ share of federal American Rescue Plan dollars, as well as development of financial software and assistance programs for cities and towns.

[HB 1081 Equitable Distribution of Powell Bills Funds](#) (Reps. Belk, Carney, Gill, and Martin) - Not Passed

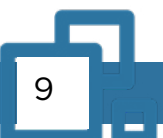
After [Section 41.27 of SL 2021-180 the 2021 Appropriations Act](#), the 2021 state budget, placed a limitation on the Powell Bill funds for Charlotte and Raleigh, this bill would have restored their traditional funding levels for the 2021-22 and -23 fiscal years. The 2021 budget bill capped the two cities’ allocations at fiscal year 2020-2021 level, with their projected increases instead being distributed to all other municipalities in the state. This bill was not considered by either chamber.

[SB 265 Bond Info Transparency/LGC Toolkit II](#) (Reps. Johnson and Ford) - Law - SL 2022-53 effective various dates

For a second straight year, legislators advanced measures to provide for more financial disclosure regarding local government and more transparency related to operations. SB 265 was approved with the backing of State Treasurer Dale Folwell and lowers the borrowing threshold for cities and towns on the Local Government Commission’s Unit Assistance List, setting the amount at \$50,000 when LGC approval is required. It would also require higher bonding amounts for some local government finance officers. At the behest of the League and the N.C. Association of County Commissioners, a bill proposal was dropped that would have allowed the state to withhold sales taxes equal to 150% of audit costs for those local governments that have not met audit deadlines.

[SB 788 Increased Bonus for LGERS Retirees/Funds](#) (Sen. Mayfield) - Not Passed

This bill would have given retirees in the Local Government Employees Retirement System another 2% one-time cost of living bonus supplement on top of the 2% agreed to by the LGERS Board of Trustees in January. The bill was not considered and received no committee debate.



LOCAL BILLS

[HB 303 Greensboro SBE/Civilian Traffic Investigators](#) (Reps. Clemmons, Faircloth, Hardister, and Quick) - Passed House; [HB 1024/SB 892 Durham Traffic Crash Investigators](#) (Reps. Morey, Alston, and Hawkins; Woodard, Murdock) - Not passed; [HB 1011 Greenville Traffic Investigators](#) (Reps. Farkas, Humphrey, Davis, and Miller) - Passed House; [SB 202 Modify Wilmington Civilian Crash Investigator](#) (Sen. Lee) - Not Passed; [SB 809 Winston-Salem Civilian Traffic Investigators](#) (Sen. Lowe) - Not Passed; [SB 903 Asheville/Raleigh Traffic Investigators](#) (Sens. Blue and Mayfield) - Not Passed; [SB 912 Greensboro Civilian Traffic Investigators/SBE](#) (Sens. Garrett and Robinson) - Not Passed

This legislative session, several cities across the state sought the ability to employ civilian crash investigators—authority currently enjoyed only by Wilmington and Fayetteville. Two of the bills, HB 303 (Greensboro) and HB 1011 (Greenville), were passed out of the House, but did not receive a hearing in the Senate.

Civilian crash investigators are trained city employees who respond to minor traffic accidents. They have the authority to investigate crashes, write reports, and remove vehicles blocking traffic. Cities are seeking the authority to use the civilian investigators so that police officers can focus on more pressing law enforcement duties, while also reducing costs to cities. HB 1011, as originally introduced, included a section that would have granted civilian crash investigators in Wilmington the authority to issue traffic citations, but that bill was reported out of committee without this section included, an indication that legislators are not comfortable expanding the authority. Still, the advancement of the two other bills through the House was a positive development, and given the large number of cities looking for the same authority, legislators could address the issue on a statewide basis during the long session next year.

[HB 998 Partisan Elections in Haywood County](#) (Reps. Pless and Clampitt) - Not Passed

This bill was designed to amend the charters of the towns of Canton, Clyde, Maggie Valley, and Waynesville to provide that elections in the towns would be partisan, eliminating the current nonpartisan elections. The bill did not advance.

[HB 1057 Mitchell/Hickory-Conover/Buncombe OT Changes](#) (Rep. Greene) - Law - SL 2022-40 effective July 1, 2022

This bill made various changes for occupancy tax administration and allowed spending purposes for a handful of local governments. Specifically for the cities of Hickory and Conover, it extends by a decade – through 2039 – the time during which the cities’ occupancy taxes collected by the Hickory-Conover Tourism Authority can spend more portions of those tax revenues on convention center facilities.

[HB 1158 Beech Mountain/Tree Ordinances](#) (Rep. Greene) - Not Passed

After bills had been filed in past legislative sessions to restrict local tree ordinances, Beech Mountain sought this local bill to permit tree rules designed to enhance the town’s natural beauty and promote cooperation between the public and private sectors to more effectively manage urban tree areas. Coming a year after failed legislation that would have forced any new tree ordinances to come before the General Assembly, the bill was never taken up in committee discussion. Among other changes, the bill would have largely prohibited clear-cutting of trees in the town.

[HB 1165 Salisbury Voluntary Annexation Temporary Moratoria](#) (Rep. Warren) - Passed House; [SB 170 No ETJ in Haywood County/Maggie Valley Dev. Auth](#) (Rep. Mark Pless) - Passed House; [SB 773 Goldston Satellite Annexations](#) (Sens. Craven and Foushee) - Law - SL 2022-22 effective June 30, 2022; [S907 Economic Growth Act](#) (Sen. Jarvis) - Law - SL 2022-24 effective July 1, 2022; [SB 908 Airport Economic Development Act](#) (Sen. Jarvis) - Law - SL 2022-36 effective various dates; [SB 909 Lexington UDO/Jail Com. Changes](#) (Sen. Jarvis) - Law - SL 2022-25 effective June 30, 2022; [SB 911 Leland Annexation](#) (Sen. Rabon) - Law - SL 2022-26 effective June 30, 2022

Several local bills were filed in this year's short session focused on the annexation and planning authority of specific municipalities, with bills aimed at Lexington and Leland becoming law. Some were proposed against the wishes of local officials. [SL 2022-24](#) requires municipalities located in Davidson County, including Lexington, to receive permission from county commissioners for certain satellite annexations and to notify the county prior to any annexations. This bill had several different iterations, but ultimately became law. [SL 2022-36](#) removed the Davidson County Airport from the city's corporate limits while requiring the Davidson County Airport Authority to purchase certain property from the city. Some changes to the bill were negotiated between the city and the bill's sponsor. [SL 2022-25](#) also targeted the city of Lexington, and exempted property from zoning rules to facilitate the building of a county jail.

Meanwhile, [SB 911](#) requires a petition for voluntary annexation made to the Town of Leland to include a statement that the petition is not being made because the Town represented that services available outside the Town—such as water and sewer—would be withheld from the property without the petition. Finally, bills affecting ETJ in Haywood County towns and Salisbury annexation did not become law. The municipalities involved opposed each.

[SB 292 Greensboro Small Business Enterprise](#) (Sens. Garrett and Robinson) - Law - SL 2022-35 effective July 1, 2022

This legislation amends Greensboro's charter to allow the city to establish a small business enterprise program, promoting small businesses in the Greensboro metropolitan area and providing small businesses with enhanced municipal contracting opportunities. Charlotte, Durham and Fayetteville already have similar, existing programs established through local legislation.

GENERAL GOVERNMENT

[HB 315 Arson Law Revisions](#) (Reps. McNeill, Boles, Saine and Carter) - Law - SL 2022-08 effective various dates

This legislation made a number of changes to criminal statutes and other laws affecting arson prosecutions and prevention. Of concern for municipalities are provisions that would require local governments and other entities with fire departments to seek criminal background checks on all firefighter job applicants, rather than only those hired. The requirements apply to both paid and volunteer firefighters.

[HB 605 2022 Primary Date](#) (Reps. Winslow, Mills) - Vetoed

With this bill, legislators attempted to move the 2022 primary date forward to June 7, 2022. This move would have affected the elections in cities that had their 2021 elections delayed due to complications with completing redistricting. Gov. Cooper vetoed the bill, and the legislature did not take it up for an override vote.

[HB 776 Remote Notarization/Gov't Transparency](#) (Reps. D. Hall, Davis, Hardister, Reives) - Law - SL 2022-54 effective various dates

This measure put into law permanent rules that would allow remote notarization of documents. Further, it kept in place existing, temporary authorization for the practice of remote notarization until June 30, 2023, to allow time for the Department of the Secretary of State to develop permanent rules governing the practice. Additionally, HB 776 increased the fees a notary may charge for notarial acts, and it added the option for notaries to charge mileage, if agreed to prior to the travel.

Separately and notably, the final version of this bill left out language from earlier versions that would have expanded the information from employees' personnel files that must be made public under public records laws. The Senate had added this separate language to HB 776 last session in an effort to realize its passage by attaching it to the "must-pass" electronic notarization measure. However, the Senate's personnel language was controversial, and during conference negotiations on the overall bill this session, negotiators removed the objectionable language.

[HB 1055 Local LEO Retention Bonus Funds](#) (Reps. McNeill, Boles, and C. Smith) – Not Passed; [HB 1128/SB 800 Law Enforcement Investment Act](#) (Reps. Reives, Hunter, Cooper-Suggs, and Everitt; Sens. Batch, Fitch, and Garrett) – Not Passed; [HB 1146/SB 801 Community Safety Act](#) (Reps. Reives, Gailliard, Hurtado, and Lofton; Sens. Batch, Fitch, and Garrett) – Not Passed; [HB 1147/SB 802 Fund Our Police Act](#) (Reps. Reives, Gailliard, Cooper-Suggs, and Hunter; Sens. Batch, Garrett, and Fitch) – Not Passed

While receiving much less attention than in the long session, law enforcement changes remained a focus of some legislators this year with bills filed affecting officer retention and other public safety investments. There were a trio of companion bills filed that would have addressed these issues. HB 1055 and HB 147/SB 802 would have provided one-time retention bonuses to local law enforcement officers. HB 1128/SB 800 would have appropriated recurring funds to assist in training and recruitment of LEOs. HB 1146/SB 801 would have created grant programs as well as provided assistance from the Department of Justice to law enforcement agencies seeking grant funding. None of the bills filed gained any real momentum and failed to pass either chamber.

[SB 224 San. Distr. Amendment/Property Transfer](#) (Sens. B. Jackson, Sanderson, Nickel) - Not Passed

Sanitary districts gained a power typically reserved for cities and counties with the passage of language from SB 224, which became law in other legislation passed this session. Legislators included the language from SB 224, which allows sanitary districts to create, maintain, and operate parks and recreations programs and facilities, in two other bills that passed into law this session: HB 911 Regulatory Reform Act of 2022 (Section 3) and HB 103 2022 Appropriations Act (Section 5.7). While the language granted sanitary districts governmental authority previously given only to cities and counties, this expansion of district authority stopped short of allowing districts to exercise condemnation for the purpose of acquiring real property for parks and recreation programs or facilities. Like cities and counties, sanitary districts are governed by boards elected by voters within the district.

[SB 435 Terminations of States of Emergency](#) (Sen. Edwards) - Law - SL 2022-57 effective July 8, 2022

This legislation requires all municipalities to post a notice of the expiration or termination of a state of emergency conspicuously on the website of the municipality and provide notice to the Department of Public Safety WebEOC critical incident management system. North Carolina law requires the public posting of states of emergency when they are imposed, but no similar requirement previously existed when the states of emergency put in place at the local level ended. SL 2022-57, now law, requires the same notification for both imposition and termination of states of emergency.

PLANNING & LAND USE

[HB 211 Social District/Common Area Clarifications](#) (Reps. Moffitt, Setzer, Mills, Zenger) - Law - SL 2022-49 effective July 7, 2022

All of the text in this bill affected cities, although it dealt with two distinct municipal issues: alcohol beverage control, and water and sewer agreements with annexation.

The first four sections of the bill overhauled laws put in place just last year that allowed local governments to establish social districts. The extensive revisions reflected lessons learned as the new districts were established, as well as input from the N.C. Alcoholic Beverage Control Commission. Broadly, they created more uniformity and clarity about the geographic areas that can be included in the districts, and the operating rules within the districts. Social districts are outdoor areas in cities where people may consume and freely carry alcoholic beverages sold by licensed sellers within the district.

The last section of the bill contained a last-minute amendment that appeared to give property owners a workaround to local annexation agreements and judicial consent decrees, if those property owners were seeking water and sewer service. Typically, when two or more local governments enter into an annexation agreement, those agreements detail which local government will provide services like water and sewer to the nearby parcels that lie outside the cities' current jurisdiction. Additionally, municipalities usually require the property owners to become part of the city jurisdiction prior to receiving services such as water and sewer, through a petition for voluntary annexation. Instead, the amendment in Section 5 of this bill gave the owners of such properties a right not to adhere to annexation agreements or court orders affecting their properties, in certain situations. It did so by granting these property owners a new legal right to seek judicial relief that allowed them to obtain water and sewer services in a different manner than spelled out in the original annexation agreement and/or court order that applied to their properties.

[HB 291 Commercial Prop. Plan Review](#) (Reps. Zenger, Potts, Johnson) - Passed House

After receiving a stamp of approval by the House last session, HB 291, a bill that sought to limit local building plan review practices, was considered by the Senate Commerce and Insurance Committee this session. While it did not advance further in the legislative process, the bill would have imposed a 21-day shot clock on local building inspections departments to review and sign off on commercial building plans, with 15 more days given in cases where the local government sought more information from the applicant. If a local government could not meet the deadlines, the bill would allow applicants to utilize a private third-party or a state-hired inspector to review the project's building plans and give it the go-ahead.

Bill sponsors suggested the measure would speed up local building plan review. But in fact, local officials believed it would in fact have the opposite effect. That's because the bill would force many local governments to abandon their current approach of reviewing building plans at the same time as they reviewed other parts of the project. In those situations, to meet the 21-day shot clock timeframes imposed by the bill, local governments would migrate from a simultaneous to a sequential approval process, which would take longer and delay development. After League staff voiced these concerns during the Senate committee hearing, senators spoke strongly in favor of the measure, saying that local governments needed to do better and stop holding up economic development by delaying these local approvals.

[HB 911 Regulatory Reform Act of 2022](#) (Reps. Riddell, Bradford, Moffitt, Yarborough) - Law - SL 2022-75 effective various dates

This year's installment of the annual "regulatory reform" omnibus bill contained several provisions of interest to cities and towns. One provision, Section 10, applied to towns under 1,500 in population and allowed them to receive a one-year extension to July 1, 2023 to comply with a pre-existing requirement for developing a land use plan. That plan is a requisite for any municipality to retain its zoning authority. The bill also shielded from public records law certain sensitive public security information related to publicly owned electric facilities; GIS and other electronic information about public buildings and infrastructure; and criminal, gang, or organized illegal activity responses (Section 7). Although the bill passed the N.C. General Assembly by wide voting margins, the Governor allowed it to become law without his signature due to the inclusion of an unrelated section to which he objected. While legislators had promised to repeal that section, for procedural reasons, they did not wish to strike it from this bill. And then, they did not send the Governor promised repeal language in any other measure prior to the date by which he needed to make a decision on this bill.

[SB 219 Surveyor Lic.& Ed.Req's/Constr.Contract Rev's](#) (Sen. McInnis) - Law - SL 2022-1 effective various dates

The first bill to become a law in 2022 was a holdover from the legislative long session, which saw its main business concluded in late November 2021. SB 219 made positive changes to the design-build laws that govern this form of construction contracting, building upon lessons learned in the near-decade since the legislature first authorized design-build. The changes in this bill also conformed the law to widespread practices that had developed in local governments across the state as they utilized this contracting method more.

[SB 372 Electrical Lic./Bldg. Code/Dev. Reform 2022](#) (Sens. McInnis, Jarvis, Galey) - Law - SL 2022-11 effective various dates

With unanimous approval in the Senate and minimal opposition in the House, this omnibus building inspections and building trades measure made numerous changes to state law. Of interest to cities and towns, one change instituted a new requirement for local building inspection departments to publish an annual report listing how that department spent its inspection fees in the prior fiscal year. This reporting requirement will last for three years, beginning in 2023, with reports due each of those years on Oct. 1. The bill also required each local building inspection department to designate the person responsible for overseeing inspection responsibilities. The smooth passage this bill enjoyed came after House members removed an objectionable provision from the bill. That provision would have, for the first time ever in North Carolina, allowed private building inspections of residential construction (Section 10 of Edition 2).

[SB 762 North Carolina Farm Act of 2022](#) (Sens. B. Jackson, Sanderson, Woodard) - Law - SL 2022-55 effective various dates

A late addition to this year's annual Farm Act, SB 762, caused concern for local fire marshals, yet it still became law with the Governor's signature. Section 1 of the bill exempted from state building code regulations those buildings used "primarily" for the storage of agricultural commodities, products, or materials. Such buildings must sit a minimum of 60 feet from other structures and have a placard labeling the facility as "Ag. Exempt." After SB 762 became law, local fire marshals expressed concerns that it created a loophole to locate large buildings that stored agricultural materials such as fertilizer—a potentially explosive substance—in city limits with no sprinklers or other fire suppression techniques otherwise required by the State Building Code.

ENVIRONMENT & UTILITIES

[HB 219 Amend Environmental Laws](#) (Reps. Arp, Pare, Szoka, and Watford) – Law – SL 2022-43 effective various dates

SL 2022-43 includes several small changes to state environmental law, with two sections of particular importance for local governments. Stormwater and sewer projects funded by the state from funding allocated through the American Rescue Plan Act now must be obligated by the end of 2024 and expended by the end of 2026. The measure requires that localities receiving directed infrastructure grants for water and sewer projects must submit complete funding requests to DEQ by June 30, 2023, or their money would be rescinded back to the state.

Additionally, requirements for public notice for the Coastal Area Management Act (CAMA) were amended to align county notification requirements to those already required for local governments. Additionally, Section 5 would allow local governments to post the proposed plan or amendment at a designated local government office, instead of in the county courthouse.

[HB 1095 PFAS Pollution and Polluter Liability](#) (Reps. Davis, Iler, Miler, and Reives) – Not Passed

The bill would require the state to establish maximum containment levels for PFAS compounds. Further, HB 1095 would require manufacturers of PFAS who pollute local water supplies to reimburse affected systems for the costs incurred to remediate PFAS contamination. The bill received a hearing during the short session but did not advance further. Thousands of ratepayers across southeastern North Carolina were impacted by PFAS contamination in the Cape Fear River and surrounding areas. This bill was an important step by legislators in recognizing that those responsible for the pollution should be held financially responsible for clean-up, and water systems and ratepayers should be repaid the expenses incurred already.



APPENDIX I

NCLM Government Affairs Team

WORKING AS ONE. ADVANCING ALL.

NCLM GOVERNMENT AFFAIRS TEAM

The League's Government Affairs Team embodies the organization's ideal of "Working as one. Advancing all." We are working on your behalf to make sure that the concerns of all North Carolina cities and towns are represented at the General Assembly, before state agencies during regulatory process, and wherever policies are considered that affect the state's municipalities. If you have any questions, please do not hesitate to contact any team member.

Erin Wynia

Director of Government Affairs

ewynia@nclm.org
Phone: (919) 715-4126
Cell: (919) 961-6108

John McDonald

Senior Government Affairs Associate

jmcdonald@nclm.org
Phone: (919) 715-8154
Cell: (919) 323-7510

Addison McDowell

Governmental Affairs Liaison

amcdowell@nclm.org
Phone: (919) 715-2924
Cell: (336) 251-8842

Scott Mooneyham

Director of Political Communications & Coordination

smooneyham@nclm.org
Phone: (919) 715-9768
Cell: (910) 988-8153

Beau Mills

Director of Urban Affairs

bmills@nclm.org
Phone: (919) 715-3912
Cell: (919) 637-0873

Derrick Applewhite

Grassroots Associate

dapplewhite@nclm.org
Phone: (919) 715-1229