



The legislature is moving quickly on their biennial budget. Rep. Jason Saine, Sr. Appropriations Co-Chair anticipates subcommittee votes May 2<sup>nd</sup> or 3<sup>rd</sup>. The Senate will likely offer its budget within a couple weeks after the House. Once the Senate and House finalize their budget compromise, the budget has been promised a veto Governor Cooper if it doesn't include his top--Medicaid expansion. The Senate has vowed there will not approve Medicaid expansion. Without veto proof margins in both chambers, it could be several months before a budget is enacted. If there is no budget by June 30<sup>th</sup>, state law kicks in to ensure that recurring items in last year's budget continue to be funded. This will keep some of the basics of state government running. New appropriation won't be funded like state match requirements for coastal storm projects.

Steve Smith, TISPC Chairman, and Bryan Chadwick, North Topsail Town Manager, had several visits with legislators April 9<sup>th</sup>. Their expertise helped to educate key budget and delegation members on the delay in FEMA funding from Hurricane Florence and what assistance was needed from the State to fill the gap.

The Senate is on Spring Break for Easter week, while the House was on break from April 17<sup>th</sup> to April 24<sup>th</sup>. Bills that don't impact the budget must pass their respective chamber by May 9<sup>th</sup>, which is putting a lot of pressure on bill sponsors to get their bills heard in committee and onto the chamber floor.

### LEGISLATION OF INTEREST

**SB 77 Ag Disaster Fund/Certain Counties** was signed by Governor Cooper on 3/8/19 (Ch. SL 2019-3). It extends the deadline to apply for the Hurricane Florence Agricultural Disaster Program of 2018 for certain counties that received a Presidential or Secretarial Disaster Declaration as a result of Hurricane Michael after the original deadline. The legislation requires the NC Department of Agriculture and Consumer Services to accept completed applications from people eligible for financial assistance for no more than 10 consecutive business days on which the federal government is not partially or fully shut down (effective upon becoming law). It expires on the date the Department has processed all applications validly received during this period.

**SB 95 Veterans Memorial Funds/Do Not Revert** passed the Senate (as a Proposed Committee Substitute) at the end of March, and was referred to the House Committee on Energy and Public Utilities. Changes to the bill, at the request of Sen. Harry Brown, would allocate and change the grant process for the \$5 million Resource Institute appropriation from the previous session. North Topsail will now receive a direct grant of \$1.6 million. The remaining \$3.4 million will remain under the administration of the Resource Institute and be split evenly between the towns of Surf City and Topsail Beach. Surf City and Topsail Beach have requested that they also receive direct grants.

**SB 177 Carteret Local Option Sales Tax for Dredging** would give Carteret County the option to ask voters to adopt a countywide quarter-cent sales and use tax to cover the costs of inlet and waterway dredging and maintenance. It would only apply to Carteret County, and would allow the funds to be used only for inlet and waterway dredging and maintenance.

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**SB 605 Highway Storm Recovery Act**, introduced in early April, is moving quickly through the Senate. It has been calendared to be considered by the full Senate on 4/29/19. The legislation would transfer funds to DOT to be used as a loan for cash flow needs as a result of disaster recovery.

**SB 608 / HB 846 Savings Reserve/Use Funds for Disaster Relief** are companion bills that were introduced this month. The bills would transfer funds (\$301,000,000) from the Savings Reserve to the Highway Fund to be used by DOT for cash flow needs related to disaster relief.

**HB 17 Local Option Meals Tax/Brunswick Co. Munis** was adopted as a proposed committee substitute in State & Local Government Committee. It will be heard next in Finance Committee, and then Rules. The will would allow the Brunswick County's municipalities to adopt a half-cent meals tax. The additional tax would require approval through a referendum that could be held as early as this year.

**HB 44 Fort Fisher Historic Site Funds** would allocate \$7.5 million for the completion of renovations at Fort Fisher and allocate \$500,000 to plan facilities for the state's Underwater Archeology Branch of the Office of State Archaeology to be located at the fort.

**HB 52 Wrightsville Beach Local Act Amendment** would clarify easement rights along the oceanfront properties to allow the town to build looped waterlines to improve water quality.

**HB 169 Loggerhead Turtle/State Saltwater Reptile** would adopt the loggerhead turtle as the state's official saltwater reptile.

**HB 204 Town of Beaufort/Annexation** passed the full House and will now be considered in the Senate. The legislation would give local control to Beaufort for the navigable waters around the unincorporated region of the Rachel Carson Reserve and extend local authority over anchoring of boats and operations of boats and vessels in navigable waters to the towns of Atlantic Beach, Bogue, Cape Carteret, Cedar Point, Emerald Isle, Indian Beach, Morehead City, Newport, Peletier and Pine Knoll Shores.

**HB 245 DEQ/Policy Changes** includes a provision that would extend from 15 to 30 days the amount of time the Coastal Resources Commission has to respond to contested cases petitions.

**HB 246 EQ/Fund and Fee Changes** would allow Division of Coastal Management to use up to 2 percent of the Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund annually to cover two positions: a beach and inlet project manager to oversee all activities related to beaches and inlets, and a manager to oversee financial management of water resources grants. The bill would also direct some of the fund be used to develop and maintain a database of all dredge material disposal sites in the state.

**SB 650 Simplifying NC Local Sales Tax Distribution** makes changes to North Carolina's local sales tax distribution, use, and allocation, including repealing GS 105-487 and GS 105-502 (concerning use of additional tax revenues by counties).

**HB 836 LRC Study - Navigable Waters** directs the Legislative Research Commission (LRC) to study additional regulation of navigable waters by local government. Outlines six responsibilities of the LRC as it undertakes the study, including examining current federal and state law regarding boat operation, no-wake zones, and channel markers and assessing local governments' ability to adopt and enforce local ordinances regulating navigable waters.