GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2019

H HOUSE BILL 557

Short Title:	Municipal Omnibus Bill. (Public)
Sponsors:	Representatives Ross and Adcock (Primary Sponsors). For a complete list of sponsors, refer to the North Carolina General Assembly web site.
Referred to:	State and Local Government, if favorable, Finance, if favorable, Rules, Calendar, and Operations of the House

April 3, 2019

A BILL TO BE ENTITLED

AN ACT TO MAKE VARIOUS CHANGES TO THE LAWS AFFECTING MUNICIPALITIES.

The General Assembly of North Carolina enacts:

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SECTION 1.(a) G.S. 105-373 is amended by adding a new subsection to read:

"(i) Relief from Collecting Unpaid Taxes After Ten Years. – The governing body of any taxing unit may, in its discretion, relieve the tax collector of the charge of taxes owed that are ten or more years past due when it appears to the governing body that such taxes are uncollectable."

SECTION 1.(b) This section becomes effective for taxable years beginning on or after January 1, 2019.

SECTION 2.(a) G.S. 105-472(b) reads as rewritten:

- "(b) Distribution Between Counties and Cities. The Secretary shall divide the amount allocated to each taxing county among the county and its municipalities in accordance with the method determined by the county. The board of county commissioners shall, by resolution, choose one of the following methods of distribution:
 - (1) Per Capita Method. – The net proceeds of the tax collected in a taxing county shall be distributed to that county and to the municipalities in the county on a per capita basis according to the total population of the taxing county, plus the total population of the municipalities in the county. In the case of a municipality located in more than one county, only that part of its population living in the taxing county is considered its "total population". In order to make the distribution, the Secretary shall determine a per capita figure by dividing the amount allocated to each taxing county by the total population of that county plus the total population of all municipalities in the county. The Secretary shall then multiply this per capita figure by the population of the taxing county and by the population of each municipality in the county; each respective product shall be the amount to be distributed to the county and to each municipality in the county. To determine the population of each county and each municipality, the Secretary shall use the most recent annual estimate of population certified by the State Budget Officer.
 - (2) Ad Valorem Method. The net proceeds of the tax collected in a taxing county shall be distributed to that county and the municipalities in the county in proportion to the total amount of ad valorem taxes levied by each on property having a tax situs in the taxing county during the fiscal year next preceding



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the distribution. For purposes of this section, the amount of the ad valorem taxes levied by a county or municipality includes ad valorem taxes levied by the county or municipality in behalf of a taxing district and collected by the county or municipality. In addition, the amount of taxes levied by a county includes ad valorem taxes levied by a merged school administrative unit described in G.S. 115C-513 in the part of the unit located in the county. In computing the amount of tax proceeds to be distributed to each county and municipality, the amount of any ad valorem taxes levied but not substantially collected shall be ignored. Each county and municipality receiving a distribution of the proceeds of the tax levied under this Article shall in turn immediately share the proceeds with each district in behalf of which the county or municipality levied ad valorem taxes in the proportion that the district levy bears to the total levy of the county or municipality. Any county or municipality that fails to provide the Department of Revenue with information concerning ad valorem taxes levied by it adequate to permit a timely determination of its appropriate share of tax proceeds collected under this Article may be excluded by the Secretary from each monthly distribution with respect to which the information was not provided in a timely manner, and those tax proceeds shall then be distributed only to the remaining counties or municipalities, as appropriate. For the purpose of computing the distribution of the tax under this subsection to any county and the municipalities located in the county for any month with respect to which the property valuation of a public service company is the subject of an appeal and the Department of Revenue is restrained by law from certifying the valuation to the county and the municipalities in the county, the Department shall use the last property valuation of the public service company that has been certified.

The board of county commissioners in each taxing county shall, by resolution adopted during the month of April November of each year, determine which of the two foregoing methods of distribution shall be in effect in the county during the next succeeding fiscal year. In order for the resolution to be effective, a certified copy of it must be delivered to the Secretary in Raleigh within 15 calendar days after its adoption. If the board fails to adopt a resolution choosing a method of distribution not then in effect in the county, or if a certified copy of the resolution is not timely delivered to the Secretary, the method of distribution then in effect in the county shall continue in effect for the following fiscal year. Provided, if a board of county commissioners changes the method of distribution from the prior fiscal year, such change from the prior fiscal year shall not become effective unless written notice is provided to the affected municipalities before December 15 in the year of adoption of the resolution and copies of such written notice are submitted to the Secretary. The method of distribution in effect on the first of July of each fiscal year shall apply to every distribution made during that fiscal year."

SECTION 2.(b) This section is effective when it becomes law and applies to resolutions determining the method of distribution adopted on or after that date.

SECTION 3. G.S. 75-41(e) reads as rewritten:

"(e) A violation of this section renders the automatic renewal clause void and unenforceable. Nothing in this section creates liability for any public officer or employee of a political subdivision of the State for disbursement of public funds pursuant to a contract rendered void under this subsection."

SECTION 4.(a) G.S. 143B-135.56(b)(2) reads as rewritten:

"(2) Thirty percent (30%) to provide matching funds to local governmental units or public authorities as defined in G.S. 159-7 on a dollar-for-dollar basis for local park and recreation purposes. purposes, to local governmental units

identified as a tier one area as defined in G.S. 143B-437.08, or to a local governmental unit located within a tier one area as defined in G.S. 143B-437.08. The appraised value of land that is donated to a local government unit or public authority may be applied to the matching requirement of this subdivision. These funds shall be allocated by the North Carolina Parks and Recreation Authority based on criteria patterned after the Open Project Selection Process established for the Land and Water Conservation Fund administered by the National Park Service of the United States Department of the Interior."

SECTION 4.(b) This section becomes effective July 1, 2019, and applies to allocations on or after that date.

SECTION 5.(a) G.S. 157-3(12) reads as rewritten:

- "(12) "Housing project" shall include all real and personal property, buildings and improvements, stores, offices, lands for farming and gardening, and community facilities acquired or constructed or to be acquired or constructed pursuant to a single plan or undertaking:undertaking to do any of the following:
 - a. To demolish, clear, remove, alter or repair unsanitary or unsafe housing; and/orhousing.
 - b. To provide safe and sanitary dwelling accommodations for persons of low income, or moderate income, or low and moderate income; and/orincome.
 - c. To provide safe and sanitary housing for persons of low income, <u>or moderate income</u>, or low and moderate income, through payment of <u>either or both of the following from any source:</u>
 - 1. rent subsidies from any source; and/orRent subsidies.
 - 2. Relocation assistance.
 - d. To provide grants, loans, interest supplements and other programs of financial assistance (including rent subsidies in furtherance of a program of home ownership) to persons of low income, or moderate income, or low and moderate income, so that such persons may become owners of their own housing or rehabilitate their own housing; and/orhousing.
 - e. To provide grants, loans, interest supplements and other programs of financial assistance to public or private developers of housing for persons of low income, or moderate income, or low and moderate income.

"Housing project" also includes any project that provides housing for persons of other than low or moderate income, as long as at least twenty percent (20%) of the units in the project are set aside for the exclusive use of persons of low income.

The term "housing project" may also be applied to the planning of the buildings and improvements, the acquisition of property, the demolition of existing structures, the construction, reconstruction, alteration and repair of the improvements and all other work in connection therewith."

SECTION 5.(b) G.S. 160A-497 reads as rewritten:

"§ 160A-497. Senior citizens programs.

(a) Any city or county may undertake programs for the assistance and care of its senior citizens including but not limited to programs for in-home services, food service, counseling, recreation and transportation, and may appropriate funds for such programs.

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- Any city council or county may contract with any other governmental agency, or with (b) any public or private association, corporation or organization in undertaking senior citizens programs, and may appropriate funds to any such governmental agency, or to any such public or private association, corporation or organization for the purpose of carrying out such programs. In the event funds appropriated for the purposes of this section are turned over to any agency or organization other than the city or county for expenditure, no such expenditure shall be made until the city or county has approved it, and all such expenditures shall be accounted for by the agency or organization at the end of the fiscal year for which they were appropriated. For purposes of this section, the words "senior citizens" shall mean citizens of a city
- or county who are at least 60-55 years of age."

SECTION 6.(a) G.S. 160A-31(i) reads as rewritten:

A municipality has no authority to adopt a resolution or petition itself under this Part "(i) for annexation of property it does not own or have any legal interest in. For the purpose of this subsection, a municipality has no legal interest in a State-maintained street unless it owns the underlying fee and not just an easement. The city council may include in the ordinance of annexation a description of the area to be annexed any State-maintained street, street rights-of-way, or easement."

SECTION 6.(b) G.S. 160A-58.1(a)(2) reads as rewritten:

It is signed by the city for the annexation of property the city does not own or "(2)have a legal interest in. For the purpose of this subdivision, a city has no legal interest in a State-maintained street unless it owns the underlying fee and not just an easement. The city council may include in the ordinance of annexation a description of the area to be annexed any State-maintained street, street rights-of-way, or easement."

SECTION 6.(c) G.S. 160A-58.7(b) reads as rewritten:

"(b)A city has no authority to adopt a resolution or petition itself under this Part for annexation of property it does not own or have any legal interest in. For the purpose of this subsection, a city has no legal interest in a State-maintained street unless it owns the underlying fee and not just an easement. The city council may include in the ordinance of annexation a description of the area to be annexed any State-maintained street, street rights-of-way, or easement."

SECTION 7. G.S. 160A-536(d1) reads as rewritten:

- Additional Requirements for Certain Contracts. In addition to the requirements of subsection (d) of this section, if the city enters into a contract with a private agency any person or entity other than its own forces or another governmental agency for a service district under subdivision (a)(1a), (2), or (2a) of this section, the city shall comply with all of the following:
 - (1) The city shall solicit input from the residents and property owners as to the needs of the service district prior to entering into the contract.
 - Prior to entering into, or the renewal of, any contract under this section, the (2) city shall use a bid process to determine which private agency person or entity other than its own forces or another governmental agency is best suited to achieve the needs of the service district. The city shall determine criteria for selection of the private agency person or entity other than its own forces or another governmental agency and shall select a private agency in accordance with those criteria. If the city determines that a multiyear contract with a private agency person or entity other than its own forces or another governmental agency is in the best interest of the city and the service district, the city may enter into a multiyear contract not to exceed five years in length. The city shall hold a public hearing prior to entering into the contract, which
 - (3) shall be noticed by publication in a newspaper of general circulation, for at least two successive weeks prior to the public hearing, in the service district.

for capital rehabilitation projects."

SECTION 9. Except as otherwise provided, this act is effective when it becomes

may be expended for previously completed capital improvements for which capacity exists and

18 law.