



North Carolina Chapter of the Appraisal Institute

Legislative Report
May 22, 2020

Due to falling tax revenues caused by the coronavirus shutdown, state lawmakers expect to face a budget shortfall of close to \$4 billion. That would be around 16% of North Carolina's \$25 billion budget — potentially requiring large cuts across state government. At a press conference this week, Senate President Pro Tem Phil Berger the fallout might not be as bad as it could have been, due to Republican-led efforts in recent years to add to the state's savings account — which has around \$1.2 billion in it. “Despite our revenues taking a hit, we've built up a fairly healthy rainy day fund,” Berger said. He also said there is no telling yet exactly how the state's financial standing will look in a few months, when the new fiscal year begins in July.

The House and Senate passed a joint bill Tuesday that extends the filing deadline for bills related to the budget until 4 p.m. on Tuesday May 26. House Speaker Tim Moore said that he heard from several lawmakers that they needed more time because COVID-19 prevented them from getting together with legislative staff. Previously the deadline was last Thursday.

Governor Roy Cooper on Wednesday signed an executive order (EO 141) moving the state into a “modest” approach to Phase Two of its reopening plan. It is a more moderate step than originally planned, and the stay-at-home order will be removed on Friday at 5 p.m. Cooper called Phase Two “safer at home.” The move allows restaurants, which had been limited to take-out or delivery service, to open at 50% capacity for dine-in customers. Personal care services, like hair salons, can also open at 50% capacity, but workers must wear face coverings when they are within six feet of someone. Equipment and furniture that touch a customer must be cleaned and disinfected between customers. Swimming pools can also open at 50% capacity, with additional restrictions. Summer camps, including overnight camps, may also reopen with restrictions. Childcare centers may reopen to all families. Bars, nightclubs, indoor fitness facilities, public playgrounds and indoor entertainment facilities like movie theaters and bowling alleys would remain closed. Mass gathering restrictions will be no more than 10 people indoors and no more than 25 outdoors. Cooper said religious and funeral services are exempt from the order, though there are recommendations. This order is scheduled to run through June 26.

Governor Cooper decided to make the move since the state is meeting three of its four benchmarks related to how the coronavirus is spreading throughout the state. North Carolina has leveled the number of people hospitalized by the virus and the number of people presenting with COVID-like symptoms at hospital emergency departments have decreased. While the number of lab-confirmed cases is increasing, state health officials chalk that up to increased testing. Since the state's percentage of positive tests among overall test remains around 7%, that percentage has leveled off in a way that it is acceptable to relax social restrictions.

The House and Senate adjourned this week and will reconvene next Tuesday.

BILLS OF INTEREST

House Bill 1156, Caswell Cty/Referendum on Countywide Zoning, would authorize the Caswell County Board of Commissioners to direct the County Board of Elections to hold an advisory referendum on whether to adopt a countywide zoning ordinance to implement zoning regulations for all unincorporated areas of Caswell County. The bill requires the Board of Commissioners to use the results of the referendum to determine residents' desires on zoning but specifies that the results are not legally binding on the Board of Commissioners as to its authority to adopt zoning and development regulation ordinances. The bill would require the referendum to be conducted on or before December 31, 2020. **Introduced by Representative Meyer and referred to the House State and Local Government Committee.**

House Bill 1158, Municipal Tax Certification, would help Edgecombe, Franklin and Nash counties collect delinquent property taxes by amending GS 161-31 regarding the information a county board of commissioners can require a county tax collector to certify for any deed transferring real property prior to registration. Clarifies that the county tax collector must certify that no delinquent ad valorem county taxes and no delinquent ad valorem municipal taxes are a lien on the property described in the deed. Additionally, requires the county board of commissioner's resolution instituting the certification requirement to direct how the county tax collector is to receive the certification regarding ad valorem municipal taxes if the county tax collector is not charged with collection for a municipality in the county. Further clarifies that the county tax collector must certify that no other taxes with which the collector is charged are a lien on the property described in the deed (previously, could be construed to have been limited to certification of other delinquent taxes with which the collector is charged). **Introduced by Representatives Barnes and Gailliard and referred to the House Finance Committee.**

Senate Bill 799, Temp Extension: Property Tax Discount Period, would require Pitt County to adopt a resolution or ordinance establishing a schedule of tax prepayment discounts, specifying the amount of discounts to be applied to taxes paid prior to the due date prescribed by State law and the periods of time during which the discounts are applicable. The bill would require the resolution or ordinance to be adopted no later than the 13th day of June preceding the due date of the taxes to which the schedule first applies. The bill deems any taxpayer who pays 2020 taxes to Pitt County prior to the due date and prior to the publishing of the new discount to be entitled to the discount in effect at the time payment was made. **Introduced by Senator D. Davis and referred to the Senate Rules Committee.**

BILL STATUS

Senate Bill 720, GSC Conforming Amends./2019 Land-Use Changes, is scheduled to be considered in the Senate Judiciary Committee on Tuesday May 26.

Senate Bill 729, GSC Modernize Partition Laws. is scheduled to be considered in the Senate Judiciary Committee on Tuesday May 26.

For more information about legislation described in the legislative reports, feel free to contact me at dferrell@nexsenpruet.com or (919) 573-7421. Information is also available on the General Assembly's website: www.ncleg.gov.

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