PROPOSED 2019-20 CHATHAM COUNTY LEGISLATIVE GOALS

NOTE: New goals are highlighted with green and revised goals from 2017 are indicated with yellow.

NEW! APPROVE NC PUBLIC SCHOOL BUILDINGS BOND ACT

GOAL: The General Assembly should approve the Public School Buildings Bond Act, which is supported by a huge coalition of stakeholders, to put a school facility bond referendum up for a statewide vote as soon as possible.

BACKGROUND: Chatham County supports the NC School Bond Coalition in its efforts to obtain passage of the Public School Building Bond Act, which would schedule a statewide vote on a school construction bond. The bond would raise \$1.9 billion for public school facility grants to help address the estimated \$8.1 billion in needs across the state. Based on estimates found at www.ncschoolbond.com this would give Chatham County approximately \$9.3 million for school projects.

REMOVE RURAL BROADBAND BARRIERS

GOAL: Remove barriers that prevent Counties from initiating and/or providing assistance for projects and services that would deliver broadband services to citizens. Remove barriers that prevent counties from obtaining funds for broadband projects. Remove restrictions that prevent providers from entering markets that are supposedly covered by other providers to open the market to competitive offerings. Extend state funding, grants and loans to ensure all that inadequately served and unserved rural areas are targeted for broadband service to every residence and business. Allow local governments to be active partners in broadband initiatives, including allowing them, if willing, to be providers of services.

BACKGROUND: The benefits of high speed broadband access to all residents, regardless of location, have been well covered in media, advocacy groups and various sources, including the FCC and the Whitehouse. Broadband is vital to economic development, job training, education, health and safety. Current laws do not allow a competitive environment. They provide definitive areas which specific providers can serve and make it difficult or impossible for other providers to exist in those areas. With territories held hostage by the large telecom providers and laws currently in place, the large telecom companies restrict access to this valuable resource and foster an environment where we are unable to determine who truly is not being served. Large telecoms have routinely installed fiber right by homes and businesses in order to provide service to select areas, but denying those same homes and businesses services.

REQUEST: Promote legislation that would remove these barriers and restrictions and put in place the support that will provide access to high-speed broadband to everyone in a highly competitive state. This means:

- Allowing local governments to be active partners in broadband projects serving the public, including allowing public facilities to serve as broadband hubs and providing some level of matching funds.
- Extending and increasing state funding for broadband efforts in rural areas that are unserved or under-served by broadband.
- Remove territorial locks that allow providers to pick who they will and who they will not serve.

ELIMINATION OR REPLACEMENT OF ECONOMIC DEVELOPMENT TIERS

GOAL: Eliminate the current usage of the state's economic development tier system for distribution of non-economic development funds OR replace it with a system that recognizes the vast wealth disparities within counties.

BACKGROUND: In December 2015, the Program Evaluation Division of the General Assembly released a report calling for the dissolution of the economic development tier system. The report summarized various ways that these tiers have not been effectively used to get non-economic development funds to the most distressed counties. However, the

General Assembly has failed to take action on this report and continues to use the current economic tiers for various grants and programs.

Chatham County serves as a key example of why the current tier designations are grossly unfair. The western part of the county, including Siler City, remains a very economically distressed area, even though the eastern part of the county is considered to be fairly wealthy. Over the years, the county and the western area, including Siler City, have missed out on funding that would greatly help this area take major steps toward economic recovery. Just a few weeks ago, Siler City received \$4 million of the \$8.87 million requested of the Golden LEAF Foundation to run water lines to the CAM Megasite in Siler City, but the tier designation prevented the town from getting additional funds for wastewater lines to the megasite. *See Attachment A for more information*.

REQUEST: We would ask that counties and municipalities have input and that the formula recognize the far-ranging economic differences that exist within most counties. Creating zones within counties would be a possible solution.

REINSTATE THE JORDAN LAKE RULES

GOAL: Begin immediate implementation and enforcement of the Division of Water Quality's recommended 2009 rules to protect the impaired waters of Jordan Lake.

BACKGROUND: Located in the Cape Fear River Basin, Jordan Lake is the water supply source for many communities, including Chatham County, Harnett County, Durham, the RTP and major sections of western Wake County (Cary, Apex and Apex Morrisville). All of these are experiencing rapid growth. Jordan Lake also is a prime recreation area for more than a million visitors each year. However, Jordan Lake was added to the federal list of "impaired waters" in 2002. This designation under the Clean Water Act requires the state Division of Water Resources (DWR) to prepare a plan to restore the lake's health by reducing pollution from contributing sources. In 2009, the DWR developed the Jordan Lake Rules as a nutrient management plan.

However, the General Assembly has taken action twice to delay the implementation of the rules. Efforts to reduce Jordan Lake's pollution issues with solar bees failed to have any impact. The State of North Carolina is required to take action to address the nutrient problem. While a few local governments, including Chatham County, have voluntarily implemented the Jordan Lake Rules, many upstream from Jordan Lake have not. In addition, a new law prohibits the application of any nutrient management rules to development in the Jordan Lake watershed that occurred or will occur between 2013 and 2020. To preserve this vital water supply, the General Assembly needs to proceed with implementation of the Jordan Lake Rules immediately. See Attachment B for more details.

REQUEST: Promote legislative action to provide real solutions to the impairment of Jordan Lake. The Jordan Lake Rules directly address these issues.

NEW! PROTECT THE PROPERTY TAX BASE FROM FURTHER EXEMPTIONS/EXCLUSIONS/DEFERMENTS

GOAL: Recognize and oppose any legislation that would further erode the tax base of counties and potentially add to administrative costs.

BACKGROUND: Over the years, substantial legislation has been introduced and passed that has applied property tax exemptions, exclusions and deferments to specific property types. The trend to exempt or exclude more property types is on the rise. This has gradually shifted the tax burden to a shrinking group of individuals. The 23 different property types that have received reductions, deferments, or full exemptions often continue to receive the same level of county-funded services. One recent example is the "builders' inventory exemption," which allows a builder to exempt the value of the dwelling improvement until the property is sold, when the exemption expires. This exemption reduced Chatham County's 2018 tax base by more than \$27 million in assessed value, which pushes the burden to other taxpayers, especially homeowners. Another example is the new "brownfields exemption." A secondary issue is the unfunded

mandate aspect of these changes in the property tax system. Each new exemption, exclusion or deferment can be very complex to implement, often requiring additional staff resources, software and other costs.

REQUEST: Oppose further assaults on the property base through exemptions, exclusions and deferments that continue to shift the tax burden to homeowners of all income levels and create administrative costs for counties.

NEW! PROTECT LOCAL CONTROL OF PLANNING, PERMITTING & INSPECTION FUNCTIONS

GOAL: Recognize and oppose additional legislation imposing state control over local land use, permitting and inspection functions.

BACKGROUND: Over the years, substantial legislations has been introduced and passed that has eroded local control over land use, permitting and inspections functions. Such legislation has several broad negative impacts:

- Limiting the voice of local voters in determining what their community looks like, its environmental projections
 and how it is managed: Local voters may want greater stream buffers or common sense regulation of oil and gas
 exploration. Yet, state legislation has taken aim at reducing local control over these issues. Increasingly legislation
 deters us from regulating high-impact or risky land uses, creates confusion between local and state agencies and
 adds more confusion to land use regulations.
 - For example, in June 2018, we amended our Subdivision Regulations to address state legislative mandates that: reduced developers' financial guarantees; limited projects requiring environmental impact statements; limited riparian buffer regulations; required an expedited review process for smaller subdivisions; and expanded the definition of agricultural use or agritourism to cover activities totally unrelated to agriculture. Also, we can no longer apply the county's recreation fee to smaller subdivisions, even though their residents often use county parks due to limited amenities in their community.
- Increasing public health and environmental risks: Each of the state-mandated revisions in the bullet has the potential for increased environmental and public health risks. For example, the lack of environmental assessments could hide potential dangers until too late. The expanded definition of agricultural uses included shielding these property owners from liability for damage to health or the environmental. Another area where the General Assembly has limited local control is coal ash landfilling. A few localities, including Chatham, will serve as the dumping ground for the entire state, but we have almost no authority to ensure the safety of landfilling practices and coal ash transportation.
- Forcing unfunded mandates on localities in terms of increased staffing, inefficient processes and software costs. A bill passed in 2018 mandates that building inspections be done within two business days of a request. This mandate does not consider that inspectors may be out for required training, vacation or illness. Nor does not it consider that some inspections are of highly complex projects requiring many hours of work. Local governments already are challenged to find qualified inspectors to fill positions, especially in fast-growing counties. The same legislation also increased local governments' burdens for records maintenance, staff administrative time and major revisions to our online permitting management software. In the end, we may have to increase permitting fees, which could deter the development that the General Assembly hopes to encourage.

REQUEST: Oppose further reduction in local control over land use, permitting and inspection functions.

CLARIFY SALES TAX COUNTY ASSIGNMENT

GOAL: Amend state sales tax legislation to require accurate county assignment of sales tax location for delivered goods so that the correct county is identified and receives the revenue it deserves.

BACKGROUND: Chatham County and several other counties continue to lose sales tax revenue due to vendors not properly designating the county location for delivery of goods. Sometimes, a vendor will use only the five-digit zip code, instead of the nine-digit zip code. In Chatham County, this means that very often the wrong county is credited for taxes

when, in fact, the destination of the delivery is inside our county. We lose out on revenue and the buyer often pays the higher sales tax rates of surrounding counties. We have worked diligently over the past two years to educate homebuilders and residents about this problem. We are starting to see some improvements, but retailers should be required to correctly assign sales taxes. See Attachment C for specific impact on Chatham County.

REQUEST: Introduce legislation to encourage the Department of Revenue to take actions to correct this problem.

ENSURE SAFETY OF COAL ASH REMOVAL

GOAL: Require air quality monitoring around all coal ash removal and off-site repository sites while work is being performed and ash is being disturbed, transported, and placed elsewhere. Also, the legislature should define and require health protections of workers on the sites.

BACKGROUND: Legislation related to coal ash cleanup and disposal passed during the 2017 Short Session and rated all but three coal ash pond sites in North Carolina as "low risk." However, the Cape Fear Steam station was rated as "intermediate risk," which means the ash must be moved somewhere by 2028. H630, as ratified, failed to address anything related to the protection of public health, air quality and the protection of workers involved in the process.

REQUEST: Advocate for legislation to define required air quality monitoring and ensure the health protection of workers on the sites.

PROVIDE PROCESS TO SEVER MINERAL RIGHTS AFTER NOTIFICATION

GOAL: Enact legislation to provide a process for extinguishing mineral rights, as recommended by the 2015 Study Report on Compulsory Pooling and Dormant Mineral Rights.

BACKGROUND: Chatham County property owners potentially face pro9111blems with severed mineral rights, which can affect their ability to finance or sell their property. In 1979, Chatham County sought special legislation to extinguish mineral rights for owners who either weren't using the rights for a period of 10 years or who had not recorded them for ad valorem taxes, as authorized by the legislation. This local legislation was then applied statewide when the General Assembly enacted GS 1-42.9. Since that time, concerns have been raised about the validity of the action because notice requirements may not have been sufficient.

The Study Report on Compulsory Pooling and Dormant Mineral Rights presented by the NC Department of Environmental Quality on November 18, 2015 recommended that the legislature consider enacting a new law to extinguish mineral rights on a similar basis, but strengthen the notice requirements.

Given the potential for hydraulic fracturing in Chatham and other counties, it is important to settle the issue of severed mineral rights as recommended in the Study Report. It is an important issue due to concerns about existing legislation and because mineral rights could have been purchased in the intervening time. The proposal from the report would not invalidate mineral rights registered under the old statutes.

REQUEST: Advocate for legislation related to severed mineral rights.

REVISED: HOME & COMMUNITY CARE BLOCK GRANT

GOAL: Increase the recurring state funding for the Home & Community Care Block Grant by \$7 million, as recommended by the NC Senior Tar Heel Legislature.

BACKGROUND: Additional funds for the HCCBG are needed to help address the service needs of our growing senior population. The Chatham County Council on Aging currently has 15 vulnerable elderly residents waiting for in-home aide personal care and 11 for Meals on Wheels. Another 8 families are waiting for caregiver respite. HCCBG is especially

important to a vulnerable non-Medicaid poor and near-poor senior population. Recent Chatham figures show more than a third of HCCBG clients (38%) report incomes at or below the poverty level. The figure is 46% for those receiving homedelivered meals.

REQUEST:

- Increase recurring funds by \$7 million, as recommended by the NC Senior Tar Heel Legislature.
- Continue the policy from early 1990s of allowing local discretion in determining best use of available HCCBG funds to identify and address the most pressing needs. Oppose legislative efforts to earmark funds for specific services, as happened in 2017.

NEW! SENIOR CENTER GENERAL PURPOSE FUNDS

GOAL: Increase state funding for the Senior Center General Purpose fund by at least \$300,000, as recommended by the NC Senior Tar Heel Legislature.

BACKGROUND: The North Carolina Senior Center General Purpose Fund has remained stagnant at \$1.265 million for a number of years. In fact, the last and possibly only increase for this fund source since it was established in 1998 was in FY 2008. The fund supports senior centers across North Carolina. Those achieving "Center of Excellence" status as Chatham's centers have receive a slightly larger share of funds. In the past year, the Chatham County Council on Aging received \$21,878 combined for our two centers, with a required 25% local match. Our two centers were among the 163 statewide to receive a portion of this funding, which helps us offer programming and support general operations. It can also be used to help renovate and maintain senior center facilities.

In 2017-18 General Assembly, legislators made a closed-door special allocations of \$671,000 to just seven aging agencies for various projects, rather than increasing funding statewide. This \$671,000 represents more than half of what was made available to all 163 centers in the state. We have not seen any official effort to identify needs across the state nor to invite other councils on aging to apply for additional funds.

REQUEST:

- Increase recurring funds for the State's Senior Center General Purpose Fund by at least \$300,000.
- Ensure that any future special allocations are provided through an open needs-based application process where all agencies may apply.

NEW! STATE RENEWAL OF SOLAR TAX CREDITS

GOAL: Reinstate the state solar tax credit that expired in 2015 to further incentivize the use and installation of renewable solar power.

BACKGROUND: North Carolina had one of the nation's best solar tax credits. Unfortunately, it expired in 2015, and nothing has been adopted to replace it. The credits would help residents, businesses and local governments update facilities with renewable solar energy equipment.

REQUEST: Support legislation to reinstate a North Carolina solar tax credit.

STATE FUNDING FOR ADULT PROTECTIVE SERVICES & GUARDIANSHIP SERVICES

GOAL: Increase state funding for Adult Protective Services and Guardianship Services through the Social Services Block Grant (SSBG) and Home and Community Care Block Grant (HCCBG).

BACKGROUND: Increases in state funding would help mitigate the increased costs the county has faced. As an example, in the current fiscal year, Chatham County Social Services expects to receive just \$19,200 in state dollars to support all adult services programs.

REQUEST: Support legislation increasing state funding for this critical programs.

Siler City:

A Tier 1 Community in a Tier 3 County

While Chatham County's remains classified as a Tier 3 county, the vast majority of our county is NOT a Tier 3 world. Siler City and much of western Chatham would never qualify as Tier 3 by most standards.

- If Siler City were a county, it would rank 98th in median household income.
- Siler City only had 69 new homes built from 2010 to 2015, compared to 504 in 2000-2009.
- More key statistics are noted below.

TIER 3 HURTS ECONOMIC DEVELOPMENT

A very small percentage of very wealthy people living in the fast-growing northeastern quadrant of Chatham County skew the overall picture. Siler City and other western communities have lost thousands of jobs in the past 10-15 years. They pay a big price for being forced into the Tier 3 category:

- MEGASITES: Chatham County has two of the largest industry-ready megasites in the state, including the CAM site next to Siler City. The county and Siler City have both committed almost \$1.15 million in funding to further prepare the CAM site. However, the Tier 3 ranking has already led to it receiving reduced funding from the Rural Infrastructure Authority to extend utilities.
- State Incentives: Tier 3 means that businesses interested in locating in the Siler City area will only qualify for Tier 3 state incentives, even though it is a Tier 1 community in bad need of business revitalization.



PAST BILLS THAT WOULD'VE MAKE IT EVEN WORSE

s126: This bill would change distribution the Article 40 sales tax so it is based on economic tiers. For Chatham County, that would mean a loss of about \$500,000 for the current fiscal year. It also means lost revenue for the towns, including Siler City, which would lose an estimated \$60,000 per year, equal to 1.5 cents on the tax rate.

Chatham County and our towns already lose considerable sales tax revenue to surrounding counties.

S660: This bill revises economic tiers so that all of Chatham County is in a new "attainment group," which further slashes potential state economic incentives for jobs created here. This would be devastating to our megasites and areas most in need of jobs.

Siler City Facts Tells the Story: A Tier 1 Community

	Siler City	State Average
Median Household Income	\$29,956	\$46,868
Per Capita Income	\$13,898	\$25,920
% of Persons Living in Poverty	26.3%	16.4%
Meantime Travel to Work	28.4 min.	23.9 min.
Average Weekly Wage All Industries	\$701.60 (countywide)	\$909.19

All are based on US Census Profiles 2011-15, except for average weekly wage from QCEW reports.

JORDAN LAKE NUTRIENT MANAGEMENT STRATEGY

Key issues for local governments charged with new rule implementation:

The Jordan Lake Nutrient Management Strategy ("Jordan Rules") aims to restore and maintain water quality, protect the lake's classified uses and maintain or enhance protections currently implemented by local governments in existing water supply watersheds. The <u>rules</u> (15A NCAC 02B. 0262-.0273) became effective Aug. 11, 2009. Session Laws <u>2009-216</u> and 2009-484 modified the rules.

Outreach, education and training resources may be found at www.jordanlake.org. Materials include an interactive map, links to legislation, contact information and training events. Additional resources and tools in development include a public outreach brochure to be distributed



to local governments and an approved riparian buffer model ordinance to be made available fall 2009. A model stormwater ordinance for new development will be available in September 2010.*

Stormwater Rules - New Development

- Local governments are required to develop stormwater programs that:
 - Approve stormwater management plans for new development.
 - Follow specific requirements of water supply watershed rules.
 - Ensure maintenance of best management practices (BMPs).
 - Ensure enforcement and compliance.
- Timeline for initial stages of new development stormwater implementation:
 - Feb. 2011* DWQ submits model stormwater program, including model ordinance and accounting tool for nutrient loading.
 - Aug. 2011* Local governments submit stormwater programs for review.
- Stormwater management plans are required for Federal and State (non-NCDOT) projects that disturb one-half acre or more of land.
 - Timeline: Feb. 2011* Federal and State (non-NCDOT) entities must submit stormwater management plans to DWQ for review.

Options for Offsetting Nutrient Loads

- Provides activities subject to various Jordan Rules (new and existing development, state and federal entities, agriculture and point sources) the option to purchase reduction credit from other sellers.
 - Must meet minimum onsite reduction requirements before purchasing credit.

Stormwater Rules - Existing Development

- Local governments must develop a Stage One program that includes the following:
 - Public education program.
 - Program to map MS4 system, outfalls, waters of U.S. and sanitary sewers.
 - Program to identify and remove illegal discharges.
 - Program to identify opportunities for retrofitting existing development.
 - Program to ensure maintenance of BMPs.
- DWQ is required to maintain a monitoring program in each arm of the Jordan Reservoir.
 - If monitoring results show impairment, local governments, state and federal entities must implement a Stage Two adaptive management program.
- ▶ Timeline for initial stages of existing development stormwater implementation:
 - Dec. 31, 2009 Local governments must submit their Stage One program.
 - March 1, 2014 If monitoring report shows impairment of Upper New Hope Creek, Stage Two program must be developed and implemented.
 - March 1, 2017 If monitoring report shows impairment of Lower New Hope Creek or Haw River, Stage Two program must be developed and implemented.



Riparian Buffer Rules

- 50-foot wide riparian buffers are required on all surface waters, including intermittent and perennial streams, lakes, ponds and reservoirs. These features must be present on one of the following to be subject:
 - Most recent printed version of the soil survey maps prepared by the Natural Resources Conservation Service; or
 - 1:24,000 scale quadrangle topographic maps prepared by U.S. Geologic Survey; or
 - Map approved by the Geographic Information Coordinating Council and the EMC.
- Local governments must develop and implement buffer programs except where DWQ has jurisdiction. DWQ shall implement buffers for:
 - Local government, state & federal activities.
 - · Activities under multiple jurisdictions.
 - Forest harvesting and agricultural activities.
 - Activities conducted in a location where there is no local government implementing one of the following programs at the time of the activity: NPDES stormwater, water supply or voluntary local stormwater or buffer initiative.
- Diffuse flow is required before stormwater runoff enters the buffer from any new ditch or manmade conveyance. It is required on all buffered streams, regardless of property size or type of land use.
- ▶ Timeline for initial stages of implementation:
 - Aug. 11, 2009 DWQ begins implementing riparian buffer rules in its jurisdiction.
 - Oct. 2009 DWQ makes model buffer ordinance available to local governments.
 - March 2010* Local governments submit local buffer programs for DWQ review.

Wastewater Discharge Rule

- Applies to existing wastewater treatment facilities that receive nutrient-bearing wastewater and whose discharges are subject to individual NPDES permits.
 - Distributes waste-load allocations of nitrogen and phosphorus among the dischargers within each subwatershed.
 - Sets limits on nitrogen and phosphorus loads from larger dischargers (permitted flow at or above 0.1 MGD).
 - Larger dischargers must optimize facilities to minimize nitrogen loads while process improvements are completed.
 - Provides for group compliance approach which allows dischargers to work collectively to meet their combined nutrient limits.
- Timeline for wastewater rule implementation:
 - Feb. 2010* Submit optimization reports.
 - Aug. 2010* Implement optimization.
 - 2010 Compliance for phosphorus limits.
 - 2016 Compliance for nitrogen limits.



Agriculture Rules

- Nutrient reduction goals for agricultural operations have been established.
 - Reduction goals must be met at the subwatershed level
- Watershed Oversight Committee is being established to initially implement rules.
 - Local advisory committees may be established if required.

Fertilizer Management Rules

- ▶ By August 2012, fertilizer application shall be made by an applicator that has completed nutrient management training OR pursuant to a nutrient management plan.
- Rule does not apply to use of fertilizer by homeowner on residential property.

Note: An online version of this fact sheet that includes direct links to the full text of the Jordan Rules, related documents and associated legislation is available at: www.jordanlake.org.



An Important Sales Tax Issue Affecting Chatham County Residents

Make sure you are buying in Chatham and paying the correct sales tax Save money and increase revenues for county services!

Sales tax should be based on where the goods are **delivered**. Chatham's sales tax rate of 6.75% is tied for **lowest** in North Carolina, so correct county designation is important and can save

Five of the eight border counties have HIGHER sales tax rates!

Vendors often use the **5-digit** zip code to identify the county, but much of Chatham is covered by zip codes that **cross over** from other counties



Areas where zip codes are shared with other

Which zip codes overlap into Chatham?

- 27330
- 27517
- 27349
- 27519
- 27355
- ____
- 27502
- 27523
- 2/302
- 27562

27713

- 2751427516
 - 2

What purchases can be affected?

- In-store purchases that you take home or have delivered to your home.
- Even stores located in Chatham can charge wrong sales tax
- Online purchases delivered to your

Why this matters to you:

- ☐ Paying correct sales tax may save money
 - 5 of 8 border counties have a higher sales tax rate and two are highest in the state
- ☐ Helping Chatham boost sales tax revenues will reduce the need to boost other taxes and fees.
- ☐ Bringing in our fair share of sales tax revenues will support:
 - Local schools
 - Law enforcement
 - Parks and recreation
 - Public libraries
 - Economic development

Sales Tax Calculation

	Correct	Incorrect
Price of item purchased	\$100.00	\$100.00
Sales tax	6.75	7.50
Total	\$106.75	\$107.50
Calculation:		
Sales tax/price (not total)	6.75/100	7.5/100
Sales Tax Rate	6.75%	7.50%

What you can do:

- Shop in Chatham County
- Know & use your 9-digit zip code when ordering
- If available, enter your county when ordering
- Make sure vendors are charging the correct sales tax rate of 6.75% and assigning it to Chatham County
- Tell vendors when they are charging the