



Senator Ellie Kinnaird News from The North Carolina General Assembly

July 23, 2007

Dear Friends,

The session will most likely end within the next two weeks if the House and Senate budget negotiators can agree on two items: how to pay for Medicaid when the state takes the responsibility from the counties and whether to allow counties to pass a land transfer tax by referendum.

There has been a great deal of fervor from the homebuilders and realtors in opposing the transfer tax. The tax would be less than 1% on a sale of property and is currently levied in six counties. Counties are desperate for funds for schools, economic development, and infrastructure. Property taxes have been rising all over the state to pay for this. But in the six counties that passed a transfer tax, property taxes have gone down. Further, building and economic development has boomed and most importantly, because of the transfer tax, support for education has taken them from among the worst in the state to the top. (Ironically, Washington County voters turned it down and are in the lowest tier of schools and have a high property tax.) The counties with the transfer tax increased their school funding 84% without an increase in property taxes, whereas the rest of the state grew 52% while increasing their property taxes. The transfer tax also helped reduce funding disparities between property-rich/urban districts and property-poor/rural districts in these areas. In 1991, local per pupil capital expenditures ranged from \$56 to \$239. It is easy to create a slogan, but harder to get the truth out.

Verla Insko and I are completing the local bills for Carrboro and Chapel Hill dealing with changes in election laws, including publicly financed elections, and giving developers incentives for building energy efficient buildings. My other bills are pending. The Protection for Victims of Human Trafficking passed a Senate Committee, but has to be approved in another and on the floor of the Senate. Then to the House for the same. I am hopeful to get the Spay/Neuter bill heard, to prevent the unnecessary slaughter of millions of animals.

The Energy bill with renewable energy requirements is headed for the House, but is flawed in allowing the utilities to charge customers for nuclear and coal plants before they have been built. It also exempts manufacturers from paying taxes on their electricity. When we exempt so many industries from taxes, the burden increasingly falls on you and me. We passed the Solid Waste Management Act to regulate massive land fills and promote recycling out of committee and hope it will sail through the Senate floor and the House. A very good bill will allow same-day registration during the early voting period. It should greatly increase the number of people voting. And smoking is slowly being choked out of our state with limitations on school grounds, hospitals, state buildings and universities.

Finally, a great day for our state occurred when we passed the Mental Health Parity bill - after 15 years. Even though it excluded coverage for children's mental health and drug and alcohol abuse, it is a great start.