THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: April 26, 2022

Subject: 2022 City Council Short Session Legislative Agenda

Staff Resource(s): Brad Branham, City Attorney

Action Requested: Adoption of the 2022 Short Session Legislative Agenda and direction to share with Asheville's Local Delegation

Background:

- The 2022 legislative short session of the North Carolina General Assembly will commence on May 18th of this year.
- The deadline for filing local bills with the legislative drafting office is May 9th.
- Historically, the City Council has adopted a legislative agenda to provide direction to our local delegation on those priorities for local or general legislation which the City wishes to pursue.

Council Goal(s):

- A Financially Resilient City, An Equitable & Diverse Community, A Well-Planned and Livable Community, A Clean & Healthy Environment, Quality Affordable Housing

Committee(s):

- Governance Committee - unanimously recommended to move forward to City Council

Pro(s):

- Provides direction to our local delegation on Council's legislative priorities, and serves as a starting point for presentation of potential general and local acts which would benefit the City.

Con(s):

- None.

Fiscal Impact:

- None.

Suggested Motion:

- Motion to adopt a resolution to approve the 2022 City Council Short Session Legislative Agenda and to direct the City Attorney to provide the resolution to the members of our local delegation.

Attachment(s)

- Resolution

RESOLUTION NO. 22-_____

RESOLUTION OF THE CITY OF ASHEVILLE ADOPTING ITS 2022 SHORT SESSION LEGISLATIVE AGENDA

WHEREAS, The 2022 legislative short session of the North Carolina General Assembly will convene on May 18th of this year; and

WHEREAS, The City Council of the City of Asheville has identified certain matters of local and State-wide interest where legislative action is needed or desired; and

WHEREAS, The City Council of the City of Asheville wishes to express its request for consideration and adoption of these initiatives to the General Assembly;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The City of Asheville Legislative Agenda for the 2022 Short Session of the North Carolina General Assembly, attached hereto as Exhibit A, is hereby adopted; and

The Asheville City Attorney is hereby directed to transmit a certified copy of this Resolution to the members of the General Assembly whose districts include the City of Asheville; and

The City Council offers the City's assistance to members of the General Assembly and the legislative staff with respect to any items listed on Exhibit A, including the provision of additional information, and further resolutions in support of specific bills; and

BE IT FURTHER RESOLVED that the Asheville City Council expresses its thanks and appreciation to the members of the local delegation for their service on behalf of the City of Asheville

Read, approved and adopted by the City of Asheville this 26th day of April, 2022.

_____ _____

CITY CLERK MAYOR

Approved as to form:

_____

CITY ATTORNEY

Exhibit A
CITY OF ASHEVILLE 2022 SHORT SESSION LEGISLATIVE AGENDA

Reform the Local Occupancy Tax Utilization
Buncombe County first obtained the authority from the General Assembly to levy an occupancy tax in 1983 through Session Law 1983-908. This law has been amended several times, most recently in 2015 via Session law 2015-128. In its present form, the Buncombe County occupancy tax constitutes a six percent tax on room rentals. From these funds the local Tourism Development Authority (TDA) is required to spend three-fourths of the total tax revenue on the promotion of travel and tourism, with the remainder being spent on capital expenditures for major tourism projects which increase the use of tourism facilities.

- Support legislation to amend or reform Session Law 2015-128 to direct a more equitable distribution of funds collected, expand the allowable uses of the funds to benefit the community, and increase the spectrum of qualified TDA board membership to allow for broader and more representative community engagement. The City of Asheville would also request that consideration be given to amending the committee guidelines for occupancy tax expenditures such that a distribution of at least 50% of collected funds be dedicated towards addressing local needs such as infrastructure and equity concerns. Finally, the City of Asheville would specifically request that allowances for membership be provided for community members working in the arts and entertainment industry, tourism based service workers, and those owning and operating short term rental or homestay properties.

Oppose Legislation that Would Limit Reasonable Regulation of Short Term Vacation Rentals
Multiple legislative initiatives were filed in the General Assembly during the previous session which, if adopted, might have stripped local governments of their ability to regulate the use of residential property as short term vacation rentals. This authority is absolutely critical for cities and towns with high demand for tourism accommodations. Without the ability to establish reasonable regulations around this land use, vital long term housing will be lost, desperately needed affordable housing will become even more limited, and the very character of neighborhoods will be threatened by a predominantly transient use. The City of Asheville believes that reasonable limitations on this type of land use are necessary to maintain the character and affordability of our communities, and that local governments are in the best position to balance those needs without placing undue restrictions on the use of property.

- Oppose legislation which would strip municipalities of the ability to reasonably regulate residential properties being utilized as short term vacation rentals.

Support for State and Local Reparations Efforts
On July 14, 2020, the Asheville City Council unanimously approved a resolution supporting reparations for Black Asheville. Since that time, other North Carolina counties and municipalities have followed suit with similar resolutions and related initiatives. The City of Asheville resolution specifically called upon the State of North Carolina and the federal government to initiate policymaking and provide funding for reparations. The City of Asheville remains committed to the task of reparations, but believes that the responsibility for this initiative rests with each level of government. New legislation and funding is needed to adequately repair the harms of the past for North Carolina's Black and Brown residents.

- Support legislation that would empower local governments, remove barriers, and provide funding to support reparations at the state and local level.

Support New Legislation and State Funding to Encourage Development of Affordable Housing
Rents and home prices are surging throughout North Carolina, especially in the largest cities. Recent studies suggest rents in Asheville have risen over 25% in the past year, drastically outpacing wage

increases. Without additional legislation to incentivise and/or subsidize the development of more affordable housing, cities throughout North Carolina will face increasing pressures resulting from this disparity up to and including a surge in homelessness. These efforts will be disproportionately felt by historically marginalized communities. The City of Asheville believes that dedicating remaining funds from the American Rescue Plan Act provided to the State would represent an excellent opportunity to stem this growing problem, while simultaneously generating economic development.

- Support legislation that would create new or increased incentives and subsidies for the development of affordable housing, especially in the State's largest metropolitan areas where this issue is most dire.

Authority to Conduct a Referendum on a 1/4 cent Sales Tax for Transit
Many cities, including the City of Asheville, are in desperate need of additional funding to support the continued growth of their public transit system. Oftentimes, such funding comes from a dedicated sales tax. Current legislative authority only permits such taxes to be imposed on a county-wide basis pursuant to a duly conducted voter referendum. It is the belief of the Asheville City Council that there is strong community support for such a tax within the City of Asheville, and perhaps in other locations as well, but this question could only be posed to the voters if additional authority is granted to allow the tax to be applied only within municipal limits.

- Support legislation to provide authority for Asheville, or general legislation to empower cities throughout the State, to conduct a local referendum on the institution of a municipality specific quarter cent sales tax to fund public transit.

Support State Funding to Provide a Cost of Living Increase for members of the Local Governmental Employees' Retirement System
The Local Governmental Employees' Retirement System is a pension plan administered by the Department of State Treasurer. Its stated mission is to preserve and protect the retirement benefit for current and future public employees in North Carolina. However, current retirees within the system have received few, if any, cost of living adjustments to their pension payments. The current economic climate has only exacerbated the effect of this on former public employees. The City of Asheville believes that the provision of State funding to provide a reasonable cost of living increase to this pension system would help its members better adjust to recent inflationary pressures, without further burdening local governments to increase their contributions.

- Support legislation that would provide State level funding for a cost of living increase to members of the Local Governmental Employees' Retirement System.

Authority for Electronic Meetings
As part of the work of the General Assembly to provide relief during the COVID-19 pandemic, the General Assembly passed amendments to Chapter 166A of the North Carolina General Statutes that provided clear authority for local governments and other public bodies to hold electronic meetings during a state of emergency declared by either the Governor or the General Assembly. However, after working through the many months of the pandemic, it is a concern of the City that once any state of emergency declared by the Governor or General Assembly ends, the clear authority to hold electronic meetings terminates. The City, along with other local governments, believes that the authority given should be made permanent, and usable at the discretion of local governments.

- Support legislation to make clear authority for electronic meetings permanent and usable at the discretion of local governments.