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The Recap

This year, I was fortunate to spend the Christmas holiday with a family member who's a long-serving Ohio mayor. Among the good-natured ribbing about which state can claim preeminence in creating aviation, we talked a lot about his work on behalf of his city. He described a recent contentious rezoning request, conversations with legislators about municipal finances, and efforts to clean up a vacant building in a growing area of town. Hearing about his experiences as a city leader—and the passion with which he told those stories—it felt like I could have been talking with any of our own local elected leaders here in the state that was clearly First in Flight.

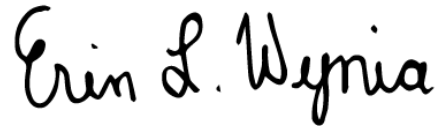
Creating opportunities to elevate local leaders' passion to improve their communities is one of the best parts of the job here at NCLM. One recent example of which I'm incredibly proud is our work on the Rail Response project. Our team supported members of the NC Metro Mayors Coalition as they learned how best to engage with state and federal partners, as well as the public, to increase passenger rail investments. To start, we formed an educational workgroup and created [a roadmap](#) for mayors to use. In turn, they used it in a series of meetings which we organized across the state, whereby the mayors uplifted their communities' desires to be more connected by rail.

These meetings captured the attention of media and the public, but perhaps most importantly, they captured the attention of federal officials who were making real-time rail funding decisions. With a boost from our mayors, the U.S. Department of Transportation granted planning funds for seven rail corridors from the mountains to the coast, a first step in developing new passenger rail service in those areas. At the

same time, USDOT also made a \$1 billion investment to upgrade the rail line that will significantly speed up travel times from Raleigh to Washington, DC.

The outcome of Rail Response showed that the unified voices of local leaders can play a significant role in directing federal dollars to North Carolina. That's what makes statewide advocacy campaigns so powerful. Whether it's in the halls of the General Assembly, or in this case, in front of the crowds back home, coordinated advocacy by community leaders pays big dividends.

Erin Wynia

A handwritten signature in black ink that reads "Erin L. Wynia". The signature is written in a cursive, flowing style.

Director of Government Affairs

Utilities Commission Issues Order in Electricity Rate Case

The North Carolina Utilities Commission has approved an order that will increase electricity rates for Duke Energy Carolinas users, including municipalities, although the exact rate schedule will not be issued until later this month. The order, unless overturned through court action, means that municipal street lighting programs will see an increase, but one that is less than initially requested by Duke Energy. It follows a similar pattern to the Duke Energy Progress (DEP) rate case, affecting those in the eastern half of the state, in which the regulatory body approved a 23.3 percent increase over several years for street lighting, rather than the 30.4 percent increase requested by the company.

The latest order for Duke Energy Carolinas users, primarily those in the middle and western parts of the state, comes after active participation by the League of Municipalities in arguing for lesser increases. Duke Energy has sought the increases in response to legislative and state Utilities Commission direction to pursue a 70% reduction in carbon dioxide emissions by 2030 and achieve carbon neutrality by 2050. The Utilities Commission orders may not be the final word regarding the rate hikes, as a group of industrial users has appealed the DEP case to the state Supreme Court and seeks to shift rates in ways that would reduce costs for large industrial companies but increase them for municipalities. The same group has asked for and received an extension of time to appeal the latest order, so another appeal may be coming. Once

state regulators release a final rate schedule, we will inform you of the exact increase.

Candidate Filing Sets Stage for March Primary

Candidate filing for the 2024 election concluded on December 15th with a total of 383 candidates running for state legislative races. The March 5th primary and subsequent runoff election May 14th, if needed, will set the general election ballot for 50 state senate and 120 state house races. A vast majority of the 170 state legislative candidates face no primary opposition.

In the Senate, 10 primary races will take place, with four for Republicans and six for Democrats. A similar picture developed in the House, where Democrats will have 13 primary contests and Republicans will hold primaries for 21 seats. Even once primary contests are completed, several incumbent legislators face no opposition. A total of 18 incumbent Democrats in the House and Senate face no primary opponent nor a general election opponent. Rep. Jason Saine is the only Republican in either chamber who does not have a primary or general election opponent.

Meanwhile, the State Board of Election (SBOE) took action this week to finalize the primary election ballot for President. The SBOE unanimously voted to support the NC Democratic Party's preference to have President Joe Biden appear as the only name on the party's primary ballot. The party's decision had been challenged by other declared candidates. While this is the final decision by the SBOE, it is likely to be challenged in state courts, along with other pending cases on whether former President Trump should be allowed on the ballot and ballot access questions for the Green Party and No Labels Party.

Late Audit Penalty Now Effective

With the new year, a number of new laws have taken effect, including [SB 299 Reimburse Late Audit Costs](#) with Sales Tax Revenue, which will affect municipalities with late audits. The new law, supported by the Treasurer Dale Folwell and former State Auditor Beth Wood, provides for state sales tax withholdings for local governments that fail to meet audit deadlines. The new law authorizes the Local Government Commission (LGC) to withhold 150% of the cost of the required audit or

150% of the actual fee for the most recently filed audit if the local government has not executed an audit contract for the current year audit. Governor Roy Cooper vetoed the bill, but the General Assembly successfully overrode the veto. The LGC approved a [resolution](#) in December that provides guidance to local governments that wish to appeal sales tax withholding penalties, and it has also indicated that it will target the most egregious offenders.



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