

ALERTS

North Carolina Legislative Report - February 8, 2013

February 2 - 8, 2013

The NC General Assembly reconvened January 9, 2013, opening the long legislative session. The MVA Public Affairs Legislative Report on North Carolina will be distributed weekly to keep you up to date on the latest legislative issues facing the state while the North Carolina Legislature is in session.

On the Floor

SB 10: Government Reorganization and Efficiency Act

The Senate passed legislation seeking to remove members of several boards and commissions and eliminate others altogether. Among those slated for elimination are the Charter School Advisory Committee, the Lottery Oversight Commission, the Turnpike Authority and the Board of Correction. The bill also contains a provision eliminating twelve special Superior Court judgeships.

Of note among commissions being wiped clean of current membership are the Utilities Commission, Environmental Management Commission, Coastal Resources Commission, Lottery Commission and Wildlife Resources Commission. These members would be replaced by gubernatorial and legislative appointments. SB 10 will make its way to the House next week where party leaders have signaled that they have some concerns and expect to take a slower approach to the bill.

The Senate passed a bill that would reorganize state boards and commissions and also removing appointees from several of the policy-making groups. It now heads to the House for approval.

HB 4: UI Fund Solvency and Program Changes

As predicted earlier, HB 4 (UI Fund Solvency and Program Changes) has been the fastest moving bill of the 2013 Regular Session. The bill was filed on the opening day of session and quickly heard in the House Finance Committee the following morning. The bill then received favorable votes in the House of Representatives on Monday and Tuesday of this week and in the Senate Finance Committee on Wednesday. Currently, the bill is scheduled for its second of three readings in the Senate on Tuesday, February 12th. It is very likely that the bill will be presented to the Governor for his signature by the end of next week.

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The bill has not changed substantively from what was recommended by the Revenue Laws Study Committee months earlier. (There was, however, a committee substitute for the bill that is intended to further streamline and modernize some rather outdated and difficult to read language.) The basic premise of the bill remains the same - it couples small increases in the State unemployment tax with significant unemployment benefit reductions. The proposal will allow the State's employers to repay their debt to the federal government four years quicker than currently anticipated, thereby avoiding the worst of mandated increases in the federal unemployment tax.

Democrats in both the House and Senate offered a number of amendments that would have had the primary effect of reducing the cuts to unemployment benefits. All of those amendments were defeated.

Tax Reform

While the House and Senate Finance Committees have been busy dealing with HB 4, tax reform has taken a back seat at the General Assembly. Most of the talk lately has gone back to "broadening the base, lowering the rate." There seems to be interest developing in reducing personal and corporate income tax rates while still maintaining the taxes. The revenue lost from lower rates could be recouped by a) eliminating credits and deductions, b) increasing the sales tax base by broadly expanding to services, or c) some combination of the two. There is growing talk of a broad expansion into taxing services while lowering the sales and use tax rate. As there is still no plan "on the table", speculation is high as to what shape tax reform will take.

HB 44: Transition to Digital Learning in Schools

- Passed 1st Reading on 2/4
- Referred to Committee on Education 2/4

HB 70: North Carolina Health Plan

- Provides for the North Carolina Health Plan to cover all state residents with comprehensive health coverage, as an alternate to a Health Benefit Exchange (H16/S4)
- Introduced by Representative Marcus Brandon (D-Guilford) on 2/5
- Passed 1st Reading on 2/6
- Referred to the Committee on Insurance on 2/6, and if given a favorable report will move to the Committee on HHS, and if favorable will move to Finance, and if favorable will move to Appropriations

HB 76: Authorize Special Plates

- Authorizes the use of special registration license plates
- Representative Bill Brawley (R-Mecklenburg) is the primary sponsor
- Filed in House on 2/6
- Passed 1st Reading on 2/7
- Referred to Committee on Rules, Calendar, and Operations of the House on 2/7, if favorable, Transportation, if favorable, Finance

SB 44: Workers' Comp Coverage/Public Records

- Permits disclosure of certain information pertaining to workers' compensation coverage by the NC Industrial Commission
- Senator Harry Brown (R-Jones, Onslow) primary sponsor
- Filed in Senate on 2/4
- Passed 1st Reading on 2/5
- Referred to the Committee on Commerce 2/5

Committee Meetings**Senate Education Committee**

On Wednesday, the Senate Education Committee took up S 14, Increase Access to Career/Technical Ed. The bill has three main components. First, it would establish "career", "college", and "college and career" endorsements for high school diplomas. The State Board of Education is directed to come up with standards for the endorsements which would signal student achievement. Second, the State Board would work to ease compliance with licensure requirements for career and technical education teachers. Finally, the State Board would work in conjunction with the Board of the Community College System increase the number of high school students engaging in career and technical education, especially in the areas of engineering and industrial technologies, and in other occupations with high numbers of employment opportunities. On Thursday, the bill passed the Senate unanimously.

Senate Finance Committee

Refer to Unemployment Insurance (HB 4) summary above.

House Regulatory Reform Committee

The newly created House Committee on Regulatory Reform held its first meeting this week to establish subcommittees and get an overview of how regulatory reform procedures. The committee's charge is to help foster a strong environment in North Carolina for private sector job creation by reviewing existing regulations in the state. After a briefing from staff on the rule making process, Chairman Rep. Tim Moffitt (R-Buncombe) announced the establishment of the following subcommittees:

- Business and Labor, chaired by Rep. Tom Murry (R-Wake)
- Environmental, chaired by Rep. Rick Catlin (R-New Hanover)
- Local Government, chaired by Rep. Bill Brawley (R-Mecklenburg)

In the News

2/7/2013

WRAL: Senate OKs overhaul of state commissions

The state Senate gave final passage to legislation that would fire all current members of several oversight and advisory boards.

WRAL: Senate passes bill to encourage vocational education

The state Senate voted 49-0 to pass a bill aimed at making vocational education more readily available to North Carolina high school students.

WRAL: Congressmen ask NC House to reject bill blocking Medicaid expansion

Three Democratic members of the North Carolina congressional delegation have asked state House leaders to defeat a bill passed in the state Senate that would prohibit the expansion of Medicaid to cover adults under the Affordable Care Act.

News&Observer: Lightfoot no longer taking N.C. Pre-K job

The state's health and human services agency is scrambling to find a director for its children's division after the new administration's first choice abruptly withdrew amid questions about her commitment to pre-kindergarten programs and criticism of her hotly worded online postings.

AP: New NC Democrats' chairman says they'll lead again

The new chairman of the North Carolina Democrats said his party will return to leading the state by building a youth-oriented grassroots movement and by contrasting itself with Republicans pushing what he calls a reactionary agenda.

Charlotte Observer: Lawmakers raise concerns about city's management of airport

Concern that the city of Charlotte will no longer manage Charlotte Douglas International Airport "wisely" is one factor behind the move to transfer control to a regional authority, according to one lawmaker.

2/6/2013

Wilmington StarNews: Catlin will lead environment panel on new Regulatory Reform Committee

First-term Rep. Rick Catlin (R-New Hanover) an environmental engineer, will serve as chairman of the Environment Subcommittee of the newly formed Regulatory Reform Committee, which will continue Republican efforts to reduce government regulations on businesses.

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AP: NC House panel OKs amendment on landowner rights

The North Carolina House resumed its effort to get a constitutional amendment on the ballot that makes clear governments can't condemn someone's land solely for private economic development.

AP: Richardson meets with NC Senate leader on stadium

Carolina Panthers owner Jerry Richardson has met with the Republican leaders of the North Carolina Senate to talk about improvements for the team's stadium in Charlotte.

2/5/2013

News&Observer: Bill to overhaul unemployment advances to NC Senate

A controversial bill that calls for a top-to-bottom overhaul of the state's unemployment system, including a major cut in benefits to jobless workers, is taking center stage in the Senate after being approved by the House.

2/4/2013

AP: NC health plan proposal penalizes smoking

Some North Carolina state employees, teachers and retirees could see even higher premiums if they smoke or fail to make other health choices starting next year under a proposal approved by State Health Plan board members.

Lexington Dispatch: Judge dismisses sweepstakes suit

Authorities can continue to enforce a sweepstakes ban after a judge's ruling in Davidson County Superior Court.

WRAL: DHHS asks for help to remake Medicaid program

The state Department of Health and Human Services wants some help reshaping the Medicaid program so it operates more efficiently.

News&Observer: In video, realtors association vows to fight 'home tax'

The N.C. Association of Realtors is sending a message to Republican lawmakers considering a tax overhaul: don't hike the real estate transfer tax.

2/2/13

News&Observer: McCrory takes his pro-business message to tobacco growers

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Gov. Pat McCrory pitched his pro-business agenda to a receptive audience: the annual meeting of the Tobacco Growers Association of North Carolina at the State Fairgrounds.

Charlotte Observer: Democrats accuse McCrory of meddling in local affairs

During his first campaign for governor in 2008, then-Charlotte Mayor Pat McCrory said there was a “culture of intimidation” in state government, with local mayors afraid to question the status quo in Raleigh.

AP: Panel says NC can issue more debt and remain sound

An annual study says improving revenues mean North Carolina government can issue more debt and still remain within borrowing guidelines that panelists believe help the state retain its top credit ratings.

News&Observer: Pittsboro mayor is new N.C. Democratic Party chairman

Pittsboro Mayor Randy Voller won a close race to become N.C. Democratic Party chairman Saturday, beating former congressman Bob Etheridge by a vote of 309-298 at the Durham Convention Center.

Greensboro News & Record: Budget cuts, red tape holding back N.C. Zoo

The zoo wants to be let off the chain. This year, it will renew its quest to convert operations to a public/private partnership that will enable greater flexibility, better fundraising and quicker action to build new exhibits and update older ones.

News@Norman: Rep. Saine may push bill to arm teachers with tasers

Saine said that he is considering a bill to allow trained teachers and administrators to use taser guns to shock and stun classroom attackers until law enforcement officers arrive.

Legislative Calendar

Mon, February 11, 2013

- 11:00 AM Rep. Insko / Press Conference Press Room LB
- 6:00 PM Session Convenes (House) House
- 6:00 PM Session Convenes (Senate) Senate

Tue, February 12, 2013

- 8:30 AM Appropriations on Department of Transportation (Joint) 1228/1327 LB

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- 8:30 AM Appropriations on General Government and Information Technology (Joint) 1425 LB
- 8:30 AM Appropriations on Justice and Public Safety (Joint) 415 LOB
- 8:30 AM Appropriations on Education/Higher Education (Joint) 421 LOB
- 8:30 AM Appropriations on Natural and Economic Resources (Joint)

Agenda: Organizational Meeting 423 LOB

- 8:30 AM Appropriations on Health and Human Services (Joint)

Agenda: HHS Overview and Appropriations Process 643 LOB

- 8:30 AM Appropriations Subcommittee on Natural and Economic Resources (Joint) Room 423 LOB
- 10:00 AM Judiciary II (Senate)

Revoke License for Passing Stopped School Bus. (S16)

Discharged Veterans/Identity Theft Protection. (S50)

1124/1224 LB

- 10:00 AM Health and Human Services (House)

No N.C. Exchange/No Medicaid Expansion. (S4)

544 LOB

- 10:00 AM Education (House)

Digital Learning Competencies School Emp'ees. (H23)

Transition to Digital Learning in Schools. (H44)

Internet Access for Public Schools. (H45)

643 LOB

- 11:00 AM CORRECTED -- Agriculture/Environment/Natural Resources (Senate) 1027/1128 LB
- 12:00 PM Transportation (House)

Remove Route Restriction for NC 540 Loop. (H10)

643 LOB

- 12:30 PM Rep. Hall/Press Conference Press Room LB

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- 1:00 PM CORRECTED -- Agriculture (House) 643 LOB

Wed, February 13, 2013

- 8:30 AM Appropriations Subcommittee on General Government (Joint) 1425 LB
- 8:30 AM Appropriations on Justice and Public Safety (Joint) 415 LOB
- 8:30 AM Appropriations on Education/Higher Education (Joint) 421 LOB
- 8:30 AM Appropriations on Natural and Economic Resources (Joint)

Agenda: Introduction to the Budget 423 LOB

- 8:30 AM Appropriations on Health and Human Services (Joint)

Agenda: Secretary Wos to present priorities for biennium. 643 LOB

- 10:00 AM Judiciary Subcommittee A (House)

Various Emergency Management Changes. (H15)

1228/1327 LB

- 10:00 AM CORRECTED -- Judiciary Subcommittee C (House)

Clarify Indecent Exposure Law. (H34)

415 LOB

- 10:00 AM CANCELLED -- Judiciary Subcommittee B (House)

Amend Habitual DWI. (H31)

Increase Year's Allowance. (H32)

421 LOB

Thu, February 14, 2013

- 8:30 AM Appropriations Subcommittee on General Government (Joint) 1425 LB
- 8:30 AM Appropriations on Education/Higher Education (Joint) 421 LOB
- 8:30 AM Appropriations on Natural and Economic Resources (Joint)

Agenda: Continuing introduction to the Budget, if needed. 423 LOB

- 8:30 AM Appropriations on Health and Human Services (Joint)

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Agenda: State Auditor Wood to discuss Medicaid audit. 643 LOB

- 12:00 PM Banking (House) 1228/1327 LB
- 12:00 PM Homeland Security, Military, and Veterans Affairs (House) 421 LOB

Tue, February 19, 2013

- 12:00 PM Press Conference/Rep. R. Moore Press Room LB
- 12:30 PM Rep. Hall / Press Conference Press Room LB
- 1:00 PM Rep. Moore/Common Cause Lobby Day 415 LOB

Tue, February 26, 2013

- 12:30 PM Rep. Hall / Press Conference Press Room LB

Wed, February 27, 2013

- 9:00 AM NCTA PRESS CONFERENCE Press Room LB

Tue, April 09, 2013

- 11:45 AM Rep. D. Ross/NC Women United's Press Conference Press Room LB