

# ALERTS

## North Carolina Legislative Report - July 3, 2014

June 30 - July 3, 2014

The General Assembly's Short Session began Wednesday, May 14, 2014. 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.

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### *Governor's Desk*

This week, the Governor signed into law H 1043, Prequalification Update; S 58, Clarify Statute of Repose; S 477, No Set Fee / Noncovered Vision Services; S790, Cape Hatteras / Gas Cities / Infrastructure Land; S 871, Raleigh / Durham / Annexation / Deannexation; and H 1220, Hope 4 Haley and Friends.

### *On The Floor*

This week the House passed S 594, Omnibus Justice Amendments; S 729, Coal Ash Management Act of 2014; S 761, Credit for Military Training; H 1181, NC Medicaid Modernization; S 794, Disapprove Industrial Commission Rules; and S 853, Business Court Modernization.

The Senate passed H 1052, Adjust the Utility Regulatory Fee; H 1025, DOT / DMV Changes; and S 773, Implement GSC Recommendations. The Senate failed to concur with S 614, Military Lands Protection Act, and S 648, NC Commerce Protection Act. Conference committees have been created for S 614 and S 648 so the Senate and House can work out final resolutions on both bills.

### *Committee Reports*

#### **House Environment Committee**

The House Environment Committee met on Tuesday, July 1, and Representative West chaired the meeting. The committee reviewed S 729, the Coal Ash Management Act of 2014. NCGA Research Division staff reviewed the various provisions of the legislation for the committee, and members were able to ask questions regarding S 729. This was a discussion only meeting, so no votes were taken.

On Wednesday, July 2, the House took up S 729 for consideration and adopted a House proposed committee substitute and a couple of amendments to the bill. The House PCS extends the date for the moratorium on rate cases for costs related to impoundments from January 15, 2015 to March 1, 2017, moves the Commission to the Department of Environment and Natural Resources (DENR), moves the deadline applicable to a prohibition on construction of new and expansion of existing impoundments from July 1, 2014 to August

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1, 2014, adds a variance provision for closure deadlines and several other provisions. S 729 was referred to the Senate Finance Committee for further consideration.

**House Finance Committee**

On Wednesday, July 2, the House Finance Committee met and approved five bills. Two local bills passed without debate – S 846, Shallotte Deannexations / Southport Occ Tax, and S 874, Spruce Pine Deannexation. H 1144, Study 1% / 480 Rate for Mill Machinery, would require a study of the types of equipment that are subject to the mill machinery tax in lieu of the sales and use tax. S 729, Coal Ash Management Act of 2014, would create numerous regulations with respect to the closing of coal ash ponds and the use of coal combustion products. S 853, Business Court Modernization, would make changes with respect to the type of cases that are heard in business court and would provide a mechanism for a corporation to merge itself into a wholly owned subsidiary to create a holding company structure without a shareholder vote.

**House Appropriations Committee**

The House Appropriations Committee met on Wednesday, July 2 and approved a committee substitute for H 1181, North Carolina Medicaid Modernization. The bill would establish a framework for moving the state's Medicaid program from a traditional fee-for-service model to a capitated model in which provider-led networks would assume most risks for costs under the program. The bill has now passed the full House and will head to the Senate.

**Joint Budget Conference Committee**

The Senate and House conferees for S 744, Appropriations Act of 2014, met on Wednesday, July 2. The conferees traded offers with respect to several key items regarding revenue availability or spending requirements. The conferees agreed upon numbers for projected reversions from the 2013-14 fiscal year, Medicaid cost overruns for the 2013-14 fiscal year, and Medicaid "re-base" requirements for the 2014-15 fiscal year. The conferees did not reach agreement on revenue availability from lottery proceeds.

***In The News***

The Associated Press: NC budget negotiators find agreement on Medicaid

Raleigh News & Observer: NC House, Senate move closer together, but budget deal uncertain

Charlotte Observer: N.C. House gives initial OK to coal-ash bill

WRAL: Compromise reached on Common Core repeal bill

Wilmington Star News: McCrory 'looking for common ground' in film incentives debate

Raleigh News & Observer: Senate leaders urge House to override veto

*Calendar*

Wed, July 16, 2014

1:00 PM

**Joint Legislative Program Evaluation Oversight Committee**

Agenda: Report on Child Support Services program; State Auditor presentation on DOA's Division of Purchase & Contract audit.

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