

ALERTS

North Carolina Legislative Report - May 10, 2013

May 4 - 10, 2013

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

- **H 274 Taxpayer Bill of Rights**
Re-referred to House Committee on Finance, 5/9/13
- **H 817 Strategic Transportation Investments**
Passed third House reading and ordered engrossed, 5/9/13
- **H 834 Modern State Human Resources Management/RTR**
Re-referred to House Committee On Appropriations, 5/9/13
- **H 1011 Government Reorg. and Efficiency Act**
Passed second and third House readings, 5/9/13
- **S 473 HealthCare Cost Reduction & Transparency**
Passed second and third Senate readings, 5/9/13
- **S 634 Increase Penalties/Utilities Theft**
Passed first House reading and referred to House Committee on Judiciary Subcommittee C, 5/8/13

Committee Meetings

Senate Agriculture/Environment/Natural Resources Committee

This week the Senate Agriculture/Environment/Natural Resources Committee passed four bills out of the committee. S 626, Recodify Animal Shelter Law, seeks to recodify and amend the existing law enacted to assist owners in recovering lost pets, relieve overcrowding at animal shelters, and facilitate adoptions from animal shelters. It also seeks to improve enforcement of that law by making it part of the Animal Welfare Act. S 636, Wildlife Resources Comm. Penalty Change, seeks to amend the Boating Safety Act by increasing the penalties and by amending the penalty provision for specific violations of the wildlife laws. S 636 has been re-referred to the Senate Judiciary II Committee. S 638, NC Farm Act of 2013, seeks to make various changes to laws that impact farming including limiting the liability of farm animal activity sponsors as a result of inherent risks of farm animal activities, limiting the personally identifying information that the Department of Agriculture may disclose about its animal health programs and expand the agricultural dam exemption to the Dam Safety Act. H 484, Permitting of Wind Energy Facilities, seeks to establish a permitting program for the

NORTH CAROLINA LEGISLATIVE REPORT - MAY 10, 2013

siting and operation of wind energy facilities.

Senate Commerce Committee

The Senate Commerce Committee met on Tuesday and Thursday of this week. On Tuesday, the committee heard and approved five bills. S 127, Customer Srvc., Econ. Dev., and Transportation, would establish eight geographically uniform zones throughout the state to facilitate constituent interaction with state agencies and would end state funding for the seven current regional economic development commissions. The Departments of Commerce, Transportation, Public Instruction, and Environment and Natural Resources would be required to co-locate liaison personnel at a facility in each zone. Most of the questions on this bill dealt with the zone to which specific counties were assigned. S 199, Electric Membership Corps/Member Control, would eliminate some reports electric membership corporations are currently required to submit with respect to long-range planning efforts. S 420, UI/Clarify Required Contributions, would make clarifying changes to the laws regarding unemployment insurance to make the statutes more easily understandable. S 613, Create Military Affairs Commission, reorganizes the North Carolina Advisory Commission on Military Affairs, provides it with broader responsibilities, and renames it the North Carolina Military Affairs Commission. S 648, NC Commerce Protection Act of 2013, was the most controversial bill on the agenda. It would a) make it a crime to lie on an employment application with the intent of gaining access to the facility to gain access to records or to make recordings, b) reduce the statutory rate of interest on judgments with respect to personal injury or wrongful death, c) prohibit third-party lawsuit loans, and d) provide limitations and transparency with respect to contracts between the Attorney General and private litigators.

On Thursday, the committee heard and approved five bills. S 73, Local Workforce Dev./Dislocated Workers, would require local workforce development boards to use a competitive selection process to hire agencies to provide services. S 327, Clarify Motor Vehicle Licensing Law, would make changes to the law with respect to automobile manufacturers and dealers. S 403, Amend Uniform Prudent Investor Act, would allow cemeteries and funeral homes more investment options to ensure the availability of pre-paid services or burial plots. S 468, Align Inspections W/Installer Licensing, would provide that when appliance installers are licensed to perform all aspects of an installation, no more than one permit and inspection would be required. Finally, HJR 444, Confirm Andrew T. Heath to Industrial Comm, confirms the Governor's appointment of Andrew Heath as Chairman of the Industrial Commission.

Senate Finance Committee

The Senate Finance Committee met on Tuesday and Wednesday of this week. On Tuesday, the committee heard and approved four bills. H 254, Zoning Changes/Notice to Military Bases, would amend the notice requirements that local governments have with respect to nearby military bases when changing zoning or other land use ordinances. S 380, Adjust Landfill Permit Fee Timing, would adjust the fee schedules for landfill permits to conform to changes enacted to the permits themselves in 2012. S 454, Registration of Petroleum Device Technicians-AB, clarifies that the Gas and Oil Inspection Board has the authority to register petroleum device technicians who perform necessary repairs to equipment. S 490, Exclude Custom Software From Property Tax, would do just as the short title suggests.

NORTH CAROLINA LEGISLATIVE REPORT - MAY 10, 2013

On Wednesday, the committee heard S 473, HealthCare Cost Reduction & Transparency, would create new reporting requirements for health care facilities on pricing for the most common procedures in each facility. The North Carolina Department of Health and Human Services (DHHS) would publish this information. In addition, certain facilities would also report on their annual expenditures on financial assistance and bad debt and make this information available to the general public. The bill would also prevent the UNC Health Care System and its affiliates from utilizing setoff debt collection procedures to collect outstanding debts from tax refunds and lottery winnings of debtors. The bill was approved with little debate.

Senate Education Committee

The Senate Education Committee met Wednesday to hear three bills. H 370, Respect for Student Prayer, allows students to pray silently at any time or out loud during non-instruction time if the prayer is initiated by students. S 444, UNC/Cherokee Language, requires schools in the UNC system to recognize the Cherokee language as a language that satisfies foreign language requirements for graduation. S 719, Student Organizations/Rights and Recognition, prohibits any UNC school or community college from denying recognition to student groups for exercising its right to free association. All three bills received a favorable report in committee and unanimous approval on the Senate floor.

House Commerce Committee

The House Commerce and Jobs Development Committee met on Wednesday to consider four bills. H 563, Foreign Trade Zone/Expand Def of Public Corp, would designate a certain type of entity as a public corporation. This will facilitate five counties in the northeastern part of the state in joining a free trade zone based around the Norfolk port. H 675, Amend Pharmacy Laws, makes several changes with respect to pharmacy technicians and audits and would provide for an expiration date for written prescriptions for Schedule II substances. H 680, Jump-Start Our Business Start-Ups Act, would provide an exception to the securities laws for certain types of capital-raising activities for small businesses. These three bills were approved by the committee. The committee failed to approve H 69, Opportunity Advancement Zones, which would have created enhanced tax incentive benefits for certain distressed areas in more prosperous counties.

House Public Utilities Committee

The House Public Utilities Committee met Wednesday to take up a trio of bills sponsored by committee chairman, Mike Hager. H 664, Cell Tower Deployment Act, amends the authority of local governments to regulate wireless telecommunication facilities to comply with the Middle Class Tax Relief and Job Creation Act of 2012. It received a favorable report and sent to the House floor. H 710, Water Utility Recovery, permits water utilities to adjust rates for changes in cost based on third party rates and authorizes the Utilities Commission to approve a rate adjustment mechanism for water and sewer authorities to recover costs for system improvements. H 710 received a favorable report from the committee with a referral to House Finance. A PCS was adopted for H 818, stripping it of the original content and replacing it with language authorizing qualified UNC institutions to self-perform energy conservation measures. H 818, University Energy Savings Contracts, received a favorable report in committee and was referred to House Finance.

House Education Committee

The House Education met Tuesday to address eight bills as they try to move bills out of committee ahead of the May 16 crossover deadline. H 691, Limit Soldiers Community College Tuition, waives the cost difference between the out-of-state tuition rate at North Carolina community colleges and the amount of tuition assistance available from the Department of Defense for active duty members of the Armed Forces. H 691 was approved by the committee with a referral to House Appropriations. Other bills passed out of committee include, H 337, Forsyth Tech Repurpose of Funds, H 537, Edenton-Chowan Sch. Board Terms, H 718, Study of Duty-Free Period for Teachers, H 968, Increase Successful CTE Participation and H 969, Broaden Successful AP Participation.

House Finance Committee

The House Finance Committee met Wednesday and Thursday of this week, while its subcommittees met on Tuesday. On Wednesday, the committee took up nine bills. H 526, Chadbourn Voluntary Deannexation; H 545, Modify Henderson Co. Occupancy Tax; and H 567, Lumberton Deannexation, are local bills that passed without controversy. H 364, Treas. Debt Issuance Accountability/PED Stdy, would require a study of State agencies' ability to enter into debt-like agreements without General Assembly oversight. H 442, Municipal Incorporation Changes, would add an additional requirement in order to apply for municipal incorporation. H 552, Remove Area From County Service District, would allow county commissioners to remove an area from a service district if certain conditions are met. Those three bills passed without controversy as well. The remaining three bills all generated some debate. H 269, Children w/Disabilities Scholarship Grants, would replace a tax credit for the special education needs of children with a grant program. H 341, Tax Credit for DoL Apprentice Hires, would allow for a tax credit of \$1,000 per employee hired and placed in a Department of Labor apprenticeship program. H 656, Forfeiture for Speeding to Elude Revisions, would transfer responsibility for certain seized vehicles from local sheriff offices to the Department of Public Instruction, which already has responsibility for vehicles seized as a result of DWI offenses.

On Thursday, the committee took up five bills. H 501, Buncombe Cty/Community College Projects, and H 562, Cramerton Charter Revisal, are local bills and passed without controversy. H 473, NC Captive Insurance Company, would authorize certain entities that provide insurance coverage to related members to incorporate in North Carolina. H 629, Amend Definition of Special Purpose Project, clarifies the definition of special purpose project for industrial revenue bonds so that it includes facilities involved in recycling agricultural or forestry waste. H 664, Cell Tower Deployment Act, would streamline the process for local government approval for the placement of wireless facilities. All of these bills passed easily.

House Environment Committee

The House Environment Committee passed one bill out of the committee this week. H 94, Amend Environmental Laws 2013, seeks to amend certain environmental and natural resources laws to allow landfill developments to apply for a permit to operate. It also clarifies the process for appeals from civil penalties assessed by a local government that has established an erosion and sedimentation control program. Finally, it seeks to provide that civil penalties assessed by a local government pursuant to the Sedimentation Pollution Control Act of 1973 shall be remitted to the civil penalty and forfeiture fund.

House Agriculture Committee

The House Agriculture Committee passed two bills out of committee this week. H 614, NC Agriculture and Forestry Act, seeks to provide that agricultural and forestry operations are not nuisances under certain circumstances. This bill has been re-referred to the House Judiciary Subcommittee A. H 628, Protect/Promote NC Lumber, seeks to protect North Carolina timber producers by requiring that sustainable building standards not disadvantage or forbid the use of building materials produced in this state.

Tax Reform

On Tuesday, Senate leadership held a press conference to outline their plan for tax reform this session. As expected, the plan focuses on reform of the corporate franchise tax and a lowering of the corporate income tax, a significant reduction of the individual income tax, and a broad expansion of the sales and use tax to services. Details of the plan are not available and it is unclear when a bill might be ready. On the other side of the building, the House of Representatives passed H 101, Repeal Estate Tax. As the title suggests, that bill would repeal the state estate tax effective for decedents dying on or after January 1, 2013.

*In the News***WRAL: Senate tries to demystify hospital bills**

Consumers would be able to compare prices for various medical procedures upfront under a bill that the state Senate passed unanimously Thursday.

News&Observer: Huge ranges in hospital prices, health care data show

A previously unreleased set of hospital prices and resulting payments made public Wednesday revealed a hidden world where charges set by some institutions can be three or four times higher than their competitors'.

WRAL: Proposed amendment would limit terms of House, Senate leaders

A bill approved Wednesday in the House would put a constitutional amendment on the ballot calling for term limits for House and Senate leaders.

WRAL: Commerce department to act more like private marketing firm

Top advisers encouraged Gov. Pat McCrory to move toward privatizing the Commerce Department's job recruiting operations in a white paper drafted a month before the Republican took office.

News&Observer: Regs may be reviewed

NORTH CAROLINA LEGISLATIVE REPORT - MAY 10, 2013

A House committee overwhelmingly approved a bill that would require state agencies to review regulations every 10 years by revising some and junking others.

Observer: Tillis: Airport authority bill likely to change

House Speaker Thom Tillis said Wednesday that he wouldn't "put much stock in" parts of a Senate-passed bill to create a Charlotte airport authority, sending the clearest signal yet that the measure will be changed.

News&Observer: Senate GOP debuts far-reaching tax overhaul

A far-reaching plan proposed by Republicans in the state Senate would slow government spending and affect the wallet of every North Carolinian as it slashes income tax rates and raises the cost of food, prescription drugs and more than 100 tax-exempt services.

AP: NC House seeks to revive commissions proposal

The North Carolina House is trying to revive a proposal to push out dozens of people from some state boards and commissions and downsize other panels.

News&Observer: NC House bill would end LEED certifications for state government buildings

A proposal to promote the use of North Carolina-grown timber in state government buildings could prevent state offices from receiving the prestigious LEED green building certification.

WRAL: House puts first nail in coffin for NC 'death tax'

North Carolina's estate tax would end under a proposal the House tentatively approved Tuesday.

News&Observer: Homeowners insurance bill is amended

A bill designed to make the state's ratemaking process for homeowners insurance more transparent and more understandable has been tweaked to address issues raised by industry and the state Insurance Department.

AP: NC Senate passes Charter School Board bill

A bill creating a separate approval and oversight board for taxpayer-funded charter schools in North Carolina has passed the state Senate.

TBJ: CEOs say N.C. is third-best state for business

A chiefexecutive.net survey of 736 CEOs across the country ranked North Carolina as the third-best state for business, after Florida (No. 2) and Texas (No. 1).

AP: Senate passes bill letting states tax Internet purchases, siding with traditional retailers

NORTH CAROLINA LEGISLATIVE REPORT - MAY 10, 2013

The Senate sided with traditional retailers and financially strapped state and local governments Monday by passing a bill that would widely subject online shopping — for many a largely tax-free frontier — to state sales taxes.

AP: 2 bills in NC House would bolster charter schools

Local school boards would have the authority to create charter schools and form more flexible arrangements with district-run schools under a pair of bills in the North Carolina House.

AP: NC loan interest changes given final Senate OK

Senate legislation sought by North Carolina's consumer finance companies to increase interest rate limits on installment loans and charge late payment fees for the first time is now heading to the House.

Observer: Charlotte pastor considers U.S. Senate run

One of Charlotte's most prominent church leaders — and a man at the forefront of last year's fight for North Carolina's marriage amendment — is weighing a bid for U.S. Senate.

Legislative Calendar

Mon, May 13, 2013

3:00 PM

Regulatory Reform -- CORRECTED (House)

Environmental Permitting Reform. (H480)

Building Code Exclusion/Primitive Structures. (H774)

Exempt Certain Columbariums/Cemetery Act. (H796)

643 LOB

4:00 PM

Judiciary Subcommittee B (House)

HOAs/Fidelity Bonds. (H793)

All Arrestees Fingerprinted/Photographed. (H535)

Ignition Interlock Req'd/All DWIs. (H536)

Property Owners Protection Act. (H632)

Abandoned Firearms to State Control. (H714)

Sex Offender/Expand Residential Restrictions. (H777)

NORTH CAROLINA LEGISLATIVE REPORT - MAY 10, 2013

Prohibit E-Cigarette Sales to Minors. (H864)
Amend Drug Laws/Ellison v. Treadway. (H888)
Fraud/Increase Penalties. (H908)
Specify Time/Reinstate License/Child Support. (H923)
Notaries/Private Right of Action. (H926)

421 LOB

4:00 PM

Commerce and Job Development -- CORRECTED (House)

Reinstate 2009 Energy Conservation Codes. (H201)
North Carolina Benefit Corporation Act. (H440)
Develop Rules for Release of Path Materials. (H168)
Spiritous Liquor Sales-Distilleries. (H842)

643 LOB

6:00 PM

Session Convenes (House)

House

7:00 PM

Session Convenes (Senate)

Senate

Tue, May 14, 2013

8:30 AM

Appropriations (House)

643 LOB

9:00 AM

Agriculture/Environment/Natural Resources (Senate)

Nutrient Management Standards Reform Act. (S515)
Amend Trapping Law. (S689)
Black Bear Management. (S352)

NORTH CAROLINA LEGISLATIVE REPORT - MAY 10, 2013

Amend Veterinary Practice Act/Fees. (S382)
Expedite Cleanup of Orphan Landfill Sites. (S580)

421 LOB

10:00 AM

Judiciary I (Senate)

OSC/Gov't Data Analytics/State Data Sharing. (S284)
Amend False Liens Law. (S584)
NC Commerce Protection Act of 2013. (S648)

1027/1128 LB

10:00 AM

Health and Human Services (House)

Amend Certificate of Need Laws. (H177)
Medicaid Managed Care/Behavioral Health Svcs. (H320)
Standardize Emergency Hospital Codes. (H634)
Prevent Hazardous Drug Exposure. (H644)
Study Medicaid Provider Hearings. (H674)
Exempt Continuing Care Facilities From CON. (H900)

544 LOB

10:00 AM

Education -- CORRECTED (House)

Charter School/LEA Accounting of Funds. (H273)
Increase Dropout Age From 16 to 17. (H287)
Comm. Coll. Trustee Appointments/Lee Co. (H512)
Ed. Services for Children in PRTFs. (H831)
Dropout Prev./Recovery Pilot W/Charters. (H884)
Education and Workforce Innovation Act. (H902)
Protect Religious Student Groups. (H735)

643 LOB

11:00 AM

NORTH CAROLINA LEGISLATIVE REPORT - MAY 10, 2013

Commerce (Senate)

Exclusion From Post-Construction Practices. (S294)
Winston-Salem/Local Development. (S297)
Electronic Vehicle Lien/Title. (S407)
Metal Theft Statute Amendments. (S583)
Exempt Certain Columbariums/Cemetery Act. (S607)

1027/1128 LB

11:00 AM

Agriculture/Environment/Natural Resources (Senate)

Coastal Policy Reform Act of 2013. (S151)
Amend Environmental Laws 2013. (S112)
Permitting of Wind Energy Facilities. (S491)
Limit Local Regulation Of Outdoor Smoking. (S703)

544 LOB

12:00 PM

Transportation (House)

Lengthen Replacement Cycle for School Buses. (H162)
Public Safety Technology/State ROW. (H348)
Customer Srv., Econ. Dev., and Transport'n. (H356)
Study Oversight of MPOs. (H378)
Omnibus County Legislation. (H458)
Ferry Tolling Alternatives. (H475)
Stock Car Racing Theme Plate Proceeds. (H485)
Buncombe MPO Membership. (H530)
Use Actual Alcohol Concentration Result. (H658)
Farmland Preservation/DOT Projects. (H920)
Restrict Railroad Height Change at Crossings. (H939)

643 LOB

1:00 PM

Insurance (House)

Mandate Autism Health Insurance Coverage. (H498)
Property Insurance Rate-Making Reform. (H519)
WC/Insurance Cancellation. (H639)

NORTH CAROLINA LEGISLATIVE REPORT - MAY 10, 2013

1228/1327 LB

1:00 PM

Finance (Senate)

Amend Petition & Method for Crit. Assessments. (S103)
Choice of Hearing Aid Specialist. (S248)
Salisbury/Deannex Rowan County Airport Property. (S269)
Jail Dormitory Minimum Standards. (S463)
Returns w/Refunds Filed Late Penalty. (S523)

544 LOB

1:00 PM

Agriculture (House)

Study Tobacco Acreage Assessment. (H816)
Weight Limits/Animal Feed Trucks. (S379)

643 LOB

Wed, May 15, 2013

10:00 AM

Judiciary Subcommittee A (House)

Judicial Department Travel Reimbursement. (H461)
NC Agriculture and Forestry Act. (H614)
Commonsense Consumption Act. (H683)
Health Care Conscience Protection Act. (H730)
NC Religious Freedom Restoration Act. (H751)
Ban Smoking in Foster Care Setting/Infants. (H805)
Job and Education Privacy Act. (H846)
Human Trafficking. (H855)
Modify Medicaid Subrogation Statute. (H982)

1228/1327 LB

10:00 AM

NORTH CAROLINA LEGISLATIVE REPORT - MAY 10, 2013

Education/Higher Education (Senate)

Counties Responsible for School Construction. (S236)

Prohibit Costly Local Government Litigation (for discussion only) (S674)

544 LOB

12:00 PM

Public Utilities and Energy (House)

Telecommunications/Universal Service Payments. (H854)

643 LOB

Mon, May 20, 2013

11:00 AM

Rep. Brandon & Rep. Bryan / Press Conference

Press Room LB

4:00 PM

Joint Legislative Program Evaluation Oversight Committee

544 LOB