

ALERTS

North Carolina Legislative Report - May 25, 2012

May 21 - May 25, 2012

On the Floor

The General Assembly has completed business for this week and will return for session on Tuesday, May 29th. Next week, the budget debate will dominate a major amount of time in the House since it will be rolling out the full committee report in House Appropriations/Base Budget Committee on Tuesday. The Senate will focus on education issues next week as the Excellence in Schools Act (S 795) comes before the Senate Education Committee on Tuesday with likely floor action later in the week.

Here are some key bills that moved in the House and Senate this week:

H5 - Local De-annexation (Passed 2nd reading 5/21/2012, awaiting 3rd reading in House) This bill repeals 9 involuntary annexations from across the state and puts a 12-year ban on the stated areas being involuntarily annexed from the enactment date. The nine annexations are from Kinston, Lexington, Rocky Mount, Wilmington, Asheville/Biltmore Lake, Marvin, Southport, Goldsboro, and Fayetteville/Gates Four.

H925 - Annexation Reform 2 (Passed 2nd reading 5/24/2012, awaiting 3rd reading in House) This bill is a response to the ruling by a Wake County judge that parts of the original annexation reform bill are unconstitutional. The fixes in this bill require an area to be annexed to have a referendum of all voters who live in the area and for that referendum to pass by a 50% majority vote. Should the annexation referendum fail, the area shall not be involuntarily annexed for at least three more years and still must pass the referendum.

S582 - Authorize Indian Gaming/Revenue (House Referred to Committee on Appropriations 5/21/2012) Earlier this year the Governor authored a new Tribal and Gaming compact with the Eastern Band of Cherokee Indians that would allow class III gaming on Indian properties. This bill codifies that agreement and legislates that the revenue owed to the State generated by the new gaming options will be used towards education funding.

S797 - Ensure Timely Payment of 2012 Medicaid Costs (Signed into law by Gov. Perdue 5/24/2012) This bill directs the Department of Health and Human Services to spend an additional \$205,500,000 in funding to fill a gap in NC's Medicaid program. The shortfall was caused by directed cuts from the General Assembly last year that has not yet been authorized by the federal government.

Committee Highlights

To view more information about each committee meeting, please click on the relevant committee below.

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Senate Commerce Committee

Regulatory Reform Act – New environmental regulations – streamlined or weakened, depending on your point of view – are taking shape in a proposal working its way through the state Senate. SB810, which is being called the Regulatory Reform Act of 2012, encompasses a hodgepodge of more than a dozen issues in a mere five and a half pages. The Senate Commerce Committee took its first look at the proposed legislation on Tuesday, where one of its sponsors announced it wasn't quite ready for a vote. It is being rewritten and will probably come back to the committee, said Sen. Harry Brown, a Republican from Jacksonville.

Senate Education/Higher Education Committee

Education Plans – Republican senate leaders want changes in public education. The rest of their plan, however, has not drawn the same praise. Senate Republicans want to intensify early-grade reading instruction, stop most third-graders who don't read well from being promoted, offer money for teacher merit pay, eliminate tenure, and pay for five additional instructional days in the school calendar. The cost would be about \$46 million next year and \$436 million over five years.

House Appropriations Committee

House Budget – Public school education cuts would not get worse, the state courts would escape major reductions, and federal elections grants would be unfrozen in the draft spending plans House members endorsed Thursday. The total budget, including the total the state House proposes to spend next year, is not available, but House members pushed major pieces through committees Thursday. Public schools, which were bracing for deep cuts next year, would get some relief. The House budget would essentially replace the \$259 million in federal money that's about to run out, and would erase the \$74 million reduction in state money schools were to take next year.

In the News

Unemployment Dips – More Tar Heels found new jobs in April, and North Carolina's unemployment numbers fell again last month. Those numbers don't reflect, however, those who may have simply stopped looking for work. The state's jobless rate in April fell to 9.4 percent, down from March's revised rate of 9.7 percent. The unemployment rolls shrank by 12,686 to 439,368 people out of work, the N.C. Division of Employment Security reported Friday. Employers added 1,474 jobs last month and 63,000 jobs since April 2011.

Annexation – The state House voted Thursday to make it much more difficult for cities to expand by annexing land even if property owners object, and to cancel contentious annexations by nine towns and cities. Final legislative votes for the two bills are expected next week. The House voted 70-44 to allow areas being annexed to stop the municipal expansion with a referendum requiring a majority vote. The margin suggested it might be difficult for supporters to override a veto if Gov. Beverly Perdue stepped in.

Fracking Task Force – With Republican lawmakers pushing to legalize fracking, Democratic Gov. Bev Perdue issued an executive order Monday that creates a task force to develop regulations for the controversial natural gas drilling method. The task force "will help to establish guidelines and create a framework for considering the type of standards that must be developed before any energy development begins," Perdue said in a

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statement.

DNC Lesson in Chicago – As Charlotte prepares to host Democrats, city officials, including police Chief Rodney Monroe, are on hand at the NATO conference to get firsthand experience with protesters at an international event. Charlotte got its first glimpse Saturday of how street protests could affect the city when the Democratic National Convention arrives.

Gambling Pact – Gov. Beverly Perdue and the Eastern Band of Cherokee Indians signed Tuesday an updated edition to its new agreement to allow live-dealer poker and other table games at the tribe's casino, a move designed to ease concerns of more state lawmakers. Perdue and Eastern Band Principal Chief Michell Hicks signed the amended compact in Perdue's office, nearly six months after they signed one to let the tribe offer games beyond the electronic and video games now available at its western North Carolina casino.

Hospital Settlement – State lawmakers announced Tuesday a cease-fire between WakeMed Hospital and UNC Health Care, bringing to a civil end an unseemly public battle that had landed at the legislature with WakeMed trying to buy its cross-town rival Rex Hospital. With the harmony comes an unexpected boon for Wake County: a \$30 million, 28-bed psychiatric facility UNC will build and operate, easing some of the charity care burdens WakeMed has carried for decades. Left alone is Rex Hospital, a UNC subsidiary that WakeMed tried to buy to level the playing field with UNC.

Campaign Endorsement – Former N.C. Gov. Jim Martin said Wednesday he's endorsing Republican Robert Pittenger in his July 17 runoff against Jim Pendergraph for a chance to represent the 9th Congressional District. Martin, the only Republican governor to serve two full terms in North Carolina, said in a statement he's been a close friend of Pittenger for more than 20 years, and has known him to be "a leader for conservative change."

Medicaid Fix – Gov. Beverly Perdue has signed into law a method to close a shortfall in North Carolina's Medicaid program this year that also contains a provision to slow efforts to privatize medical services for prisoners. Perdue's office said the governor signed the bill Thursday within hours of the Legislature giving its final approval to the \$206 million package that uses several sources to eliminate the Medicaid funding gap through June 30.

Heated Race – The barely 2-week-old campaign for governor has gotten off to a raucous start, with a lawsuit, threats of "evisceration" and the two national parties wading in playing hard ball. On Thursday, Republican candidate Pat McCrory called for a cease-fire, suggesting that he and Democratic rival Walter Dalton "pledge to not run ads that are clearly unfair." At the same time, McCrory's campaign filed a lawsuit in Wake County Superior Court against two Democratic groups running an ad critical of him – and said it will file another suit Friday against WTVD, the ABC affiliate in Durham, because it is running the ad.

Upcoming Committee Meetings

Tue, May 29, 2012

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9:00 AM Appropriations (House)

- Modify 2011 Appropriations Act. (H950)

10:00 AM Session Convenes (House)

10:00 AM Rep. Glazier/Press Conference (Time Change)

12:00 PM Transportation -- CANCELLED (House)

- Cancelled due to budget meetings
- NC Transportation Museum Special Plate. (H957)
- Jury Service/Exempt From Ferry Tolls. (H961)
- Permanent License Plates. (H989)
- Special Plate for Town of Matthews. (H992)
- Special Plate for Retired Register of Deeds. (H990)

5:00 PM Session Convenes (Senate)

1:00 PM Education/Higher Education (Senate)

- Nutrition Stds./All Foods Sold at School. (H503)
- Excellent Public Schools Act. (S795)
- Isothermal Community College Fed Loan Program. (S805)

Wed, May 30, 2012

8:30 AM Transportation (Senate)

- Strengthen Bd. of Trans. Ethics Policy. (S886)
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- Ethics Requirements for MPOs/RPOs. (S888)
- RPO Area Definition. (S889)
- Sec. of Transportation Project Approval. (S890)
- Update Ch. 136 with Term "Chief Engineer."-AB (S891)
- Require DOT Strategic Prioritization Process. (S892)
- Privacy of Turnpike Authority Toll Data.-AB (S893)
- DOT Division of Motor Vehicles Leg. Requests.-AB (S895)

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9:00 AM Appropriations/Base Budget -- CORRECTED (Senate)

- Excellent Public Schools Act. (S795)

10:00 AM Judiciary Subcommittee A (House)

- Passing Title by Will. (H1066)
- Co-owners/Unequal Shares/Simultaneous Death. (H1067)
- Amend UCC Article 9/Secured Transactions. (H1068)
- Intestate Property/Child's Year's Allowance. (H1069)
- Release Subdivided Lots From Tax Liens. (S486)
- Buyer Choice/Title Insurer & Closing Atty. (S518)
- Directed Trustee and Trust Protector. (S434)

12:00 PM Mental Health & Youth Services (Senate)

- Charitable Licensing Exemption Clarification. (H302)
- Enact First Evaluation Program. (H423)
- LME Governance. (S875)
- *HB 423 is a PCS - New Title: Adult Care Home Pilot/Buncombe County

1:00 PM Finance (Senate)

- UNC Non-Appropriated Capital Projects. (S444)
- Naturopathic Licensing Act. (S467)
- Modify Mortgage Regulation Funding. (S806)
- Expedited Rule Making for Forced Combination. (S824)
- Revenue Laws Tech., Clarifying, & Admin Chngs. (S826)

Thu, May 31, 2012

10:00 AM Health and Human Services (House)

- Bills TBA

1:00 PM State and Local Government (Senate)

- Edgecombe Co. Tourism Development Authority. (H204)
- Foxfire Village Assessment Validated. (H224)

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- Sampson-Delinquent Taxpayers. (H296)
- Clay County Courthouse. (S818)
- Iredell Register of Deeds Satellite Office. (S830)
- Durham City Assessments. (S848)