

ALERTS

North Carolina Legislative Report - June 28, 2013

June 22 - 28, 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 1006 Utilities Commission Confirmation**
Passed 2nd and 3rd Reading, Order Enrolled, Ratified
- **H817 Strategic Transportation Investments**
Signed by Governor
- **H 336 Continuing Budget Authority**
Ratified, Presented to Governor, Signed by Governor
- **S 328 Solid Waste Management Reform Act of 2013**
Passed 1st Reading, Referred to the Committee on Environment, if favorable, Finance

Committee Meetings

Senate Education Committee

The Senate Education Committee met Wednesday to take up three House bills. H 250, Charter School Enrollment and Charter Revisions, provides enrollment priority and procedures for certain students applying to charter schools and changes what qualifies as a material revision to a Charter application. H 250 received a favorable report in committee. H 269, Children with Disabilities Scholarship Grants, creates special education scholarship grants for children with disabilities. H 269 received a favorable report and was referred to the Senate Finance Committee. H 767, Corporal Pruitt Rainey Brass to Class, directs the State Board of Education to establish rules for awarding credit for prior work experience given to certain veterans for the purpose of placing them on state salary schedules. H 767 received a favorable report in committee.

Senate Agriculture/Environment/Natural Resources Committee

The Senate Agriculture/Environment/Natural Resources Committee passed two bills this week. H 816, Tobacco Growers Assessment Act, seeks to authorize tobacco growers to assess themselves to promote the interests of tobacco growers. H 94, Amend Environmental Laws 2013, seeks to amend various environmental and natural resources laws. Some of the key provisions in the bill include amending the provision of hydraulic fracturing fluid chemicals and constituents data to the Mining and Energy Commission and DENR, clarifying the process for appeals from civil penalties assessed by a local government that has established and administers an Erosion and Sedimentation Control Program, repealing 2008 and subsequent model year

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heavy-duty diesel vehicle requirements, and exempting certain radio towers from applicability with the Military Lands Protection Act.

Senate Finance Committee

The Senate Finance Committee met twice this week on Tuesday, June 25, and Wednesday, June 26. On Tuesday, the committee heard and approved 13 bills. Four local bills passed the Committee easily - H 334, Buncombe Cty Lottery Fund Use Expansion; H 404, Camden Local Stormwater Fees; H 409 Shelby Deannexation; and H 418, Buncombe Culture & Rec. Authority. H 110, Public Contracts/Project Labor, would prohibit the State and its political subdivisions from requiring or prohibiting project labor agreements (PLAs) in government construction contracts or conditioning the award of grants or tax incentives on the existence or absence of PLAs. H 257, Unclaimed Property Program Improvements, is a request of the State Treasurer's Office and would make technical changes to the administration of unclaimed property (i.e., escheated property). H 340, Limited Lines Travel Insurance, would authorize the Department of Insurance to regulate travel insurance producers and to allow a licensed travel insurance producer to offer travel insurance through travel retailers. H 343, Courts/Procedure and Fee Amendments-AB, would eliminate arbitration caps in district court, make clarifications to court fees, amend the motion fee exemption, require counties and municipalities to advance fees, and provide priority for the payment of criminal costs and fees. H 362, Dept. of Public Safety Changes-AB, makes a number of conforming changes to reflect the 2011 consolidation and reorganization of the Department of Public Safety and would authorize engineers with the Department of Public Safety to evaluate electric devices for use in the Department of Adult Correction. H 371, Chiropractic Assistant Certification/Fee-AB, amends the Chiropractic Practice Act to authorize the State Board of Chiropractic Examiners to certify chiropractic clinical assistants. H 754, Lease Purchase of Real Property/Comm. Coll., would authorize community colleges to acquire real property by lease purchase. S 488, Amend Nursing Home Administrator Act/Fees, would increase the education requirements for nursing home administrators and increase some fees. S 640, No Income Tax Withholding on H2A Workers, would exempt employers of H-2A agricultural workers from withholding state income tax on compensation paid to those workers to the same extent employers are exempt from withholding federal income taxes on the compensation

On Wednesday, the committee heard and approved nine bills. H 107, Eastern Region/Disbursement of Funds, would eliminate a participating county's ability to withdraw from the Eastern Region but would permit a participating county to obtain the disbursement of its net share of the tax proceeds placed in trust that serves as a revolving loan fund for economic development. H 296, Omnibus Wildlife Resources Commission Act, would make numerous changes to fees for hunting and fishing licenses, establish a black bear management stamp, limit the percentage of the operating budget the Wildlife Resources Commission may keep in reserve, and provide an annual target for utilization for the annual expendable interest of the wildlife endowment fund. H 462, Increase Family Court Fee, would increase the uniform hourly fee charged to persons receiving the services of a supervised visitation and exchange center through a family court program from \$30 to \$50. H 529, Edgecombe County Occupancy Tax Authorization, would authorize Edgecombe County to levy a room occupancy tax of up to 6%, the proceeds of which would be remitted to a Tourism Development Authority. H 816, Tobacco Growers Assessment Act, would authorize the Tobacco Growers Association of North Carolina, Inc., to conduct a referendum and to assess tobacco marketed in the State in order to promote the interests of tobacco growers. H 951, Eliminate Tax Designation for Political Party, would eliminate the North Carolina Political Parties Financing Fund and the applicable designation on individual income tax returns. S 261, Sales

Tax Refund for Regional Jails, would authorize a sales tax refund for regional jails identical to what is offered to other local government entities. S 480, UNC Capital Improvement Projects, would authorize the campuses of the University of North Carolina System to finance and construct capital improvement projects utilizing obligated resources (rents, charges, or fees; earnings on investments of endowment funds, overhead receipts, and other resources that do not include appropriations from the General Assembly or tuition). S 485, UNC/Report/E-Commerce/Improvements, would eliminate a duplicative reporting requirement regarding personal service contracts for the University of North Carolina, allow the Board of Governors to implement and expand the use of electronic commerce infrastructure and capabilities among the constituent institutions, and provide a property tax exemption for improvements to real property that are owned by a university organization and located on land owned by one of the constituent institutions.

House Education Committee

The House Education Committee met Tuesday to take up two Senate bills. S 444, UNC/Cherokee Language, requires schools in the UNC system to allow the Cherokee language to satisfy a foreign language requirement for degree completion. S 444 received a favorable report in committee and was calendared for July 9. S 337, NC Charter School Advisory Board, establishes the North Carolina Charter Schools Advisory Board and makes various changes to charter school laws. S 337 received a favorable report in committee and passed second reading on the House floor. Third reading on S 337 was postponed until July 8.

House Regulatory Reform Committee

The House Regulatory Reform Committee met Thursday to address two bills. S 159, Require Certain General Reappraisals, requires counties to do a general property tax reappraisal if certain conditions are met. S 159 received a favorable report and was referred the House Finance Committee. S 174, Disapprove Industrial Commission Rules, disapproves certain rules adopted by the Industrial Commission and provides specific directions to replace the rules and amend certain workers compensation provisions. S 174 received a favorable report in committee and passed by a vote of 101-2 on the House floor.

House Agriculture Committee

The House Agriculture Committee passed one bill this week. S 636, the Wildlife Resources Commission Penalty Changes, seeks to amend the Boating Safety Act by increasing the fines and amending the penalty provisions for specific violations of the wildlife laws.

House Finance Committee

The House Finance Committee met three times this week, once on Wednesday, June 26, and twice on Thursday, June 27. On Wednesday, the committee approved one bill. H 14, Rev Laws Technical, Clarifying, & Admin. Chg., was recommended by the Revenue Laws Study Committee and does just as the title suggests by making technical, clarifying, and administrative changes with respect to the revenue laws.

On Thursday, the committee had a full day with meetings in both the morning and afternoon. Three local bills involving annexation faced a tough committee. S 290, Waynesville Annexation, was displaced after the bill sponsor and members of the local delegation objected to changes that had been made in a PCS. S 312,

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Referendum on Incorporating Lake James, was given an unfavorable report by the committee. S 315, Municipal Services, passed despite a great deal of controversy. In part, it would require the City of Durham to provide certain municipal services to designated property and would legislatively annex that property into the city in 2023. Five public bills were also heard and approved. H 292, Study Music Therapy Practice Act, would require a study of the regulation of persons offering music therapy to the public. H 959, Large Mfg. Facility Extension/Study of 1%/\$80, would extend the sunset on some tax benefits relating to large manufacturing and distribution facilities and would require a study of the excise tax on mill machinery. S 280, DCR/Historic Sites/Fees, would allow non-State employees affiliated with the Transportation Museum to drive State-owned vehicles on the museum grounds, expand the authority of Cultural Resources and Tryon Palace to charge fees, and establish a special fund within the North Carolina Arts Council. H 565, Amend Real Estate Appraisers' Laws/Fees, would make changes to conform to federal law and would provide for some regulation between lenders, appraisers, and appraisal management companies. H 67, Permanent License Plates for Charter Schools, would clarify that public charter schools are able to receive permanent license plates.

Tax Reform

Tax reform efforts remained stalled in the final week of June. Neither the House nor the Senate publicly unveiled a new proposal. At the end of the week, there appeared to be movement towards a modified version of the bill tentatively approved by the Senate on June 13. The potential compromise would preserve many of the cuts for businesses contained in the Senate plan, albeit over a longer period of time, while also preserving the treatment of Social Security payments and the taxation of food as contained in the House plan. Big sticking points appeared to be a proposed cap on sales tax refunds to nonprofits in the Senate plan and the proposed elimination of itemized deductions under the personal income tax, also contained in the Senate plan. The House has announced that it would only be holding "skeleton sessions" the first week of July, so a timetable for further movement on tax reform is unclear at this point.

In the News

- AP: House Bill 998: Comparison of House and Senate versions of tax reform
- The Dispatch: Seven Apply for Dockham's seat
- News&Observer: Stop-gap budget would fund government through July
- AP: Business Taxes in spotlight of tax reform plan
- Charlotte Observer: Foxx Confirmation may come by Thursday
- News&Observer: Cain coy on Senate run
- News&Observer: Joe Stewart named NCFREE director
- AP: Finley to stay chairman of NC Utilities Commission
- News&Observer: NC Republican legislators' impasse over competing tax plans affecting other state bills
- Charlotte Observer: Cabinet post caps Charlotte Mayor Anthony Foxx's steep ascent

Legislative Calendar

Mon, July 01, 2013

4:00 PM

Session Convenes (House)

House

7:00 PM

Session Convenes (Senate)

Senate

Tue, July 02, 2013

11:00 AM

Agriculture/Environment/Natural Resources (Senate)

Various Emergency Management Changes. (H15)
Amend Local Solid Waste Planning. (H321)

544 LOB

12:00 PM

State and Local Government (Senate)

Modify Internal Auditing Statutes. (H417)
High Point Elections. (H468)
Tryon Charter Amendments. (S283)
Grifton/Deannexation. (H191)
Stanly County Commissioners and Bd. of Ed. (H1005)
Roanoke Rapids Graded School District. (H546)

1124/1224 LB

12:00 PM

Transportation -- CANCELLED (House)

643 LOB