

# ALERTS

## North Carolina Legislative Report - March 22, 2013

March 16 - 22, 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*

#### **Governor's Office**

Governor Pat McCrory unveiled a \$20.6 billion annual budget Wednesday that would hire more teachers, plow more money into early childhood education, give raises to state employees and tackle a number of items he has talked about for the past year.

Press Release: Governor Pat McCrory signed two bills this week to help expand digital learning initiatives and promote technology in the classroom.

- House Bill 23 - a bill directing the State Board of Education to develop and implement digital teaching and learning standards for teachers and school administrators and to ensure provision of high-quality, integrated digital teaching and learning to all students.
- House Bill 44 - a bill signaling North Carolina's intent to transition from funding textbooks to digital learning materials in public schools by 2017.

#### **Senate**

Democratic Senator Dan Clodfelter of Charlotte filed a bill Thursday that would reduce personal and corporate income tax rates and the state sales tax rate. The proposal also eliminates many credits and exemptions and makes the sales tax applicable to services like repairs, entertainment and landscaping.  
Source: AP

S83, proposes to encourage volunteerism from licensed professionals at free health care clinics by limiting the liability they have faced in the past. The bill would require signage to be posted in free clinics to display to patients that there is no liability for damages for injuries occurred by reason of an act or omission in the provider's voluntary provision of health care services, unless the injuries or death were caused by gross negligence, wanton conduct or intentional wrongdoing. S83, received a favorable report in committee and passed its second and third reading in the Senate. It will be sent to the House next week.

**NORTH CAROLINA LEGISLATIVE REPORT - MARCH 22, 2013**

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**H150 - Zoning/Design & Aesthetic Controls**

A bill that clarifies when a county or municipality may enact zoning ordinances related to design and aesthetic controls was Thursday referred to the Senate Rules Committee.

**H271 - Confirm Utilities Commission Appointment**

A bill to confirm the appointment of Don Baily to the Utilities Commission was referred to the Senate Rules Committee Wednesday.

**S397 - Natural Gas/Rate Adjustment Mechanism**

A bill was introduced in the senate Thursday that would authorize the utilities commission to adopt, implement, modify, or eliminate a rate adjustment mechanism for natural gas local distribution company rates.

**House of Representatives**

A bill filed Wednesday would allow court clerks, sheriffs or magistrates with at least 10 years experience, and any law enforcement officer with at least 25 years experience, to be a district court judge. H397 proposes a constitutional amendment allowing the non-lawyer judges. It would require a three-fifths vote in the General Assembly to put it on a statewide ballot for approval. Source: News & Observer.

**S9 - Utilities/Design/Survey Location Services**

A bill requiring utility owners to locate and describe underground utilities was referred to the house commerce committee Thursday.

***Committee Meetings*****Senate Appropriations Committee**

A senate committee advanced legislation Thursday morning that would void Raleigh's lease of the Dorothea Dix site. An amended version of S334 passed the Senate Appropriations Committee on a voice vote and is expected to go to the full Senate next week. Source: WRAL

**Senate Finance Committee**

The Senate Finance Committee met on Wednesday to take up six bills. Five of the bills were approved overwhelmingly with little to no debate. Those bills were S8, Increase Fine for Vehicle Removal; S71, Amend Irrigation Contractors Licensing Laws; S152, Correct Tech Error in Burgaw Occupancy Tax; S172, Modify Jacksonville Occupancy Tax; and S177, Hookerton/Maysville Satellite Annexations. The Committee also took up S207, Maintaining Water & Sewer Fiscal Health. That bill passed unanimously after a lengthy discussion.

**NORTH CAROLINA LEGISLATIVE REPORT - MARCH 22, 2013**

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The bill would allow the local government commission to take over the operations of a water/sewer enterprise system owned by a unit of local government if one or more specific indicators of fiscal stress were present. The Treasurer's Office indicated that there are approximately 20 systems in the State that could be impacted by the bill in the near future.

**Senate Commerce Committee**

The Senate Commerce Committee passed two bills out of committee this week. S175, Banking Laws Clarifications/Corrections, seeks to make various clarifications and corrections to Chapter 53C of the General Statutes. S148, Exempt Certain Steel Tubing/Electrical K'ors, seeks to exempt the bonding of corrugated stainless steel tubing gas piping systems from licensing requirements under the laws pertaining to electrical contractors.

**Senate Health Care Committee**

The Senate Health Care Committee met on Wednesday to discuss two bills sponsored by Senator Stan Bingham, R-Davidson. The first, S140, increases the recognition, reporting and prosecution of people who seek to defraud or financially exploit the elderly. The bill also moves that the task force who will oversee these crimes, report their findings and recommendations to the Study Commission on Aging annually. One amendment by Senator Allran, R-Alexander, was passed and bundled into the Proposed Committee Substitute (PCS). The amendment changes the word "older" to "elderly" in the title and throughout the bill. S140 PCS passed unanimously and will be sent to the Judiciary 1 Committee for further review. The second bill, S83, proposes to encourage volunteerism from licensed professionals at free health care clinics by limiting the liability they have faced in the past. *See Senate report above for more information.*

**Senate Education Committee**

The Senate Education Committee met to take up S231, Modify Duties/Advisory Council on Indian Education. This bill modifies the duties of the State Advisory Council on Indian Education to require an annual review of data on Indian students provided by the Department of Public Instruction and to give an annual presentation to the State Board on ways to meet the educational needs of Indian students more effectively. S231 received a favorable report and was placed on the Senate calendar for Tuesday, March 26.

**Senate Ag/Environment/Natural Resources Committee**

The Senate Agriculture/Environment/Natural Resources Committee met this week to take up S205. S205, Eliminate Unnecessary Testing/Animal Waste, eliminates unnecessary soil testing requirements in animal waste management plans. If signed into law, waste management plans required for an animal operation would only be required every three years versus the annual requirement currently on the books. SB 205 received a favorable report from the committee and was passed out of the Senate.

**House Finance Committee**

**NORTH CAROLINA LEGISLATIVE REPORT - MARCH 22, 2013**

---

The House Finance Committee met on Tuesday to take up four bills. Three of the bills were approved overwhelmingly with little to no debate. Those bills were H257, Unclaimed Property Program Improvements; S84, Cancel Aircraft Lien W/Surety Bond Deposit (this bill has now been ratified by both chambers and presented to the Governor); and S97, Property Tax/Deannexation. The Committee also took up H174, NC Railroad Company Reporting and Dividends. That bill makes several changes to the governance of the North Carolina Railroad Company intended to strengthen oversight by the State, annual reporting requirements, and strategic planning. The bill also requires the Railroad to pay a one-time dividend to the state (the state is the sole shareholder of the North Carolina Railroad Company) of \$15.5M no later than June 30, 2013, and an annual dividend on or before January 15 thereafter equal to 25% of the railroad's income from its trackage rights agreements for the prior year. These funds would be directed to the Repairs and Renovations Reserve Account to pay for repairs to state properties. There was a great deal of discussion in the committee about whether the funds should be retained by the railroad for rail infrastructure development or it should be a dividend paid to the state. There was also discussion of whether a dividend paid to the state should be directed to the Repairs and Renovations Reserve Account or used to fund state transportation priorities. The bill was approved by the committee on a voice vote.

A bill that would allow Charlotte to use a pair of tourism-related taxes to help fund improvements to Bank of America Stadium got a little more complicated Thursday morning. The House Finance Subcommittee on Occupancy Taxes revised parts of the bill, which would allow the city to use excess money from a local occupancy tax and a prepared food and beverage tax to help the Carolina Panthers improve the facility. Source: WRAL. Charlotte Observer.

**House Education Committee**

The House Education Committee met this week to address a number of bills looking at charter and home schools. The Committee passed H176, Charter School Election that allows the Board of Directors of Corvian Community School to participate in the teacher's and state employees retirement system and state health plan. H250, Charter School Enrollment establishes enrollment and priority procedures for certain applicants. HB 230, Amend Law Defining Home Schools, restricts the home schools to no more than the children of two families. All three bills received a favorable report from the committee.

Also taken up by the committee where H249 and H255. H249, Substitute Teacher Deduction/Personal Leave, requires schools to refund the fifty dollars teachers must pay when taking personal leave if a substitute teacher is not hired. H255, UNC Tuition Surcharge/Advance Notice, requires schools in the UNC system to notify students when they are approaching the credit hour limit that would trigger a tuition surcharge. In addition to the notification, this bill requires that certain courses and credit hours transferred to another school in the UNC system not be included in the calculation of credit hours for the purpose of the tuition surcharge. Both of these bills were passed out of the House and have been received by the Senate.

## *In the News*

### **News & Observer: UNC Board of Governors election recount yields new result**

A math error resulted in a state House recount, more debate and a partially different result Thursday in the election for eight UNC Board of Governors seats.

### **WRAL: UNC system could lose campuses**

Lawmakers are considering the possibility of eliminating one or two campuses in the University of North Carolina system, a top Senate budget-writer said Thursday.

### **News & Observer: Legislators question McCrory's plan to skip review of his transportation board appointees**

House and Senate members on the Joint Transportation Oversight Committee say they still have not been given a chance to review 10 new appointees to the state Board of Transportation, as required by state law.

### **News & Observer: Decker adds new players to her deck**

Commerce Secretary Sharon Decker continued to fill out her leadership team on Thursday.

### **TBJ: Report: N.C. has poor business tax climate**

North Carolina finishes a lagging 44th out of 50 in a state ranking of business tax climates.

### **News & Observer: Former Durham mayor takes a top job at NCDOT**

Nick Tennyson, who was Durham's mayor for four years until 2001, will start work next month as one of two chief deputy secretaries at the state Department of Transportation.

### **WRAL: New 3-ounce alcohol drink sparks concerns**

A company hoping to sell 3-ounce vials of high-alcohol malt beverages in flavors like Screw Driver and Apple Pie is asking the state Alcoholic Beverage Control Commission to approve its packaging.

### **Press Release: Ray Grace named the state commissioner of banks**

He has been appointed permanently from his role as the interim commissioner.

### **News & Observer: Pat McCrory helps Thom Tillis raise campaign cash**

Gov. Pat McCrory returned to Charlotte Friday to help House Speaker Thom Tillis raise campaign cash. For what campaign isn't clear.

## NORTH CAROLINA LEGISLATIVE REPORT - MARCH 22, 2013

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### **News & Observer: Berger in DC at C-PAC in move that signals Senate interest**

In another sign that he is interested in challenging Democratic Sen. Kay Hagan next year, N.C. Senate leader Phil Berger is in Washington today attending the C-PAC conference.

### **News & Observer: DENR beefs up 'customer service'**

John Skvarla continues to put together his team at the N.C. Department of Environment and Natural Resources. He has named Joe Harwood to lead the department's customer service branch as the agency's ombudsman.

### **AP: Ex-Lt. Gov. Dalton picked Isothermal CC president**

Former North Carolina Lt. Gov. Walter Dalton was picked Friday to lead his community college back home, four months after losing to Pat McCrory in the governor's race.

### **AP: Cooper seeks limits on for-profit college spending**

North Carolina Attorney General Roy Cooper is joining his colleagues in 13 other states in asking Congress to limit what for-profit schools can spend on recruitment, advertising and marketing.

## *Legislative Calendar*

### Mon, March 25, 2013

4:00 PM

#### **Session Convenes (House)**

House

4:00 PM

#### **Joint Legislative Program Evaluation Oversight Committee**

544 LOB

7:00 PM

#### **Session Convenes (Senate)**

Senate

**NORTH CAROLINA LEGISLATIVE REPORT - MARCH 22, 2013**

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Tue, March 26, 2013

8:30 AM

Appropriations on Department of Transportation (Joint)

1228/1327 LB

8:30 AM

Appropriations Subcommittee on General Government (House)

1425 LB

8:30 AM

Joint Appropriations on General Government and Information Technology

1425 LB

8:30 AM

Appropriations Subcommittee on Justice and Public Safety (House)

415 LOB

8:30 AM

Joint Appropriations on Justice and Public Safety

415 LOB

8:30 AM

Appropriations Subcommittee on Education (Joint)

421 LOB

8:30 AM

Finance (House)

Holden Beach/Canal Dredging District Fee. (H229)

Joint Agencies Sales & Excise Tax Exemptions. (H179)

Buncombe County/Use Design-Build Methods. (H222)

Grifton/Deannexation. (H191)

Asheville Extraterritorial Jurisdiction and Annexation. (H224)

**NORTH CAROLINA LEGISLATIVE REPORT - MARCH 22, 2013**

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Asheville Transfers. (H252)

544 LOB

10:00 AM

Health and Human Services (House)

Amend Respiratory Care Practice Act. (H285)

544 LOB

10:00 AM

Education (House)

Back to Basics. (H146)

Improve Ed. for Children Who Are Deaf. (H317)

643 LOB

12:00 PM

State and Local Government (Senate)

Cities/Overgrown Vegetation Notice. (S209)

1124/1224 LB

12:00 PM

Transportation (House)

Weight Limits/Animal Feed Trucks. (H211)

Require Safety Helmets/18 and Under. (H109)

643 LOB

1:00 PM

Insurance (House)

Dept. of Insurance/Public Health Service Act. (H170)

State Health Plan/Statutory Changes.-AB (H232)

1228/1327 LB



**NORTH CAROLINA LEGISLATIVE REPORT - MARCH 22, 2013**

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Wed, March 27, 2013

8:30 AM

**Joint Appropriations on Department of Transportation**

1228/1327 LB

8:30 AM

**Appropriations Subcommittee on General Government (House)**

1425 LB

8:30 AM

**Joint Appropriations on General Government and Information Technology**

1425 LB

8:30 AM

**Appropriations Subcommittee on Justice and Public Safety (Joint)**

415 LOB

8:30 AM

**Appropriations Subcommittee on Education (Joint)**

421 LOB

8:30 AM

**Appropriations Subcommittee on Health and Human Services (Joint)**

643 LOB

10:00 AM

**Judiciary (House)**

**Freedom to Negotiate Health Care Rates. (H247)**

1228/1327 LB

**NORTH CAROLINA LEGISLATIVE REPORT - MARCH 22, 2013**

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10:00 AM

Education/Higher Education (Senate)

NC Public Charter School Board. (S337)

544 LOB

10:00 AM

Rep. Samuelson/Press Conference

Press Room LB

11:00 AM

Regulatory Reform Subcommittee on Business and Labor (House)

Clarifying Changes/Engineers/Surveyors Laws. (H301)

Electric Membership Corps/Member Control. (H223)

Enact CON Committee Recommendations. (H83)

424 LOB

11:00 AM

Commerce and Job Development Subcommittee on Alcoholic Beverage Control (House)

425 LOB

**Thu, March 28, 2013**

8:30 AM

Joint Appropriations on Department of Transportation

1228/1327 LB

8:30 AM

Appropriations Subcommittee on General Government (Joint)

1425 LB

8:30 AM

**NORTH CAROLINA LEGISLATIVE REPORT - MARCH 22, 2013**

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**Joint Appropriations on Justice and Public Safety**

415 LOB

8:30 AM

**Appropriations Subcommittee on Education (Joint)**

421 LOB

8:30 AM

**Appropriations Subcommittee on Health and Human Services (Joint)**

643 LOB

**Tue, April 02, 2013**

12:00 PM

**Senate Committee on State and Local Government**

1000 Court LB

12:00 PM

**State and Local Government (Senate)**

**Waynesville Annexation. (S290)**

1124/1224 LB

**Tue, April 09, 2013**

11:45 AM

**Rep. D. Ross/NC Women United's Press Conference**

Press Room LB

**Wed, April 10, 2013**

12:00 PM

NORTH CAROLINA LEGISLATIVE REPORT - MARCH 22, 2013

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Rep. Carney

Press Room LB