

ALERTS

North Carolina Legislative Report - May 3, 2013

April 27 - May 3, 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 153: Establish General Gov't Oversight Committee**

Referred To Committee On Rules and Operations of the Senate, 5/1/13.

- **H 484: Permitting of Wind Energy Facilities**

Referred to Senate Agriculture/Environment/Natural Resources. If favorable, re-referred to Commerce. If favorable, re-referred to Finance, 5/2/13.

- **H 935: NC Pre-Kindergarten Law Changes**

Passed Second Reading in the House, 5/2/13.

- **H 488: Regionalization of Public Utilities**

Ratified and Sent to Governor for Approval, 5/3/13.

- **H 1006: Utilities Commission Confirmation**

Referred To House Committee On Public Utilities and Energy, 5/2/13.

- **H 1007: Confirm Ayers as Exec Director NC Utilities Commission**

Referred To House Committee On Public Utilities and Energy, 5/2/13.

- **H 149: Caylee's Law/Report Missing Children**

House Cal Pursuant 36(b), 5/2/13.

Committee Meetings

Senate Education Committee

The Senate Education Committee met Wednesday to take up S 320, Improve Education for Children Who Are Deaf. S 320 directs the State Board of Education to take certain steps to improve the educational outcomes for deaf or hard of hearing students. The bill was given a favorable report in committee and was given unanimous approval on the Senate floor. In addition to S 320, the Committee brought up S 274, Net-Zero Schools for discussion only. This bill seeks to construct net-zero school facilities that will produce enough renewable energy to offset the amount consumed by the school.

Senate Agriculture/Environment/Natural Resources Committee

The Senate Agriculture/Environment/Natural Resources Committee passed four bills on Tuesday. S 341, Amend Interbasin Transfer Law, seeks to establish an expedited process for the modification of interbasin transfer certificates and for the issuance of interbasin transfer certificates in the central coastal plain capacity use area and the coastal area counties. This bill passed the full Senate on Wednesday. S 380, Adjust Landfill Permit Fee Timing, seeks to make adjustments to the fee schedule for permits for sanitary landfills and transfer stations to reflect extension of the duration of these permits as directed by S.L. 2012-187, as recommended by the ERC. This bill was referred to the Senate Finance Committee. S 507, Eliminate Outdated Environmental Reports, seeks to delete or repeal various environmental and natural resources reporting requirements. This bill passed the full Senate on Wednesday. H 706, Preserve Landfill Space, seeks to provide that the disposal of on-site demolition debris from the decommissioning of manufacturing buildings, including electric generating stations, is exempt from the landfill permitting requirements.

Senate Commerce Committee

The Senate Commerce Committee met on Tuesday, April 30, and approved three bills. H 293, Mortgages/S.A. F.E. Act, and S 284, OSC/GBICC/State Data Sharing, were non-controversial and passed the committee easily. S 489, Consumer Finance Act Amendments, was the subject of much debate. That bill would make the following changes with respect to consumer finance agencies: a) increase the maximum amount of a loan to \$15,000, b) increase the maximum interest rate for most, though not all, amounts loaned, c) allow for the imposition of late fees, d) allow for the imposition of deferral charges, and e) require special procedures when dealing with certain members of the armed services.

Senate Finance Committee

The Senate Finance Committee met on Tuesday, April 30, and Wednesday, May 1. On Tuesday, the committee approved five bills. S 25, Hunting & Fishing/Active Duty Military, would consider a member of the armed forces on active duty a resident of the State for purposes of certain hunting and fishing licenses. S 129, Limit State Facilities Finance Act Debt, would limit the amount of special indebtedness that could be issued in the future to no more than 25% of total indebtedness. S 368, Inmates Prescriptions/Pistol Permits, would

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increase from \$5 to \$10 copayments for prescriptions by inmates in a county jail and the application fee for a pistol permit. S 476, NC Captive Insurance Act, would authorize a certain type of insurance entity (one providing insurance to related members only) to be domiciled in North Carolina. S 547, Energy Savings Contracting Amendments, would make several changes to the process for procuring contracts to be financed through reduced energy costs.

On Wednesday, the committee heard and approved two bills. S 58, Increase Funding for Dredging, would increase funding for dredging shallow draft navigation channels. The bill would do so by increasing boat licensing fees, transferring money from the Highway Fund, and requiring a local match in order to receive State funds. S 365, Affordable and Reliable Energy Act, would cap the renewable energy portfolio standards (REPS) at their current levels and repeal them in 2023. The REPS require that a certain amount of electricity used in the State come from various renewable energy sources. After debate, the committee approved the bill. Some members raised questions as to whether the bill was actually approved by a very close voice vote, but calls for a show of hands were not heeded due to the timing of those calls.

House Agriculture Committee

The House Agriculture Committee passed four bills out of committee this week. H 787, Protect Rural Land Use Rights, seeks to protect rural environmental and economic land-use rights by clarifying that owners of bona fide farms may file a civil action for a regulatory taking if the owner can no longer use the land for a bona fide farm use. H 821, Triad Farmers Market/Rename for Senator Bob Shaw, seeks to name the Piedmont Triad Farmers Market in memory of Senator Robert G. Shaw. H 920, Farmland Preservation/DOT Projects, would require the Department of Transportation and the Department of Agriculture to create a plan to preserve and protect active farmland and alluvial soil deposits disturbed by road construction. S 205, Eliminate Unnecessary Testing/Animal Waste, seeks to eliminate unnecessary soil testing requirements in animal waste management plans.

House Environment Committee

The House Environment Committee passed four bills on Thursday. H 505, Extend SWCD Animal Waste Inspections, seeks to codify and make permanent the program for inspections of certain animal operations by the Division of Soil and Water Conservation. H 480, seeks to provide regulatory certainty for North Carolina by requiring the development of minimum design criteria for storm water permits and erosion and sedimentation control plans to guide regulatory agencies in permit issuance and plan approval. It also would reform the permitting process to allow a fast-track permitting process for applications and plan submittals certified by a professional engineer to be in compliance with the minimum design criteria. This bill has been referred to the House Regulatory Reform Committee for review. H 755, DENR Electronic Notice, seeks to amend certain DENR notice requirements to authorize electronic notification and direct DENR to identify other notifications requirements in statute or rule for which electronic notice may be adequate. H 471, Vance/Warren/Renewable Energy Facility Siting, would authorize Vance and Warren County to approve a lease for the siting and operation of a renewable energy facility for a term of up to twenty years without treating the lease as a sale of property. H 938 was removed from the calendar.

House Commerce Committee

The House Commerce and Jobs Development Committee and its ABC Subcommittee both met on Wednesday May 1. The full Committee took up four bills. H 55, Reform Workforce Development; H 473, NC Captive Insurance Act; and H 629, Amend Definition of Special Purpose Project, all passed easily without debate. H 809, Game Nights/Nonprofit Fundraisers, was the subject debate. This bill would allow nonprofit organizations to host game nights at which certain casino-style games would be permitted, subject to numerous regulations on the number and timing of events, the use of proceeds, and types of activities allowed. The bill passed by a vote of 27-17.

The ABC Subcommittee of the House Commerce and Jobs Development Committee heard and approved two bills. H 610, Modify Requirements for In-Stand Beer Sales, would allow in-stand beer sales at professional sporting events in stadiums or ballparks with a seating capacity in excess of 3,000. H 829, Sale of Growlers by Certain ABC Permittees, would allow establishments holding an on-premises malt beverage permit, an off-premises malt beverage permit, or a wine shop permit to sell malt beverages in a growler for off-premises consumption. A "growler" is a reusable, resealable half-gallon jug.

House Finance Committee

The House Finance Committee met three times this week – Tuesday, Wednesday, and Thursday. On Tuesday, the committee heard and approved five bills. H 234, Clarify Pender County ABC Laws, is a local bill dealing with the distribution of funds to law enforcement. H 200, Require Certain General Reappraisals, would require a county to perform a general reappraisal under certain circumstances. Although it is a statewide bill, it would currently apply to Mecklenburg County's latest reappraisal only. H 327, Fire and Rescue Pension Revisions of 2013-AB, would make several changes with respect to pensions for firefighters and rescue workers. H 484, Permitting of Wind Energy Facilities, would require greater coordination between the state and local governments to permit these facilities and would require that input from the Department of Defense be considered. H 708, Study Public Enterprise Systems/Use of Funds, would authorize a study of the transfer of operating funds from a public enterprise system (such as a water and sewer system) to another local government for non-public enterprise purposes.

On Wednesday, the committee heard and approved six bills. H 347, Amend Greensboro Firefighters' Retirement, and H 418, Asheville/Buncombe Culture & Rec. Authority, are local bills that passed without debate. H343, Courts/Procedure and Fee Amendments.-AB; H 462, Increase Family Court Fee; and H 783, Pyrotechnics Technical and Conforming Changes, were all in finance for non-controversial changes with respect to fees and were approved without much debate. H 362, Dept of Public Safety Changes – AB, was a bill to make some clarifying changes to the statutes related to the consolidation of three separate departments into the Department of Public Safety. Non-finance portions of the bill (including who may supervise a member of the State Highway Patrol, the mandatory retirement age for members of the State Highway Patrol, and the cut-off age for new recruits to the State Highway Patrol) generated the most debate and activity.

On Thursday, the committee heard and approved H 817, Strategic Transportation Investments. H817 would change the manner in which transportation funds are allocated throughout the state. Under this proposal, 40% of funds would go to projects of statewide importance, 40% of funds would go to projects of regional

importance, and 20% of funds would go to projects of divisional or local importance. A PCS to the bill would have eliminated the requirement that the Turnpike Authority fund three specifically named projects. The projects would still be eligible for consideration, but would have to compete for funding with other non-named projects. An amendment passed that would require the Authority to continue funding for two of the three projects - the Mid-Currituck Bridge and the Garden Parkway.

House Education Committee

The House Education Committee met Tuesday to address a number of bills. Highlights included:

H 903, UNC and Community College Credit Transfers, requires all institutions in the University System to fully adhere to the articulation agreement with the Community College System regarding the transfer of courses and academic credits between the two systems and the admission of transfer students. In addition, the two systems will report biannually to the Joint Legislative Education Oversight Committee. H 903 received a favorable report in committee and was given approval on the House floor. The bill now resides in the Senate Education Committee.

H 839, Public School Reporting Reform, seeks to eliminate certain reporting requirements on local administrators. In addition to the elimination of certain reporting requirements, H 839 directs the State Board of Education to develop and implement a Uniform Education Reporting System to include standards and procedures for collecting fiscal and personnel information. H 839 received a favorable report in committee and unanimous approval on the House floor.

House Public Utilities Committee

The House Public Utilities Committee met Wednesday to address a number of bills. Of note are H 476 and S 635. H 476, Rewrite Underground Damage Prevention Act, updates North Carolina's laws regulating underground utility damage. This legislation aims to create a uniform process of identifying existing underground lines, systems or infrastructure in advance of any excavation or demolition. H 476 received a favorable report and was placed on the calendar for Monday, May 6. S 635, Transmission Line Ownership, clarifies that only incumbent providers may construct a new electrical transmission line. The bill received a favorable report from the Committee and now goes to the House floor.

In the News

News&Observer: Fracking giant Halliburton nixes NC's chemical disclosure rule

After more than six months of congenial meetings, the N.C. Mining & Energy Commission was set to approve its first fracking rule Friday, perhaps the most important of all the safety rules the commission will write to protect the public and safeguard the environment.

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AP: Turnpike projects added to McCrory's road overhaul

Some North Carolina lawmakers say the governor's transportation overhaul will be a tougher sell after a House committee added several turnpike projects to the bill Thursday.

AP: NC Medicaid shortfall now \$248M this year

Gov. Pat McCrory's administration revealed Thursday it expects this year's Medicaid shortfall to be more than double what was previously estimated. A legislative budget-writer said tax collections should help fill the immediate gap but the disclosure accentuates long-term challenges for the health insurance program.

State: recycling grants awarded Tuesday should create 240-plus jobs

Officials announced that state recycling grants awarded Tuesday should generate more than 240 jobs, \$22.9 million in new business investments and a reduction in the state's dependence on landfill disposal.

AP: N.C. consumer loan changes clear Senate panel

North Carolina's installment loan industry would be able to charge higher interest rates for many customers and more fees in a bill that cleared a Senate panel Tuesday despite arguments from consumer advocates the bill would put more borrowers deeper in debt.

AP: Health care tactic focus of bill going to McCrory

Gov. Pat McCrory will soon have a bill prohibiting a health care insurance negotiating tactic that rivals of Blue Cross Blue Shield of North Carolina argue it uses to discourage competition and inflate health care costs.

Business Journal: McCrory nominates two Triad reps to N.C. utilities commission

Gov. Pat McCrory has nominated Rep. Jerry Dockham of Davidson County and James Patterson of Guilford County to the state utilities commission, a move which has to be approved by a joint resolution in the General Assembly.

McClatchy: Obama to name Charlotte mayor Anthony Foxx as transportation chief

President Barack Obama Monday will nominate Mayor Anthony Foxx to be secretary of transportation, a White House official said Sunday on the condition of anonymity.

NYT: Obama Nominates Congressman to Lead Mortgage Agency

President Obama on Wednesday nominated Representative Melvin L. Watt, Democrat of North Carolina, to become the overseer of the government-backed mortgage financiers Fannie Mae and Freddie Mac.

News&Observer: In NC budget, where did the \$1 billion go?

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During the past four years, as Democrats and Republicans battled over sales and income taxes, higher tuition at state universities and the loss of 4,350 teachers in public schools, a substantial amount of money slipped through the fingers of state leaders.

News&Observer: On NC state sales tax, some get a special deal

In the thick of the Great Recession four years ago, state lawmakers fought into the evening over a proposed one-penny increase in the state's sales tax to prevent further cuts to schools, courts and health care services.

AP: Environmentalists want slowdown on NC Senate bill

North Carolina environmental groups want the Senate to put the brakes on a bill that rolls back state and local regulations that are tougher than federal law.

Legislative Calendar

Mon, May 06, 2013

1:30 PM

Rep. Bell

643 LOB

7:00 PM

Session Convenes (House)

House

7:00 PM

Session Convenes (Senate)

Senate

Tue, May 07, 2013

9:00 AM

Rep. Wray / Press Conference

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Press Room LB

10:00 AM

Judiciary I (Senate)

Abate Nuisances/Drug Sales From Stores. (S264)
Constructive Fraud/Limitations Period. (S393)
Prohibit E-Cigarette Sales to Minors. (S530)
Evidence & DNA Expunction Laws.-AB (S630)
Safe Harbor/Victims of Human Trafficking. (S683)

1027/1128 LB

10:00 AM

Health and Human Services (House)

Update/Modernize/Midwifery Practice Act. (H204)
Eliminate Exceptions/Med Treatment/Minors. (H693)
Ban Smoking in Foster Care Setting/Infants. (H805)
Expand Pharmacists' Immunizing Authority. (H832)
Amend Certificate of Need Laws. (H177)
Exempt Continuing Care Facilities From Certificate of Need. (H900)

1228/1327 LB

10:00 AM

Education -- CORRECTED (House)

Nonresident Scholarships/Out-of-State Tuition. (H239)
Charter School/LEA Accounting of Funds. (H273)
Forsyth Tech Repurpose of Funds. (H337)
Edenton-Chowan Sch. Bd. Terms. (H537)
Study of Duty-Free Period for Teachers. (H718)
Increase Successful CTE Participation. (H968)
Broaden Successful AP Participation. (H969)

643 LOB

11:00 AM

Rep. Starnes/Press Conference

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Press Room LB

12:00 PM

Transportation -- CORRECTED (House)

Customer Svc., Econ. Dev., and Transport'n. (H356)
North Carolina School Bus Safety Act. (H428)
Streamline Sales for Mechanics Liens. (H620)
Electronic Vehicle Lien/Title. (H621)
Modify Weight Limits for Line Trucks. (H623)
Promptly Notify Local 911 of Towed Vehicles. (H626)
Inspection Requirements for Salvaged Vehicles. (H665)
Increase Driveway Safety on Curvy Roads. (H684)
Alt. Procedure for Obtaining Salvage Title. (H727)
Required Number of Operating Brake Lights. (H759)
Cost-Sharing/Transportation Improvements. (H785)
Restrict Railroad Height Change at Crossings. (H939)
Rail Corridor Lease/Town of Belmont. (H1002)
Ethics Requirements for MPOs/RPOs. (S411)
NCGA Prior Approval/Interstate Tolling. (H267)

643 LOB

1:00 PM

Insurance (House)

NC Cancer Treatment Fairness Act. (H609)
Auto Insurance Rate-making Reform. (H472)
Property Insurance Rate-Making Reform. (H519)

1228/1327 LB

1:00 PM

Agriculture (House)

NC Agriculture and Forestry Act. (H614)
Protect/Promote NC Lumber. (H628)
Commodities Producer Protection. (H663)

643 LOB

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Wed, May 08, 2013

10:00 AM

Judiciary Subcommittee A (House)

Increase Retirement Age for Judges. (H12)
Register of Deeds Hours. (H593)
Background Checks for Firefighters. (H698)
Clerk Summons Jurors/Magistrate Eligibility. (H699)
Jury Instructions for School Budget Dispute. (H765)
Judicial Reform Act. (H820)
Possession of Needles/Tell Law Officer. (H850)
Record Closed Sessions of Public Bodies. (H870)
Budget Authority Amendments. (H984)

1228/1327 LB

10:00 AM

Commerce and Job Development (House)

Opportunity Advancement Zones. (H69)
Reinstate 2009 Energy Conservation Codes. (H201)
Foreign Trade Zone/Expand Def of Pub Corp. (H563)
Amend Pharmacy Laws. (H675)
Jump-Start Our Business Start-Ups Act. (H680)

643 LOB

11:00 AM

Regulatory Reform (House)

Periodic Review and Expiration of Rules. (H74)
Exempt Certain Columbariums/Cemetery Act. (H796)
Merge Cemetery Comm./Funeral Service Board. (H808)
Amend Locksmith License Act/Raise Fee Ceiling. (H834)

643 LOB

12:00 PM

Public Utilities and Energy (House)

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Cell Tower Deployment Act. (H664)

Water Utility Recovery. (H710)

Study Regulation of Coal Ash Disposal. (H818)

643 LOB

12:00 PM

Rep. Rodney Moore-Press Conference

Press Room LB