



INTRODUCTION

The budget process continues to inch forward. Last week House Speaker Tim Moore and Senate leader Phil Berger announced that top legislative leaders have agreed that expenditures for the year starting July 1st will be just over \$24 billion. That amount represents a roughly 3.5 percent increase over this year's budget, but less than the amount proposed by Governor Cooper.

As legislative opposition to Treasurer Folwell's proposed changes to the State Health Plan continues to heat up, Folwell has made changes to boost payments to rural hospitals. The State Health Plan has agreed to increase by \$52 million the annual reimbursement rates for many rural hospitals. Folwell said the adjustments would increase payments to rural providers by 20 percent from the original proposal, "while still saving taxpayers almost \$258 million and plan members almost \$57 million."

Discussion about Medicaid expansion also continued last week, with a new poll showing strong support for the idea. A poll conducted by well-known Republican consultant, Paul Shumaker found that 72 percent of voters' support Medicaid expansion. The poll also found that support remained above 70 percent even after messages supporting and opposing expansion were given to respondents.

The General Assembly also made news this week as it appointed members to the UNC Board of Governors. Between appointments made in both chambers, 10 incumbent Board members will return and two new members will join them. The size of the board will shrink from 28 to 24 members as a result of previous legislation. The new board will have six women, three African-Americans and one American Indian.

The House appointees are:

- Pearl Burris-Floyd of Gaston County
- C. Philip Byers, the former sheriff of Rutherford County
- James Holmes Jr., managing partner at Sentinel Risk Advisors
- Hilton Terry Hutchens, an attorney in Cumberland County and the only new appointee the House approved
- J. Alex Mitchell, a developer in Durham
- David Powers, a lobbyist at the General Assembly



APARTMENT ASSOCIATION OF NORTH CAROLINA



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The Senate's appointees are:

- Darrell Allison, charter school advocacy group leader
- former Republican state Sen. Thom Goolsby
- Anna Spangler Nelson, Charlotte investment firm leader
- Temple Sloan, Raleigh business executive
- Michael Williford, Fayetteville attorney
- Martin Holtonhe, longtime Reynolds American executive and only new appointee

With growing evidence about the importance of access to high-speed internet for economic development, the topic of broadband was also prominent in Raleigh. A new executive order from Gov. Roy Cooper aims at expanding broadband internet access across the state. The order directs the N.C. Department of Transportation to create a "Dig Once" policy to help broadband infrastructure installations that coincide with scheduled road projects. It also creates the Governor's Task Force on Connecting North Carolina, which is to develop recommendations for securing more federal broadband funding, and for developing state policies that make it easier to install broadband infrastructure on state property and roadways.

The Department of Information Technology released a report on the "Homework Gap," discussing the impact on students who don't have access to high-speed internet. The report showed that about 10 percent of K-12 families responding to a survey lacked broadband access at home. The report calls for grants to fund mobile wireless internet hotspots for students to use at home, as well as for adding wifi to school buses.

New legislation would target the issue by allowing cities, towns and counties to build broadband internet infrastructure and lease it to private internet providers. The "FIBER NC Act" is similar to a bill that was approved by the House in 2017, but did not get a hearing in the Senate.

BILLS OF INTEREST

HOUSE BILL 375, Authorize Teacher-Government Employee Housing/Bertie, would amend current statute by adding a new section granting the Windsor Township Development Commission the following authority to:

- acquire and hold title to real and personal property for public purposes, including for the purpose of constructing and maintaining affordable rental housing units for Bertie County Schools teachers and employees, Bertie County employees, Town of Windsor employees, and State employees residing in Bertie County;
- borrow money and incur debt under terms the Windsor County Development Commission deems reasonable, whether secured or unsecured, for public purposes, including for the purpose of constructing and maintaining affordable rental housing units for Bertie County Schools teachers and employees, Bertie County employees, Town of Windsor employees, and State employees residing in Bertie County;
- enter into leases, management agreements, or similar arrangements with Bertie County for the County to manage, lease, and maintain rental housing units constructed pursuant to this section;
- accept grants or donations of money contributed for public purposes; and

- further specifies that this act would not exempt these affordable housing units from compliance with applicable building codes, zoning ordinances, or and other health and safety regulations.

Introduced by Representative Goodwin and referred to the House State and Local Government Committee.

HOUSE BILL 381, School Construction & Broadband Investm't Act, states the intent of the General Assembly to appropriate funds to address the capital needs of the public schools and community colleges by pledging over \$2.1 billion available in the State Capital and Infrastructure Fund to counties, \$300 million to the community colleges in this State over the next 10 years, and by establishing an ongoing appropriation of \$15 million annually to bolster broadband infrastructure expansion projects, while maintaining anticipated appropriations of \$4 billion to assist State agencies and The University of North Carolina with their ongoing capital needs. The bill would appropriate amounts as specified from \$185 million to \$775 million for 2019-20 through 2028-29 from the State Capital and Infrastructure Fund for capital projects and repairs and renovations projects for State agencies and UNC. In addition, the bill would create within the Office of State Budget and Management the K-12 Building Fund as a capital project fund. Proceeds disbursed from the Fund would be used for new construction or rehabilitation of existing facilities, repairs and renovations, building of technology infrastructure, and the purchase of measures to ensure building security. **Introduced by Representatives Arp, Saine, and Conrad and referred to the House Rules Committee. This bill is another bond proposal that will compete with ones already announced by the Governor, the Senate and the Speaker of the House.**

HOUSE BILL 389, ABC/Univ Athletic Facility, would authorize public colleges and universities to allow alcohol sales at stadiums, athletic facilities, and arenas located on school property, if the Board of Trustees votes to allow. However, the bill would not authorize the sale of mixed beverages when the stadium, athletic facility, or arena is being used for a sports event sponsored by the public college or university. **Introduced by Representatives Bell, Boles, Goodman, and Lewis and referred to the House Alcoholic Beverage Control Committee.**

HOUSE RESOLUTION 390, Application for a Convention of the States, would apply to Congress, under the provisions of Article V of the United States Constitution, for the calling of a convention of the states limited to proposing amendments to the United States Constitution that impose fiscal restraints on the federal government, limit the power and jurisdiction of the federal government, and limit the terms of office for its officials and for members of Congress. **Introduced by Representatives Riddell, Saine, Setzer, and D. Hall and referred to the House Rules Committee.**

HOUSE BILL 396, Municipal Local Option Sales Tax, would allow the governing body of a municipality, if approved by the majority of those voting in a referendum, to, by resolution and after 10 days' public notice, levy a local sales and use tax at a rate of one-quarter percent (1/4%) in addition to any other State and local sales and use taxes levied pursuant to law. The municipality could use the net proceeds of the tax for the construction of and improvements to public infrastructure and public facilities; affordable housing; economic development; and police, fire, and rescue services. **Introduced by Representative Montgomery and referred to the House State and Local Government Committee.**

HOUSE BILL 397, [Revise Approval of Student/Employee ID/Voting](#), would revise the approval process and certain implementation dates for student and employee identification cards to be used for voting identification purposes. **Introduced by Representatives Hawkins and Russell and referred to the House Elections and Ethics Law Committee.**

HOUSE BILL 400, [Omnibus Labor Law Changes](#), would make various changes to the State's labor laws, including:

- add that the Director of the Occupational Safety and Health Division also has the power, jurisdiction, and authority to obtain medical records compiled and maintained by the Department of Health and Human Services, by hospitals participating in the statewide trauma system, or by emergency management services providers in connection with the dispatch, response, treatment, or transport of individual patients relating to investigations and enforcement proceedings under the Occupational Safety and Health Act of North Carolina (the Act). The medical records obtained by the Department would be strictly confidential, not public records, and would not be released or made public; and
- provide that, except as provided, information and reports developed pursuant to any inspection or investigation performed pursuant to the Act by the Department are not admissible in any court or before any administrative body except pursuant to the enforcement of the Act.

Introduced by Representative McElraft and referred to the House Commerce Committee.

HOUSE BILL 401, [Enact Medical Cannabis Act](#), would provide that a qualified patient is not subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, including, but not limited to, civil penalty or disciplinary action by a business or occupational or professional licensing board or bureau, for the possession or purchase of cannabis for medical use by the qualified patient if the quantity does not exceed an adequate supply, as determined by the qualified patient's physician. A physician could not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, or subject to disciplinary action by a business or occupational or professional licensing board or bureau for discussing with a patient the benefits or health risks of the medical use of cannabis or the interaction of cannabis with other substances. The bill includes various provisions regarding protections, prohibitions, restrictions, and limitations on medical use of cannabis; registry identification cards for qualified patients and designated caregivers; and a regulated medical cannabis supply system. The bill also would direct The University of North Carolina to create a North Carolina Cannabis Research Program to develop and conduct studies designed to ascertain the general safety and efficacy of using cannabis for medical treatment. **Introduced by Representatives Alexander, Autry, Carney, and Harrison and referred to the House Health Committee.**

HOUSE BILL 416, [Justice/Judge May Complete Term Past Age 72](#), would allow justices and judges elected to office prior to the justice or judge's seventy-second birthday to complete the elected term of office past the mandatory judicial retirement age of seventy-two. **Introduced by Representatives Morey and John and referred to the House Rules Committee.**

HOUSE BILL 422, [Healthy Families & Workplaces/Paid Sick Days](#), is identical to Senate Bill 234, summarized in the March 20, 2019, Legislative Report. **Introduced by Representative Fisher and referred to the House Health Committee.**

HOUSE BILL 423, Caregiver Relief Act, is identical to Senate Bill 223, summarized in the March 20, 2019, Legislative Report. **Introduced by Representative Fisher and referred to the House Aging Committee.**

HOUSE BILL 432, Water/Sewer to Contiguous Dwelling Units, would amend the current statute that authorizes the Utilities Commission to adopt procedures that allow a lessor to charge for the costs of providing water or sewer service to persons who occupy the leased premises. The bill would provide that if the Commission approves a flat rate for water or sewer services for contiguous dwelling units rather than a rate based on metered consumption, the lessor may pass through and charge the tenants of the contiguous dwelling units the same flat rate for water or sewer services and an administrative fee. The bill would require bills for water and sewer service sent by the lessor to the lessee to contain all of the information required by subdivisions within current statute including: the method used to determine the amount of water and sewer services allocated to the lessee; beginning and ending dates for the billing period; the past-due date, which cannot be less than 25 days after the bill is mailed; and a local or toll-free telephone number and address that the lessee can use to obtain more information about the bill. **Introduced by Representatives Shepard, Grange, Hurley, and Hardister and referred to the House Energy and Public Utilities Committee.**

SENATE BILL 291, Living Wage For NC Workers, would: (1) increase the minimum wage to \$15 per hour over five years and then adjusting the minimum wage automatically each year by increases in the cost of living; (2) end the subminimum wage for persons with disabilities; (3) phase out the subminimum wage for tipped employees over eight years; and (4) end the minimum wage exemption for agricultural and domestic workers. **Introduced by Senators McKissick, Nickel, and Mohammed and referred to the Senate Rules Committee.**

SENATE BILL 294, Make General Election Day A State Holiday, would make each statewide general election day a legal public holiday. **Introduced by Senators Garrett, Van Duyn, and Woodard and referred to the Senate Rules Committee.**

SENATE BILL 296, ABC/Univ Athletic Facility, is identical to House Bill 389, summarized above in this Legislative Report. **Introduced by Senators Gunn, Rabon, and Britt and referred to the Senate Education/Higher Education Committee.**

SENATE BILL 308, Save the Internet Act, would:

- direct the Department of Justice to establish a process for each Internet service provider having customers in this State to certify that the provider will not engage in practices inconsistent with net neutrality principles;
- make it an unlawful trade practice to engage in practices inconsistent with net neutrality principles;
- require any person providing broadband Internet access service in North Carolina to publicly disclose accurate information regarding the network management practices, performance characteristics, and commercial terms of its broadband Internet access services sufficient to enable consumers to make informed choices regarding the purchase and use of the services and entrepreneurs and other small businesses to develop, market, and maintain Internet offerings;
- provide that practices inconsistent with net neutrality principles may be allowed by the Department of Justice on a limited basis for significant benefit to the public's interest; and

- provide \$35 million to the Growing Rural Economies with Access to Technology (GREAT) program to be allocated as follows: (1) \$30 million to encourage providers to bring broadband service to underserved areas; and (2) \$5 million for a grant program to help close the homework gap for students without home Internet access by providing mobile hotspots and devices such as laptop computers and tablets.

Introduced by Senators Chaudhuri and Woodard and referred to the Senate Rules Committee.

SENATE BILL 313, Performance Guarantee to Streamline Afford. Housing, would:

- change current statutes concerning subdivision control ordinances and performance guarantees;
- provide that the type of performance guarantee is at the election of the developer. Would set the duration of the performance guarantee or bonded obligation to one year unless the developer determines that the scope of the work for the required improvements necessitates longer. Would require the developer to demonstrate reasonable, good-faith progress toward completion of the required improvements secured by the performance guarantee or extension. Would allow for a developer to have the performance guarantee extended for an additional period or a new performance guarantee issued only for a duration necessary to complete the required improvements;
- require the county or city to return letters of credit or escrowed funds upon completion of the required improvements to the specifications of the city or county, or upon acceptance of the required improvements if appropriate. Requires the county or city to timely provide a written acknowledgement that required improvements have been completed upon request by the developer when required improvements are secured by a bond;
- allow the city or county to determine the amount of the performance guarantee or use a cost estimate determined by the developer. Current law caps the performance guarantee amount at 125% of the reasonably estimated cost of completion at the time the performance guarantee is issued. The reasonably estimated cost of completion would include 100% of the costs for labor and materials necessary for the completion of the required improvements, with the remaining 25% allowed to include inflation and all administrative costs, regardless of how such fees or charges are denominated. Would require costs to be based on unit pricing where applicable. Would require the amount of any extension of any performance guarantee to be determined according to the initial guarantee, not exceeding the 125% of the reasonably estimated cost of completion of the remaining incomplete improvements still outstanding at the time of the extension.
- allow a city or county to require the performance guarantee to be posted either at the time the plat is recorded or at a time subsequent to plat recordation; and
- allow the developer to have the option to post one type of a performance guarantee in lieu of multiple bonds, letters of credit, or other equivalent security, for all development matters related to the same project requiring performance guarantees. Would exclude performance guarantees associated with erosion control and stormwater control measures.

Introduced by Senators Wells, Krawiec, and Woodard and referred to the Senate Rules Committee.

SENATE BILL 315, North Carolina Farm Act of 2019, would establish a 9-member North Carolina Hemp Commission and prohibit a person from cultivating or handling hemp in this State unless the person holds a hemp license issued by the Commission. The bill would include civil and criminal penalties for a person who willfully, knowingly, or intentionally manufactures, distributes, dispenses, delivers, purchases, aids, abets, attempts, or conspires. The bill also would

establish the North Carolina Hemp Program Fund, which be used by the Commission for the costs of personnel, program administration, testing, and any other costs incurred, including promotion, marketing, and branding of North Carolina grown and processed hemp. **Introduced by Senators B. Jackson, Sanderson, and Johnson and referred to the Senate Rules Committee.**

SENATE BILL 316, Affordable Housing, would require every municipality with a population of at least 90,000, according to the July 1, 2016, Standard Population Estimates published by the Office of State Budget and Management, to prepare a report on the amount of affordable housing units currently in use in the municipality that are subsidized by local government revenue or tax credits, or that have local government oversight. In addition, this act would require the report to: detail the strategies the municipalities are employing to limit the cost of privately developed housing; and include the extent the municipalities are engaged in the 12 activities specified in the act, including the rezoning of densities necessary to assure the production of moderate income housing, allowing for housing in commercial or mixed-use zones, and allowing for single-room occupancy developments. **Introduced by Senators Wells, Krawiec, and Edwards and referred to the Senate Rules Committee.**

SENATE BILL 318, Parents' Right to Know, would require local boards of education to:

- maintain a continuous repository of materials used in programs on reproductive health and safety; mental and emotional health, growth and development; and anti-bullying or anti-harassment;
- each school year, at least 14 days before students participate in a program, give both written and electronic notice to parents of students participating in that program of the right of parents to review the objectives, complete materials, and entire curriculum of that program in the program repository maintained by the local board of education;
- adopt policies to provide opportunities either for parents to consent or for parents to withhold their consent to the students' participation in any or all of these programs; and
- notify parents of the adoption, amendment, or modification of those programs.

Introduced by Senators Sanderson, Krawiec, and Hise and referred to the Senate Rules Committee.

SENATE BILL 338, Efficient and Affordable Energy Rates, would:

- instruct the Utilities Commission (Commission) to develop rate structures for residential, commercial, public, and industrial customers of electric power generated by electric public utilities and specify six characteristics that the rate structure must have;
- create the Energy Efficiency Bank to issue loans to customers to be used to invest in energy efficiency and renewable energy projects. Projects are eligible if they result in a lower utility bill for that customer when the bill includes the loan payment due. The Bank funds come from: (1) the proceeds from the avoidable pollution tax levied on the sale of energy inefficient household products, (2) the difference in revenues collected from the highest tiered block of the tiered rate structure and the revenues that would have been due based upon the next lower tiered rate block of the tiered rate structure, (3) the difference in the rate of return on capital expenditures for an electric public utility prior to the closure of a peak demand electric power facility or other peak demand electric power generating source for that utility and the rate of return on capital expenditures for the utility after the closure, and (4) any interest paid on loans made from the Energy Efficient Bank;

Introduced by Senators Van Duyn and Woodard and referred to the Senate Rules Committee.

SENATE BILL 339, "We the People" Act/Referendum, would submit a referendum to the qualified voters of the State at a statewide election to be held November 3, 2020, that, if approved, would urge the United States Congress to amend the Constitution of the United States declaring that constitutional rights belong only to individuals and not to corporations or other artificial entities and that constitutionally protected free speech excludes the unlimited spending of money on political campaign contributions. **Introduced by Senators Van Duyn and Nickel and referred to the Senate Rules Committee.**

SENATE BILL 340, NC Skills-Gap Study, would direct the NC Works Commission to conduct a comprehensive review and evaluation of the State's anticipated workforce demand and educational supply for such demand, to the extent practicable within available resources and subject to the availability of data currently collected by and accessible to State agencies. The review would be made in consultation with the Department of Commerce, the Department of Labor, the Department of Public Instruction, The University of North Carolina General Administration, the North Carolina Community College System, and any other entity the Commission deems appropriate. The Commission would submit an initial written report detailing its findings and recommendations to the Joint Legislative Education Oversight Committee (JLEOC) by February 15, 2020, and its final written report no later than 45 days before the convening of the 2021 General Assembly. The report to the JLEOC would include all of the following:

- the State's anticipated workforce demands and needs, including two-year and 10-year labor market projects by (i) region, (ii) occupational clusters, and (iii) educational requirements;
- the State's educational supply for such demand, including, but not limited to, degrees and certificates provided by high school programs, apprenticeship programs, public or private workforce training programs, community colleges, and public and private universities and colleges;
- a state and regional skills-gap analysis comparing our workforce demands and educational supply; and
- a set of recommendations on how to efficiently and effectively close the skills gap that include, but are not limited to, (i) what degrees and certificates should be established to address our regional skills gap, (ii) what educational programs constitute a duplication of effort, and (iii) what data gaps exist to allow the Commission to provide a more detailed and sophisticated analysis, including estimated cost to purchase or secure such data.

Introduced by Senators Chaudhuri, McInnis, and Gunn and referred to the Senate Rules Committee.

SENATE BILL 341, Government Immigration Compliance, is identical to House Bill 135, summarized in the February 27, 2019, Legislative Report. **Introduced by Senators Sanderson and Britt and referred to the Senate Rules Committee.**

BILL UPDATES

HOUSE BILL 130, Allow Games Nights, was amended in the House Finance Committee to:

- provide that the term "cash prize" includes gift cards that are issued by a financial institution or its operating subsidiary and that are usable at multiple unaffiliated sellers of goods or services;
- decrease the fee for the gaming equipment sticker from \$50 to \$25;

- allow the Alcohol Law Enforcement Branch to inspect, without notice, any gaming table or other gaming equipment used in a game night event at any time immediately prior to or during the game night event;
- make it a Class 1 misdemeanor to use a gaming table or equipment in a game night event that does not comply with the registration requirements; and increase the vendor permit application fee from \$1,000 to \$2,500.

The bill as amended was approved by the House Finance Committee and will next be considered by the House Rules Committee.

HOUSE BILL 235, Utilities Comm'n Tech. and Add'l Changes, was heard as a Proposed Committee Substitute (PCS) by the House Committee on Energy and Public Utilities. This act, as amended, would:

- increase the application fee for a person, other than Class A, B, C, or D utilities, seeking a certificate of public convenience and necessity from \$25 to \$250; and
- authorize the Commission to allow a lessor of a multi-unit apartment building who has obtained the approval of the Commission for the use of a master meter to charge each tenant for the electricity or natural gas used by a central system based on each tenant's metered or measured share of the electricity or natural gas used by the central system.

Re-referred to the House Finance Committee.

HOUSE BILL 287, Repeal G.S. 1-113 and G.S. 1-114, was amended in the House Judiciary Committee to also repeal GS 1-114, which provides that when a judgment is recovered against one or more of several persons jointly indebted upon a contract in accordance with GS 1-113, those who were not originally summoned to answer the complaint may be summoned to show cause why they should not be bound by the judgment, in the same manner as if they had been originally summoned. **The bill as amended was approved by the House Judiciary Committee and will next be considered by the House Rules Committee.**

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