



INTRODUCTION

Last Thursday was the General Assembly's crossover deadline, the date by which bills without a financial element must move from one chamber to another in order to stay alive for the session. Usually, this is a week filled with late nights and craziness, but this session they actually planned ahead and moved bills quickly the week before so it was surprisingly calm. The House wrapped up its work on Tuesday and the Senate on Wednesday, meaning most lawmakers weren't even in town for the actual deadline.

A total of 1,687 total bills have been introduced this session, including more than 1,000 House bills and nearly 700 in the Senate. Most bills that had been heard in committee made it to the floor for a vote, and many remaining bills have a budget or finance component, exempting them from crossover. And some bills that may not have made the deadline, may be revived later in session with the addition of a fiscal element or by being added to another measure.

Now that crossover has passed, the budget will take center stage again. Senate Majority Leader Sen. Harry Brown, R-Onslow, indicated that the goal is for the Senate to complete the budget by the end of the month, which would likely mean floor votes on the week after Memorial Day. According to Brown, budget subcommittees are already working on the pieces of the budget.

Another issue that has been front and center this session has surfaced again. State Treasurer Dale Folwell has moved forward with his plan to change how the State Health Plan reimburses doctors and other providers. The State Health Plan announced that the state Insurance Department has given final approval to moving the plan to a government pricing model tied to Medicare rates. House Bill 184, which was approved by the House in April, would stop the plan while a study is conducted; however, the bill has not been heard in the Senate.

Also, last week, Governor Cooper announced nearly \$10 million in broadband grants through the Growing Rural Economies with Access to Technology (GREAT) program, which provides matching grants to internet service providers and electric membership cooperatives to expand high speed internet in Tier 1 counties. The grants were distributed to 14



APARTMENT ASSOCIATION OF NORTH CAROLINA



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companies in 19 counties from Gates County in the state's northeast to Macon County in the state's far west. There appears to be bipartisan agreement that funding for GREAT should continue. The House budget included \$15 million a year for the program, as well as tweaks to eligibility rules that would allow for projects in less impoverished Tier Two counties. Cooper's budget included \$30 million for the 2019-2020 fiscal year but no money for the following year.

The General Assembly also continues to explore options to address teacher and school needs. Senate Bill 219 was passed by the Senate last week. It would give teachers extra time to pass licensing exams by allowing school districts to issue three-year, non-renewable limited licenses to teachers who are in danger of losing their jobs because of failing licensing exams. The bill also gives a one-year extension -- to June 30, 2020 -- for elementary school teachers and special education teachers whose initial licenses were set to expire in June.

The Senate also passed legislation to allow families with household income of more than \$70,000 per year to utilize the Opportunity Scholarship program, which provides private school vouchers. Senate Bill 609 would also eliminate a cap that has been used to limit the number of kindergarteners and first graders eligible for the program. The program has not been spending all the funds it is appropriated, accumulating more than \$12 million on hand, and it is scheduled to get an extra \$10 million a year from state taxpayers every year through 2026.

Finally, the week ended on a partisan note, as [news](#) broke that the State Board of Elections will remove longtime Executive Director Kim Strach, a Republican appointee. The change in leadership, and especially the timing, is questionable with the Republican primary in the 9th Congressional District race being held today, the 3rd Congressional District race going to a run-off and the [2020 U.S. Senate race](#) already heating up. In Raleigh it seems that everything is partisan these days.

BILLS OF INTEREST

HOUSE BILL 796, Emotional Support Animals – Rental Units. This legislation was requested by the **Apartment Association of North Carolina!** In the last days before the Crossover deadline, the bill was removed from the Health Committee (where we had worked the bill and were confident of its approval) and re-referred to two committees, one of which was not scheduled to meet again before the deadline which essentially would “kill” the bill. The Apartment Association of North Carolina worked to find out why this was done and to address the concerns about the bill that had been raised to House leadership at the last minute. By the end of that day, the bill had been moved to the House Rules Committee and approved unanimously. The next day, the bill was heard and amended on the House floor. The House amendment changed the first edition by amending the definition of health service provider under statute to also include a nurse practitioner and physician assistant, in addition to a physician, psychiatrist, or Licensed Clinical Social Worker. The bill was then approved on a vote of 115-1 which satisfied the cross-over deadline. **The bill as amended was approved by the Full House and will next be considered by the Senate.**

BILL UPDATES

HOUSE BILL 144, Hands Free NC, as amended in the House Insurance and Rules Committee, would:

- make it unlawful for a person to operate a vehicle on a public street or highway or public vehicular area while using the person's hands to engage in distracted behavior that impairs or otherwise restricts the proper operation of the motor vehicle and results in operation that is careless, reckless, or heedless under the conditions then existing; **(yes this language is confusing and was the subject of much debate in committee and on the House Floor)**
- provide that distracted behavior includes use of a handheld mobile telephone and use of a handheld electronic device;
- make a violation an infraction punishable by a fine of \$100 and the costs of court with no insurance surcharge assessed; and
- allow exceptions for the following:
 - the use of a mobile telephone or electronic device for the purpose of communicating an emergency situation to: an emergency response operator; a publicly or privately-owned ambulance company or service; a hospital; a fire department; or a law enforcement agency; and
 - the use of a mobile telephone or electronic device by any of the following while in the performance of official duties: a law enforcement officer; a member of a fire department; the operator of a public or private ambulance; a first responder responsible for the protection and preservation of life, property, evidence, or the environment; the operator of a vehicle registered to a public utility or communications service provider when the operator is an employee of the public utility or communications service provider using the device to carry out official duties; and an amateur radio operator responding to an emergency situation.

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

HOUSE BILL 551, LRC Study - Require Paid Work Breaks. The provisions of this bill were removed in the House Rules Committee and replaced with new provisions that would instead direct the Legislative Research Commission (LRC) to study amending the Wage and Hour Act to require employers to provide a twenty-minute paid break to any employee working a shift of six hours or more. The study would include the following:

- assessing the merit of requiring that employees working a shift of six hours or more be provided a twenty-minute paid break by their employers and the economic impact of imposing such a requirement;
- determining whether other states have imposed such a requirement and investigating the results of such legislative mandates, including the economic impact;
- assessing the need to restrict the use of the paid break to delay the beginning or shorten the duration of the work period without the approval of the employer;
- evaluating the merit of authorizing the Commissioner of Labor to impose a civil penalty upon employers who fail to provide the required break;
- identifying factors to be taken into consideration by the Commissioner in determining the amount of any such civil penalty, including the size of the business of the person charged and the gravity of the violation;
- identifying and assessing procedures by which a violator would be able to challenge the Commissioner's penalty determination; and
- any other matters the LRC deems relevant to its efforts.

The LRC would report its findings, including any proposed legislation, to the 2020 Regular Session of the 2019 General Assembly upon its convening. **The bill as amended was approved by the House Rules Committee and the full House and will next be considered by the Senate Rules Committee.**

HOUSE BILL 708, LRC Study – Affordable Housing, was heard as a Proposed Committee Substitute (PCS) in the House Rules Committee. The PCS changed the first edition by adding an examination of any costs that may be associated with government rules, regulations, and ordinances, to the items that the Legislative Research Commission must do when studying affordable housing in the State. **The bill as amended was approved by the House Rules Committee and the Full House and will next be considered by the Senate Rules Committee.**

HOUSE BILL 880, Landlord/Tenant Changes, was heard as a Proposed Committee Substitute (PCS) in the House Judiciary Committee. The PCS made the following changes to the first edition, which were negotiated by **the Apartment Association of North Carolina**. With these changes, the North Carolina Justice Center supports the bill.

- modifies the proposed changes to statute regarding authorizing fees, costs, and expenses by specifying that the statute, as amended, does not prohibit the landlord and tenant from reaching an agreement to resolve a dispute involving an alleged default under a lease or agreement on terms agreeable to the parties so long as the negotiated terms are consistent with the fees, costs, or expenses permitted by the statute;
- changes the first edition by now requiring a landlord who enters into an agreement to retain or regain possession of the demised premises, after obtaining a judgement for possession under the Chapter, to submit a motion and proposed order for relief from the judgment pursuant to statute to the clerk of superior court in which the judgment was entered no later than 30 days after satisfaction of the terms of the agreement;
- clarifies that, concerning liability of the landlord for failure to file a motion and proposed order for relief, the attorneys' fees and costs resulting from the landlord's failure to act, and the defendant's monetary damages, including unpaid rent or one month's rent under the lease or agreement, as specified, are to be paid by the landlord to the tenant;
- adds to statute concerning authorizing the court to relieve a party or his or her legal representative from a final judgment, order, or proceeding for reasons of mistake, inadvertence, excusable neglect, newly discovered evidence, and fraud, as specified. Sets forth procedures for a prevailing party to motion the court for relief from the judgement entered against the opposing party due to the specified reasons, providing for an automatic dismissal with prejudice; and
- makes technical and clarifying changes to the act's effective date.

The bill as amended was approved by the House Judiciary Committee and the Full House and will next be considered by the Senate Rules Committee. This bill is supported by the Apartment Association of North Carolina.

SENATE BILL 560, Disciplining Judges – State Bar, was heard as a Proposed Committee Substitute (PCS) in the Senate Judiciary Committee. The PCS changes the first edition by removing the content of the previous edition and replaces it with the following: prohibits the Judicial Standards Commission (Commission) from investigating, whether initiated upon its own motion or by written complaint of a citizen of this State, when the motion or complaint is based substantially upon a legal ruling by a district or superior court judge and the legal ruling has not yet been reviewed and ruled upon by either the North Carolina Court of Appeals or the North

Carolina Supreme Court. **The bill as amended was approved by the Senate Judiciary Committee and the Full Senate and will next be considered by the House.**

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