



INTRODUCTION

BORN-ALIVE ABORTION SURVIVORS ACT

As the House and Senate negotiate the budget, only a handful of bills have been able to move through the legislative process with most still in Rules. Notably, the House did take up their veto override vote on Senate Bill 359, the “Born-Alive Abortion Survivors Act.” The Republican-controlled chambers moved to override Gov. Cooper’s veto of the controversial bill last month. The Senate successfully voted to override the Governor’s decision, but the House vote failed to reach the 60 percent majority vote needed to complete the override. The chambers, which both held Republican supermajorities last session, had overridden many of Gov. Cooper’s vetoes for the past two years with ease. With Democrats gaining seats and breaking the supermajorities last election, it is clear that Gov. Cooper’s vetoes will be much more difficult to be overridden now.

THE CRAFT BEER DISTRIBUTION AND MODERNIZATION ACT

After many years of debate over North Carolina’s self-distribution cap and franchise laws, brewers and wholesalers have also reached a compromise that will provide the craft brewers with greater opportunity to independently distribute and expand their businesses. The Craft Beer Distribution and Modernization Act also has ended Craft Freedom’s 2-year lawsuit challenging North Carolina’s self-distribution and franchise laws, which many brewers have found to be less than business-friendly as it often forces brewers to forfeit self-distribution rights and sign with a wholesaler into a nearly unbreakable contract. This legislation will raise the annual production cap from 25,000 barrels to 50,000 barrels annually without having to sign with a wholesaler, so long as their total sales volume does not exceed 100,000 barrels annually. This will also create a new, mid-level permit category of brewers who produce less than 100,000 barrels annually. The Craft Beer Distribution and Modernization Act received overwhelming bipartisan support and was signed into law last week by Governor Cooper.



APARTMENT ASSOCIATION OF NORTH CAROLINA



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REDISTRICTING LAWSUIT

The redistricting lawsuit was shaken up this past week with new shocking evidence suggesting that North Carolina Republicans misled a federal court to prolong the usage of gerrymandered maps for legislative state districts. The Republicans told the court that they would not have enough time to draw new districts and hold public hearings in time for a special election to be held in late 2017 or early 2018. This led the federal court to decide to not call a special election, leaving the current veto-proof Republican supermajority in both chambers for an additional year. A look through the hard drives of a deceased Republican strategist, Thomas Hofeller, proved this to be untrue. The hard drives showed that at the time of the federal court hearing almost all of the proposed new boundaries had already been drawn for over 90% of the Senate and House districts.

Rep. David R. Lewis, told reporters in the wake of this news on Thursday that legislators accurately described how they drew the 2017 maps. "I really can't speak to what's in those reports," he said. "I can tell you that all of the maps that I produced and I presented to the people and to the committee were drawn on a state computer on state time in the two-week allotted time period that we were given." In earlier proceedings, lawyers for Republican leaders had argued that the cited maps could have been work Hofeller did as a paid adviser in the lawsuit or could simply have been drawn out of Hofeller's personal interest on his own time. Voting-rights advocates, the national parties, and other interested parties are sure to take particular interest in Hofeller's hard drives and whether or not these storage devices should see the light of day, as lawyers for Republican leaders have already demanded that Hofeller's hard drives be returned to his estate and copies be destroyed.

BILL UPDATES

HOUSE BILL 391, Passenger Protection Act. The provisions of this bill were removed in the House Transportation Committee and replaced with new provisions that would:

- amend Transportation Network Company (TNC) safety requirements by requiring:
 - a TNC to specifically include in their records each driver's name and current address of drivers for one year from the date the driver terminated their relationship with the company a TNC;
 - a TNC driver to display the vehicle's license plate number in a location that is visible from the front of the vehicle;
 - a TNC driver to display consistent and distinctive signage or emblems while a TNC driver is active on the TNC digital platform or when providing a TNC service;
- raise the TNC driver statutory minimum age requirement from 19 years old to 21 years old;
- create a criminal offense for impersonating a TNC driver. Impersonating a TNC driver during the commission of a separate felony offense would be a Class H felony, and any other violation would be a Class 2 misdemeanor;
- establish an 11-member Commission to Study Transportation Network Company Passenger Safety; and
- provide \$100,000 to the UNC Board of Governors to develop and implement an awareness campaign to educate students at constituent institutions on what information a TNC must provide to help customers identify TNC drivers.

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

LEGISLATION ENACTED

HOUSE BILL 646, ID Approval/Flex Muni One-Stop. This legislation will:

- clarify the approval process for student and employee identification cards for voting purposes to require the submission documentation satisfactory to the State Board that specified criteria been met and will not knowingly be violated with regard to student/employee identification cards issued during the approval period, including that (1) the photograph obtained (i) is a frontal image that includes the student's/employee's face and (ii) represents a clear, accurate likeness of the student/employee to whom the identification card is issued. If the photograph is one not produced by the university or college or its agents or the state or local government entity or charter school, it must certify in detail the process used to ensure the photograph is that of the student/employee to whom the identification card is issued and shall certify that the process is designed to confirm the identity of the student to whom the identification card is issued; and (2) access to the equipment for producing the identification cards is restricted through security measures;
- provide an additional window for approval of student and employee identification cards for the 2020 elections;
- require the State Board to publish sample student identification cards for each participating university and college;
- provide that an approved student identification card or employee identification card without a printed expiration date is eligible for use in any election held before January 1, 2021; and
- provide flexibility in the number of hours of early one-stop voting in odd-numbered year elections to allow county boards of elections by unanimous vote of all its members to propose a Plan for Implementation providing for sites in that county for absentee ballots to be applied for and cast in elections conducted in odd-numbered years. The proposed Plan for Implementation must specify the hours of operation for the county board of elections for an election conducted in that county for that odd-numbered year.

Effective: June 3, 2019.

SENATE BILL 310, Electric Co-Op Rural Broadband Services. This legislation will:

- authorize subsidiary business entities of Electric membership corporations (EMCs) that provide or support "high speed broadband services to one or more households, businesses, or community anchor points in an unserved area" to do both of the following: (1) finance with loans or grants from the Rural Utilities Service of the United States Department of Agriculture (USDA); and (2) compensate the EMC at less than full compensation for the use of personnel, services, equipment, or tangible and intangible property; and
- define the following terms: "anchor points" to include schools, libraries, community colleges, community centers, and other similar places; "high speed broadband services" as Internet transmission speeds of a minimum of 25 megabits per second (Mbps) downstream and 3 Mbps upstream; and "unserved area" as a location where inhabitants or businesses do not have access to high-speed broadband services.

Effective: May 30, 2019, and applies to all claims filed on or after that date.

SENATE BUDGET

Whereas currently the budget allocates \$20 million to the North Carolina Housing Finance Agency (Agency) to administer the Workforce Housing Loan Program for each fiscal year, the House budget appropriated \$20 million for FY 2019-2020 alone. The Senate allocated \$10 million to the program for each fiscal year, totaling to be the same as what was appropriated in the House budget. The Governor's budget also appropriated \$20 million for this program in total over the biennium, half of what the program will receive this biennium.

Under the program a taxpayer "allocated a federal low-income housing tax credit to construct or substantially rehabilitate a qualified North Carolina low-income housing development" is eligible for a loan under the Workforce Housing Loan Program if the taxpayer satisfies the loan criteria established by the Agency. The loan criteria are developed "in partnership with developers of low-income housing in the State who receive a federal low-income housing tax credit." The Agency is directed to take into consideration all eligible sources of funding for each development project, including whether there are other eligible sources of funding available for the development project.

Amendment #26, offered by Senator Harry Brown, was adopted into the budget. This amendment directs the Office of State Budget and Management to allocate the following in nonrecurring funds from funds appropriated to the Project Reserve in the General Fund and the relevant on is \$2.5 million to the Department of Commerce to provide 1:1 matching grants to nonprofits to fund the planning and construction of affordable housing projects. It also directs the Department of Commerce to develop guidelines and procedures for the affordable housing grant program's administration and requires the Department to report on the program to the specified NCGA committee and division by May 1, 2020. It further directs that any unmatched funds allocated to the Department of Commerce for the affordable housing program reverts to the General Fund on June 30, 2021.

HOUSE BILL 966, 2019 Appropriations Act. The House did not agree to the budget changes made by the Senate and a Conference Committee of House and Senate members was appointed to work out the differences between the two versions. The Conferees are:

House

Rep. Linda P. Johnson (Senior Chair)
Rep. Donny Lambeth (Senior Chair)
Rep. Jason Saine (Senior Chair)
Rep. Dean Arp (Chair)
Rep. William D. Brisson (Chair)
Rep. Josh Dobson (Chair)
Rep. John Faircloth (Chair)
Rep. Chuck McGrady (Chair)
Rep. Jimmy Dixon
Rep. Kyle Hall
Rep. Pat McElraft
Rep. Larry C. Strickland
Rep. Jon Hardister
Rep. Kelly E. Hastings
Rep. Jeffrey Elmore

Senate

Sen. Harry Brown (Chair)
Sen. Kathy Harrington (Chair)
Sen. Brent Jackson (Chair)
Sen. Chuck Edwards
Sen. Rick Gunn
Sen. Andy Wells
Sen. Jim Davis
Sen. Tom McInnis
Sen. Deanna Ballard
Sen. Jerry W. Tillman
Sen. John M. Alexander, Jr.
Sen. Rick Horner
Sen. Dan Bishop
Sen. Joyce Krawiec
Sen. Danny Earl Britt, Jr.

Rep. John A. Fraley
Rep. D. Craig Horn
Rep. Pat B. Hurley
Rep. John Sauls
Rep. George G. Cleveland
Rep. Dennis Riddell
Rep. Gregory F. Murphy, MD
Rep. Larry W. Potts
Rep. Donna McDowell White
Rep. Destin Hall
Rep. Brenden H. Jones
Rep. James L. Boles, Jr.
Rep. Ted Davis, Jr.
Rep. Allen McNeill
Rep. Rena W. Turner
Rep. Frank Iler
Rep. Michele D. Presnell
Rep. Phil Shepard
Rep. John A. Torbett
Rep. David R. Lewis
Rep. John R. Bell, IV
Rep. Julia C. Howard
Rep. Mitchell S. Setzer
Rep. John Szoka
Rep. Elmer Floyd
Rep. Charles Graham

Sen. Warren Daniel
Sen. Norman W. Sanderson
Sen. Ralph Hise
Sen. Paul Newton
Sen. Bill Rabon

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