



INTRODUCTION

After nearly two months of trying to find the votes to override the Governor's veto of the budget, it appears Republican leadership has changed their strategy. Last week and this week, Republican leadership has pushed House Bill 74, which was amended to be a bill that would refund taxpayers more than \$660 million this fall, by giving those taxpayers refunds of \$125 for individuals and \$250 per couple (as long as the return paid that much in taxes for 2018). In an effort to get around a budget impasse, Republicans have also begun pushing legislation to the Governor's desk containing mini-budget pieces which are particularly popular and will be difficult for the Governor to veto, such as State employee raises. On Thursday, the Governor called the push for House Bill 74 and the piecemeal budget bills "politics and gimmicks," but did not say if he intended to veto the series of bills. Sen. McKissick commented on the matter and says he expects a veto from the Governor, and suggests that the refund legislation "seems more for political messaging." These bills will be difficult for the Governor to veto from a political standpoint, and could potentially make it more difficult for Democrats to stick together to keep any vetoes from being over-ridden.

Gov. Cooper believes the State budget surplus would be better spent on education. He also said that this new strategy could suggest that Republican leadership knows that they won't get the votes they need for an override, so this is "another way to try and get the budget 100 percent their way" by piecing the budget together.

Republican leaders plan to begin moving pay increase bills this week for state employees and teachers, but have not indicated how much the raises will be. The legislative budget provided higher raises for state employees, whereas the Governor's budget provided bigger raises for teachers. Without the passing of the budget, teachers won't be seeing their percentage raises or their \$1,000 step increases they would have gotten through the final budget. Republicans hope that this will cause extra heat for the Governor with teachers as school starts back. With the Republicans' wave of new bills and new strategy, it appears that the budget controversy has merely just begun and there is no end of session in sight.



APARTMENT ASSOCIATION OF NORTH CAROLINA



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FOR MORE INFORMATION:

Colleen Kochanek
Alexander C. Miller
P.O. Box 1038
Wake Forest, NC 27588
919.747.9988
colleen@kochaneklawgroup.com
alex@alexmillernc.com
www.kochaneklawgroup.com

BILL UPDATES

HOUSE BILL 55, Cleveland County/Sheriff Vacancies, was heard as a Proposed Committee Substitute (PCS) in the Senate Redistricting and Elections Committee. The PCS removes Cleveland County from the scope of the current statute that provides that if there is a vacancy in the office of sheriff, the coroner of the county must execute all process directed to the sheriff until the board elects a new sheriff, and sets out additional requirements for filling the sheriff vacancy. **The bill as amended was approved by the Senate Redistricting and Elections Committee and will next be considered by the Senate Rules Committee.**

HOUSE BILL 370, Require Cooperation with ICE Detainers. Governor Cooper vetoed this bill on August 21st, providing that, “This legislation is simply about scoring partisan political points and using fear to divide North Carolina. As the former top law enforcement officer of our state, I know that current law allows the state to jail and prosecute dangerous criminals regardless of immigration status. This bill, in addition to being unconstitutional, weakens law enforcement in North Carolina by mandating sheriffs do the job of federal agents, using local resources that could hurt their ability to protect their counties. Finally, to elevate their partisan political pandering, the legislature has made a sheriff’s violation of this new immigration duty as the only specifically named duty violation that can result in a sheriff’s removal from office.” **The bill has been sent back to the House Rules Committee.**

SENATE BILL 250, Remove Foreign Citizens from Voting Rolls, was amended in the House Rules Committee to:

- require record retention of all requests for excusal from jury duty based on a disqualification to serve;
- require the clerk to report to the State Board of Elections persons disqualified from jury duty because the person is not a citizen of the United States (previously, required reporting disqualifications due to citizenship, residency, or criminal history), and used to conduct efforts to remove names from its list of registered voters;
- require the State Board to retain the electronic records for four years (was, two years), deem the records retained by the State Board public records, and allow the State Board to destroy the records when they are no longer public records (previously, allowed the superior court clerk to destroy the records at the end of each biennium); and
- conduct systematic efforts to remove the names of ineligible voters from the official lists of eligible voters.

The bill as amended was approved by the House Rules Committee and the Full House on its initial vote. The bill will next be considered on its final vote in the Full House.

SENATE BILL 559, Storm Securitization/Alt. Rates. This controversial bill supported by Duke Energy and opposed by many advocacy groups was amended on the House floor and makes the following changes to the fourth edition:

- removes all provisions of Part II, which would have authorized the Utilities Commission to approve alternate rate methodology (this was the highly controversial provision);
- instead, it directs the Utilities Commission, in coordination with the Public Staff, to study the advisability of authorizing specified alternatives to the methods for fixing rates under statute including studying multiyear rate plans, banding of authorized returns, performance-based ratemaking, revenue decoupling, or any combination of those methods, for general rate case proceedings for electric public utilities;

- requires the Commission to examine other states' experiences allowing alternative rate-setting mechanisms, identify associated advantages and disadvantages, and their impact on consumers, service quality, reliability, resource integration, electric grid modernization, emissions, and any other relevant factors;
- directs the Commission to establish a stakeholder process within 60 days of the effective date of the act to support and provide comment on the study;
- identifies 12 stakeholders to be included in the process to the extent feasible; and
- requires the Commission to report to the General Assembly by March 1, 2020.

The bill as amended was approved by the Full House and will next be considered by the Senate, to consider the changes made by the House.

- Colleen Kochanek
AANC Legislative Counsel
P.O. Box 1038
Wake Forest, NC 27588
919.747.9988
colleen@kochaneklawgroup.com
www.kochaneklawgroup.comⁱ

Alexander C. Miller, MSW
Alex Miller Government Affairs
5 W Hargett St., Suite 908
Raleigh, NC 27610
919.619.3360
alex@alexmillernc.com

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