

NC Legislative Update: May 10, 2019

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The House and Senate both had heavy calendars as they approached this week's crossover deadline. Since the deadline has passed, any bill not dealing with taxes or the budget, and any bill that has not passed at least one chamber, will not be eligible for consideration. The house wrapped up its business for the week on Tuesday, while the Senate stayed in Raleigh until Wednesday, and both chambers are not scheduled to return until the middle of next week.

Among the bills voted on this week, the Senate approved increasing the student limit for virtual charter schools and also increased the fees for bad checks from \$25 to \$35. The House approved bills strengthening the criteria for emotional support animals, regulating zip-lines, and a bill placing restrictions on the use of cell phones while driving.

The House has passed their version of the budget, and the Senate has begun working on theirs. Senate Leadership has indicated that they hope to have the budget passed by the end of the month, and that subcommittee budget chairs have been given spending targets to work with. The legislature will have more money to work with than expected after tax collections came in \$700 million over projections, resulting in the largest surplus the State has seen since the Great Recession.

ABC 12: <https://wcti12.com/news/state-news/nc-collections-may-surge-to-new-heights-700-million-above-projections>

Second Chances Bill

The Senate passed Senate Bill 562, The Second Chances Act, which expands the State's expunction laws to allow more people to have their record cleared. The bill sets up an automatic expunction process for individuals charged with a crime, but not convicted. The bill also removes the limit of one expunction when an expunction has been used for a charge that did not result in a conviction. The bill does not apply to violent or sexual assault charges. Sponsors of the bill cite instances where a charge or conviction prevents a person from getting a job or qualifying for an apartment lease. They hope that this bill will allow people to be more productive citizens by giving them a second chance at a clean record.

WRAL: <https://www.wral.com/expunging-arrests-would-be-easier-under-bill-approved-by-senate/18370929/>

Outdoor Advertising Bill

With bipartisan support, the House approved a bill to allow the relocation of billboards when they are condemned by eminent domain. Supporters say that House Bill 645 is about fairness, and seeks to rectify situations where road projects remove billboards and the billboard owners are not allowed to relocate. The bill sets up strict parameters when relocating, and does not allow billboards to move into neighborhoods or convert to digital signs. The bill also represents a compromise between industry and municipalities.

USDA Office Relocation

Raleigh has been tapped as a potential site for the United States Department of Agriculture (USDA) to relocate two offices, bringing a total of 700 jobs. The Department announced its intention to relocate both the Economic Research Service and the National Institute of Food and Agriculture, which drew interest from 35 states and 136 locations. Raleigh is one of three contenders for the site, with the other two being Indiana and the greater Kansas City, Mo. area.

News & Observer: <https://www.newsobserver.com/news/politics-government/article230161799.html>

State Health Plan Update

Treasurer Dale Folwell's initiative to move the State Employees Health Plan to a reference-based pricing system fixed to a percentage of Medicare gained approval from the Department of Insurance this week. The Treasurer touted this as a victory in his controversial endeavor, and states that he will continue working towards implementing his plan for 2020. This change has drawn criticism from across the healthcare provider industry, who claim that simple rate cuts have not proven effective in increasing patient health or lowering costs in the long term. Healthcare advocates have been pushing legislation to delay the Treasurer's plan and allow for stakeholders to work on alternatives. The Treasurer has indicated numerous times that he does not intend to negotiate or work on a compromise with healthcare providers.

Winston Salem Journal: https://www.journalnow.com/news/state/state-treasurer-moves-forward-controversial-medical-care-reimbursement-plan/article_f4b0f891-90c4-52e9-a828-96d4d1fe2950.html

2019 Session Laws

The following 13 bills have become law this session:

- SB 7: Bipartisan Ethics Appointments
- SB 75: Restore Ct. of Appeals Membership
- SB 77: Ag Disaster Fund/Certain Counties
- SB 214: Ensure Orderly 2019 Elections

- SB 12: Fill Certain Vacancies/Alexander & Burke Co.
- SB 56: Revenue Laws Technical Changes
- SB 4: Extend Terms of 2 Members/Coastal Carolina CC
- SB 272: Zoning for University Facilities-Durham
- SB 6: Dare County/CC Construction Funds
- SB 162: Loan Origination/Late Payment Charge Changes
- HB 263: Fill Vacancies/Modify 2018 Appointments
- SB 63: City of Kannapolis/Annexation
- HB: 130: Allow Game Nights

More about Nexsen Pruet's North Carolina Public Policy Team

In addition to providing Government Affairs Services, the Nexsen Pruet Public Policy team provides attorneys and clients with a newsletter summarizing the week's activities and conveying the inner workings of the legislative process and state government in Raleigh during the legislative session. Please feel free to pass this along to your clients or other interested parties. If you would like to receive the update in your inbox, please email shernandez@nexsenpruet.com to be added to the list. If you are interested in learning more about how Nexsen Pruet can help you achieve your public policy goals and acquiring legislative representation in North Carolina or South Carolina, please reach out to Sandy Sands at ssands@nexsenpruet.com or Ross Barnhardt at rbarnhardt@nexsenpruet.com.