

# Legislative Update March 19, 2021

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## Practices

Legislative & Regulatory

## Article

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Lawmakers returned for a relatively light week in Raleigh, with the House only holding votes on Wednesday and the Senate leaving early Thursday due to expected severe storms across much of the state.

Finance Chairs in both houses introduced the 2021 Revenue Laws bill. This bill, which historically contains the main tax changes for the year, dictates what areas of the federal tax code North Carolina will adopt. One issue that will be closely watched is how North Carolina will treat federal Paycheck Protection Program (PPP) loans which helped struggling businesses during the COVID-19 pandemic. Currently, North Carolina allows companies to exempt forgiven PPP loans from income for tax purposes, but businesses cannot deduct business expenses paid for by PPP loans. Several bills have been introduced to address this issue, so this will be an issue to watch closely. To follow this topic, make sure to read the NCDOR Pay Check Protection Program Website.

## Tax Deadline Move

Due to ongoing COVID-19 concerns, the North Carolina Department of Revenue (NCDOR) has moved the state tax filing deadline for individual income tax from April 15 to May 17. This shift mirrors the action the Internal Revenue Service took earlier, shifting the federal tax deadline. While NC DOR can move the tax filing deadline and waive penalties, only the legislature can waive interest payments. The General Assembly passed a provision extending interest payments for 2019 tax filings last year and has indicated its intention to pass another extension for 2020 filings. Learn more: NC DOR Press Release.

## Vaccine Distribution Update

This week, individuals in Group 4 became eligible to receive a COVID-19 vaccine. Group 4 includes all adults (16-64) who have an underlying health condition that puts them at risk of COVID-19 complications. Group 4 was initially slated to become eligible on March 24, but last week Governor Cooper moved their eligibility up to March 17 due to increasing vaccine supply.

WRAL: People with health conditions can get coronavirus vaccination starting next week

## Bill Action Dates

- March 11: Senate local bill filing deadline
- March 25: House local bill filing deadline
- April 6: Senate public bill filing deadline (does not apply to constitutional amendments, elections bills, or appointments)
- April 20: House filing deadline for non-budget bills
- April 27: House filing deadline for budget bills
- May 13: Crossover deadline for both the House and Senate in which bills must have passed at least one chamber to remain eligible for consideration

## UNC System Board of Governors

The UNC system Board of Governors is the 24-member body responsible for setting policy and managing the 16 constituent institutions of the University of North Carolina. Members are elected by the General Assembly, with each chamber choosing appointees independently.

This week, legislators announced their selections for new and returning members of the Board. The Senate selected the following individuals for new terms on the Board: former State Budget Director Lee Roberts, former NC Senate candidate Sonja Nichols, and Kirk Bradley. It also reappointed former House member and former State Budget Director Art Pope, Randy Ramsey, and Jimmy Clark. The Senate also selected former Senator Joel Ford to fill a recent vacancy created by Darrell Allison's departure. Allison was recently appointed Chancellor at Fayetteville State University.

The House of Representatives also approved the reappointment of Kellie Blue, former House member Leo Daughtry, Carolyn Coward, lobbyist Reginald Holley, and Wendy Murphy. It also selected former House member John Fraley to serve his first term on the Board of Governors.

## Congressional Term Limits

The House passed a resolution this week calling for a Constitutional Convention to amend the United States Constitution to set term limits for Members of Congress. Amending the United States Constitution can happen two ways: a two-thirds vote of Congress to propose amendments to the states, of which three-fourths have to ratify, or a constitutional convention called for by two-thirds of the state legislatures. Historically, all 27 amendments to the Constitution have been initiated by Congress and none by convention. The bill passed on a largely party-line vote, with one Democrat voting for it and six Republicans voting against it.

## Emergency Powers Accountability Act

Last week, House leadership unveiled a bill to limit the Governor's executive authority when responding to emergencies. The bill amends the Emergency Management Act to require the Governor to receive Council of State

approval for statewide emergency orders. The bill defines statewide orders as those affecting more than two-thirds of the state's counties.

Under the bill, the Governor would be allowed to issue emergency orders for the entire State but would be required to receive a majority vote of the Council of State within seven days. The Council of State would then need to re-approve those orders every 30 days. The current Council of State is made up of four Democrats and six Republicans.

Bill sponsors filed the bill on the first anniversary of the State's initial COVID-19 restrictions. They claim that the Emergency Management Act was not intended to allow a governor to keep the State under emergency orders for extended periods.

Lawmakers have previously passed legislation to limit the Governor's authority in responding to emergencies, but they have all been vetoed. The bill has not yet been heard in committee.

WRAL: Lawmakers: Governor shouldn't have unilateral power to shut down NC

List of All Filed Bills: <https://www.ncleg.gov/Legislation/Bills/WithAction/2021/10>

## 2020 Summary of Substantive Legislation

The Legislative Analysis Division has published the 2020 Summary of Substantive Legislation, which breaks down new laws by subject matter. Below is a link to the document: <https://www.ncleg.gov/Legislation/SummariesPublication/Subjects/2020/>