

NC Legislative Update: April 12, 2019

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The House continued to introduce new legislation this week in anticipation of their April 23rd bill filing deadline. Since the Senate's bill filing deadline passed, they have focused on moving legislation through committee. The Senate took up a controversial wind energy ban proposal, regulations on mini trucks, a bill to expand the use of CBD oil and Senate Bill 375, which deals with drug overdoses. Senate Bill 375 criminalizes selling or delivering a controlled substance that results in a person's death. The bill is in response to increased overdose deaths, especially from drugs laced with highly lethal fentanyl. However, many victims' families have concerns with the bill, worried that it will deter fellow users from calling for help when a friend overdoses.

The House continued to work on their budget proposal, and members have indicated that they are still on track to release it by the end of the month, even with a planned Easter break that starts next week.

NC Health Care for Working Families

Healthcare leaders in the House introduced House Bill 655: NC Health Care for Working Families, which is their proposal to offer coverage to people who fall in the gap between Medicaid and Affordable Care Act plans. Bill sponsor Representative Donny Lambeth calls this plan an alternative to Medicaid Expansion. The bill includes work requirements, and participants would have to pay premiums and co-pays for health services. The premiums would be billed monthly and would add up to 2% of the participant's annual income. The bill directs the Department of Health and Human Services (DHHS) to seek the highest federal matching rate available, and hopes to find any required state funds through existing provider assessments, but mentions that new assessments may be needed. The program is estimated to cost \$4.7 billion a year, but the bill sponsors believe 90% of that will be paid by the federal government. The bill faces opposition from Senate leaders, who believe that intellectual and developmental disabilities (IDD) slots should come first, and from Democrats who are holding out for traditional Medicaid expansion.

WRAL: <https://www.wral.com/tuesday-wrap-medicaid-expansion-by-any-other-name/18316217/>

Medicaid Transformation Appeal

The State's Medicaid Transformation initiative to move the Medicaid program to capitated contracts is facing opposition from three groups who applied for contracts but were denied. Aetna Better Health, Optima Family Care, and My Health by Health Providers have all appealed the Department of Health and Human Services's (DHHS) decision. DHHS says that they plan to move forward with the plan, despite the protests. In their appeal to the Office of Administrative Hearings, My Health by Health Providers argues that DHHS ignored a legislative directive to include provider-led entities and is asking that the process be put on hold. The capitated Medicaid contract represent the largest procurement in State history, and in a legislative committee hearing, DHHS Secretary Mandy Cohen said that she anticipated that there would be appeals.

NC Health News: <https://www.northcarolinahealthnews.org/2019/04/12/n-c-s-path-to-medicaid-managed-care-gets-complicated/>

Wind Energy Ban

The Senate Commerce and Insurance Committee heard the Military Base Protection Act this week, which would prohibit wind energy installations in certain areas of the State. Senator Brown, who sponsored the bill, cites concerns over wind energy turbines disrupting military aircraft training, which may cause the military to close or relocate nearby bases. The State instituted a wind energy ban two years ago that was set to expire, but also conducted a study to determine locations that pose a threat to military training. The study produced a map outlining locations that would interfere with military training, which included the vast majority of eastern North Carolina. Opponents of the bill claim that it is unneeded and that an approval process that takes the military into consideration already exists. Clean energy advocates feel that the bill is an effort to undermine alternative sources of energy. The military is North Carolina's second largest industry, and Senator Brown warned of the economic consequences to the State if it lost a base. Committee members heard from military leaders on both sides of the issue and no vote was taken.

WRAL: <https://www.wral.com/seymour-johnson-commander-calls-for-status-quo-as-nc-considers-wind-farm-ban/18318560/>

Electric Vehicle Fee Increase

The Senate Transportation Committee approved a bill this week to increase the fees on electric and hybrid vehicles. Bill sponsors argue that these gas-efficient cars are not paying their fair share for road maintenance and construction, since the State Highway Fund's main source of revenue comes from the gas tax. The bill raises the current electric car registration fee from \$130 to \$275 over three years, and establishes a new registration fee on hybrid cars that starts at \$87.50 and increases to \$137.50 by 2022. Highway funding in North Carolina has been a growing problem since cars are becoming more gas efficient, and bill sponsor Senator Jim Davis recognizes that this bill is an "imperfect attempt" to fix the issue. In the past, the legislature explored the idea of a miles-driven tax, but logistical concerns could not be resolved. Automobile manufacture representatives claimed that they were shocked by the drastic increase in fees.

WRAL: <https://www.wral.com/registration-fees-for-hybrids-electric-vehicles-could-be-going-up/18318162/>

Year Round Daylight Savings Time

The House State and Local Government Committee advanced a bill to make Daylight Savings Time the official State time year round, if approved by Congress. Bill sponsor Representative Jason Saine claims that it is the most popular bill he has ever filed. Saine also pointed to research linking time change to higher rates of car accidents, negative health side effects, and depression. The bill has to pass the Rules Committee before heading to the full House for a vote.

WRAL: <https://www.wral.com/spring-forward-forever-nc-lawmakers-propose-permanent-daylight-saving-time/18317904/>

Committee Split on Motorcycle Helmet Bill

In an even 10-10 vote, the House Transportation Committee failed to advance House Bill 267, which would allow people to ride motorcycles without a helmet if they are 21 or older, and have been licensed to operate a motorcycle for 12 months or longer, or have completed a special training class. Representative John Torbett, who sponsored the bill for the fifth session in a row, claims that it should be up to the individual whether or not they choose to wear a helmet. Opponents cited the obvious safety and public health concerns with the bill. While the committee did not have the votes to pass the bill, the tied vote means that the legislation could re-emerge.

2019 Session Laws

The following 11 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
- SB12: Fill Certain Vacancies/Alexander & Burke Co.
- SB56: 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
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More about Nexsen Pruet's North Carolina Public Policy Team

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