

NC Legislative Update: April 18, 2019

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Legislators returned to Raleigh this week to continue work before taking a planned spring break. The House left town Wednesday, the 17th and will return Thursday, the 25th. The Senate is taking the entire week of the 22nd off. Due to the legislature's vacation, there will not be a public policy update next week.

The House has indicated that they are still making progress on their proposed budget and hope to make it public by the end of the month. Once the House passes their budget, the Senate will begin work on its proposal.

Governor Cooper issued his first veto of the session, in opposition to Senate Bill 359: Born-Alive Abortion Survivors Protection Act. The bill passed on largely party lines, with neither chamber approving the bill by a veto-proof vote.

Duke Energy Rate Bill Faces Opposition

Duke Energy is pushing a bill to change the way utility rate increases are approved. Senate Bill 559 would allow the NC Utilities Commission to approve multiyear rate increases for long-term projects, instead of having to come back to the Commission every year for increases. Duke Energy claims that the bill will modernize outdated statutes and allow for better decision making on long-term projects like grid modernization. Environmental and sustainable energy groups oppose the bill, along with AARP, Google, Walmart, North Carolina Manufacturers Alliance, and other large energy customers, who believe that the bill would allow Duke Energy to shift costs to the ratepayers without review.

WRAL: <https://www.wral.com/big-employers-push-back-on-duke-energy-rate-bill/18331861/>

WRAL: <https://www.wral.com/duke-energy-pitches-new-way-to-get-state-approval-for-rate-increases/18322575/>

Tax Reform Bill Heard in Committee

The Senate Finance Committee heard Senate Bill 622, the Tax Reduction Act of 2019 this week. The bill increases the personal income tax standard deduction for all filing classes, lowers the franchise tax, makes changes to market based sourcing, extends the NASCAR and jet fuel tax exemption to 2024, and suspends certain taxes for out-of-state companies when entering the State in response to a disaster. The franchise tax change would lower the rate from \$1.50 per \$1,000 of valuation to \$1 per \$1,000. Bill sponsor Senator Hise said that the ultimate goal is to eventually repeal the franchise tax all together.

In the committee, fiscal analysts predicted that the bill would cost the State around \$200 million a year in revenue. Many Democrats are opposing the bill, believing that the cuts are at the expense of higher state employee salaries and investments in education. Governor Cooper has indicated that he opposes the bill, and has sought to prevent scheduled tax cuts from taking place in his recommended budgets.

WRAL: <https://www.wral.com/planned-tax-cut-would-save-nc-businesses-250m/18332297/>

Ride Share Safety Bill

Representative John Bell is pushing a bill to add new safety regulations to rideshare services like Uber and Lyft. The bill is in a response to a South Carolina college student who was kidnapped and killed after she got into a car that she believed to be her ride. The bill requires marking and an illuminated sign to allow riders to easily recognize ridesharing cars. The bill faces opposition from Uber and Lyft, who spoke against the bill in committee. They contend that illuminated signs prevent riders from relying on the app to identify their ride, and could easily be impersonated. The committee postponed a vote on the bill.

WRAL: <https://www.wral.com/uber-against-nc-lawmaker-s-plan-to-make-ride-sharing-safer/18329621/>

Congressional Blue Lights Bill Dead

Senator Floyd McKissick has indicated that he is no longer pursuing Senate Bill 618, which would allow members of Congress to use blue lights on their vehicles when performing official duties. Senator McKissick said that Congressman G.K. Butterfield had asked for the bill, and that he hoped it would allow congressional members to quickly escape threatening situations. Senator McKissick cited public perception issues as reasoning for abandoning the bill.

WRAL: <https://www.newsobserver.com/news/politics-government/article-229329684.html#storylink=mainstage>

ECU Interim Chancellor

Dan Gerlach has been named to be the interim chancellor of East Carolina University (ECU). Gerlach has served as the president of the Golden LEAF Foundation since 2008. He had previously worked in the Governor Easley administration. UNC System interim President Bill Roper said that the search for a permanent chancellor has not yet begun, but did not rule Gerlach out as a candidate for that position. Former ECU Chancellor Cecil Staton resigned

earlier this year.

News & Observer: <https://www.newsobserver.com/news/local/article229333249.html#storylink=mainstage>

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

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.