

NC Legislative Update: March 1, 2019

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The legislature picked up pace this week, with committees meeting regularly and bills moving to the floor for votes. This week, Governor Cooper signed his first bill of the year, Senate Bill 75, which repealed a law that would reduce the size of the Court of Appeals by not filling vacancies. So far, the Senate has passed 11 Senate Bills and one House Bill, while the House has passed eight House Bills and three Senate Bills.

The two chambers have been holding daily appropriations subcommittee meetings, where the members have heard from agencies and groups on their budget needs and major programs. These meetings are largely educational and help legislators get up to speed before they start the budget writing process.

Overtaken Constitutional Amendments

Wake County Superior Court Judge Bryan Collins ruled last Friday that the voter ID and income tax cap constitutional amendments approved by the voters in the 2018 general election are unconstitutional. The judge cited the fact that a federal court had declared the General Assembly's legislative districts unconstitutional, and, thus, the General Assembly did not have the authority to place the amendments on the ballot. The State Constitution requires a 3/5 vote in both chambers to propose a constitutional amendment to the voters, and the lawsuit claimed that the legislature would not of had the required votes if it were not for their unconstitutional districts. Republican leaders have vowed to appeal the decision, claiming that it was politically motivated.

News & Observer: <https://www.newsobserver.com/news/politics-government/article226652589.html>

https://www.southernenvironment.org/uploads/words_docs/doc03389420190222171503.pdf?#eml=NCInsider

State Health Plan Bill

Representatives Dobson, Howard, Brisson, and Adcock filed House Bill 184, which would put the brakes on Treasurer Dale Folwell's plan to move the

State Health Plan to a reference based pricing model fixed to Medicare rates. The Treasurer claims that his plan would save the State \$300 million a year and add transparency to pricing. Opponents claim that across-the-board rate cuts do not have their intended affects, and forces providers to scale back operations, which limits access to care. House Bill 184 establishes a legislative study committee to find alternative ways of reducing the costs of the State Health Plan and explore ways to improve health outcomes, with options like patient management. The bill also prevents the Treasurer from making any changes to the State Health Plan until December 31, 2019.

McCrae Dowless Arrest

McCrae Dowless, who has been a key figure in the 9th Congressional District election investigation, was arrested this week on a series on felonies. Dowless allegedly operated an illegal absentee ballot scheme during the 2016 and 2018 elections. This recently led the State Board of Elections to order a new election in the 9th District, which was narrowly won by Republican Mark Harris.

The State Board of Elections will meet next week to set the dates for the new 9th District election. Harris has indicated that he will not run, but his opponent, Democrat Dan McCreedy has said that he will run. Republicans expressing interest in running include: Stony Rushing, Dan Bishop, Tommy Tucker, and Matthew Ridenhour. Tucker is a former state senator who retired last year, and Ridenhour is a former Mecklenburg County Commissioner who lost reelection. Bishop currently represents Mecklenburg County in the state senate

WRAL: <https://www.wral.com/mccrae-dowless-central-figure-in-9th-district-election-probe-indicted/18222776/>

Indictment: <https://www.documentcloud.org/documents/5753341-Dowless-Indictments-Feb-26-2019.html>

Financial Literacy School Curriculum

Senate Bill 134, sponsored by Senators Tillman, Ballard, and Chaudhuri, would add financial literacy requirements to high school students' graduation requirements. Existing North Carolina law already requires some financial instructional time, but this bill would make that a standalone class. The program is estimated to cost \$2.1 million, which will go to pay for teacher training and certification.

WRAL: <https://www.wral.com/bill-would-require-financial-literacy-class-in-high-school/18220300/>

State of the State Address

Governor Cooper delivered his second State of the State address to House and Senate members this Monday. In his address, the Governor advocated for Medicaid expansion, free community college tuition for high demand jobs, a school construction bond, teacher pay increases, and continued Hurricane Florence and Michael recovery efforts. The Governor acknowledged that some of these issues would be divisive, but implored legislators to work together, citing the bipartisan success they had when working on hurricane relief last year. Senate leader Phil Berger delivered the Republican response via an online video later that evening. In his message, Berger, indicated that Republican's focus will continue down the same path, noting that the voters sent Republican majorities in both chambers back to Raleigh.

ABC 11: <https://abc11.com/politics/state-of-the-state-cooper-makes-soft-sell-for-education-medicaid-storm-aid/5152003/>

WRAL: <https://www.wral.com/cooper-remains-determined-on-medicaid-school-bond-rural-broadband/18218497/>

Hands Free Driving Bill

Lawmaker's are seeking to restrict the use of cell phones while driving. The State already prohibits texting and driving, but law enforcement say that the law can be hard to enforce, and that there are many other smart phone applications besides texting that can distract drivers. House Bill 144, the Hands Free NC Act, makes phone use while driving punishable by a \$100 fine for first time offenders, \$150 for second time offenders, and \$200 plus insurance points for third time offenders.

ABC 11: <https://abc11.com/politics/live-north-carolina-lawmakers-to-discuss-hands-free-driving-law/5159110/>

NC 3rd Congressional District Election

Governor Cooper has set the dates for a new election to fill the vacancy in the 3rd Congressional District once held by Congressman Walter Jones. The filing period will be from March 4th to March 8th, with a primary election being held on April 30th. The general election will take place on July 9th, unless a runoff election is needed in the primary, which would move the general election to September 10th.

Individuals running include the following:

- (R) State Rep. Greg Murphy
- (R) State Rep. Michael Speciale
- (R) State Rep. Phil Shepard
- (R) Michele Nix
- (R) Phil Law
- (R) Jeff Moore
- (R) Sandy Smith
- (D) Ollie Nelson

WTKR: <https://wtkr.com/2019/02/28/gov-cooper-sets-dates-to-fill-north-carolinas-3rd-congressional-district-seat/>

Governor's Writ of Election and Proclamation: https://files.nc.gov/governor/documents/files/Writ_of_Election_Proclamation_-_Third_Congressional_District.pdf

News & Observer: <https://www.newsobserver.com/news/politics-government/article226775819.html>

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.