

# NC Legislative Update: March 8, 2019

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03.08.2019

The General Assembly continued to move legislation through this week, with the two chambers trading bills. However, each chamber has heard few of the other chamber's bills. House and Senate leadership will most likely wait until after the May 9th crossover deadline to move many bills from the opposite chamber. So far, only two session laws have been enacted. The General Assembly has continued to hold daily joint appropriations meetings as they prepare for the budget writing process, however, the joint meetings are expected to end in the coming weeks as the House breaks off to form their chamber's proposal.

## Governor's Budget

As required by the State Budget Act, Governor Cooper released his proposed 2019-21 State Budget this week. In the past, governor's budgets have been seen as little more than a doorstop, in what many call a political document. However, Governor Cooper is hopeful that many of the priorities emphasized in his budget will be included in the final version of the State Budget, given the fact that Republicans no longer have veto-proof majorities in either chamber. Education is a top priority in Governor Cooper's \$25.2 billion budget, with 58% going to education. Under his budget, teachers receive a 9.1% pay raise over 2 years, with other state employees receiving the greater of 1.5% or \$500 in both years of the budget.

As promised, Governor Cooper included Medicaid expansion in his budget, which will be a hotly debated item as the legislature begins the budget process. The House has warmed up to the idea, while Senate leaders have been adamantly against Medicaid expansion. Another item that has drawn controversy is the nearly \$4 billion school construction and infrastructure bond included in Governor Cooper's budget. House Speaker Tim Moore has sponsored a school construction bond bill, which, at \$1.9 billion, is half the size of Cooper's. The Senate has unveiled their own school construction proposal, which sets up a dedicated stream of funding, called pay-as-you-go, and does not require the state to take on additional debt. Having the Governor, Senate, and House each on different sides of both Medicaid expansion and school construction could make for a long session

and interesting negotiations.

WRAL: <https://www.wral.com/cooper-confident-he-now-has-leverage-to-get-more-from-lawmakers-in-budget/18238911/>

OSBM: [https://www.osbm.nc.gov/budgetbook\\_2019-21](https://www.osbm.nc.gov/budgetbook_2019-21)

## Small Business Healthcare Act

Legislators are making another push to expand the use of Association Health Plans (AHP) this year with Senate Bill 86. The Senate passed a similar provision last year, but the House rejected their proposal. Under Senate Bill 86, non-profit organizations that meet a set of criteria would be able to qualify as an AHP and offer their members health insurance. AHPs have been allowed, but the federal criteria to qualify included a restrictive commonality of interest requirement. In 2018, the federal Department of Labor relaxed the criteria to satisfy the commonality of interest requirement. Now, organizations with members in the same trade or profession, or members that are in the same geographic area meet the requirement. The federal change also allowed sole proprietors and self-employed individuals to join. Senate Bill 86 conforms North Carolina Law to reflect the new federal rule changes. Many small business and trade organizations are in support of this bill, since it will allow them get better insurance rates as a larger group in the market.

NC Health News: <https://www.northcarolinahealthnews.org/2019/02/25/legislature-makes-another-attempt-at-creating-association-health-plans/>

## Televised House Sessions

By a nearly unanimous vote, the House passed a bill this week that would start broadcasting House sessions and committee meetings on TV. Under House Bill 218, the public would be able to view the legislative process on UNC-TV. However, the bill does not include Senate sessions or committees. The bill has a \$300,000 price tag on it to pay for the video equipment and broadcasting platform.

WRAL: <https://www.wral.com/house-looks-to-put-nc-c-span-on-state-s-airwaves/18239745/>

## New 9th Congressional District Election Dates

On Monday, the State Board of Elections set the dates for a new election in the State's 9th Congressional District. The election was ordered after an investigation found that there was enough election fraud in 2018 to warrant a new election. The candidate filing period will be from March 11 to March 15, with the primary election taking place on May 14. If a runoff election is needed for the primary, it will take place on September 10, otherwise, the general election will take place on September 10. If a runoff is needed, then it will push the general election to November 5.

WRAL: <https://www.wral.com/state-picks-date-for-new-9th-district-election/18232861/>

## 3rd Congressional District Candidates

The candidate filing period for the 3rd Congressional District ends on Friday, March 8th. As of March 7, 2019, the following 21 candidates have filed:

- (D) Ike Johnson
- (D) Dana E. Outlaw
- (D) Richard Bew
- (D) Ernest T. Reeves
- (R) Phil Law
- (R) Michele Nix
- (R) Michael Speciale
- (R) Greg Murphy
- (R) Gary Ceres
- (R) Chimer Davis Clark, Jr
- (R) Graham Boyd
- (R) Celeste Cairns
- (R) Phil Shepard
- (R) Paul Beaumont
- (R) Jeff Moore
- (R) Joan Perry
- (R) Kevin Baiko
- (R) Francis X. De Luca
- (R) Eric Rouse
- (CST) Greg Holt
- (LIB) Shannon W. Bray

NC Board of Elections: <https://s3.amazonaws.com/dl.ncsbe.gov/Elections/2019/District3Candidates.pdf>

## Loan Fee Changes

The Senate Commerce and Issuance Committee approved a bill to create a staggered fee schedule for loans or extensions of credit under \$300,000 that are not secured by real property. Current law allows them to charge the greater of ¼ of 1% or \$50. Under Senate Bill 162, the fee schedule would be as follows:

Principal Amount	Maximum Origination Fee
\$0 to \$1,499.99	\$100.00
\$1,500 to \$19,999.99	\$150.00
\$20,000 to \$29,999.99	\$175.00
\$30,000 to \$49,999.99	\$200.00
\$50,000 to \$99,999.99	\$250.00
\$100,000 to \$300,000	1/4 of 1% of loan amount

### *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](mailto: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](mailto:ssands@nexsenpruet.com) or Ross Barnhardt at [rbarnhardt@nexsenpruet.com](mailto:rbarnhardt@nexsenpruet.com).*