



INTRODUCTION

We have just completed the first full week of the legislative session and if anyone didn't think the Republican majority would use their new power, they were reminded this week that they have every intention to use their new political capital. The Senate approved Senate Bill 4, which prohibits the State from participating in the insurance exchange and also prohibits North Carolina from expanding Medicaid under the Affordable Care Act. There were some fireworks when Governor McCrory wrote a letter to each Senator asking them to slow down on the issue so that his administration could review the issue more closely. Interestingly, on the national level, two Republican governors from Ohio and Michigan decided to expand Medicaid, so there does seem to be a split among Republicans. It is difficult to turn down Federal money that would pay for 100% of the expansion for at least three years and provide more of your citizens with insurance. The Republican legislative majority in North Carolina; however, are arguing that the system is broken, and it does not make sense to expand it and that long term it will cost the state money. The Senate bill is expected to be discussed in the House Health Committee on Tuesday, February 12th.

The other controversial piece of legislation that is moving is the employment security overhaul which would lower the weekly unemployment payments to \$350, shorten the time frame to receive payments, and turn down new Federal money for unemployment payments. The House has approved House Bill 4, and it has already been discussed and approved in the Senate Finance Committee and will be debated in the Senate on Tuesday as well. This legislation will work to pay down the over \$2 billion debt to the Federal government for unemployment payments and was an election issue and part of the Republicans' agenda for the Session. We expect this legislation to be approved this week and signed into law by the Governor.

Also, this week all of the Joint Appropriations Subcommittees are scheduled to meet to start going over their respective areas of the budget. The Subcommittees are Health and Human Services, Justice and Public Safety, Transportation, Natural and Economic Resources, Education, and General Government. These committees will meet jointly - with Senate and House members - to go over the budget from last session and discuss various areas of concern where they believe spending is too high or that funding is not being effective. Once the subcommittees go over the budgets, then the Senate will start meeting alone to prepare its budget proposal. Usually they will wait for the Governor to prepare and propose his first budget, and it will be interesting to see the Governor's priorities for the State and how much deference the Legislature gives to his proposals.



NORTH CAROLINA GROUND WATER ASSOCIATION



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BILLS OF INTEREST

HOUSE RESOLUTION 63, Support Right to Bear Arms, is a resolution that would express the House of Representative's: (1) support of the inalienable right of the people of this State to keep and bear arms; and (2) opposition to any infringement by the federal government in the State's right to guarantee the protection of the right of the people of this State to keep and bear arms. The resolution also directs the Principal Clerk to transmit a certified copy of the resolution to each member of North Carolina's congressional delegation. **Introduced by Representative Speciale and referred to the House Rules Committee.**

HOUSE BILL 70, North Carolina Health Plan, would provide for the North Carolina Health Plan, as an alternative to a health benefit exchange. The bill would direct the Department of Insurance and the Department of Health and Human Services to study the issues and propose statutory changes to facilitate the operation of the NC Health Plan, and report to the Joint Legislative Oversight Committee on Health and Human Services no later than March 1, 2014.

The Plan would provide comprehensive health benefits, including, but not limited to, the following: (1) health care services currently offered by health care facilities, offices, and clinics; (2) preventive health care services; (3) medical and surgical supplies; (4) durable medical equipment; (5) a prescription drug formulary; (6) long-term care services and personal assistance, including assisted and skilled care; (7) hospice care; (8) mental health treatment; and (9) dental services. North Carolina residents would be able to go to any licensed provider within the State for services. The plan would not charge co-payments or deductibles for the first two years; however, if later implemented, deductibles could not exceed \$250 per individual or \$500 per family, and there would be no co-payments or deductibles for preventive care. The Plan would be funded by all taxpayers within the State based on their ability to pay and by a stable funding stream that accounts for the increasing costs of health care services. All residents would be covered, but would be required to enroll prior to receiving services. The Plan would offer a direct billing system for providers, and providers who participate would be entitled to payment for services within 30 days of providing services. The Plan also would implement a smart identity card for plan participants, and coordinate with providers to create a centralized, secured medical record system. **Introduced by Representative Brandon and referred to the House Insurance Committee.**

HOUSE BILL 74, Periodic Review and Expiration of Rules, is substantially similar to Senate Bill 32, summarized in the February 5, 2013, legislative report. This bill would provide that the notice of the proposed text of a rule does not have to include the text of the proposed rule, if the rule is being readopted without *substantive* changes to the existing proposed rule in order to keep the permanent rule from expiring. **Introduced by Representatives Murry, Moffitt, Samuelson, and Bryan, and referred to the House Regulatory Reform Committee.**

HOUSE BILL 79, Annexation Amendment, would amend the North Carolina Constitution, if approved by a majority of voters in a statewide referendum held in November 2014, to prohibit the General Assembly from authorizing an annexation initiated by a city or town unless the eligible voters living within the proposed area of annexation approve the proposed annexation by two-thirds of those voting. Property owners could still request a voluntary annexation. The bill also would prohibit cities and towns from exercising jurisdiction beyond their corporate limits. **Introduced by Senators Apodaca, Hunt, and Rabon and has not yet been assigned to a committee.**

HOUSE BILL 84, Enact Medical Cannabis Act, would enact the North Carolina Medical Cannabis Act to allow protections for the medical use of cannabis. The bill would include prohibitions, restrictions, and limitations on the medical use of cannabis, and would require registry identification cards for qualified patients and designated caregivers. The bill would provide that a physician may not be subject to arrest or prosecution, penalized in any manner, or denied any right or privilege for recommending the medical use of cannabis or providing written certification for the medical use of cannabis pursuant to the Act. The University of North Carolina System would research the efficacy and safety of administering cannabis as part of medical treatment, which would be known as the North Carolina Cannabis Research Program. **Introduced by Representatives Alexander and Harrison, and has not yet been referred to a committee.**

SENATE BILL 44, Workers Comp. Coverage/Public Records, would allow the North Carolina Industrial Commission to release the following data, in addition to policy effective dates, cancellation, and reinstatement dates, for workers' compensation insurance policies that become effective on or after January 1, 2012: employer name and address; carrier name, address, and telephone number; and policy number. This legislation would correct legislation from last session that restricted this information and caused problems with Worker's Compensation claims and discovering employers who are not providing coverage. **Introduced by Representative Brown, and referred to the House Commerce Committee.**

SENATE BILL 51, GBICC/Workers' Comp Program Integrity, would direct the State Controller and the Government Business Intelligence Competency Center (GBICC) to enhance the State's business intelligence by collecting and analyzing data from various state agencies relating to workers' compensation claims for the purpose of preventing and detecting fraud. These agencies would include the North Carolina Industrial Commission, the North Carolina Rate Bureau, the Division of Employment Security, the Department of Labor, and the Department of Revenue. **Introduced by Senator Brown, and referred to the Senate Commerce Committee.**

SENATE BILL 59, Armed Security Guards in K-12, would: (1) allow armed security guards who meet the selection and training requirements for state law enforcement officers at all schools; (2) require the North Carolina Sheriffs' Education and Training Standards Commission to develop a firearms safety and training course which would be administered by the various county sheriff's offices to the armed security guards; and (3) allow the waiver of concealed carry permit requirements for armed security guards who meet certain requirements. In the discretion of the local school board, an armed security guard could be a school resource officer, school volunteer, school employee, or a person otherwise qualified under these provisions, and the board could establish application procedures for a person interested in serving as an armed security guard. Before providing coverage to a school, all applicants, other than certified law enforcement officers, would be required to successfully complete an approved firearms safety and training course developed by the North Carolina Sheriffs' Education and Training Standards Commission and administered by the county sheriff's office in the county where the school is located. **Introduced by Senator Rabin and referred to the Senate Rules Committee.**

SENATE BILL 71, Amend Irrigation Contractors Licensing Laws, would amend the laws that regulate irrigation contractors to: (1) provide substantive requirements for licensing corporations; (2) provide for the issuance of licenses to nonresidents; (3) clarify the fee structure; and (4) provide for licensure of experienced irrigation contractors without the requirement of an examination where certain conditions are met. **Introduced by Senator Tucker and has not yet been assigned to a committee.**

BILL UPDATES

HOUSE BILL 4, UI Fund Solvency & Program Changes. **After eight failed amendments by Democrats on the House floor, this bill was approved by the full House. The bill was then approved by the Senate Finance Committee with no amendments, and will next be considered by the full Senate.**

HOUSE BILL 8, Eminent Domain, was amended in the House Judiciary Subcommittee B to clarify that the statutory amendments apply to takings that occur on or after the date the legislation is enacted. **The bill as amended was approved by the House Judiciary Subcommittee B, and will next be considered by the full House.**

SENATE BILL 4, No NC Exchange/No Medicaid Expansion, **was approved by the full Senate, and is scheduled to be heard in the House Health and Human Services Committee on Tuesday, February 12th.**

SENATE BILL 10, Government Reorganization and Efficiency Act. This bill was rewritten in the Senate Rules Committee and is very controversial as it completely removes all members of some powerful Commissions and Committees so that the Legislative Majority and the Governor may assign all new members to implement their agenda. The amendments would:

- make the elimination of the Committee on Dropout Prevention effective when the legislation is enacted;
- eliminate the Lottery Oversight Commission and the Charter School Advisory Committee;
- **abolish all special superior court judges,** except for the three designated as business court judges;
- provide that no person may serve more than three four-year terms on the State Board of Elections, and that the term of any person currently serving on the Board who has served more than three four-year terms will terminate on the effective date of the legislation;
- include provisions for when a vacancy occurs in the State Board of Elections during the period beginning when a Governor takes office after election and ending April 30 of that year;
- require the Governor (rather than the Board members) to appoint a chairman of the State Board of Education, who would serve in that role at the pleasure of the Governor;
- reorganize and change the appointment authority of various boards and commissions, including:
 - Coastal Resources Commission;
 - Coastal Resources Advisory Council;
 - Environmental Management Commission – allows the Governor to appoint 7 of the 13 members (currently, Governor appoints all 13), and ends the term of all members serving as of January 1, 2013, when the legislation becomes law;
 - Industrial Commission – decreases the term of Commission members from 6 to 4 year staggered terms, and requires the Commission to adopt bylaws to govern the conduct of its business;
 - Utilities Commission – ends the term of all members serving as of January 1, 2013, when the legislation becomes law, and provides for 6-year staggered terms for commissioners;
 - Wildlife Resources Commission;
 - North Carolina Turnpike Authority;

- State Lottery Commission - ends the term of all members serving as of January 1, 2013, when the legislation becomes law, and decreases the term of Commission members from 5 to 2-year terms.

The bill was further amended on the Senate floor to add two members to the Board of Transportation, and to remove provisions regarding who may hold supervisory positions at the NC Highway Patrol. **The bill as amended was approved by the Senate Rules Committee and the full Senate, and will next be considered by the House.**

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