



INTRODUCTION

Major Bills Move, Crossover Looms

With the bill filing deadline passed for both the House and the Senate, the focus has been on getting bills moved as quickly as possible through committees and to the floor before the May 16 crossover deadline (after which, public bills with little or no fiscal impact that have not been passed by the chamber in which they were filed are “dead” for the rest of the 2013-2014 session and cannot be considered). Each year as the crossover deadline approaches and the tone at the General Assembly becomes markedly more intense, leadership in each chamber goes through a process of determining which bills that have yet to be heard will be given priority, and which will not. The basis for these decisions can only be guessed at, and at times seem to have as much to do with the sponsors’ standing in the caucus, the potential political fallout and the likelihood of passage in the other chamber, as with the merits of the bills in terms of policy.

Regardless of the effort extended to get bills passed before they become subject to these considerations, inevitably the last weeks before crossover are filled with debate about some of the most controversial, difficult and far-reaching legislation of the session. Inevitably, some bills will take up a considerable percentage of the available time, energy and media coverage. Major efforts like education reform and Voter ID have moved in the last two weeks, while others like immigration and tax reform are waiting in the wings. For those supporting more modest proposals, the race is on to try and walk each bill through the political minefield before the deadline hits.

You will find that we have included quite a few general interest bills in this report, including gun bills, tax issues and just some issues that impact almost everyone. After this report, any new legislation will be very limited to those that effect the budget and some other limited exceptions like constitutional amendments. We will continue to provide updates on bills of particular interest as they move through the process.



NORTH CAROLINA GROUND WATER ASSOCIATION



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BILLS OF INTEREST

HOUSE BILL 809, Game Nights/Nonprofit Fundraisers, would authorize nonprofit organizations to operate "game nights," provide for the regulation of nonprofit organizations holding game nights, and allow the consumption of alcoholic beverages at games nights. To operate a game night, the organization would have to apply to the Alcohol Law Enforcement Section of the Department of Public Safety for a permit and pay an application fee of \$250. Any licensed exempt organization who conducts a game night in violation of these provisions would be guilty of a Class 2 misdemeanor. The bill sets out limits on the number of game nights per year, costs of prizes, and what games may be played, and prohibits the award of cash prizes at any game night event. **Introduced by Representative Owens and referred to the House Judiciary Subcommittee B.**

HOUSE BILL 812, Special License Plate DWI Offenders, would direct the Division of Motor Vehicles, when restoring a person's drivers license after a revocation for certain impaired driving offenses, to require the person to agree to and indicate on the person's drivers license a restriction that he or she may operate only a vehicle that displays a special registration plate. The plate would be a different color from those regularly issued and such that it may be readily identified by law enforcement officers. The person would obtain a special registration plate for all registered vehicles he or she owns, unless the DMV determines that one or more specific vehicles are relied upon by another family member for transportation and that vehicle is not in the possession of the person subject to this restriction. The person could operate a vehicle that is owned by his or her employer and that does not display a special registration plate only if: (1) the person is required to operate that vehicle in the course and scope of his or her employment; (2) the employer has been notified that the person is subject to a license restriction requiring the person to drive only vehicles displaying a special registration plate; and (3) the person has proof of the employer's notification in his or her possession while operating the employer's vehicle for normal business duties. This restriction would be in effect seven years from the date of restoration if the person's license was permanently revoked or three years in all other cases, and a violation of the restriction would result in a one-year revocation. **Introduced by Representative Boles and referred to the House Transportation Committee.**

HOUSE BILL 814, Study Water & Sewer Service Districts, would direct the Environmental Review Commission to study the reduction and consolidation of the statutory models for establishing, operating, and financing certain organizations that provide water and sewer services in the State. **Introduced by Representatives Hamilton, Moffitt, R. Moore, and Millis and referred to the House Rules Committee.**

HOUSE BILL 815, Ban Use of Credit History in Hiring/Firing, would make it an unlawful employment practice for an employer to refuse to hire or to bar or discharge from employment, or otherwise to discriminate against a person in compensation or the terms, conditions, and privileges of employment because of the person's credit history or credit report, unless the information in his or her credit history or credit report directly relates to a bona fide occupational qualification. An employer could only inquire into and consider a prospective employee's credit history or credit report after providing him or her with a conditional offer of employment. However, the offer could be withdrawn if information in the credit history or credit report is directly related to a bona fide occupational qualification. Exceptions to this prohibition would be provided for an employer that is (1) expressly permitted or required to inquire into an individual's credit history for employment purposes pursuant to State or federal law, and (2) a financial institution in which deposits are insured by a federal agency having jurisdiction over

the financial institution. **Introduced by Representatives Luebke, Harrison, Adams, and C. Graham and referred to the House Rules Committee.**

HOUSE BILL 822, Three-Fifths Vote to Levy Taxes, would amend the State constitution, if approved by voters in a statewide election held in November 2014, to require a three-fifths vote for the General Assembly to levy a new state tax or increase existing taxes. This requirement would not apply to a law repealing or restricting a specific tax preference or a law authorizing one or more local taxing units to levy a tax. **Introduced by Representatives Blust, Jones, Holloway, and Jordan and referred to the House Finance Committee.**

HOUSE BILL 823, Taxpayer Transparency Act, would enact the Taxpayer Transparency Act to provide the public more information on the budget. The bill would require the Governor to develop and make available a single, searchable budget database website, including, where possible, a hyperlink to the actual grant or contract that is a funding action or expenditure, by January 1, 2015. The searchable budget database website would be updated for each fiscal year no later than 30 days following the close of the fiscal year, and could be updated as new data becomes available. The website database would include the following information: (1) the name and principal location or residence of the entity or recipient of funds; (2) the amount of funds expended; (3) the funding or expending agency; (4) the funding source; (5) the budget program or activity of the expenditure; (6) a descriptive purpose; (7) expected performance outcome; (8) past performance outcomes; (9) any related State audits or reports; and (10) any other relevant information specified by the Office of State Budget and Management. **Introduced by Representatives Blust, Blackwell, and Saine and referred to the House Finance Committee.**

HOUSE BILL 826, Wage Theft/Misclassification/Remedies, would make various amendments to the State's labor laws pertaining to wage theft, misclassification of employees, and recovery of unpaid wages. These amendments would include:

- requiring an employer to notify its employees, in writing at the time of hire, and at the time of any material change, of the following: (1) the promised wages and the basis upon which the promised wages will be calculated (for example, per hour or per piece); (2) the method, day, and place for payment; (3) the full name, mailing address, and telephone number of the employer and the federal and State tax identification number of each employer who is not a natural person; and (4) the employee's employment status;
- requiring (instead of allowing) the court to award liquidated damages in an amount equal to *twice* the amount found to be due to an employee when an employer has violated minimum wage, overtime, or wage payment provisions, unless the employer shows that the act or omission was in good faith and that the employer had reasonable grounds for believing that the act or omission was not a violation of this Article;
- providing that an employer who violates the notification requirement would be liable to the employees affected for actual damages, including, but not limited to, lost wages and benefits plus interest;
- requiring the court to award statutory damages of up to \$500 per employee per violation if it finds that the employer has intentionally violated any provision of or any regulation issued pursuant to this Article;
- requiring the court to award costs and fees and reasonable attorneys' fees to the plaintiff;
- allowing an action arising out of a willful violation to be brought within three years, or within one year after notification to the employee of final disposition by the State of a complaint for the same violation;
- providing that an employee is entitled to a lien upon (1) all property of the employer, real or personal, located in this State; and (2) all property upon which the employee has

performed work at the instance of the owner or of a person acting by the employer's authority or under him or her as contractor or otherwise, for the full amount of the wages and any statutory penalties owed; and

- provisions regarding an employee's lien upon real or personal property of the employer, including allowing the lien to be filed at any time prior to the expiration of the statute of limitations for a wage claim on the same wages.

Introduced by Representatives Glazier, D. Ross, Harrison, and L. Hall and referred to the House Commerce and Job Development Committee.

HOUSE BILL 833, Measurability Assessments, would provide for an independent evaluation, or measurability assessment, of proposed or existing State programs to determine whether the program is or will be capable of reporting performance and return on investment. The bill includes specific factors to be included or determined by the measurability assessment, including the local, regional, or statewide problems or needs that the program is intended to address; and whether and to what degree the program is unique and does not duplicate or negate results of another public or private program or enterprise. **Introduced by Representatives Avila, Blackwell, Tolson, and Saine and referred to the House Regulatory Reform Committee.**

HOUSE BILL 846, Job and Education Privacy Act, would prohibit employers and academic institutions from requiring individuals to disclose access information for social media and personal e-mail accounts and from monitoring or tracking an employee's, applicant's, or student's personal electronic communication device by installing software on the device or by remotely tracking the device by using intercept technology. It would be unlawful for an employer or academic institution to fail or refuse to hire or admit an applicant or to take retaliatory action against an individual as a result of his or her refusal to disclose such information. This prohibition would not: (1) preclude access to publically accessible communications appearing on a social networking site; (2) apply to investigations conducted by an academic institution's public safety department or police agency, if there is a reasonable suspicion of criminal activity, or to an investigation, inquiry, or determination conducted pursuant to the institution's threat assessment policy; (3) prohibit employers in the financial services industry, who are subject to the laws and regulations of State or federal financial regulators, from conducting internal investigations into employee wrongdoing or complying with the regulators' supervision requirements; (4) prohibit an employer from requiring an employee to disclose a user name or password for accessing nonpersonal accounts or services that provide access to the employer's internal computer or information systems; or (5) limit the right of an employer to create, maintain, and enforce lawful workplace policies governing the use of the electronic equipment of the employer, including policies concerning internet, social networking website, and e-mail use. **Introduced by Representatives D. Hall and Saine and referred to the House Judiciary Subcommittee A.**

HOUSE JOINT RESOLUTION 849, LRC/Improve Home Gun Safety, would authorize the Legislative Research Commission to study ways to improve firearm safety in homes. The Commission could review the following issues: (1) ways to reduce accidental shootings by children, including encouraging parents to enroll children in firearm safety training classes at an early age and making firearm safety training classes accessible to everyone; and (2) ways in which to require lawful owners of firearms to protect themselves and others by restricting access to firearms by minors and people who are prohibited or restricted by law from owning or possessing firearms, including convicted felons and persons with a history of mental problems. **Introduced by Representative Farmer-Butterfield and referred to the House Rules Committee.**

HOUSE BILL 856, LRC Study/Minimum Design Daily Flow Rates, would require the Legislative Research Commission to study and report on whether existing minimum design daily flow rates for normal water and sewage use and occupancy situations need updating. **Introduced by Representatives Hamilton, Catlin, and Millis and referred to the House Rules Committee.**

HOUSE BILL 862, Health Insurance Market Reforms, would make various changes to the health insurance laws in response to the Affordable Care Act, including:

- providing that a small employer carrier may not modify the premium rate charged to a small group non-grandfathered health benefit plan or a small employer group member, including changes in rates related to the increasing age of a group member, for 12 months from the initial issue date or renewal date;
- establishing uniform standards for health plan rating;
- providing that State utilization and grievances law and external review law mirrors federal law for non-grandfathered health benefit plans.

The bill also would direct the Department of Insurance to monitor the health insurance market for negative impacts of the Patient Protection and Affordable Care Act, and to publish quarterly reports on the impacts beginning on October 1, 2013, and continuing until July 1, 2015. **Introduced by Representatives Insko, Glazier, Farmer-Butterfield, and Harrison and referred to the House Rules Committee.**

HOUSE BILL 869, Gun Permits Valid for 3 Years, would provide that a permit to purchase a pistol and a concealed handgun permit is valid for three years from the date the permit is issued rather than for five years. A permit issued before December 1, 2013, would remain valid until five years from the date that the permit was issued. A concealed handgun permit would remain valid until five years from the date the permit was issued, unless the permit is otherwise revoked or suspended prior to that date. **Introduced by Representative Adams and referred to the House Rules Committee.**

HOUSE BILL 870, Record Closed Sessions of Public Bodies, would require all closed sessions held by a public body to be recorded by audio or video and audio recordings. The recordings of closed sessions that become eligible for public inspection would be retained for at least two years from the date of the public release of the recording. The obligation to record a closed session using sound or video and sound recording would not apply to a closed session or a portion of a session that is closed pursuant to G.S. 143-318.11(a)(6) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee. **Introduced by Representative Dixon and referred to the House Government Committee.**

HOUSE BILL 872, Protect NC Right-to-Work, would provide that any provision in an agreement or contract performed in this State that would require a contractor or subcontractor to employ union members for performance of the agreement or contract is void and unenforceable as a matter of public policy and an unfair trade practice. This provision would not apply to an agreement or contract paid, in whole or in part, with federal funds. **Introduced by Representatives Moffitt, Murry, Warren, and Stam and referred to the House Commerce and Job Development Committee.**

HOUSE BILL 875, *Deferred Presentment Services*, is substantially similar to Senate Bill 89, summarized in the February 15, 2013, legislative report. **Introduced by Representatives W. Brawley, R. Moore, Johnson, and Burr and referred to the House Banking Committee.**

HOUSE BILL 876, *Local LEO/Serve Subpoena by Phone*, would clarify that any employee of a local law enforcement agency may serve a subpoena for the attendance of a witness by telephone communication. The bill also would require the Administrative Office of the Courts to update the subpoena form to indicate this. **Introduced Representative Turner and referred to the House Judiciary Subcommittee C.**

HOUSE RESOLUTION 886, *Repeal Portions of Federal Health Insurance Tax*, would urge the US Congress to repeal the health insurance tax, sections 9010 and 10905 of the Patient Protection and Affordable Care Act, and section 1406 of the Health Care and Education Reconciliation Act to make health care more affordable for working families, individuals, and businesses. **Introduced by Representatives Collins, Burr, Moffitt, and Hager and referred to the House Rules Committee.**

HOUSE BILL 892, *No Fiscal Note for Rule Repeal*, would amend the Administrative Procedure Act to eliminate the requirement that an agency prepare a fiscal note when repealing a rule. **Introduced by Representatives Catlin, W. Brawley, Murry, and Moffitt and referred to the House Regulatory Reform Committee.**

HOUSE BILL 901, *Mechanics Liens/Leasehold Improvements*, would direct the Legislative Research Commission to study the need to modify existing law to better protect the right of contractors, subcontractors, and suppliers to be paid for furnishing labor, materials, rental equipment, or professional design or surveying services under a contract with the tenant who holds a leasehold interest in the improved real property. **Introduced by Representative Stevens and referred to the House Judiciary Subcommittee C.**

HOUSE BILL 906, *NC Public Contractor Safety Act*, would require the North Carolina Department of Labor to develop a standardized questionnaire and rating system to assess bidders on objective metrics of occupational safety and health performance for the purpose of prequalifying bidders and their subcontractors on public construction contracts. A bidder would be ineligible to submit a bid on or be awarded a construction contract if: (1) the bidder or any of its subcontractors do not meet the minimum standards of the awarding authority's safety prequalification assessment; (2) the bidder does not furnish proof of current workers' compensation coverage; or (3) it is determined in the preceding five years that a company officer, agent, or person with substantial ownership in the company provided false or misleading information under this section. **Introduced by Representatives Luebke, Adams, Gill, and Richardson and referred to the House Rules Committee.**

HOUSE BILL 910, *Independent Redistricting Commission*, would amend the State constitution, if approved by voters in a statewide election held in November 2014, to establish an Independent Redistricting Commission to handle redistricting after the 2020 census and thereafter. The Independent Redistricting Commission would adopt district plans that meet, to the extent possible, the following goals: (1) compactness, to avoid elongated and irregularly shaped districts; (2) one person, one vote to ensure each voter's vote; and (3) minimizing the number of split counties, municipalities, and other communities of interest. The Commission would not be allowed to consider the political affiliation of voters, voting data from previous elections, the location of incumbents' residences, or demographic data from sources other than the US Bureau

of the Census when preparing or adopting its plans. **Introduced by Representative Blust and referred to the House Elections Committee.**

HOUSE BILL 912, Check-Off Donation: Government Funding, would provide space on the North Carolina income tax return for individuals to elect to make a monetary donation to be used for governmental services, spending, and appropriations to one or more of the following: the Department of Cultural Resources; the Department of Health and Human Services; the Department of Public Instruction; the Department of Public Safety; the State's General Fund; and the University of North Carolina. **Introduced by Representatives Blust, Jones, Holloway, and Jordan and referred to the House Finance Committee.**

HOUSE BILL 913, Voter Integrity, would make a variety of amendments to the State's voting laws, including:

- eliminating same-day voter registration;
- providing that provisional ballots are retrievable, so that if the ballot is counted and it is later determined that it should not have been counted, that ballot may be removed from the total;
- providing that a vacant lot or business address may not be considered a residence or used as a residential address unless a person uses that location as his or her usual sleeping area;
- requiring county boards of elections to remove from their voter registration records a person identified as deceased by a signed statement of a near relative or personal representative of a deceased voter;
- encouraging a funeral director or funeral service licensee to make available, at the time funeral arrangements are made, to near relatives of the deceased a form for reporting the status of the deceased voter to the county board of elections;
- directing the State Board of Elections to participate in national or interstate efforts to share vital records data for the purpose of voter roll maintenance;
- making it a Class 2 misdemeanor for a person to be compensated, whether based on the number of forms submitted or otherwise, for assisting persons in registering to vote unless he or she is conducting voter registration for a governmental agency as required by State or federal law;
- providing for election observer rights; and
- amending the timeline for when the board of elections must provide general election ballots in a presidential election year.

Introduced by Representative Blust and referred to the House Elections Committee.

HOUSE BILL 914, Public Safety/Gun Transfer/Background Check, would amend certain gun laws as follows:

Transfer or receipt of firearms without a permit –

- exempts the transfer or receipt of a firearm between immediate family members from the prohibition against the transfer or receipt of firearms without a permit;
- defines a firearm as a handgun, shotgun, rifle, or other weapon of any description from which any shot, bullet, or other missile can be discharged; and
- defines immediate family member as a spouse, child, sibling, parent, grandparent, or grandchild or the spouse of an immediate family member, including stepparents, stepchildren, stepsiblings, and adoptive relationships.

Permit issued by sheriff; form of permit; expiration of permit -

- decreases the expiration for a license or permit from 5 to 3 years from the date of issuance; and

- changes the terms “pistol” and “handgun” to “firearm.”

Revocation of permit –

- allows the sheriff of the county where the permit was issued or where the person resides to revoke a permit subsequent to a hearing for any of the following reasons:
 - fraud or intentional and material misrepresentation in the obtaining of a permit;
 - misuse of a permit, including selling or giving a permit to another person;
 - the doing of an act or existence of a condition which would have been grounds for the denial of the permit by the sheriff;
 - the violation of any of the terms of this Article (Transfer of Firearms);
 - the applicant is adjudicated guilty of or receives a prayer for judgment continued for a crime which would have disqualified the applicant from initially receiving a permit.
- allows a permittee to appeal the revocation of a permit by petitioning the chief district court judge

Record of private transfers –

- requires a person who transfers a firearm (transferor) to keep an accurate record of the transaction, including the name, place of residence, date of sale, etc., of each person, firm, or corporation to whom or which the transfer is made; and
- requires the person or entity receiving the firearm to give the permit obtained from the sheriff to the transferor, who will retain the permit as part of the record of the transaction

Storage of firearms to protect minors –

- provides that a person who resides in the same premises as a minor, owns or possesses a firearm, and leaves the firearm out of the person's immediate possession or control without having first securely locked the firearm in an appropriate safe storage depository or rendered it incapable of being fired by the use of a safety locking device appropriate to that firearm is guilty of a Class 1 misdemeanor if a minor gains access to the firearm without the lawful permission of the minor's parents or a person having charge of the minor and the minor commits certain acts; and
- requires a retail or wholesale store, shop, or sales outlet that sells firearms to conspicuously post at each purchase counter the following warning in block letters not less than one inch in height the phrase: "IT IS UNLAWFUL FOR A PERSON WHO RESIDES WITH A MINOR TO LEAVE A FIREARM OUT OF A PERSON'S IMMEDIATE POSSESSION OR CONTROL WITHOUT FIRST HAVING SECURELY LOCKED THE FIREARM IN A STORAGE DEPOSITORY OR RENDERED IT INCAPABLE OF BEING FIRED."

Introduced by Representatives Earle, D. Hall, and Michaux and referred to the House Rules Committee.

HOUSE BILL 916, Survey Equal Pay Practices in Private Sector, would direct the North Carolina Department of Commerce, Division of Employment Security, to develop a survey to assess employer practices with respect to payment of wages for men and women who perform substantially equal work, and invite the 100 largest employers in the State to complete the survey. The cumulative results of the survey would be posted on the Department's website by no later than December 31, 2013, without disclosing any individually identifying information about the employers that participated in the survey, or any of their employees; however, the names of all employers that declined to participate in the survey would be posted on the site. **Introduced by Representatives Cunningham, Earle, and McManus and referred to the House Rules Committee.**

HOUSE BILL 925, LRC Study Liens/Notification of Payment, would direct the Legislative Research Commission to study notice for lien claims, including the use of the existing online system as a method for notification in addition to other methods, and would consider the consequences of failure to comply with the notification request and the extent to which the notification may be relied upon for purposes of title work. **Introduced by Representatives Bryan and Stevens and referred to the House Rules Committee.**

HOUSE BILL 937, Amend Various Firearms Laws, would make a variety of amendments to the State's gun laws to:

- increase penalties for certain crimes in which a firearm is used, displayed, or there is a threat to use or display a firearm;
- make it a criminal offense for anyone to permit a child to have access to or possess a firearm without supervision and parental consent;
- allow a person who has a valid concealed handgun permit to do all of the following: (1) have a concealed handgun in a locked vehicle in a state government parking lot, (2) have a concealed handgun in a locked compartment in a vehicle on the premises of a community college, public college, or public university, and (3) carry a handgun into an assembly where an admission fee is charged or an establishment where alcoholic beverages are sold and consumed, **unless** the person in legal possession or control of the premises has posted a notice prohibiting the carrying of handguns on the premises;
- allow an employee of a public institution of higher education who lives on campus and has a concealed handgun permit to carry a handgun on the employee's residential premises and also keep the gun in the employee's locked vehicle in the parking area of the institution of higher education; and
- clarify the law on local government authority to prohibit concealed carry of firearms by defining the term "recreational facilities."

Introduced by Representatives Schaffer, Burr, Faircloth, and Cleveland and referred to the House Judiciary Subcommittee A. The bill was amended in the House Judiciary A Subcommittee to establish uniform state requirements for reporting information concerning mental health and substance abuse judicial determinations or findings to the National Instant Criminal Background Check System and to make these requirements more consistent with federal firearms law, and to revise the statutes regarding the restoration process to remove the mental commitment bar. **The bill as amended was approved by the House Judiciary A Subcommittee, and will next be considered by the full House.**

HOUSE BILL 942, Discharge Firearm with Reckless Disregard, would make it a Class F felony for a person deliberately bent on mischief to discharge a firearm in such a reckless and wanton manner as to manifest a mind utterly without regard for human life and social duty and cause serious injury to another person. If the offense causes serious bodily injury, the person would be guilty of a Class D felony. **Introduced by Representative Farmer-Butterfield and referred to the House Rules Committee.**

HOUSE BILL 951, Eliminate Tax Designation for Political Party, would eliminate the designation of tax on a tax return by an individual to a political party for the North Carolina Political Parties Financing Fund. **Introduced by Representatives Riddell, Whitmire, Burr, and Brody and referred to the House Elections Committee.**

HOUSE BILL 961, Tax Modernization and Simplification, would make various changes to the State's tax code including:

- defining *service contract* under the Sales and Use Tax Act as a warranty agreement, maintenance agreement, repair contract, or similar agreement or contract by which the seller agrees to maintain or repair tangible personal property;
- decreasing the general tax rate for a privilege tax imposed on a retailer from 4.75% to 3.5% of the retailer's net taxable sales or gross receipts, as appropriate;
- imposing a privilege tax on a service provider at a percentage rate of 3.5% of its gross receipts, considering a service provider a retailer and a service contract a service, and providing exemptions from this tax for (1) a service that is provided to a business for use in that business; (2) services taxed under G.S. 105-164.4 (Tax imposed on retailers), and (3) medical services;
- imposing a tax at the rate of 6% on the North Carolina taxable income of every individual, and removing the current tiered individual tax rates (ie, married filing jointly, head of household, etc.);
- allowing a taxpayer to deduct an exemption of \$6,000 when calculating North Carolina taxable income, and removing the current personal exemptions based on the taxpayer's filing status and adjusted gross income, and the standard deduction;
- allowing a deduction of \$10,000 of benefits received under Title II of the Social Security Act and amounts received from retirement annuities or pensions paid under the provisions of the Railroad Retirement Act of 1937;
- allowing a deduction of up to \$5,000 for costs incurred for funeral services and for tangible personal property used for human burial purposes or as a repository for human remains;
- repealing various personal income tax credits, including: G.S. 105-151.1 (Credit for construction of dwelling units for handicapped persons); G.S. 105-151.11 (Credit for child care and certain employment-related expenses); G.S. 105-151.12 (Credit for certain real property donations); G.S. 105-151.24 (Credit for children); G.S. 105-151.31(c) (Earned income tax credit); and G.S. 105-151.33 (Education expenses credit);
- imposing a tax of 4% of the State net income of every C Corporation doing business in this State;
- repealing certain provisions regarding adjustments to federal taxable income in determining State net income for corporations;
- repealing certain corporate income tax credits, including G.S. 105-130.22 (Tax credit for construction of dwelling units for handicapped persons);
- decreasing the motor fuel excise tax rate from a flat rate of (17 1/2¢) to 13 1/8¢ a gallon plus a variable wholesale component, and providing that the variable wholesale component is either 2 5/8¢ a gallon (was 3 1/2¢), or 5.25% (was 7%) of the average wholesale price of motor fuel for the applicable base period, whichever is greater; and
- allowing a tax credit of \$1,000 for each apprentice employed to a taxpayer who employs an apprentice pursuant to an apprenticeship agreement registered with the Apprenticeship and Training Bureau of the North Carolina Department of Labor.

Introduced by Representatives Alexander and R. Moore and referred to the House Rules Committee.

HOUSE BILL 962, Municipal Sales Tax, would authorize municipalities to levy an additional one-half percent sales and use tax. The municipality could use the net proceeds of the tax for beach nourishment; street and sidewalk construction and improvements; traffic signals; street lighting; street and directional signage; police, fire, and rescue services support; and services to

support public events and festivals. **Introduced by Representative Hamilton and referred to the House Rules Committee.**

HOUSE BILL 966, Cap Fuel Tax, would cap the motor fuel excise tax rate for the period July 1, 2013, through June 30, 2014, at 37½¢ per gallon, and for the period July 1, 2014, through June 30, 2015, at 36½¢ per gallon. **Introduced by Representatives Blust, Setzer, Murry, and Bryan and referred to the House Transportation Committee.**

HOUSE BILL 968, Increase Successful CTE Participation, would direct the State Board of Education to establish, implement, and determine the impact of a career and technical education incentive program to increase successful participation in career and technical education coursework leading to industry certifications and credentials to enhance the employability of high school students. Bonus funds would be used by local school administrative units (LEAs) to collaborate with local industries and employers to meet workforce needs, and award bonuses to teachers of students earning approved industry certifications or credentials. The State Board of Education would report to the Joint Legislative Education Oversight Committee each year on the number of students in career and technical education courses who earned community college credit and industry certifications and credentials, and the names of LEAs receiving bonus funds and the amount of the bonuses. In addition, the bill would provide to the Department of Public Instruction over \$1.2 million this year to cover the cost of industry certifications and credentials, and over \$7 million next year to cover the cost of industry certifications, credentials, and bonus funding awarded to local school administrative units. **Introduced by Representatives Blackwell, Holloway, Johnson, and Martin and referred to the House Education Committee.**

HOUSE BILL 976, Gun Safety Act, would make a variety of amendments to tighten the State's gun laws, including:

- repealing the "stand your ground laws" and codifying the common law regarding the use of force against an intruder;
- repealing the law allowing reciprocity for concealed handgun permits;
- strengthening the law regarding safe storage of firearms by requiring a person who possesses a firearm and lives with either a minor or another person who cannot legally own a firearm to safely store the firearm in a storage depository or use a safety lock for the firearm when not in possession or immediate control of the firearm;
- requiring the reporting of lost and stolen guns;
- requiring the sheriff to report the denial, revocation, or failure to renew a concealed handgun permit or the denial of a pistol permit to the National Instant Criminal Background Check System;
- requiring universal background checks for the private transfer of firearms in North Carolina;
- allowing the SBI to charge a fee for criminal background checks and establishing a fund to help pay the costs of conducting background checks;
- requiring a person who owns a firearm to carry firearm liability insurance;
- limiting the size of ammunition magazines; and
- directing the State Treasurer to divest the pension fund of all direct and indirect holdings in firearms manufacturers.

Introduced by Representatives Luebke, Harrison, Insko, and Adams and referred to the House Rules Committee.

HOUSE BILL 984, Budget Authority Amendments, would require the Governor, beginning with fiscal year 2015-2016, to present budget recommendations to the General Assembly that include zero-based budgets for certain State agencies, and require the entire budget for the 2019-2021 fiscal biennium to be a zero-based budget. A "zero-based budget" would be "a budget that reflects the amount of funding deemed necessary to achieve the most cost-effective performance of each State agency pursuant to an accompanying narrative delineating the tasks to be performed by the State agency together with the goals and objectives for each State agency for a period not to exceed four years." **Introduced by Representatives Blust, Burr, R. Brown, and Johnson and referred to the House Judiciary Subcommittee A.**

HOUSE BILL 985, Tax Reduction and Simplification, would make various amendments, including to:

- reduce the individual (6% or 7% depending upon filing status) and corporate income (6.4% for taxable years beginning on or after January 1, 2014, and then 5.9% for taxable years beginning on or after January 1, 2015) tax rates to be competitive with neighboring states;
- replace the franchise tax with a lower business privilege license tax that applies to all limited liability companies of \$1.25 per \$1,000 of the higher of the business entity's adjusted net worth tax base and the business entity's investment tax base, but no less than \$200;
- provide that there is no fee associated with filing an annual report with the Secretary of State, amend the information required to be provided in the annual report, and allow a business to certify on its annual report that the information has not changed in lieu of restating the information;
- reduce the State sales tax rate from 4.75% to 4.25% over two years; and
- exempt from retail sales and use tax admission charges to (1) an event that is held at an elementary or secondary school and is sponsored by the school; (2) a commercial agricultural fair that meets certain requirements; and (3) a festival or other recreational or entertainment activity that lasts no more than seven consecutive days and is sponsored by a tax exempt nonprofit entity and uses the entire proceeds of the activity exclusively for the entity's nonprofit purposes;
- create a more stable General Fund revenue tax base by broadening the income and sales tax bases to include service contracts.

Introduced by Representative Blust and referred to the House Rules Committee.

HOUSE BILL 987, Emergency Stun Gun Use by School Personnel, would allow school employees that meet certain requirements to carry stun guns on educational property in accordance with policies adopted by the local board of education or the board of directors of a charter school. The bill would require the Department of Public Safety, in consultation with the Department of Public Instruction, to develop a school crisis and safety program that provides instruction for principals, assistant principals, and teachers regarding the development and implementation of school crisis response plans that also includes a safety and training course that involves the actual firing of stun guns. The bill also would provide \$200,000 to the Department of Public Instruction to provide grants to local school administrative units, regional schools, and charter schools for stun guns for school employees. **Introduced by Representatives Riddell and Saine and referred to the House Rules Committee.**

HOUSE BILL 988, WC/Fund for Misclassified Workers, would establish the Uninsured Employers' Fund for North Carolina workers injured on the job eligible for workers' compensation benefits but denied them through misclassification of employment status or failure

of the employer to maintain required coverage. The Fund would be administered, maintained, and disbursed by the North Carolina Industrial Commission, and the Chair of the Industrial Commission, on behalf of the Fund, would be required to exhaust all remedies at law against the claimant's uninsured delinquent employer to collect the amount of any award to the claimant paid by the Fund. The bill would provide \$2.5 million to the Fund to serve as the initial installment and corpus of the Fund. **Introduced by Representative L. Hall and referred to the House Finance Committee.**

HOUSE JOINT RESOLUTION 999, LRC/Study Building Code Issues, would authorize the Legislative Research Commission to study issues relating to the North Carolina Residential Code for One- and Two-Family Dwellings of the North Carolina Building Code. The Commission would make a final report to the 2015 General Assembly when it convenes, and could study the following issues: (1) determine the necessity of particular building codes; (2) investigate whether the codes are implemented fairly; (3) conduct a cost/benefit analysis; (4) consider the impact of new products; (5) examine the adoption policy for building codes; (6) compare the relationships between licensing boards of affected trades; (7) study the fees and costs; (8) review engineering design and product changes; and (9) any other matters necessary in conducting the study. **Introduced by and referred to the House Rules Committee.**

BILL UPDATES

HOUSE BILL 589, VIVA. This controversial bill regarding voter ID at the polls was amended several times in committee, with some of the provisions being amended as follows:

- direct the State Board of Elections to disseminate information about voter ID requirements for voting and obtaining appropriate photo identification.
- create the following exceptions (to the proposed requirement that voters present photo identification that reasonably resembles that voter to a local election official before voting): (1) permits a voter who is voting curbside to present identification under GS 163-166.9 (curbside voting) or (2) does not require a photo identification for a voter that has filed a declaration in accordance with GS 163-82.7A least 25 days before the election and has a sincerely held religious objection to being photographed.
- add as forms of acceptable photo identification the following: an identification card issued by a unit of local government, public authority, or special district as defined in GS 159-7; a card issued for a government program of public assistance; or a veterans identification card.
- remove a provision that stated this section does not apply to a registered voter with a permanent physical or mental disability recognized by a state or federal agency that makes such determinations.
- provide for the evaluation of a photo identification presented that does not bear any reasonable resemblance to that voter and detail the evaluation process. If the judges of election resolve by a unanimous vote that the photo presented does not resemble the voter, the voter would be able to vote on a provisional ballot.
- remove provisions that would have permitted a voter without appropriate photo identification to vote a provisional official ballot.
- provide that county board of elections may personally deliver the application and ballots in cases where voters cannot vote or register in person due to sickness or physical disability.
- clarify the information that must be included on the request for an absentee ballot, and specify requirements of the two witnesses for the absentee ballot.

- define the term “verifiable legal guardian” to mean an individual appointed guardian under GS Chapter 35A. Allows a corporation appointed guardian to submit a list of 10 named individuals to the State Board of Elections who may act for the corporation.
- provide additional guidelines to be applied should the State Board of Elections choose to publish a voter guide to present the voter identification procedures and requirements.
- require the State Board of Elections to reimburse the Division of Motor Vehicles, the State Registrar, and the county registers of deeds for direct costs incurred in administering the fee waivers authorized in Sections 13 and 14, as well as reimburse any local government for direct costs incurred by issuing photo identification (certain requirements for eligibility are detailed).
- require the State Board of Elections to include a statement on all forms, prominently displayed, declaring that submitting falsely or fraudulently completed declarations is a Class I felony.
- clarify that for elections between October 1, 2013 and January 1, 2016, each (in-person) voter will be notified that photo identification will be needed to vote beginning in 2016, and be asked if that voter has one of the forms of photo identification appropriate for voting, but will not be required to present such identification.
- provide that this act is effective only if the General Assembly appropriates funds in the Current Operations Appropriations Act of 2013 to implement it.
- provide that the special identification card fee also does not apply when the card is issued to a state resident if the applicant is appearing for the purpose of registering to vote and does not have other acceptable photo identification. The applicant must sign a declaration providing as such to get the id for free. The declaration must also include a penalty for making a false declaration.
- add to the definition of photo identification a tribal enrollment card issued by a federally recognized tribe that bears either a date of expiration or a date of issuance and that is not more than 10 years beyond the date of expiration or issuance, whichever is later.
- remove the provision that would have allowed qualified voters to comply with the identification requirement by completing a declaration stating their identity that contains five detailed items.
- provide that the State Board of Elections will work with county boards of elections (in counties where there are not DMV offices that are open five days a week) to communicate information about availability and schedules of the DMV mobile units, and to provide volunteers to assist voters with obtaining photo identification through those mobile units or any other local government that makes identification available.
- provide that a tribal enrollment card which meets five specified criteria, including being signed by an elected official of the tribe and being issued by a federal or state recognized tribe, will meet the requirements of an approved photo identification for purposes of the bill.
- create an exception for registered voters that are victims of a natural disaster occurring within 60 days before election day that resulted in a disaster declaration by the US President or the NC Governor who declares the lack of photo identification due to the natural disaster.

The bill as amended was approved by the House Election, Finance and Appropriations Committee and the full House, and will next be heard by the Senate Committee on Rules and Operations of the Senate.

HOUSE BILL 688, Amend Continuing Education Requirements/Certification Well Contractors, was amended in the House Regulatory Reform Subcommittee on Environmental to require well contractors to complete two hours of approved continuing education within a one year period to

maintain certification instead of the current statutory provision that permitted the Well Contractors Certification Commission to establish the requirements for completing continuing education within the one year period. **The bill as amended was approved by the House Regulatory Reform Subcommittee on Environmental and the full House and will next be considered by the Senate Commerce Committee. The North Carolina Ground Water Association is opposed to this legislation and is currently working with the sponsor of the legislation to make further changes in the Senate.**

HOUSE BILL 761, Exempt Well Contractors/Electrical Contractors Licensing Requirements, was amended in the House Regulatory Reform Subcommittee on Environmental to require the Well Contractors Certification Commission, with the advice and assistance of the Secretary of Environment and Natural Resources, to establish minimum requirements of education, experience, and knowledge for each type of certification for well contractors for the installation, construction, maintenance, and repair of electrical wiring devices, appliances, and equipment related to the construction, operation, and repair of wells. These requirements would apply only to the initial certification of an applicant and would not be required as part of continuing education or as a condition of certification renewal. The bill was further amended on the House floor to provide that a certified well contractor is exempt from being required to have an electrical contractors license while engaging in the installation, construction, maintenance, or repair of electrical wiring, devices, appliances, or equipment *when running electrical wires from the well pump to the pressure switch*. **The bill as amended was approved by the House Regulatory Reform Subcommittee on Environmental and the full House and will next be considered by the Senate Commerce Committee. This legislation is supported by the North Carolina Ground Water Association and we have been working with the sponsor and the Electrical Contractors Board on this issue; however, we expect additional changes in the Senate.**

SENATE BILL 10, Government Reorganization and Efficiency Act. This is the controversial legislation that began the battle between the House and Senate when the Senate rejected the changes made by the House. The bill went to a conference committee where they agreed on the following amendments:

- prohibit state agencies from using state appropriations or departmental receipts for the development, promotion, dissemination, or implementation of a statewide climate change action plan or adaptation strategy, unless the activities are specifically authorized by the General Assembly. The prohibition would not prevent individual state agencies from addressing climate or weather-related issues or events that are within the scope of their existing duties and responsibilities.
- require one of the **Environmental Management Commission (EMC)** members appointed by the Governor be a licensed engineer with specialized training and experience in water supply or water or air pollution control. Removes a requirement in the previous version that 9 members appointed by Governor be “persons who do not derive any significant portion of their income from persons subject to permits or enforcement orders”. Provides that the terms of members of the EMC serving on January 1, 2013, expire when the section becomes law and removes the provisions extending the terms of four specified members who were serving on January 1, 2013.
- remove the requirement that only persons licensed to practice law in North Carolina are eligible for membership on the **Industrial Commission** and that at least two commissioners be board certified in workers' compensation law. Effective date of the changes would be July 1, 2013. Provides that the terms of the Commission members serving terms established by SL 2011-287, Section 22, terminate on June 30, 2013.

Requires the Governor to appoint new members subject to confirmation of the General Assembly. Specifies the staggered terms of those six new members. Makes the repeal of SL 2011-287, Section 22, effective July 1, 2013 (was, April 15, 2013).

- remove the requirement that the Governor appoint persons to the **Utilities Commission** with at least five years of progressively responsible experience and a demonstrated competency in any one or more of seven specified areas.
- remove the requirement that the Governor appoint two at-large members to the **Wildlife Resources Commission** and gives the appointing authority to the General Assembly.
- abolish any **Special Superior Court Judges** seat established by GS 7A-45.1 effective April 1, 2013 (except the three special judges designated as of January 1, 2013, under GS 7A-45.3).
- provide that no more than two members of the **Board of Transportation** appointed by the Governor may reside in the same highway division (the previous version the prohibition was applicable to all members).
- extend the expiration of the **Dietetics/Nutrition Board** to June 30, 2013 (from March 31, 2013).
- make clarifying changes regarding appointed administrative law judges at the **Office of Administrative Hearings**.
- remove provisions pertaining to the Post-Release Supervision and Parole Commission, the Mining and Energy Commission, the State Personnel Commission, the North Carolina Criminal Justice Education and Training Standards Commission, and issues relating to independent occupational licensing boards.

The conference report as amended was approved by the Senate but rejected by the House by unanimous vote which technically makes the bill "dead"; however, we do expect some of these provisions to show up in other legislation.

SENATE BILL 461, CDL Changes, was amended to reduce the duration of a temporary commercial driver's license from 90 to 60 days, and to make a conforming change to the Act's title. **The bill as amended was approved by the Senate Transportation Committee and the full Senate, and will next be considered by the House Transportation Committee.**

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