



## NORTH CAROLINA GROUND WATER ASSOCIATION

LEGISLATIVE REPORT

JUNE 26, 2007



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### INTRODUCTION

The House and Senate budget negotiators have been working tirelessly to reach a compromise between the House and Senate spending proposals; however, the news is not good and very few at the General Assembly expect the budget to be completed before the July 1<sup>st</sup> deadline. In fact, the House and Senate have been working on a continuing resolution that would continue the former budget in effect until they can enact a new budget. Without the resolution, state government would in essence “shut down.” The main differences that need to be worked out between the two chambers continue to be the county Medicaid situation, whether the temporary taxes will continue, and whether an earned income tax will be provided. Since these issues will determine how much money there is to spend, many other decisions regarding the budget have not yet been made. In a bit of good news, the Department of Revenue recently provided information that showed that the state exceeded their anticipated revenue by over \$250 million. This should provide budget negotiators with some extra income to resolve some of their differences.

If the budget is delayed into July and even into August, then that also means the session will be extended and most do not expect the session to be completed before the Labor Day weekend. Committees continue to meet to debate and discuss bills that are on their agenda; however, the main focus right now is the budget and trying to get it completed.

Former Speaker Jim Black is scheduled to be sentenced on July 11, 2007 and Representative Mary McAllister has a hearing at the Board of Elections on June 27, 2007. Those two hearings, along with the ongoing investigations targeting Representative Wright, continue to provide an air of caution at the General Assembly. Many events have been cancelled or changed to react to the new legislative ethics rules and many events held previously are not being held this year, including receptions, golf outings, and banquets. Now that the Ethics Commission has been meeting, we expect to see rulings about what is or is not appropriate under the new rules that should give lobbyists and legislators more direction in their activities.

The General Assembly adjourned on Thursday, June 21<sup>st</sup>, and reconvened Monday evening, June 25<sup>th</sup>, at 7:00 p.m.



If you would like a copy of any of the legislation introduced or considered by this year's General Assembly, you may receive one copy of as many bills as you are interested in, free of charge, by calling the General Assembly's Printed Bills office at 919/733-5648. They will need to know if it is a House bill or Senate bill and the bill number. (For example, Senate Bill 8). Copies are also available on the General Assembly's World Wide Web site: <http://www.ncleg.net>.

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