



## INTRODUCTION

Today both the House and the Senate will hold their required second day of voting on the 2010-2011 budget. The conference report, which is the result of the negotiations going on between the House and Senate, was released on Monday evening, June 28<sup>th</sup>, and the first official vote took place on the 29<sup>th</sup> with the second vote today. The vote was primarily along party lines with the Republicans complaining that the cuts were not enough, although the budget reduces spending in all departments and agencies and reduces spending for the second year in a row. The major issue that the conferees had to deal with was the potential lack of Federal FMAP funds which were expected earlier this year in the amount of \$480 million. The budget anticipates that the funding might not materialize by January 1<sup>st</sup> and will take the money from disaster relief, unclaimed lottery funds, reserves, remaining availability, a 1% cut to Medicaid provider rates, savings reserve, the retirement system, and a potential 1% across the board cut for all state agencies. If the federal funding is provided, then these cuts will not be implemented in January 2011.

We had reviewed and summarized the House budget to include in this report – but in an attempt not to provide confusing information (old news), we will not include the House budget summary in this report, but will provide a full summary of the final budget by the end of next week.

Now that the vote on the budget is almost complete, the session should wind down quickly. Most expect that both the House and Senate will wrap up the session next week in what is always a flurry of activity. Legislators will try to get bills that they have sponsored through the process before adjournment and final bills regarding appointments, studies, and technical corrections will be drafted and quickly run through the committees and the chamber votes. Legislators are anxious to wrap up and return home to campaign for the fall elections and it looks like their plans for a truly short session are close to being realized.



## NORTH CAROLINA GROUND WATER ASSOCIATION



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## BILL UPDATES

HOUSE BILL 961, Government Ethics and Campaign Reform Act of 2010. The provisions of the original version of this bill were completely removed in the Senate Judiciary I Committee and were replaced with new provisions that would:

- strengthen public confidence in the election process for Council of State offices that regulate individuals and businesses in this state;
- provide limits on the trading of influence or position for gain;
- increase the punishment for making campaign contributions in the name of another;
- increase accessibility to information related to candidate campaign committees;
- strengthen public confidence in government by increasing the revolving door period and applicability;
- strengthen transparency of government through additional disclosures by public servants;
- increase accountability of public servants, appointees of the Governor, and state employees by permitting the Governor to adopt minimum standards of ethical conduct;
- strengthen transparency of government through increasing accessibility to public records;
- increase the fees for filing articles of incorporation and articles of organization by \$5 and providing that \$5 of the fee would be paid into the North Carolina Voter-Owned Elections Fund; and
- make technical changes and other changes.

The bill would also include changes to the reporting requirements for lobbyist principals, including:

- requiring each lobbyist principal to annually, in the last report of the registration period, report the total of all payments for lobbying and other activities made during the registration period;
- if a lobbyist represents the lobbyist principal, but is not directly employed by that lobbyist principal, the portion of the payment that is for lobbying and to whom it was paid;
- if a lobbyist is under contract with the lobbyist principal for lobbying, the portion of the contract that is reasonably allocated for lobbying;
- if a lobbyist is a full-time employee of the principal, or is paid by means of an annual fee or retainer, the principal would estimate and report the portion of the salary, fee, or retainer salary that is reasonably allocated for lobbying;
- allowing a lobbyist principal to rely upon a statement by the lobbyist estimating the portion of the salary or other payment that is reasonably allocated for lobbying;
- requiring a lobbyist principal to report any payment to a lobbyist for any of the following communications and activities that were used to lobby within the registration period, in addition to reporting any payment to a lobbyist for lobbying: research; drafting of written communications; monitoring of proposed or pending legislative action or executive action, including time spent preparing communications with the lobbyist principal to relate information on proposed or pending legislative action or executive action; and time spent advising and rendering opinions to the lobbyist principal as to the construction and effect of proposed or pending legislative action or executive action; and
- requiring a lobbyist principal to report any payment to a lobbyist for any of the following: direct lobbying communications or direct lobbying activities with a designated individual or that designated individual's immediate family; and communications or activities to develop goodwill, including the building or relationships, with a designated individual or that designated individual's immediate family member.

The bill was further amended in the Senate Finance Committee to increase the filing fee for annual reports with the Secretary of State from \$200 to \$205. **The bill as amended was approved by the Senate Judiciary I Committee and the Senate Finance Committee; however, the bill has been sent back to the Senate Judiciary I Committee for further consideration.**

HOUSE BILL 1746, Water Infrastructure Information Needs. This bill was amended in the House Environment and Natural Resources Committee to provide that the purpose of the task force is to improve the collection and utilization of information related to state water and wastewater infrastructure needs. **The bill as amended was approved by the House Water Resources and Infrastructure Committee, the House Environment and Natural Resources Committee, and the full House. The bill will next be considered by the Senate Agriculture/Environment/Natural Resources Committee.**

HOUSE BILL 1747, Water Supply System Capacity Planning. This bill was amended in the House Water Resources and Infrastructure Committee to clarify that a unit of local government or large community water system must submit a revised plan that specifies how the water system intends to address foreseeable future water needs when 80% of the water system's available water supply based on calendar year average daily demand has been allocated to current or prospective water users or the seasonal demand exceeds ninety percent 90%. **The bill as amended was approved by the House Water Resources and Infrastructure Committee, the House Environment and Natural Resources Committee, and the full House. The bill will next be considered by the Senate Agriculture/Environment/Natural Resources Committee.**

HOUSE BILL 1748, Conserve and Protect Ag. Water Resources. This bill was amended in the House Water Resources and Infrastructure Committee to direct the Department of Agriculture and Consumer Services and the Department of Environment and Natural Resources must work with farmers and landowners to encourage voluntary practices that increase the water storage capacity of agricultural lands. The prior version referred to "landowners." The bill was also amended to clarify that "landowners" in the bill refers to agricultural landowners. **The bill as amended was approved by the House Water Resources and Infrastructure Committee, the House Agriculture Committee, and the full House. The bill will next be considered by the Senate Agriculture/Environment/Natural Resources Committee.**

HOUSE BILL 1749, Water Infrastructure Needs/Close Information Gaps. This bill was amended in the House Water Resources and Infrastructure Committee to expand the membership of the task force to include the Department of the Treasurer, the Clean Water Management Trust Fund, the State Water Infrastructure Commission, the Office of Information Technology Services, the North Carolina League of Municipalities, the North Carolina Association of County Commissioners, and the Department of Commerce. The bill was also amended to provide that the purpose of the task force is to improve the collection and utilization of information related to State water and wastewater infrastructure needs. The Department of Environment and Natural Resources would be required to report the task force's findings and recommendations to the Joint Legislative Commission on Water and Wastewater Infrastructure by November 1, 2010. **The bill as amended was approved by the House Water Resources and Infrastructure Committee and will next be considered by the House Environment and Natural Resources Committee.**

HOUSE BILL 1765, Amend IBT Notice. This bill was amended in the House Environment and Natural Resources Committee to remove the provisions that would have authorized the

Department of Environment and Natural Resources to use injunctive relief for various water use violations. **The bill as amended was approved by the House Environment and Natural Resources Committee and will next be considered by the House Finance Committee.**

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