



INTRODUCTION

Ongoing Battles, New Front Lines – A number of controversial pieces of legislation continued their movement through the process this week, while several others were introduced. At the same time, Governor McCrory’s budget recommendations were being dissected by the Joint Appropriations Subcommittees after presentations from administration officials. The overall effect of all this action was an atmosphere of almost frantic activity by both those leading the charge on issues, and those committed to opposing them.

Progressive groups were given a cornucopia of hot-button issues to protest, as the “Dix Nix” bill was passed by the Senate after two days of intense debate, a bill that aims to restart executions was passed by a Senate committee, and two bills that would limit Early Voting and eliminate same-day registration were introduced and became, along with Voter ID, additional fronts in the ongoing battle over voting rights in the state. A bill that would require a two-year waiting period and mandatory counseling for those seeking divorce, and a bill to prohibit discrimination against gay and lesbian state employees were also introduced, and will likely escalate the debate on social issues that began with the introduction of several anti-abortion measures earlier this session.

Aside from the move to renegotiate the Dix campus lease, bills dealing with control of the Asheville water system and the Charlotte Airport, as well as a measure allowing state money to be used for renovations to the Charlotte Panthers’ stadium also received attention, adding to the state vs. cities tensions we’ve discussed.

A bill that would require Nurse Anesthetists to work under the supervision of a physician was passed by the House, as the fight over provider autonomy and scope-of-practice continues. A bill to remove the requirement that motorcyclists wear helmets was passed by a key committee, giving hope to the small-government set, while worrying public-health advocates and those worried about the costs of our state health care system.

Major pieces of legislation introduced this week were a far-ranging school safety bill, which includes additional funding for Safety Resource Officers in public schools, and a bill to strip Blue Cross Blue Shield of its ability to add “most favored nation” clauses to its contracts with providers, which rival companies have changed allow BCBS to control a near-monopoly on the market.

Serving as the backdrop for all this action are the two biggest issues of the session – tax reform and the budget. While the Senate Finance committee discussed a measure that would replace the disparate franchise and privilege taxes charged by each municipality with a statewide privilege tax, it is just the opening salvo in the larger tax reform package expected later this session. And while each Joint Appropriations Subcommittee combed through their section of the Governor’s budget, and many suspect the real work on the budget has been ongoing for months behind closed doors, the real story is likely to be the ways the House and Senate budget plans differ, and what will be put into play as a result. In that sense, the real fight over the budget, over how to spend roughly \$41 billion taxpayer dollars over the next two years, has yet to begin.



NORTH CAROLINA GROUND WATER ASSOCIATION



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BILLS OF INTEREST

HOUSE BILL 425, Public Employee Applicants/Criminal Histories, would prohibit a public entity from inquiring into or considering the criminal history of an applicant for public employment, or include any such inquiry on any initial employment application form, until the hiring authority has made a conditional offer of employment to the applicant. This requirement would not apply to positions otherwise required by law to consider the criminal record. Public employment would include any job, work for pay or employment, including temporary or seasonal work, where the employer is the State of North Carolina or any local government in this State. Except as otherwise required by law, no person could be disqualified from public employment solely or in part because of a prior conviction, unless the conviction is substantially related to the qualifications, functions, or duties of the position after consideration of the following factors: (1) the level and seriousness of the crime; (2) the date of the crime; (3) the age of the person at the time of the conviction; (4) the circumstances surrounding the commission of the crime, if known; (5) the nexus between the criminal conduct and the duties of the position; (6) the prison, jail, probation, parole, rehabilitation, and employment records of the person since the date the crime was committed; and (7) the subsequent commission of a crime by the person. In addition, a record of arrest not resulting in conviction could not be the basis for disqualification from public employment. The Office of State Personnel would: (1) record and log the positions that are statutorily required to conduct background checks prior to a conditional offer of employment; (2) conduct quarterly reviews to determine compliance with this Article and report the reviews to the General Assembly each year; and (3) collect, and make available to the public, data on: (a) the number of applicants for public employment with criminal histories given conditional offers of employment; (b) the number of applicants for public employment with criminal histories who are subsequently employed; and (c) the retention rate of public employees with criminal histories. **Introduced by Representative Pierce and referred to the House Rules Committee.**

HOUSE BILL 426, Public Employee Applicants/Criminal Convictions, would require the Office of State Personnel to adopt rules to: (1) identify specific occupational categories for which a criminal conviction is a bar to State employment, and authorize the hiring authority to require disclosure of prior criminal convictions on the initial application for State employment for those categories; and (2) provide that, for all other occupational categories, State employment hiring authorities may not during the hiring process make an inquiry regarding a conviction on the initial application for employment and may only take into consideration a criminal conviction after the applicant has been selected as a finalist for that position. The bill also would require the Office of State Personnel to develop a protocol for State agencies, departments, and institutions to collect and track application and hiring rates of individuals with criminal convictions. **Introduced by Representative Pierce and referred to the House Rules Committee.**

HOUSE BILL 436, Gubernatorial Team Ticket, would amend the State constitution, if approved by voters in a statewide election held in November 2014, to provide that, beginning with the general election in 2020 and every four years thereafter, each candidate for the office of Governor must form a joint candidacy with a candidate for Lieutenant Governor so that each voter will cast a single vote for Governor and Lieutenant Governor. The bill also would allow a candidate for Lieutenant Governor to also file a notice of candidacy either for State Representative or State Senator. **Introduced by Representatives Jones, B. Brown, Lambeth, and Malone and referred to the House Elections Committee.**

HOUSE BILL 451, Election Omnibus, would make a variety of amendments to the laws regarding elections and voting, including: restoring partisan judicial elections; changing the early voting period to allow one-stop to begin on the second Thursday before the election and prohibit one-stop voting on Sundays; changing the order of parties on the ballot to require nominees of the same party as the Governor to be listed first on the general election ballot; eliminating straight-party voting; eliminating same-day voter registration; and eliminating certain requirements for an absentee ballot request to be valid. **Introduced by Representative Starnes and referred to the House Elections Committee.**

HOUSE BILL 452, 2013 School Safety Act, would allow the Department of Public Instruction to provide grants to local school administrative units as follows: (1) \$10 million in each of the next two years for school resource officers in elementary and middle schools; (2) \$5 million in each of the next two years for additional school psychologists, guidance counselors, and social workers; and (3) \$2 million in each of the next two years for panic alarm systems in schools.

The bill would require school counselors to implement a comprehensive developmental school counseling program in their schools, and to spend at least 80% of their work time providing specified direct services to students. Each local school administrative unit would be required to hold a full, system-wide school safety and school lockdown exercise with the local law enforcement agencies as part of the unit's school safety plan at least every two years. The exercise would allow participants to (i) discuss simulated emergency situations in a low-stress environment, (ii) clarify their roles and responsibilities and the overall logistics of dealing with an emergency, and (iii) identify areas in which the school safety plan needs to be modified. At least once a year, each school would hold a full, school-wide school safety and lockdown exercise with the local law enforcement agencies. The bill also would require each local school administrative unit to: (1) prepare schematic diagrams of its school facilities and provide the diagrams and keys to the main entrance of all school facilities to local law enforcement agencies prior to January 1, 2014; and (2) develop and operate an anonymous tip line, in coordination with local law enforcement and social services agencies, to receive anonymous information on internal or external risks to school buildings and school-related activities.

The bill includes amendments to provisions governing school improvement plans, and would require the Department of Public Instruction, in consultation with the North Carolina Center for Safer Schools, to adopt policies on the placement of school crisis kits in schools and the contents of those kits. The kits would be placed at appropriate locations in the school and would include, at a minimum, basic first-aid supplies, communications devices, and other items recommended by the International Association of Chiefs of Police. The Department of Public Safety, through the North Carolina Center for Safer Schools and in conjunction with the Department of Justice and the Department of Public Instruction, would develop school emergency and crisis training modules for school employees and provide them to schools as soon as practicable. **Introduced by Representatives Holloway, Glazier, Faircloth, and Lucas and referred to the House Education Committee.**

HOUSE BILL 454, Career Prep Adult High Schools, is identical to Senate Bill 383, summarized in the March 25, 2013, legislative report. **Introduced by Representative Lambeth and referred to the House Education Committee.**

HOUSE BILL 455, Voting Improvement Act, would make a variety of amendments to the State's voting laws, including but not limited to:

- requiring one-stop voting to also be conducted on election day but only at the office of the county board of elections, or if the board chooses not to offer one-stop voting at the board of elections, then at an approved site reasonably close to the county board of elections office;
- requiring a county board of elections, during each of the first primary and general elections in even-numbered years, to conduct at least 20 hours of one-stop voting in total between Saturdays and Sundays, with not less than six nor more than eight of those 20 hours on the final Saturday;
- directing the State Personnel Commission to establish a policy that allows State employees to take 24 hours per year of paid leave, in addition to any vacation leave or sick leave to which the employee is already entitled, for election service.;
- include the date of the general election (the Tuesday after the first Monday of November in even-numbered years) as a holiday for all public school personnel and students;
- requiring the Division of Motor Vehicles to affirmatively inform an applicant for a driver's license or special identification card, or renewal thereof, of the opportunity to register to vote or update the voter's registration, if the applicant states that he or she is a US citizen and is of age to register to vote;
- requiring local boards of education to include in the curriculum for the high school course American History I – The Founding Principles instruction on the process of voting and registering to vote; and
- making it a Class I felony for a person, whether acting under color of law or otherwise, to corruptly hinder, interfere with, or prevent another person from registering to vote or aiding another person in registering to vote in any election.

Introduced by Representatives Pierce, L. Hall, Michaux, and McManus and referred to the House Rules Committee.

HOUSE BILL 465, No Possession of Firearms/Undocumented Aliens, would make it a Class I felony for a person who is not lawfully present in the United States to possess a firearm in this State. The legislation would not apply to a person who: (i) holds valid documentation issued by or under the authority of the United States government that demonstrates the applicant's legal presence in the United States, or (ii) has otherwise been permitted to remain in the United States by the federal government. A firearm in the possession of a person in violation of this section would be subject to seizure by law enforcement, and the firearm would be retained by the law enforcement agency pending a disposition order from a district or superior court judge.

Introduced by Representative McNeill and referred to the House Judiciary Committee.

HOUSE BILL 472, Auto Insurance Rate-Making Reform, would allow insurance companies that write private automobile insurance in North Carolina to offer optional program enhancements, and would allow the classification of young drivers as a factor in setting rates. **Introduced by Representatives Dockham, Murry, and Wray and referred to the House Insurance Committee.**

HOUSE BILL 476, Rewrite Underground Damage Prevention Act, would enact the Underground Utility Safety and Damage Prevention Act, which would supersede and preempt any ordinance adopted by a city or county that does any of the following: (1) requires operators to obtain permits from a city or county in order to identify facilities; (2) requires pre-marking or marking of facilities; (3) specifies the types of paint or other marking devices that are used to identify facilities; or (4) requires removal of unexpired marks (which would be the responsibility of the city or county).

The following definitions would apply to the Act:

- excavate or excavation – An operation for the purpose of the movement or removal of earth, rock, or other materials in or on the ground by use of manual or mechanized equipment or by discharge of explosives including, but not limited to, auguring, backfilling, boring, digging, ditching, drilling, directional drilling, driving, grading, horizontal directional drilling, **well drilling**, plowing-in, pounding, pulling-in, ripping, scraping, trenching, and tunneling;
- facility – Any underground line, underground system, or underground infrastructure used for producing, storing, conveying, transmitting, identifying, locating, or distributing communication, electricity, gas, petroleum, petroleum products, hazardous liquids, **water**, steam, or sewage;
- operator – Any person, public utility, communications or cable service provider, municipality, electrical utility, or electric or telephone cooperative that owns or operates a facility in this State; and
- Notification Center – A North Carolina member-owned not-for-profit corporation sponsored by operators that will (i) provide a system through which a person can notify operators of proposed excavations and demolitions; (ii) maintain information concerning receipt of notification of proposed excavation and demolition activities as provided in this Article; and (iii) maintain information received from operators concerning the location of the operators' facilities and the operators' positive responses to marking of the facilities.

The bill would prohibit the charging of costs or expenses associated with an excavator's compliance with the requirements of the Act to any operator or an excavator; however, an operator or excavator would not be excused from liability for damage or injury for which they would be responsible under applicable law. The bill would require all operators in this State to maintain, join, and use the services of a Notification Center, and sets forth deadlines by which operators must join the Center based on the operator's number of customers. The Notification Center would receive notice from a person intending to excavate or demolish in the State and would transmit specified information to the appropriate operator, including: (1) the name, address, and telephone number of the person providing the notice and, if different, the person responsible for the proposed excavation or demolition; (2) the starting date, anticipated duration, type, and location of the proposed excavation or demolition; and (3) whether or not explosives are to be used. The bill details the responsibilities of the Notification Center, facility operators, and excavators. Before commencing any excavation or demolition operation, the person responsible for the excavation or demolition would provide notice to the Notification Center of his or her intent to excavate or demolish. Notice for any excavation or demolition that does not involve a subaqueous facility would be given within three to 12 full working days before the proposed commencement date, and notice for any excavation or demolition in the vicinity of a subaqueous facility would be given within 10 to 20 full working days before the proposed commencement date. Notice would expire 15 full working days after the date it was given.

The bill would provide for exemptions to the notice requirements for an excavation or demolition (1) performed by the owner of a single-family residential property on his or her own land that meets specified requirements, (2) that involves the tilling or plowing of soil less than 12 inches in depth for agricultural purposes, or (3) with non-mechanized equipment by an operator to locate for a valid notification request or for the minor repair, connection, or routine maintenance of an existing facility, or probe underground to determine the extent of gas or water migration. An exemption would also be provided to the Department of Transportation, a local government, special purpose district, or public service district when conducting maintenance activities within its designated right-of-way, including resurfacing, milling, emergency replacement of signs

critical for maintaining safety, or the reshaping of shoulders and ditches to the original road profile.

The bill includes additional provisions regarding **notice in case of emergency excavation or demolition, notification required when damage is done**, design notices, and absence of facility location. A person who violates any of these provisions would be subject to a civil penalty of up to \$2,500 for each violation. These provisions would not affect any civil remedies for personal injury or property damage otherwise available, except as otherwise specifically provided. **Introduced by Representatives Hager, Moffitt, and Murry and referred to the House Public Utilities and Energy Committee.**

HOUSE BILL 480, Environmental Permitting Reform, would require the Department of Environment and Natural Resources to develop minimum design criteria for stormwater permits and erosion and sedimentation control plans to guide regulatory agencies in permit issuance and plan approval. The bill would also provide for a fast-track permitting process for applications and plan submittals certified by a professional engineer if in compliance with the minimum design criteria. **Introduced by Representatives Millis, Moffitt, Catlin, and Hardister and referred to the House Environment Committee.**

HOUSE BILL 488, Regionalization of Public Utilities, would promote regional water and sewer services by transferring ownership and operation of certain public water or sewer systems that do not function as joint or regional water or sewer systems to a metropolitan water and sewerage district. **Introduced by Representatives Moffitt, McGrady, and Ramsey and referred to the House Finance Committee.**

SENATE BILL 405, Council of State Members/Concealed Handguns, would allow a Council of State member who has a valid concealed handgun permit, to possess or carry a handgun on (1) State property (defined as “any building or land owned or leased by the State”); and (2) the educational property of a community college or constituent institution of the University of North Carolina, while discharging his or her official duties. The member also would be exempt from certain other prohibitions against carrying a concealed handgun, unless it is a Court house or a law enforcement or correctional facility or a building housing only State or Federal offices. **Introduced by Senator Bingham and referred to the Senate Rules Committee.**

SENATE BILL 408, Lawful Citizens Self Protection Act, would expand areas in which lawful concealed handgun permit holders may carry or keep firearms for self protection, including any assembly where a fee has been charged for admission. The bill would allow a person with a valid concealed handgun permit to have a concealed handgun (1) on the premises of an eating establishment or a restaurant, unless the person in legal possession or control of the premises has posted a conspicuous notice prohibiting the carrying of a concealed handgun on the premises; and (2) at a parade, funeral procession, picket line, or demonstration upon any private health care facility or upon any public place owned or under the control of the State or a local government.

The bill would prohibit a business or employer from establishing, maintaining, or enforcing a policy or rule that prohibits a person from transporting or storing a firearm or ammunition when the person has a valid permit, is otherwise in compliance with all other applicable laws and regulations, and the firearm or ammunition is in a closed compartment or container within the person's locked vehicle or in a locked container securely affixed to the person's vehicle. These provisions would not apply to vehicles owned or leased by an employer, or where transport or storage of a firearm is prohibited by State or federal law or regulation.

A person who is injured or incurs damages, or the survivors of a person killed, as a result of a violation, could bring a civil action against the business entity or employer who committed or caused the violation. A person entitled to legally transport or store a firearm or ammunition, but who would be denied the ability to do so by a policy in violation of this section, could bring a civil action in the appropriate court to enjoin any business entity or employer from violating these provisions. An employee discharged by an employer or business entity for violation of a policy or rule prohibited under this section, when he or she was lawfully transporting or storing a firearm out of plain sight in a locked motor vehicle, would be entitled to the following: (1) reinstatement to the same position held at the time of his or her termination from employment, or to an equivalent position; (2) reinstatement of the employee's full benefits and seniority rights, as appropriate; (3) compensation for lost wages, benefits, or other lost remuneration caused by the termination; and (4) payment of reasonable attorneys' fees and legal costs incurred.

A business or employer, or property owner that allows persons to transport or store any firearm or ammunition pursuant to this section would have complete immunity and could not be held liable in any civil action for damages, injuries, or death resulting from or arising out of another person's actions involving a firearm or ammunition transported or stored in accordance with this section, including, but not limited to, the theft of a firearm from an employee's automobile. The person could not possess a firearm outside of a motor vehicle while on the premises of a place of employment where the person in legal possession or control of the premises has posted a conspicuous notice prohibiting possession of a firearm on the premises. The reasonable, good-faith efforts of a business or employer, or property owner to comply with other applicable and irreconcilable federal or State safety laws or regulations would be a complete defense to liability on its part in any action relating to the enforcement of any right or obligation under these provisions.

The bill also would clarify that recreational facilities do not include areas of passive recreation such as picnic areas, shelters, restroom facilities, walkways, hiking trails, greenways, and lakes, and that the statute does not prohibit firearms in entire parks which contain recreational facilities. **Introduced by Senators Tarte, Randleman, and Brock and referred to the Senate Rules Committee.**

SENATE BILL 410, Enabling Heroes Act of 2013, would make it a Class 2 misdemeanor for a first offense and a Class I felony for a second or subsequent offense for a person to carry a concealed deadly weapon for any illegal purpose. The bill also would amend various provisions regarding weapons on campus or other educational property by:

- amending the definition of *educational property* to exclude any property that is not used primarily for educational purposes;
- removing the provision that makes it a Class F felony to willfully discharge a firearm on educational property;
- expanding the exceptions to the provisions that make it a Class I felony to knowingly possess or carry a gun, rifle, pistol, or other firearm on educational property or to a curricular or extracurricular activity sponsored by a school to include a person not participating in curricular or extracurricular events held at places other than educational property; and
- expanding the list of individuals to which the prohibitions against weapons on campus or other educational property do not apply, including: (1) a person with a valid concealed handgun permit; (2) sworn law enforcement officers when discharging their official duties; and (3) a district attorney, assistant district attorney, or investigator employed by the office of a district attorney with a valid concealed handgun permit; however, the

person could not carry a concealed weapon at any time while in a courtroom or while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in his or her body.

Introduced by Senators Tarte, Randleman, and Brock and referred to the Senate Rules Committee.

SENATE BILL 412, Water Infrastructure Authority/Water Grants, would (1) establish the North Carolina Water and Wastewater Infrastructure Authority to administer the State's funding for water and wastewater infrastructure projects; (2) transfer the Construction Grants and Loans Section of the Division of Water Quality and the Financial Services Unit in the Public Water Supply Section of the Division of Environmental Health from the Department of Environment and Natural Resources to the Authority; (3) prohibit the Clean Water Management Trust Fund from funding wastewater projects; (4) transfer \$25 million each year from the Clean Water Management Trust Fund to the Water Infrastructure Fund to provide grant and loan funds for water and wastewater infrastructure projects; and (5) direct the Authority and the North Carolina Rural Economic Development Center to develop a transition plan to move the water and wastewater programs from the North Carolina Rural Economic Development center to the Authority. **Introduced by Senator Hartsell and referred to the Senate Agriculture/Environment/Natural Resources Committee.**

SENATE BILL 413, Interconnection of Public Water Systems, would require the interconnection of public water systems or wastewater systems to regional systems if necessary to promote public health, if the systems are all located within the same sub-basin, if it would protect the environment, or ensure compliance with drinking water rules. The bill would require an analysis of reasonable alternatives that could be done before constructing or altering a public water system. In addition, the bill would prohibit the issuance of a permit for a new or expanded municipal waste treatment system or nonmunicipal waste treatment system (human waste only), unless the applicant: (1) has adopted a plan to implement a program to reduce demand and manage existing capacity by reducing or eliminating stormwater and groundwater infiltration and intrusion into collection lines; (2) has performed and submits an analysis, including a financial analysis, of reasonable alternatives to the proposed new or expanded waste treatment system, including the consideration of discharging to created wetlands and the beneficial reuse of treated wastewater for nondrinking water purposes, and that the analysis indicates that the proposed new or expanded system is appropriate; and (3) can demonstrate that the proposed new or expanded waste treatment facility will be planned, designed, and constructed to facilitate or accommodate eventual interconnection with adjoining systems or regional waste treatment systems located within the same sub-basin. **Introduced by Senator Hartsell and referred to the Senate Agriculture/Environment/Natural Resources Committee.**

SENATE BILL 420, UI/Clarify Required Contributions, would clarify the employment security laws relating to required contributions by providing that taxable wages are determined in accordance with G.S. 96-9.3 (Determination of taxable wages). The bill also would (1) provide for the determination of the experience rate; (2) establish a standard beginning rate of 1% for an employer; and (3) replace the current table that shows an employer's base rates and contribution rates with a new table that shows the UI Trust Fund Balance as Percentage of Insured Wages and associated contribution rates. **Introduced by Senator Clark and referred to the Senate Commerce Committee.**

SENATE BILL 428, Voting Reform Act, would repeal the law that allows in-person registration and voting at one-stop sites, and would make a variety of amendments to the statutes regarding

voting in primaries to make the law consistent. The bill would allow a person to appear in person to request and file an absentee ballot no earlier than the second Thursday before an election, and includes provisions regarding general election absentee ballots that include Presidential and Vice Presidential nominees. **Introduced by Senator Tillman and referred to the Senate Rules Committee.**

SENATE BILL 437, Stop Harsher Reinterpretation of Tax Penalty, would ensure that the Department of Revenue does not change its longstanding interpretation of the failure to file penalty in a manner that would make the penalty harsher than the comparable federal penalty, and would impose a penalty on a taxpayer even when the taxpayer paid tax timely and is due a refund. **Introduced by Senator Clodfelter and referred to the Senate Finance Committee.**

SENATE BILL 443, Abandoned Firearms to State Control, would amend the statutes regarding abandoned firearms by requiring the transfer of abandoned firearms from local law enforcement agencies to the State Bureau of Investigation for disposition. The bill would also remove the provision in the current law that allows a person who found a firearm and turned it over to a law enforcement agency to claim the firearm under certain circumstances. The SBI would dispose of the firearm in one of the following ways: (1) by having the firearm destroyed if the firearm does not have a legible, unique identification number, or is unsafe for use because of wear, damage, age, or modification; (2) by transferring the firearm to (i) a law enforcement agency applying for the disposition of the firearm for the official use of the agency or (ii) by selling the firearm at a public auction to persons licensed as firearms collectors, dealers, importers, or manufacturers in accordance with all applicable State and federal firearm laws, only if the firearm has a legible, unique identification number; or (3) by maintaining the firearm for training or experimental purposes or transferring the firearm to a museum or historical society. The SBI would maintain a record and inventory of all firearms received from local law enforcement agencies pursuant to this section, including the disposition of the firearm, and any funds received from a sale or other property received in exchange of a firearm. **Introduced by Senator Brock and referred to the Senate Judiciary II Committee.**

SENATE BILL 450, WC/Adjust Organ Injury Benefit Annually, would amend the Workers' Compensation Act to provide for an adjustment of the benefit for permanent injury to an important bodily organ on July 1st and effective on January 1st of each year. **Introduced by Senator Goolsby and referred to the Senate Commerce Committee.**

SENATE BILL 452, Jurisdictional Amounts/Arbitration/Small Claims Court, would increase the amount in controversy for civil actions in small claims court from \$5,000 to \$10,000, in district court from \$10,000 to \$20,000 or less, and in superior court from over \$10,000 to over \$20,000. The bill would provide for mandatory court-ordered, nonbinding arbitration in all civil actions where claims do not exceed \$20,000, unless all parties to the action waive arbitration. In addition, the bill would require the court, in appeals of small claims actions, to consider the fact that the arbitrator's decision was affirmed as a significant factor in favor of assessing all court costs and attorneys' fees associated with the case in both the original action and the two appeals, including the arbitration fee, against the appellant, if (i) the arbitrator finds in favor of the appellee, (ii) the arbitrator's decision is appealed for trial de novo, and (iii) the arbitrator's decision is affirmed on appeal. **Introduced by Senator Goolsby and referred to the Senate Judiciary II Committee.**

SENATE BILL 461, CDL Changes, would require the Division of Motor Vehicles to allow third-party commercial drivers license skills testing any day of the week, and would extend the

validity of a temporary driving certificate issued to an applicant for a commercial drivers license to 90 days. **Introduced by Senators Wade, Tillman, Bingham and referred to the Senate Transportation Committee.**

SENATE BILL 465, Prohibit Use of Tax Zapper Software, would make it a Class H felony to sell, purchase, install, possess, transfer, use, or access an automated sales suppression device. An automated sales suppression device or zapper would be defined as a software program that falsifies the electronic records of electronic cash registers and other point-of-sale systems, including transaction data and transaction reports, and would include the software program, any device that carries the software program, or an Internet link to the software program. A person who violates this section would be liable for all taxes, fees, penalties, and interest due the State as the result of the use of an automated sales suppression device, zapper, or phantom-ware and would forfeit to the State as an additional penalty all profits associated with the sale or use of the device or software. **Introduced by Senators McKissick, Brown, and Daniel and referred to the Senate Judiciary II Committee.**

SENATE BILL 473, Healthcare Cost Reduction and Transparency, would enact the Health Care Cost Reduction and Transparency Act of 2013 to improve transparency in health care costs by providing information to the public on the cost of the 50 most common episodes of care in hospitals and ambulatory surgical facilities.

The bill would require the NC Health Information Exchange to provide free public access to the most current information it receives from hospitals and ambulatory surgical facilities on a website in a manner that is easily understood by the public and meets minimum requirements. Beginning January 1, 2014, and updated in January of each year after, each licensed hospital and ambulatory surgical facility would provide to the North Carolina Health Information Exchange, utilizing electronic health records software, the following information about the hospital's 50 most common episodes of care:

- (1) the amount that will be charged to a patient for each episode of care if all charges are paid in full without a public or private third party paying for any portion of the charges, along with a separate listing of the facility fees charged by health care providers affiliated with the hospital for each episode of care;
- (2) the total amount of Medicaid and/or Medicare reimbursements for each episode of care;
- (3) for each of the five largest health insurers providing payment to the hospital on behalf of insureds, the range of the total amount of payments made by each health insurer for each episode of care (the hospital would redact the names of the health insurers and any other information that would otherwise identify the health insurers prior to providing this information to the NC HIE); and
- (4) the total amount of payments made by the State Health Plan for Teachers and State Employees for each episode of care.

A hospital would be required to provide this information to a patient upon request, in writing, within 24 hours after receiving the request.

All licensed ambulatory surgical facilities, upon request of the patient within 30 days after discharge, would be required to present an itemized list of charges to all discharged patients. The Commission would adopt rules to ensure that this section is properly implemented and that patient bills which are not itemized include notification to the patient of the right to request an itemized bill. The Department would not issue or renew a license unless the applicant has demonstrated that these requirements are being met. The bill also would require each operator of a hospital or an ambulatory surgical facility to conspicuously post each year in an area on the

premises accessible to the public and on a publically accessible website, its policy on charity care and the amount spent on charity care during the preceding calendar year.

The bill would define an *episode of care* as (1) “all ambulatory surgical services related to a health condition with a given diagnosis, from the three-day period preceding a patient's first admission to an ambulatory surgical facility, including readmissions, through the seven-day period following the patient's discharge from the facility, for treatment of the health condition, and would include ambulatory surgical services, services by health care providers affiliated with the facility, facility use by health care providers affiliated with the facility, use of facility operating and recovery rooms, and pharmaceuticals”; or (2) all acute care hospital services related to a health condition with a given diagnosis, from the three-day period preceding a patient's first admission to a hospital, including readmissions, through the 30-day period following the patient's discharge from the hospital, for treatment of the health condition, and would include acute care hospital services, services by health care providers affiliated with the hospital, facility use by health care providers affiliated with the hospital, ancillary services, room and board, and pharmaceuticals.

The bill would make it unlawful for an ambulatory surgical facility or a health care provider affiliated with the facility, to charge a patient, entity, or person more than once for the full amount of the technical components of radiology imaging procedures performed on the patient during a multiple radiology session if the ambulatory surgical facility or health care provider affiliated with the facility only provides the technical components once during the multiple radiology session. The bill would further provide that any contract provision or other agreement that violates this provision is void and unenforceable.

The bill would make a variety of changes to the assessments that licensed hospitals make and would modify the calculations for the equity assessment amount and the Upper Pay Limit. The bill also would prohibit the Department of Health and Human Services from entering into a contract with North Carolina Community Care Networks, Inc., (CCNC) unless CCNC has made specified governance changes by amending its articles of incorporation and amending its bylaws to include a variety of additional members in its governing structure. **Introduced by Senators Rucho and Brown and referred to the Senate Health Care Committee.**

SENATE BILL 489, Consumer Finance Act Amendments, would modify the maximum interest rate allowed and make various amendments to the North Carolina Consumer Finance Act. These amendments would include:

- increasing from \$10,000 to \$15,000 the lending amount that subjects a person to the provisions of the Act;
- requiring any payment made on a loan to be applied first to late charges and other permissible charges under the Act, then to any accrued interest, and then to principal, and allowing any portion or all of the principal balance to be prepaid at any time without penalty;
- providing that a licensee may make loans in installments not exceeding \$15,000 and which may not be repayable in less than 12 months or more than 96 months, and setting new actuarial rates for the repayment of the loan;
- allowing a licensee to charge a late payment fee of not more than \$15 for any payment which remains past due for 10 days or more after the due date; and
- provisions regarding Military service members limitations.

Introduced by Senators Gunn, Newton, Clodfelter and referred to the Senate Commerce Committee.

SENATE BILL 503, Exempt Start-Ups from Privilege License Taxes, would exempt start-up entities from privilege taxes. A start-up entity would be defined as a person that begins to engage in an activity that requires a license but has not been engaged in the activity for more than one year. **Introduced by Senator Clark and referred to the Senate Finance Committee.**

SENATE BILL 510, Bernard Allen Fund Modifications, is identical to House Bill 136, summarized in the February 23, 2013, legislative report. **Introduced by Senator Jackson and referred to the Senate Appropriations Committee.**

SENATE BILL 513, NC Water Security Act, would require each local government that prepares a local water supply plan to also prepare a detailed local water efficiency plan that provides for reducing the long-term per capita demand for potable water and submit it to the Department for approval. The local water efficiency plan would include policies and practices that by the year 2018 will result in residential water use at a level that does not exceed 100 gallons for each person each day, by 2025 will result in residential and commercial water use at a level that does not exceed 75 gallons for each person each day, and by 2035 will result in residential and commercial water use at a level that does not exceed 45 gallons for each person each day. The bill would require local governments and large community systems to implement a water fixture and appliance retrofit and incentive program to be eligible for state water infrastructure funds. The bill also would require no less than 20% of the Drinking Water Reserve Fund to be used for loans or grants for projects that meet the water use reduction goals for local government included in local water efficiency plans.

The State Water Infrastructure Commission, in consultation with DENR, the UNC-Chapel Hill School of Government, the NC Utilities Commission, the Public Staff of the NC Utilities Commission, and the Local Government Commission, would examine the impacts and benefits of water conservation and efficiency on utilities and users and develop recommendations for mitigating any of the financial impacts of implementing this act for a local government or public water supplier and for assuring sustainable revenues to operate and maintain its water system. The State Water Infrastructure Commission and the North Carolina Utilities Commission would develop recommendations for electric utility and water utility coordination to increase both water efficiency and energy efficiency within their systems, and report to the Environmental Review Commission on their progress each year. In addition, the Building Code Council would develop and adopt a rule that is the functional equivalent of the Water Efficiency Provisions of the International Green Construction Code, which would apply to both residential and commercial structures. The mandatory provisions of this rule would be published as a supplement to the North Carolina Plumbing Code and the North Carolina Residential Code of the North Carolina Building Code.

The bill also would require a newly constructed multiunit residential, commercial, or retail building that is the subject of a building permit issued on or after January 1, 2015, to be constructed in a manner that will enable a government or public water system to measure the water use of each unit in the building. **Introduced by Senator Clodfelter and referred to the Senate Agriculture/Environment/Natural Resources Committee.**

SENATE BILL 515, Nutrient Management Standards Reform Act, would revise the nutrient management standards applicable to the Jordan Lake Watershed, including directing the Environmental Management Commission to adopt a rule to replace the Riparian Buffer. The bill would provide the exact language for the rule and the Commission and the Department of Environment and Natural Resources would implement the Riparian Buffer Rule as provided until

the effective date of the new rule. **Introduced by Senators Gunn and Wade and referred to the Senate Agriculture/Environment/Natural Resources Committee.**

SENATE BILL 523, Returns with Refunds Filed Late Penalty, would clarify and reduce the penalties for a taxpayer's failure to file a return for which a refund is due. **Introduced by Senators Rucho, Rabon, and Rabin and referred to the Senate Rules Committee.**

SENATE BILL 526, Apprenticeship Program Tax Credit, is identical to House Bill 341, summarized in the March 25, 2013, legislative report. **Introduced by Senator Bingham and referred to the Senate Finance Committee.**

SENATE BILL 529, Search Warrant/Cell Phone Location Info., would prohibit a person or law enforcement officer from obtaining location information of a cell phone or other electronic device without first obtaining a search warrant. Exceptions to obtaining location information would be provided when: (1) responding to the user's call for emergency services; (2) with the consent of the user of that service; or (3) in response to the user's call for emergency services if a law enforcement officer believes that an emergency involving danger of death or serious physical injury to any person requires obtaining without delay the location information relating to the emergency, and the request for the location information is narrowly tailored to address the emergency, subject to the certain limitations. A person who willfully and knowingly violates this provision would be guilty of a Class 1 misdemeanor, and, except as proof of a violation, no evidence obtained in violation of this section would be admissible in any criminal, civil, administrative, or other proceeding. Location information obtained or evidence derived from the search warrant could not be received in evidence or otherwise disclosed in any trial, hearing, or other proceeding in a federal or State court unless each party, not less than 10 days before the trial, hearing, or proceeding, has been furnished with a copy of the order and accompanying application under which the information was obtained. This 10-day period could be waived by the judge if the judge finds that it was not possible to furnish the party with the information 10 days before the trial, hearing, or proceeding and that the party will not be prejudiced by the delay in receiving the information.

A judge who issues or denies an application for a search warrant for location information under this section would report to the Administrative Office of the Courts by January 31 of each year on the following information: (1) the fact that the order was applied for; (2) the identity of the agency making the application; (3) the offense specified in the order or application; (4) the nature of the facilities from which or the place where the location information was obtained; (5) the fact that the order was granted as applied for, was modified, or was denied; and (6) the period of disclosures authorized by the order and the number and duration of any extensions of the order. The Administrative Office of the Courts would provide a report to the General Assembly with the number of applications for orders authorizing or requiring the disclosure of location information, the number of times access to the location information was obtained, and the number of orders granted or denied during the preceding calendar year. **Introduced by Senators Goolsby and Daniel and referred to the Senate Rules Committee.**

SENATE BILL 535, Caregiver Relief Act, is identical to House Bill 99, summarized in the February 15, 2013, legislative report. **Introduced by Senators Kinnaird, Parmon, and Bryant and referred to the Senate Rules Committee.**

SENATE BILL 536, Healthy Families & Workplaces/Paid Sick Days, is identical to House Bill 100, summarized in the February 15, 2013, legislative report. **Introduced by Senators Kinnaird, Parmon, and Bryant and referred to the Senate Rules Committee.**

SENATE BILL 549, Gun Privacy, would provide that the list of persons who obtain a permit to purchase a pistol or a concealed handgun permit and the identifying information regarding those persons is confidential and is not a public record. **Introduced by Senators Tucker and Meredith and referred to the Senate Judiciary I Committee.**

BILL UPDATES

HOUSE BILL 17, Gun Permits/Restaurants & Confidentiality, was amended on the House floor to require that the State Bureau of Investigation also make the following information available to clerks of courts: the list of concealed handgun permit holders, as well as information collected by the sheriff in processing the permit application. The original bill provides that such information is confidential and not a public record; however, the sheriff would be required to make the records available upon request to all State and local law enforcement agencies. **The bill as amended was approved by the House by a vote of 97-20, and will next be considered in the Senate Judiciary I Committee.**

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