INTRODUCTION

Governor Cooper released his proposed budget for the biennium this week, which includes a 5% teacher raise for each of the next two years, no increases in taxes or fees, an increase in salary for all state employees, expansion of Medicaid to cover an additional 924,000 citizens, and countless other policy initiatives and funding decisions. While the governor’s budget is a significant policy statement about his priorities, the legislature is responsible for creating the biennial budget and is not required to follow or even take his proposal under consideration. When the Senate produces its proposal, it’s likely to look quite different from what the Governor proposed this week.

HB 2 Logjam Continues

Rep. Chuck McGrady’s HB 2 repeal compromise (HB 186) which has bipartisan support remains stuck in the House Rules Committee. LGBTQ advocates oppose the bill and many Democratic house members say they can’t support legislation that would allow anti-discrimination ordinances to be put to a referendum (a feature of HB 186) since they say the rights of a minority group should never be put to a vote of the majority. On the conservative side, many members would prefer to leave HB 2 in place as is. Although many legislators are ready to put HB 2 behind them, the fate of HB 186 is very much in doubt.

Senate Confirmation Hearings Begin

Veterans Secretary Larry Hall appeared before the Senate Veterans Affairs Committee yesterday in response to a subpoena issued by that committee. Despite the previous bluster, his nomination was unanimously approved by the Senate Commerce and Insurance Committee. His nomination will be voted on by the full Senate on Monday.
BILLS OF INTEREST

HOUSE BILL 250, Body Art Regulation Changes, would make various changes to the regulation of body art (procedures conducted for artistic purposes that include body piercing, branding, scarification, subdermal implants, and tattooing). The bill change references to “tattooing” to “body art” and would make it a Class A1 misdemeanor for a person to engage in body art without first obtaining a body art permit. Licensed physicians, as well as physician assistants and nurse practitioners working under the supervision of a licensed physician, who perform body art within the normal course of their professional practice would be exempt from these requirements. The statute would not authorize a person holding a valid body art permit to treat injuries or disorders of the body by incision or manipulation or otherwise practice medicine. Introduced by Representatives Corbin, Bert Jones, and Murphy and has not yet been assigned to a House committee.

HOUSE BILL 199, Establish Standards for Surgical Technology, would:
• enact a new statute governing hospital standards for surgical technology care and ambulatory surgical facility standards for surgical technology care.
• set forth identical provisions in each statute to prohibit hospitals and ambulatory surgical facilities from employing or otherwise contracting for the services of a surgical technologist in that hospital or facility unless the individual meets one of four qualifications
• provides a definition for surgical technologist and surgical technology
• allows a hospital or facility to employ or contract with an individual to practice surgical technology during the 12 month period immediately following successful completion of a surgical technology program
• require the hospital or facility that employs or contracts with an individual to practice surgical technology to verify that the individual meets the Certified Surgical Technologist credential or other criteria set forth in the bill

Introduced by Representatives Murphy and Lambeth and referred to the House Health Committee.

HOUSE BILL 200, Nonpartisan Redistricting Commission, would establish a nonpartisan redistricting process, which would:
• establish a five-member Temporary Redistricting Advisory Commission;
• require the Legislative Services Office to acquire appropriate information, review and evaluate information, review and evaluate available facilities, and develop programs and procedures in preparation for drawing congressional and legislative redistricting plans on the basis of each federal census;
• direct the Legislative Services Office, no later than April 1 of each year ending in one, to deliver to the Senate and House three sets of companion bills with plans for redistricting both houses of the North Carolina General Assembly and the Congressional Districts;
• provide for procedures for voting on the redistricting plans;
• require legislative and congressional districts to be established on the basis of population;
• require legislative districts to each have a population that is within 5% of the ideal population for that district;
• require congressional districts to each have a population as nearly equal as practicable to the ideal population, but in all cases within 0.1% of the ideal population;
• require legislative and congressional districts to be drawn in a manner that complies with federal and State law;
• require, to the extent consistent with other standards, district boundaries in a plan to coincide with the boundaries of political subdivisions of the State;
• prohibit any district from being drawn for the purpose of favoring a political party, incumbent legislator, or member of Congress, or other person or group, or for the purpose of augmenting or diluting the voting strength of a language or racial minority group; and

• prohibit the consideration of (1) political affiliations of registered voters, (2) previous election results, or (3) demographic information, other than population head counts, except to the extent required by the North Carolina and US Constitutions, the Voting Rights Act of 1965, and applicable court decisions.

Introduced by Representatives McGrady, Stevens, Jordan, and Hardister and referred to the House Rules Committee.

HOUSE BILL 201, NC Constitutional Carry Act, would make it lawful to carry a concealed weapon in this State without obtaining a concealed handgun permit. The State would continue to make a concealed handgun permit available to any person who applies for and is eligible to receive a concealed handgun permit for the purpose of reciprocity when traveling in another state, to make the purchase of a firearm more efficient, or for various other reasons. The bill would make it a Class 1 misdemeanor to carry a concealed weapon into the following areas unless provided otherwise by law: (1) in an area prohibited by rule; (2) in any area prohibited by federal law; (3) in a law enforcement or correctional facility; and (4) on any private premises where notice that carrying a concealed handgun is prohibited by the posting of a conspicuous notice or statement by the person in legal possession or control of the premises. Introduced by Representative Millis and referred to the House Judiciary I Committee.

HOUSE BILL 206, NC Cancer Treatment Fairness, would grant health benefit plan coverage for eligible patients receiving orally-administered anticancer drugs (versus traditional intravenous cancer treatments). The effective date would be January 1, 2018; however, this new law would not go into effect if the federal government determines that it creates a state-required benefit that is in excess of the essential health benefits pursuant to Federal law. Introduced by Representatives Lewis, Jackson, Lambeth and McElraft, and referred to the House Health Committee.

HOUSE BILL 208, Occup. Therapy/Choice of Provider, would ensure that patients have the right to choose their occupational therapist under their health benefit plan. Introduced by Representatives Blackwell, Murphy, Setzer and Hurley, and referred to the House Insurance Committee.

HOUSE BILL 214, Autocycles/No Helmet Required, would remove the requirement that autocycle operators and passengers wear a helmet. Introduced by Representative Speciale and referred to the House Transportation Committee.

HOUSE BILL 221, Repeal HB2, would fully repeal House Bill 2, the Public Facilities Privacy & Security Act of 2016. Introduced by Representative Jackson and referred to the House Committee on Rules, Calendar and Operations.

HOUSE BILL 236, NCAOC Omnibus Bill, would, among other provisions, allow IVC hearings to be held in an appropriate room not used for treatment of clients at the facility in which the respondent is being treated if it is located within the judge’s district court district by audio and video transmission between a treatment facility and a courtroom in which the judge and the respondent can see and hear each other, or in the judge's chambers. If the respondent has counsel, the respondent would be allowed to communicate fully and confidentially with his attorney.
during the proceeding. Prior to the use of the audio and video transmission, the procedures and type of equipment for audio and video transmission would be submitted and approved to the Administrative Office of the Courts. **Introduced by Representative R. Turner and has not yet been assigned to a House committee.**

**HOUSE BILL 238, Economic Security Act of 2017,** is identical to Senate Bill 174, summarized below in this Legislative Report. **Introduced by Representatives Harrison, Fisher, B. Richardson, and Holley and has not yet been assigned to a House committee.**

**HOUSE BILL 239, Reduce Court of Appeals to 12 Judges,** would provide that, on or after January 1, 2017, whenever the seat of an incumbent judge becomes vacant prior to the expiration of the judge's term due to the death, resignation, retirement, impeachment, or removal, that seat is abolished until the total number of Court of Appeals seats is decreased to 12. The Court of Appeals currently has 15 seats. The bill also would authorize the Supreme Court to make certification of discretionary review before a determination by the Court of Appeals when the Supreme Court determines that the subject matter of the appeal is important in overseeing the jurisdiction and integrity of the court system. **Introduced by Representatives Burr, Lewis, and Stevens and has not yet been assigned to a House committee.**

**HOUSE BILL 240, GA Appoint for District Court Vacancies,** would require a vacancy in the office of district judge to be filled for the unexpired term by appointment of the General Assembly. When the General Assembly is in session, appointments would be made by enactment of a bill, which would state the name of the person appointed, the office to which the appointment is being made, and the county of residence of the appointee. If the vacancy occurs while the General Assembly is not in session, the Speaker of the House and the President Pro Tempore could leave the vacancy in place until the General Assembly reconvenes or jointly submit the name of a nominee, who is duly authorized to practice law in the district where the vacancy occurs, to the Governor. The Governor would then confirm the nominee no later than 10 days after the nomination has been submitted. Currently, a vacancy is filled by appointment of the Governor, with the bar of that judicial district nominating five persons who are residents of the judicial district who are duly authorized to practice law in the district for consideration by the Governor. **Introduced by Representatives Burr, K. Hall, Saine, and Bumgardner and has not yet been referred to a House committee.**

**HOUSE BILL 241, Special Sup. Ct. Judgeship Appointed by GA,** would authorize the General Assembly to appoint special superior court judges to serve a five-year term when any of the following occurs for the special superior court judges holding office on or after January 1, 2017:
- retirement, resignation, removal from office, or death of the incumbent judge;
- expiration of the term of the incumbent judge; or
- for any other reason that causes a judgeship to become vacant.
**Introduced by Representatives Burr, K. Hall, Saine, and Bumgardner and has not yet been referred to a House committee.**

**HOUSE BILL 243, Strengthen Opioid Misuse Prevention,** is a package of new laws and changes to current laws to fight the opioid crisis in North Carolina that was formed by the NC Attorney General and Legislators. The bill would:
- extend standing orders for opioid antagonist to community health groups and expands the list of individuals immune from civil or criminal liability for actions authorized by the bill;
require supervising physicians to personally consult with physician assistants and nurse practitioners who prescribe schedule II through V controlled substances for longterm use, exceeding a period of 30 days;

authorize the dispensation of Schedule II substances pursuant to an electronic prescription (previously only authorized written prescriptions), and prohibits dispensation after six months from the date of prescription. Exempts (1) non-pharmacist practitioners who dispense directly to an ultimate user; (2) practitioners who order a controlled substance to be administered in a hospital, nursing home, hospice facility, or residential care facility; (3) practitioners experiencing temporary technological or electrical failures that prevent transmitting electronic prescriptions, provided that the reason for the exception is documented in the patient’s medical record; and (4) practitioners who write prescriptions to be dispensed by a pharmacy on federal property, provided that the reason for this exception is documented in the patient’s medical record;

provide that dispensers are not required to verify that a practitioner falls under one of the exceptions prior to dispensation, and may continue to dispense controlled substances from valid written, oral, or facsimile prescriptions. Prohibits practitioners from prescribing more than a five day supply of controlled substances on Schedule II through V upon initial consultation and treatment for acute pain (defined as pain that the practitioner reasonably expects to last for three months or less, not including chronic pain or pain being treated as part of cancer care, hospice care, palliative care, or medication assisted treatment for substance use disorder), unless for immediate postoperative pain relief, which may not exceed a seven day supply. Practitioners may issue any appropriate renewal, refill, or new prescription, upon subsequent consultation;

direct health benefit plans to charge a copayment for a limited, initial prescription of a Schedule II through V controlled substance in an amount that is either proportional between the copayment charged for a 30 day supply of the controlled substance and the amount prescribed to the beneficiary, or equal to the copayment charged for a 30 day supply, provided that the beneficiary will not be charged any additional copayments for subsequent prescriptions for the remainder of the 30 day supply;

clarify allowable funds for syringe exchange programs;

require veterinarian participation in the controlled substances reporting system;

establish civil penalties for pharmacies that employ dispensers who improperly report information to the controlled substances reporting system (CSRS);

expand the role of the Department of Health and Human Services (DHHS) in using CSRS data to detect and prevent fraud and misuse;

mandate dispenser registration for access to the CSRS;

provide that prior to initially prescribing a Schedule II through V controlled substance to a patient, a practitioner shall review the information in the controlled substances reporting system pertaining to the patient for the 12-month period preceding the initial prescription. For every subsequent three-month period that the controlled substance remains a part of the patient's medical care, the practitioner shall review the information in the controlled substances reporting system pertaining to the patient for the 12-month period preceding the determination that the controlled substance should remain a part of the patient's medical care. Each instance in which the practitioner reviews the information in the controlled substances reporting system pertaining to the patient shall be documented in the patient's medical record. In the event the practitioner is unable to review the information in the controlled substances reporting system pertaining to the patient because the system is not operational or there is some other electrical or technological failure, this inability shall be documented in the patient's medical record. Once the electrical or technological failure has been resolved, the practitioner shall
review the information in the controlled substances reporting system pertaining to the patient and the review shall be documented in the patient's medical record;

- provide that a practitioner may, but is not required to, review the information in the controlled substances reporting system pertaining to a patient prior to prescribing a Schedule II through V controlled substance to the patient in any of the following circumstances:
  - the controlled substance is to be administered to a patient in a health care setting, hospital, nursing home, or residential care facility;
  - the controlled substance is prescribed for the treatment of cancer or another condition associated with cancer;
  - the controlled substance is prescribed to a patient in hospice care or palliative care;
  - the controlled substance is prescribed in an amount indicated for a period not to exceed five days and does not allow a refill, or for a period not to exceed seven days if the prescription indicates the controlled substance is for immediate post-operative pain relief;

- require DHHS to report practitioners who fail to properly use the CSRS;
- create a special revenue fund to support the CSRS;
- impose an annual fee on practitioners of $20, of which 10% will be retained by the licensing board and 90% will be deposited into the CSRS special revenue fund;
- require an annual report from the DHHS on the CSRS; and
- appropriate funds for community based substance use disorder treatment and recovery services.

Introduced by Representatives Murphy, Davis, Malone, and Horn and has not yet been assigned to a House committee.

HOUSE BILL 249, Economic Terrorism, would:

- create a new offense of “economic terrorism,” distinct from the existing offense of terrorism, which would be renamed “violent terrorism”;
- define economic terrorism as “maliciously or with reckless disregard commits a criminal offense that impedes or disrupts the regular course of business, the disruption results in damages of more than one thousand dollars ($1,000), and the offense is committed with the intent to do either of the following:
  - intimidate the civilian population at large, or an identifiable group of the civilian population; or
  - influence, through intimidation, the conduct or activities of the government of the United States, a state, or any unit of local government.
- create a civil cause of action for anyone whose person or property is harmed by those engaged in economic terrorism;
- enact a new provision (titled “Liability for Public Safety Response Costs”), under which persons convicted of rioting; or inciting to riot, or standing, sitting or lying upon public streets, liable to state agencies or political subdivisions of the State for public safety response costs (as defined);
- authorize state agencies or political subdivisions of the State to bring civil action to recover public safety costs and related legal, administrative, and court costs;
- amend the current law regarding second degree trespass to hold persons (except the owner or lessee of the premises, the family and non-rioting guests of the owner or lessee, and public officers and persons assisting them) who remain at the place of any riot or unlawful assembly after having been lawfully warned to disperse, guilty of a Class 1 misdemeanor;
- direct responsible public officials (defined as mayors, with respect to an incident that occurs in a municipality, and sheriffs, with respect to incidents that occur in the unincorporated area of a county), upon learning of a mass traffic obstruction (defined as an incident in which, as part of, or as the result of a protest, riot, or other assembly, at least 10 persons obstruct vehicular) to dispatch available law enforcement officers to clear the roads of persons unlawfully obstructing vehicular traffic; and
- amend the current law which prohibits willfully standing, sitting, or lying on the highway or street in a manner that impedes the traffic, by participation in a riot or other unlawful assembly by making such offenses a Class A1 misdemeanor.

Introduced by Representatives Torbett, Blust and Burr and has not yet been assigned to a House committee.

HOUSE BILL 251, Allow Concealed Carry on UNC & CC Campuses, would allow person who has a valid concealed handgun permit or who is exempt from obtaining a concealed handgun permit to carry a concealed handgun on educational property if the educational property is a UNC constituent institution or a community college. Introduced by Representatives K. Hall, Burr, Presnell, and Destin Hall and has not yet been assigned to a House committee.


SENATE BILL 137, Surcharge Transparency, would require North Carolina auto insurance surcharges imposed to subsidize the losses of the North Carolina Motor Vehicle Reinsurance Facility to be itemized and displayed to the policyholder at the time of policy issuance and renewal on the declaration page or renewal notice below the coverage and premium information as follows: “The Premium Clean Risk Surcharge is $_____ and is included in your premium above.” Introduced by Senators Meredith, Wade, and Gunn and referred to the Senate Rules Committee.

SENATE BILL 145, Government Immigration Compliance, would: (1) create additional incentives for local governments to comply with State laws related to immigration; (2) prohibit UNC constituent institutions from becoming sanctuary universities; and (3) direct the Department of Public Safety to enter into a Memorandum of Agreement with the Department of Homeland Security to permit designated State law enforcement officers to perform immigration law enforcement functions. Introduced by Senator Sanderson and referred to the Senate Rules Committee.

SENATE BILL 152, NC Cancer Treatment Fairness, is identical to House Bill 206, summarized above in this Legislative Report. Introduced by Senators Hise, Tillman, and Brock and referred to the Senate Rules Committee.

SENATE BILL 166, Expand Local Option Sales Tax for Education, would:
- give counties the ability to obtain an additional source of revenue with which to meet public education needs;
- provide that a tax levied under this statute must be approved in a referendum and that the board of commissioners may direct the county board of elections to conduct an advisory referendum on the question of whether to levy a local sales and use tax in the county at a rate of one-quarter percent or one-half percent; and
- provide that the county may use the proceeds of the tax levied only for public school capital outlay purposes.
Introduced by Senator Randleman and referred to the Senate Rules Committee.

SENATE BILL 174, Economic Security Act of 2017, would seek to advance economic security in North Carolina by:
- increasing the State minimum wage in phases to $15 per hour over five years;
- mandating equal pay for equal work;
- requiring paid sick leave and family medical leave;
- increasing the tipped minimum wage;
- ending wage theft;
- requiring the fair assessment of persons with criminal histories by "banning the box";
- repealing public employee collective bargaining restrictions; and
- reenacting the Earned Income tax credit and tax credits for child care and certain employment-related expenses.

Introduced by Senators Bryant, Foushee, and Van Duyn and referred to the Senate Rules Committee.

SENATE BILL 175, Strengthen Opioid Misuse Prevention (STOP) Act, is identical to House Bill 243, summarized above in this Legislative Report. Introduced by Senators J. Davis, McInnis, and Rabon and has not yet been assigned to a Senate committee.

SENATE BILL 176, Modernize Physical Therapy Practice, is identical to House Bill 187, summarized in the February 27, 2017, Legislative Report. Introduced by Senator Pate and has not yet been assigned to a Senate committee.

- Colleen Kochanek
  NCCEP Legislative Counsel
  Kochanek Law Group
  P.O. Box 1038
  Wake Forest, NC 27588
  919.747.9988
  colleen@kochaneklawgroup.com
  www.kochaneklawgroup.com

Ashley Matlock Perkinson
Perkinson Law Firm
919.210.8209
ashley@perkinsonlawfirm.com

Rachel E. Beaulieu
Rachel E. Beaulieu Law Office, PLLC
919.896.6296
Rachel@BeaulieuEdLaw.com

---

¹ THIS LEGISLATIVE REPORT IS A PUBLICATION OF KOCHANEK LAW GROUP AND IS A MEMBER BENEFIT OF NCCEP. ANY USE OR REPRODUCTION OF THIS REPORT IS LIMITED TO NCCEP AND ITS MEMBERS.