Special Session

On February 22nd, the Charlotte City Council passed a comprehensive nondiscrimination ordinance that, among other provisions, included a LGBT-inclusive public accommodation requirement. This provision would ban public businesses from discriminating against LGBT customers in places of public accommodations (including bars, restaurants, taxis, etc.). The most controversial aspect of this provision is that it would specifically require businesses to allow transgender men and women to use the bathroom that corresponds with their gender.

The ordinance – which Mayor Roberts and some Council members pledged to support during their campaigns, passed 7-4 and was scheduled to go into effect April 1st. The Governor and legislative leaders promised to repeal the ordinance before that date, citing concerns that the “bathroom ordinance” would force women and girls to share facilities with men, jeopardizing their safety. Supporters of the ordinance noted that over 200 cities across the country have adopted similar ordinances and safety has not been an issue.

Last Wednesday, House Speaker Moore and Lieutenant Governor Forest convened the General Assembly for a special session. Governor McCrory declined to call the session citing concern that a draft bill meant to address his concerns went well beyond the “bathroom issue.” The bill was not made public until Wednesday morning, and by that evening the bill had been approved by both chambers and sent to the Governor. Despite concerns about numerous provisions included in the bill that were unrelated to bathrooms, he signed it into law that night.

House Bill 2, “Public Facilities Privacy & Security Act,” enacts a statewide policy that blocks cities from allowing transgender individuals from using the public restroom of the gender they identify with, and instead they can only enter the bathroom that corresponds to their biological sex. This part of the Act applies to public schools, government agencies, and public college campuses that have bathrooms or locker rooms. Businesses generally would be able to decide how to provide their public facilities.

While this provision effectively repeals the part of the Charlotte ordinance that prompted the legislative reaction, the bill goes much further and includes a variety of provisions not related to bathrooms. For example, it also requires that local governments cannot require businesses to pay workers above the minimum wage, but sets exceptions for city and county employees, economic development packages, and federal community block grants.
Several municipalities have approved ordinances that have required any contractors who work for the local government to provide a "living wage" or have set the amount of the hourly wage that must be provided. Under the bill, these ordinances are basically repealed and can no longer be enforced.

The bill also bars counties or municipalities from requiring companies they contract with from continuing to impose “regulations or controls on the contractor's employment practices or mandate or prohibit the provision of goods, services, or accommodations to any member of the public” as a condition of bidding on a contract.

Finally, the bill establishes a statewide nondiscrimination standard based on “race, religion, color, national origin or biological sex” (excluding LGBT citizens) and declares that this statewide policy supersedes and preempts any related local ordinances, including many that have been passed in cities across the state. This provision also repeals the private cause of action for violations of the nondiscrimination ordinance (such as being fired because of one’s race) in state court, instead requiring complaints to be processed through the state’s Human Relations Commission or federal court.

The bill passed through the House by a vote of 82-26 and by the Senate 32-0 after all Senate Democrats walked out to protest the bill. Governor McCrory signed the bill hours later and issued a statement saying he did so to “stop the breach of basic privacy and etiquette.”

In the days since its passage, House Bill 2 has become national news, with dozens of major corporations like Apple, Google and Bank of America publically condemning its passage, and with state and national editorial boards calling it the most anti-LGBT law ever passed. The NCAA inferred future tournament games may not be played in the state and the NBA raised the possibility that the 2017 All-Star may be moved from Charlotte as a result. Large protests were staged in Charlotte, Asheville and Raleigh, and the ACLU joined with statewide LGBT-rights groups in an immediate legal challenge. The Legislators who sponsored the bill and the Governor who signed it are pushing back and are releasing talking points through State agencies and through the Governor and Legislators political email lists defending the bill. The pressure and interest about this issue will only increase with the recent veto of some similar legislation in Georgia.

The official start of the legislative short session begins on April 25th and with this legislation fresh in legislators’ minds, it looks to continue the contentious session from last year. We look forward to working with you during the upcoming short session and working on moving your legislative goals forward.

- Colleen Kochanek
  NCCEP Legislative Counsel
  P.O. Box 12946
  Raleigh, NC 27605
  919.747.9988
colleen@kochaneklawgroup.com
www.kochaneklawgroup.com

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