



## INTRODUCTION

Things on Jones Street are beginning to heat up as the House starting meeting in Appropriation subcommittees to hear presentations from State departments on the Governor's budget allocations and their individual needs. Since there are extra funds available because of higher than expected revenue and lower than expected costs for Medicaid, the fight for the extra funds is in full force. On Wednesday, both chambers' leadership announced that they agreed on a spending amount for the fiscal year, at \$22.225 billion, a 2.26% budget increase (by comparison, the Governor's budget had a spending limit of \$22.8 billion, or a 2.6% increase). The announcement comes as good news for those closely following the short session, noting that the agreement is a positive sign for a shorter and more cohesive budget process. However, it would make the 5% teacher salary increase proposed by the Governor very unlikely. Next week, expect House committees to continue to meet and discuss budget goals and to begin to highlight their priorities for this year's budget, with a goal of having their budget proposal approved and over to the Senate by May 20<sup>th</sup>.

Also on Wednesday, the US Department of Justice (DOJ) notified North Carolina officials and the UNC system that House Bill 2 violated Title VII of the Civil Rights Act and Title IX, saying that if the finding is upheld, the state would lose billions in federal funds. The Justice Dept. gave state leaders and the UNC system until Monday to respond whether the state will comply with the Department's finding and cease implementation of the bill. McCrory called the letter "a Washington overreach" and Speaker Moore said the Justice Department was playing politics, noting that the Monday deadline would "come and go." On the other hand, UNC President Margaret Spellings said that the University would confer with the Governor's Office, legislative leaders, and their legal counsel, stating that the UNC system will respond by Monday. Last Thursday, President Pro Tempore Berger, Speaker Moore, and the mayor of Charlotte, Jennifer Roberts met to discuss HB2, and while some saw this as a positive sign that leaders may be willing to compromise on the law, nothing substantive seems to have come from the meeting. By Monday the stakes had been raised, as both Governor McCrory and legislative leaders announced they had filed suit in federal court to block the DOJ action, and U.S. Attorney Loretta Lynch (a North Carolina native) announced a countersuit in an attempt to block implementation of HB2. Lynch explained she was "deferring on requesting the curtailing of funding for now" but that the DOJ retains the right to do so in the future. House Speaker Tim Moore's response to the suit was, "Should a court rule that North Carolina is out of compliance, I don't think anyone is going to go off the cliff with this thing and put billions of dollars at risk." As it seems the fate of HB2 will be decided by the courts, legislative action on the measure this session seems significantly less likely.



## NORTH CAROLINA COLLEGE OF EMERGENCY PHYSICIANS



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Only a few bills were taken up for floor votes last week, but there were still lengthy debates on the House floor. Senate Bill 726, Internal Revenue Code Update, was approved by both chambers but in different forms, so it will be sent back to the Senate for concurrence. Most of the bill is related to updating the state's tax laws to comply with federal tax code updates, but the controversial provision was about short sales and taxing the amount lost in a short sale. Ultimately, it remained part of the bill (see full summary below). The other major bill this week with action was Senate Bill 729, Various Changes to Revenue Laws, which has been approved by both chambers and will be sent to the Governor. Of the bills filed since session began some are clearly intended as serious policy change proposals, while others seem to have been filed to make certain political points. For example, four Democratic lawmakers filed a bill (H1046) proposing a Constitutional Amendment to raise the minimum wage, while three Senate Republicans filed another Constitutional Amendment bill (S818), which would adjust the current Constitutional limit on income tax from 10% to 5.5%. Both amendments, if passed by the legislature, would need to be approved by a majority of voters. A third such bill (S818) would increase the "zero tax bracket" from \$15,000 to \$17,500, which is a priority of the Senate Finance Chairs, who filed the bill. Given that the Chairs will likely seek to include the change in this year's budget update, the motivation for filing a separate bill seems simply to be to signal their intent, both publicly and to their counterparts in the House. Many, especially those with contested races in November, can only hope that any differences of opinion on this and other issues between the chambers are settled quickly, and this "short" session can truly live up to its name.

### **BILLS OF INTEREST**

HOUSE BILL 1028, SOG Pilot Project Standards/Overnight Respite, would direct the UNC – Chapel Hill School of Government (SOG) to research existing evaluation standards and identify approaches for designing projects that collect appropriate and adequate data for sound evaluation of pilot projects. The SOG would report its findings to the Joint Legislative Program Evaluation Oversight Committee, the Director of the Program Evaluation Division, and the Office of State Budget and Management by December 1, 2016. The SOG would coordinate a working group charged with developing standards for State agencies to use when designing and implementing pilot projects mandated by the General Assembly, which would include representatives from State agencies and the constituent institutions of The University of North Carolina. The working group would report on the proposed standards to the Joint Legislative Program Evaluation Oversight Committee, the Director of the Program Evaluation Division, and the Office of State Budget and Management by December 1, 2017. The bill would provide \$150,000 to the SOG for the research. The Office of State Budget and Management would adopt rules to implement standards proposed by the School of Government to guide evaluation of State agency pilot projects and report to the Joint Legislative Program Evaluation Oversight Committee upon adoption of the rules.

The bill also would direct the Department of Health and Human Services, Division of Health Service Regulation, to report on the status of the overnight respite licensure process and report to the Joint Legislative Oversight Committee on Health and Human Services by September 1, 2016, with its final report by September 1, 2017. The report would include:

- the status of the licensure process and the development of rules;
- the status of adding adult day care overnight respite as a service category under the Home and Community Care Block Grant;

- the status of amending the innovations waiver and the North Carolina Community Alternatives Program for Disabled Adults (CAP/DA) waiver to allow the provision of facilities licensed to provide overnight respite in adult day health services;
- forecasted and actual utilization rates for overnight respite; and
- any other findings and recommendations.

**Introduced by Representative Horn and referred to the House Appropriations Committee.**

HOUSE BILL 1032, Online Voter Registration, would enact provisions regarding online voter registration to:

- require the State Board of Elections (SBE) to make voter registration application forms available for completion and submission on a secure website;
- allow a person to register to vote or change voter registration online if he/she (1) is eligible to register to vote; and (2) possesses a current and valid North Carolina drivers license, including a learner's permit or a provisional license, or a special identification card for non-operators;
- require the secure website established by the SBE to allow an eligible person to submit: (1) an application for voter registration or reporting of a change of name, address, or party affiliation; (2) information to establish that the individual is eligible to register online; and (3) the person's e-mail address;
- require the county board of elections and the SBE, upon receipt of an online application, to verify the North Carolina drivers license or Social Security number, update the statewide registration database and search for possible duplicate registrations, and verify the person's address;
- direct the Division of Motor Vehicles to transfer the digital signature of the applicant in the DMV records to the SBE, if the SBE verifies the North Carolina drivers license or Social Security number;
- provide that, if the SBE cannot verify the person's North Carolina drivers license or Social Security number, it must notify the individual submitting the application by e-mail, if provided; and
- provide that any electronic data associated with online voter registration and drivers license numbers that may be generated by the voter in the voter registration process are confidential and are not considered public records.

**Introduced by Representative Insko and referred to the House Elections Committee.**

HOUSE BILL 1033, ID Card Fee Waiver/Disability, would waive the fee for a special identification card for an applicant who has a developmental disability. The applicant would have to present a letter from a physician certifying that he or she has a developmental disability.

**Introduced by Representatives Hardister, Lewis, Avila, and Bryan and referred to the House Finance Committee.**

HOUSE BILL 1042, Require Disclosure of All Candidate Donations, would require the disclosure of all of a candidate's donors in campaign finance reports. Current law does not require a treasurer to report the name, address, or principal occupation of any individual who contributes \$50 or less to the treasurer's committee during an election. **Introduced by Representatives Saine and Bishop and referred to the House Elections Committee.**

HOUSE BILL 1043, Zip Line and Challenge Course Safety Act, would enact the Zip Line and Challenge Course Safety Act of North Carolina and authorize the Commissioner of Labor, through the Chief of the Elevator and Amusement Device Bureau, to adopt, modify, or revoke rules as necessary to regulate zip lines and challenge courses. The rules could govern the design,

construction, installation, plans review, testing, inspection, certification, operation, use, maintenance, alteration, and relocation of these devices. The bill would require the design, manufacture, installation, operation, and maintenance of zip lines and challenge courses to conform to one of the specified standards, and includes provisions regarding civil and criminal penalties for violations. **Introduced by Representatives Davis and Howard and referred to the House Judiciary III Committee.**

HOUSE BILL 1044, Law Enforcement Omnibus Bill, would establish a Blue Alert System within the North Carolina Center for Missing Persons to aid in the apprehension of a suspect who kills or inflicts serious bodily injury on a law enforcement officer. The Center would:

- rapidly disseminate information on a suspect when the following criteria are met:
  - a law enforcement officer is killed or suffers serious bodily injury;
  - a law enforcement agency with jurisdiction (1) determines that the suspect poses a threat to the public and other law enforcement personnel and (2) possesses information that may assist in locating the suspect including information regarding the suspect's vehicle, complete or partial license plate information, and a detailed description of the suspect or that a law enforcement officer is missing while on duty under circumstances warranting concern for his/her safety; and
  - the head of a law enforcement agency with jurisdiction recommends the issuance of a blue alert to the Center;
- adopt guidelines and develop procedures for the statewide implementation of the Blue Alert System and provide education and training to encourage radio and television broadcasters to participate in the alert;
- consult with the Department of Transportation and develop a procedure for the use of overhead permanent changeable message signs to provide information on a suspect when the required criteria are met; and
- consult with the Division of Emergency Management in the Department of Public Safety to develop a procedure for the use of the Blue Alert System.

The bill also would amend the definition of an “emergency” as used in the North Carolina Emergency Management Act as “an occurrence or imminent threat of widespread or severe damage, injury, or loss of life or property resulting from any natural or man-made accidental, military, paramilitary, terrorism, weather-related, public health, explosion-related, riot-related cause, or technological failure or accident, including, but not limited, to a cyber-incident, an explosion, a transportation accident, a radiological accident, or a chemical or other hazardous material incident.” **Introduced by Representatives Hager, J. Bell, Boles, and Burr and referred to the House Appropriations Committee.**

HOUSE BILL 1048, Reduce Barriers to Improve NC Health & Safety, would seek to increase access to abuse-deterrent opioid analgesics and ensure the proper administration of step therapy protocols for prescription drugs. The bill would:

- define an *abuse-deterrent opioid analgesic drug product* as a brand or generic opioid analgesic drug product approved by the US Food and Drug Administration with an abuse-deterrence labeling claim that indicates that the drug product is expected to deter abuse;
- define an *opioid analgesic drug product* as a drug product in the opioid analgesic drug class prescribed to treat moderate to severe pain or other conditions in immediate-release, extended-release, or long-acting form, regardless of whether or not combined with other drug substances to form a single drug product or dosage form;

- allow a health benefit plan that provides coverage for abuse-deterrent opioid analgesic drug products to impose a prior authorization requirement for an abuse-deterrent opioid analgesic drug product only if the health benefit plan imposes the same prior authorization requirement for each opioid analgesic drug product without an abuse-deterrence labeling claim;
- prohibit a health benefit plan that provides coverage for abuse-deterrent opioid analgesic drug products from requiring the use of an opioid analgesic drug product without an abuse-deterrence labeling claim before authorizing the use of an abuse-deterrent opioid analgesic drug product;
- define *step therapy protocol* as a protocol or program that establishes the specific sequence in which prescription drugs for a specified medical condition are medically appropriate for a particular patient and are covered by an insurer or health plan;
- require clinical review criteria used to establish a step therapy protocol to be based on clinical practice guidelines that meet specified requirements;
- provide that, when coverage of a prescription drug for the treatment of a medical condition is restricted for use by a health benefit plan or utilization review organization through the use of a step therapy protocol, the patient and prescribing practitioner must have access to a clear and convenient process to request a step therapy override determination;
- require a step therapy override determination request to be expeditiously granted if certain conditions apply;
- provide that these provisions should not be construed to prevent: (1) a health benefit plan or utilization review organization from requiring a patient to try an AB-rated generic equivalent prior to providing coverage for the equivalent branded prescription drug; or (2) a health care provider from prescribing a prescription drug that is determined to be medically appropriate; and
- provide that these provisions do not impact an insurer's ability to substitute a generic drug for a name brand drug.

**Introduced by Representatives Lewis, Jackson, Murphy, Dobson and referred to the House Insurance Committee.**

HOUSE BILL 1050, DOT/No Discrimination Against Motorcyclists, would prohibit the Department of Transportation from taking any action that discriminates, or has the effect of discriminating, against a motorcyclist. Discrimination would include any action that prohibits or imposes a requirement that applies only to a motorcyclist, and the principal purpose of the action is to restrict or inhibit the access of a motorcyclist to any highway, bridge, tunnel, or other transportation facility. The DOT, and any other owner or operator of a transportation facility funded in whole or in part by State or local funds, would be required to make reasonable accommodations for motorcycle parking at transportation facilities. "Reasonable accommodations" would include sectioning portions of an existing parking space where the size configuration of the parking space does not meet building code requirements for full-size motor vehicles. These provisions could not require the structural or technological modification of parking structures constructed or substantially completed on or before July 1, 2016, or alter or supersede any State or federal law that prohibits or imposes a requirement, or has the effect of prohibiting or imposing a requirement, that applies only to a motorcyclist. The bill also would provide \$10,000 from the Highway Fund to the Department of Transportation to fund costs incurred by the DOT in implementing this requirement. **Introduced by Representative Torbett and has not yet been referred to a House committee.**

SENATE BILL 804, SOG Pilot Project Standards/Overnight Respite, is identical to House Bill 1028, summarized above in this Legislative Report. **Introduced by Senator Hartsell and referred to the Senate Rules Committee.**

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