



Picking up the Pace

The final weeks of each legislative session are marked by a few familiar signs, many of which have been seen over the past week, raising hopes that the General Assembly may well be nearing adjournment. Both chambers are moving bills through their respective Rules Committees, typically used as a clearinghouse at the end of session as the chambers' regular committees begin to shut down. Last-minute committee hearings have been called, sometimes after the day's session has concluded, to move bills through the process as expeditiously as possible. Budget subcommittee negotiators took to social media to announce they'd reached agreement with their counterparts, and the Senior Budget Chair in the House provided an update on the overall negotiations that provided some hope the two chambers are nearing a compromise. While controversial issues like Certificate of Need and continued tax reform were discussed in committee, neither seemed to be issues that would create a session-extending logjam in the way differences on Medicaid Reform and Teacher Assistants did in the past few sessions. Despite some furious lobbying on a number of issues, most of the proposals viewed as being controversial are being pushed off to the 2017 long session, with "we're wrapping up" being offered as increasingly common explanation. There are a few issues that may cause some delay, however. Both chambers passed a 2016 Regulatory Reduction Act, though the versions were quite different, which will require a compromise version to be negotiated between the chambers. Tentative progress on a bill to repeal parts of the controversial House Bill 2 seems to have stalled, though pressure on the legislature to act on the issue remains strong. Budget negotiations could deadlock on any number of issues; however, the signs on Jones St. continue to point to a common priority of both chambers – adjournment as close to the end of June as possible.

Some additional headlines from the past week:

Sheyenne's Law

On Wednesday, the Senate unanimously passed "Sheyenne's Law," a bill that would make death or serious injury that results from impaired boating a felony rather than a misdemeanor. The Bill comes almost a year after 17-year-old Sheyenne Marshall died after being hit by a pontoon boat while kneeboarding on Lake Norman. The Bill will now be sent to Gov. McCrory and following his signature, will go into effect on December 1.



NORTH CAROLINA COLLEGE OF EMERGENCY PHYSICIANS



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Naloxone

The General Assembly passed a bill on Wednesday that would create a statewide standing order at any pharmacy to prescribe naloxone- a prescription drug known to block opiate receptors in the body. The drug could allow friends or family to save a drug user's life in the event of an overdose by reversing the effects of the drugs. The bill will be signed into law by Gov. McCrory and will go into effect immediately.

State Income Tax

On Tuesday, the Senate Finance Committee approved legislation that would put before voters a constitutional amendment that would place a cap of 5.5% on income tax rates. Currently, the State constitution places the income tax cap at 10%. If both chambers pass the legislation, the amendment would be scheduled for a referendum vote during the November general election. Some Democratic members argued against the amendment, citing concerns that it could lead to increased sales tax in the event of a recession. The amendment is scheduled to be heard on the Senate floor on June 25th.

Welfare Reform

The House passed a new welfare reform bill on Wednesday that would require lottery officials to submit a list of lottery winners who won over \$2,250 to the Department of Health and Human Services to determine eligibility for federal food benefits programs. The legislation would penalize applicants who misreported their income ranging from three month suspension of benefits to complete removal of the household from food assistance programs. Rep. Farmer-Butterfield proposed an amendment on the floor to raise the reportable lottery winnings to \$5,000; however, her motion was defeated. The bill will now be sent to the Senate.

BILL UPDATES

HOUSE BILL 593, Amend Environmental & Other Laws. The provisions of this bill were removed in the Senate Agriculture/Environment/Natural Resources Committee and replaced with new provisions to allow a public agency to satisfy the requirement to provide access to public records and computer databases by making those public records or computer databases available online in a format that allows a person to download the public record or computer database to obtain a copy. A public agency that provides access to public records or computer databases under this section would not be required to provide copies through any other method or medium. If a public agency, as a service to the requester, voluntarily elects to provide copies by another method or medium, the public agency could negotiate a reasonable charge for the service with the requester. A public agency satisfying its requirement to provide access to public records and computer databases by making those public records or computer databases available online in a format that allows a person to obtain a copy by download would also be required to allow for inspection of any public records also held in a nondigital medium. **The bill as amended was approved by the Senate Agriculture/Environment/Natural Resources Committee and will next be considered by the Senate Finance Committee.**

HOUSE BILL 747, Youth Access to Kratoms/Study Abuse OTC Subs. The provisions of this bill were removed in the Senate Health Care Committee and replaced with new provisions to regulate the sale of mitragynine and 7-hydroxymitragynine (also known as kratom) to minors. The bill would:

- make it a Class 2 misdemeanor for a person to distribute or aid, assist, or abet any other person in distributing kratom products to any person under the age of 18 years, or to purchase kratom products on behalf of a person under the age of 18 years; however, it would not be unlawful to distribute kratom products to an employee when required in the performance of the employee's duties;
- make it an infraction for a person under the age of 18 to purchase or accept receipt, or attempt to purchase or accept receipt, of kratom products, or present or offer to any person any purported proof of age which is false, fraudulent, or not actually his or her own, for the purpose of purchasing or receiving any kratom product;
- require a person engaged in the distribution of kratom products through the Internet or other remote sales methods to perform an age verification through an independent, third-party age verification service that compares information available from public records to the personal information entered by the individual during the ordering process to establish that the individual ordering the kratom products is 18 years of age or older; and
- direct the Legislative Research Commission to study the impact on the public health of the use of kratom, including any legitimate medicinal use, if any, of kratom and the impact on the public health of the use of nitrous oxide "whippets." The Commission would seek input from the Administrative Office of the Courts, the Office of the Chief Medical Examiner, and the DHHS Divisions of Public Health and Mental Health, Developmental Disabilities, and Substance Abuse, and report its findings and any proposed legislation to the 2017 Regular Session of the 2017 General Assembly upon its convening.

The bill as amended was approved by the Senate Health Care Committee and will next be considered by the Senate Judiciary II Committee.

HOUSE BILL 959, DOT Proposed Legislative Changes, was amended in the Senate Transportation Committee to require every bicycle to be equipped with a reflex mirror on the rear in addition to the other requirements when operated at night on any public street, public vehicular area, or public greenway. **The bill as amended was approved by the Senate Transportation Committee and the full Senate. The bill will next be sent back to the House to consider the changes made to the bill by the Senate.**

HOUSE BILL 1007, Amend Occupational Licensing Boards Statute, was amended in the House Judiciary II Committee to:

- define occupational licensing board as any board, committee, commission, or other agency in North Carolina which receives no General Fund revenue and is given statutory authority to do all of the following:
 - determine minimum qualifications required for licensure for a particular profession or occupation;
 - issue licenses to qualified applicants;
 - regulate the conduct of licensees within a particular profession or occupation;
 - seek injunctive relief to prohibit unlicensed individuals or entities from engaging in certain activities as defined by statute; and
 - collect fees to support agency operations;
- provide that occupational licensing boards include only those 64 boards specifically identified, including the North Carolina Medical Board;

- prohibit additional boards or commissions from being added to this list without first having been approved by the Joint Legislative Administrative Procedure Oversight Committee as being necessary in that the profession subject to licensure affects the health, safety, or welfare of the public and that mandatory licensure is necessary to ensure minimum standards of competency so as to protect the public from unqualified persons or unprofessional conduct by persons or entities practicing in the profession;
- amend reporting requirements to require each occupational licensing board to file electronically with the Joint Legislative Administrative Procedure Oversight Committee, the Department of Commerce, the State Auditor, the Office of State Budget and Management, and the State Controller an annual report also containing:
 - a financial report that includes the source and amount of all funds credited to the occupational licensing board and the purpose and amount of all funds disbursed during the previous fiscal year;
 - the certification of a proper system of internal control and other financial information;
 - a report of all civil penalties, civil forfeitures, and civil fines collected and remitted to the Civil Penalty and Forfeiture Fund;
 - the statute or rule authorizing each fee collected, the amount of the fee, the date the fee was last changed, the number of times the fee was collected during the prior reporting period, and the total receipts resulting from the fee during the prior reporting period; and
 - a financial audit of the occupational licensing board's operations, if it has a budget of at least \$50,000;
- require the annual report to be posted on the occupational licensing board's website;
- increase the cap on board member compensation from \$100 to \$200 per day that the member is engaged in board business;
- require the complaint process each occupational licensing board is required to develop and implement to be implemented and active on each board's website no later than January 1, 2017; and
- provide that, if a petitioner files a petition for judicial review of a final decision in an incorrect county, the superior court may order a change of venue; however, the improper venue will not be grounds for dismissal of the petition.

The bill as amended was approved by the House Judiciary II Committee. After other amendments on the House floor, the bill was approved by the full House and will next be sent to the Senate for consideration.

SENATE BILL 481, Fund Small Businesses/Publish DOR Rulings, was amended in the Senate Finance Committee to require public disclosure of written determinations made by the Department of Revenue. A written determination applies the tax law to a specific set of existing facts furnished by a particular taxpayer, and is applicable only to the individual taxpayer addressed and as such has no precedential value except to the taxpayer to whom the determination is issued. The text of a written determination would have to be published on the Department's website within 90 days of the date the determination is provided to the taxpayer, and the following information would be redacted before the written determination is published:

- the names, addresses, and other identifying details of the taxpayer to whom the written determination pertains and of any other person referenced in the written determination;
- information specifically exempted from disclosure by State or federal law; and
- trade secrets and commercial or financial information obtained from a person that is privileged or confidential.

The Secretary of Revenue would not be liable for failure to make redactions unless he or she fails to make the redactions in intentional and willful disregard of the statute, has agreed to redact the information, or has been ordered by a court to make the redaction. The publication requirement would not include disclosure of background file documents. **The bill as amended was approved by the Senate Finance Committee and will next be considered by the full Senate.**

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