INTRODUCTION

On Tuesday, June 17th, the Senate’s six Appropriations Subcommittees met to review the House’s version of the budget, which had passed the previous Friday. Each subcommittee heard detailed reports from staff on the many ways the House’s budget proposal differed from the Senate’s own plan. Subcommittee Chairs and members made skeptical and in some cases derisive comments about the House’s budget, as Senate leaders expressed their thoughts through the press – namely, there’s a lot of work to do to bridge a very large gap between the proposals. In response to the idea, floated by House Speaker Tillis, that the differences could be worked out within a week, Senate Majority Leader Harry Brown deadpanned, “I would say not.” As the week came to a close, Sen. Brown’s prediction was not only correct, the chambers appeared even further apart than they had when the week began.

As is normal when a budget impasse looms, scenarios began floating around the legislative building, including the possibility that the chambers fail to reach agreement and decide not to pass a budget revision at all (technically not necessary, as the budget passed last session covers Fiscal Years 2013-14 and 2014-15, which begins July 1). The most common rumor is that a teacher pay increase will be passed and all other budget revisions, including the significant amount of policy changes included in each chamber’s proposals, will have to wait until next session. It’s worth noting that such rumors and hypotheticals always surface when budget negotiations are seen to stall, yet a compromise is somehow always found. As budget negotiators have been appointed and are set to begin their work, we should get a sense of exactly how likely some of the alternative scenarios truly are.

As budget negotiations signal session winding down, policy committees went into high gear this week, working to pass as many of (almost exclusively) their respective chamber’s priorities as possible before committees begin shutting down for the session. Between Tuesday and Wednesday there were 27 committee meetings to consider dozens of bills, some of which went...
straight from committee to the floor that same day. The threat of committees no longer meeting, which would effectively strand bills passed by and important to the other chamber, is a typical negotiation tactic intended to encourage the budget conferees to find agreement in time to get their chambers bills through the process before adjournment. At the same time, once the budget is passed policy committees will conclude their business as soon as possible, resulting in an odd mix of rushed action on policy bills, many times having committees meet around legislators desks on the floor of the chamber. Whether the final rush occurs in one week or five, no one seems to know for sure. Regardless of the eventual date of adjournment, we will be there throughout, and will keep you updated as things develop.

BILLS OF INTEREST

HOUSE BILL 1267, Absentee Ballot/Everette Harris Act, would provide that the death of a voter is not grounds for challenge of an absentee ballot when the voter dies after casting a mail-in absentee ballot or an in-person one-stop early vote ballot. Introduced by Representatives Tillis, Lewis, and Elmore and referred to the House Elections Committee.

BILL UPDATES

HOUSE BILL 109, Motorcycle Helmet Laws/Study. This bill, which directs the Joint Legislative Transportation Oversight Committee to review the laws relating to the use of motorcycle helmets, and consider whether the State's motor vehicle laws should be amended to provide exceptions to the requirement that all operators and passengers on motorcycles or mopeds wear a safety helmet, has been removed from the Senate Rules Committee and assigned to the Senate Transportation Committee.

HOUSE BILL 1145, Registration Required for Mopeds. This bill as amended in the House Finance Committee and on the House floor would require mopeds to be registered with the Division of Motor Vehicles, but removes the provisions that would have required moped operators to have insurance. In addition, the bill would direct the Joint Legislative Transportation Oversight Committee to study whether additional statutory changes are needed to ensure the safe operation of mopeds, and report its findings and any recommended legislation to the 2015 Regular Session of the General Assembly when it convenes. The report would include: (i) the number of mopeds involved in traffic accidents; (ii) the number and types of injuries resulting from traffic accidents involving mopeds; and (iii) the causes for the traffic accidents involving mopeds. The bill as amended was approved the House Finance Committee and the full House, and will next be assigned to a Senate committee for consideration.

HOUSE BILL 1220, Hope 4 Haley and Friends, was amended on the House floor to clarify that The University of North Carolina at Chapel Hill may, and Duke University and Wake Forest University are encouraged to, conduct research on hemp extract development, production, and use for the treatment of seizure disorders and to participate in any ongoing or future clinical studies or trials. The bill as amended was approved by the full House, and will next be assigned to a Senate committee for consideration.

SENATE BILL 493, 2014 Regulatory Reform Act, was completely amended in the House Finance Committee and the House Regulatory Reform Committee(the original bill provision remained in the bill) to become the House Regulatory Reform Bill, which includes a wide variety
of provisions regarding regulatory reform and many others that are not regulatory at all, including:

- requiring all health benefit plans to provide coverage for the screening, diagnosis, and treatment of autism spectrum disorder for individuals 23 years of age or younger, if the person received a diagnosis of autism spectrum disorder prior to the age of eight. The bill also would prohibit an insurer from terminating coverage or refusing to issue, amend, or renew coverage to an individual solely because he or she is diagnosed with or has received treatment for autism spectrum disorder;
- providing for licensure as a behavior analyst or an assistant behavior analyst, and establishing a 7-member North Carolina Behavior Analyst Board to oversee the licensure and discipline of behavior analysts. The practice of behavior analysis would be defined as “the design, implementation, and evaluation of instructional and environmental modifications to produce socially significant improvements in human behavior,” and would include the empirical identification of functional relations between behavior and environmental factors. The practice of behavior analysis would expressly exclude psychological testing, cognitive therapy, sex therapy, psychoanalysis, hypnotherapy, and long-term counseling as treatment modalities;
- prohibiting a person under 18 years of age from using tanning equipment; and
- requiring the Department of Health and Human Services, Division of Medical Assistance, to charge a State Medicaid re-credentialing fee every five years (instead of every three years).

The bill as amended was approved by House Finance Committee and the House Regulatory Reform Committee, but was sent back to the House Regulatory Reform Committee for further consideration because of controversy regarding several of the provisions.

SENATE BILL 729, Coal Ash Management Act of 2014. This bill as originally filed was recommended by Governor McCrory and filed by Senate leader Berger and Rules Chairman Tom Apodaca in response to the February disaster in which the failure of a stormwater pipe under a utility coal ash impoundment pond spilled an estimated 39,000 tons of coal ash into the Dan River. The Senate Agriculture/Environment/Natural Resources Committee replaced the majority of the bill’s provisions with the Senate’s plan for coal ash management. The new provisions would include a variety of provisions regarding coal ash management, including:

- prohibiting an electric public utility from recovering from the retail electric customers costs resulting from an unlawful discharge to the State’s surface waters from a coal ash spill, unless the discharge was due to an act of nature;
- establishing the Coal Ash Management Commission to: (i) review and approve the classification of coal ash impoundments; (ii) review and approve Coal Ash Closure Plans; (iii) review and make recommendations on rules related to the management of coal ash; and (iv) undertake any additional studies as requested by the General Assembly;
- prohibiting the construction of new and expansion of existing coal ash surface impoundments on or after July 1, 2014;
- requiring the owner of a coal ash surface impoundment to conduct groundwater monitoring and assessment as provided;
- directing the Department of Environment and Natural Resources to: (i) evaluate all coal ash landfills currently operating in the State; (ii) assess the risks to public health, safety, welfare, the environment, and natural resources, of coal ash surface impoundments located beneath coal ash landfills; and (iii) report to the Environmental Review Commission no later than January 15, 2015, on its findings and recommendations concerning the risk assessment of each of these sites and the advisability of the continued operation of coal ash landfills; and
• requiring each public utility with a coal ash surface impoundment to pay a regulatory fee to defray the costs of oversight of coal ash, and direct the North Carolina Utilities Commission to prohibit an electric public utility to recover this fee from the retail electric customers of the State.

The bill as amended was approved by the Senate Agriculture/Environment/Natural Resources Committee and the Senate Finance Committee. The bill will next be considered by the full Senate.

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