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Subject: REPRESENTATIVE RODNEY W. MOORE'S RALEIGH REPORT - June 10, 2013
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REPRESENTATIVE RODNEY W. MOORE'S RALEIGH REPORT

The final weeks of session at the State Legislature continue on its busy streak as legislators hammer away at remaining bills. On Thursday, the Republican Majority gave final approval to a measure designed to repeal the Racial Justice Act – a historic civil rights law that addressed racial bias in the state's death penalty system by allowing death-row inmates to appeal their sentences and receive life without parole race played a factor in their sentencing. The Senate had previously approved the bill once, so it now heads back for concurrence.

House Democrat leaders stood in strong opposition to the bill's passing and believe that it was a sad day for North Carolina. The Racial Justice Act ensures the death penalty is administered without prejudice and provides tools to addressing historical and systematic discrimination in our justice system. By repealing the Racial Justice Act, Republicans are denying our state the opportunity to confront past racism head-on and live up to the ideal of equal protection under the law.

This repeal invites racial discrimination back into our justice system and courtrooms. Republican leaders have once again failed the people of our state by throwing away a bill that ensures fairness, integrity and justice. What has taken place goes far beyond our political obligations and speaks to the true nature of their moral compass. Simply put, it is unjust and wrong.

Also last week, redistricting trials took place over two days to determine if race was the driving influence in the formation of congressional and legislative districts in 2011. A three-judge panel heard from redistricting experts and politicians from across the state to examine if Republican state legislators' approval of voting district maps sought to illegally assemble black voters – who have a history of favoring Democratic candidates – into certain districts to improve the chances of Republicans in other districts. Although GOP leaders are seeking for the lawsuits to be thrown out, judges have not given a date as to when they will rule on the motions.

Members of the House Appropriations Committee have voted on changes made to the state budget. The committee voted 44-34 against adopting the bill's latest version which remove an amendment lifting a \$25,000 cap on deductions for charitable giving and mortgage interest. Amendments to the budget were only heard for an hour in the Finance Committee, which drew sharp criticism from both parties who argued that more time was needed prior to bringing the bill on the floor. After a Wednesday discussion held privately by Republicans, they agreed to return to the original tax plan before the amendment was presented.

Last week, Minority Leader Larry Hall – D, Durham spoke with News 14 Carolina's 'Legislative Update' to discuss the tax reform plan, Democratic inclusion in policy negotiations and the budget process. [Click here to watch the interview.](#)

House Democrats are voicing their dissatisfaction of the proposed budget through an additional outlet. Members of the Democratic Rural Caucus have launched a literary response initiative – in the form of letters and articles – to draw attention to the harmful budget cuts threatening to dismantle funding for rural North Carolina's economic development, education and healthcare. For the last few weeks, legislators have addressed particular topics of legislation as it relates to rural areas and

provide an analysis on the harmful effects of the Republican agenda. These drafted responses have, and will continue to be, distributed to rural newspapers throughout the state. It is our expectation that through this weekly concerted effort, changes will be made to provide a budget that stands up for North Carolina and its rural communities.

House Speaker Thom Tillis announced that the House's version of Senate Bill 402, the budget, will be voted on this week. Tillis said the budget bill will be posted online over the weekend, and will finish its trip through committees Tuesday, June 11th. Floor debate and votes are scheduled for Wednesday, June 12th, and Thursday, June 13th. Tillis warned House members to expect those sessions to run as long as 6 hours each. After that, it will go back to the Senate for concurrence and almost certainly into a conference committee. That leaves just over two weeks for the two chambers to reach agreement and for the governor to sign it. Tillis pledged that the conference report, when it emerges, will be available 48 hours before a final vote. The budget deadline is June 30th.

SB 337: Charter school group says no thanks to charter school board

The NC Public Charter Schools Association came out today in opposition to legislation the Senate passed last month that would create a new oversight board for charter schools. SB 337, NC Public Charter School Board, would considerably weaken the State Board of Education's authority over who receives approval to set up charter schools in the state. Sen. Jerry Tillman (R-Moore, Randolph) proposed the bill thanks to, in part, alleged dysfunction within the current Charter School Advisory Council, which currently approves or denies charter school applications and sets policy. Most members of the proposed charter board would be handpicked by Gov. Pat McCrory.

Cap on mortgage deductions is back in House tax bill

For the second straight day, House Republicans feuded among themselves on a major tax cut measure, stalling a top legislative priority. But 10 hours after a revolt in a morning committee meeting, House GOP lawmakers emerged from a lengthy closed-door meeting to say they had reached a consensus to remove language from the tax bill aimed at helping the housing industry. The move puts the House tax plan back roughly in its original form.

SB 76: NC House panel OKs more cautious 'fracking' bill

North Carolina would take a more cautious approach to allowing oil and gas drilling under legislation that won approval Wednesday in a state House committee. The amended bill removes many provisions in a Senate measure that would set a date for regulators to begin issuing permits to energy companies drilling for gas through a method known as hydraulic fracturing, which many environmentalists oppose out of concerns for water supplies.

McCrory administration's unemployment memo decried by Democrats

Gov. Pat McCrory's administration held a meeting with aides to state lawmakers this week to distribute talking points about the expiration of federal unemployment benefits at the end of the month. Democratic state lawmakers are crying foul, saying they didn't know about the meeting and objected to the McCrory administration distributing "political talking points" to spin a situation it created. In a letter to McCrory on Wednesday, Senate Democratic leader Martin Nesbitt and House Democratic leader Larry Hall said lawmakers are free to respond to constituents at their discretion "without undue outside influence or intimidation of our employees."

COMMITTEE MEETINGS

Senate Education Committee

The Senate Education Committee met Wednesday to take up four House bills. H 255, UNC Tuition Surcharge/Advance Notice, provides that certain courses and credit hours transferred to a school in the UNC System shall not be included in the calculation of the tuition surcharge. It also requires the UNC System to provide advance notice to students when they are approaching the credit hour limit regarding the surcharge. HB 255 received a favorable report and placed on the Senate calendar for June 11. H 587 OCS/ECS/Exemption from ACT, requires and alternative ACT and plan precursor test for certain students. H 587 received a favorable report and was placed on the Senate calendar for June 11. H 691, Limit Soldiers Community College Tuition, waives the cost difference between out of state tuition for North Carolina community colleges and the amount of tuition assistance available from the Department of Defense. The waiver only applies to active duty members who were previously enrolled in a degree program at the time of deployment. H 691 received a favorable report and was referred to the Senate Appropriations Committee. H 754, Lease Purchase of Real Property/Community College, authorizes community colleges to acquire real property by lease purchase. H 754 received a favorable report and was referred to Senate Finance.

Senate Finance Committee

The Senate Finance Committee met on Wednesday, June 5. The Committee approved the following bills: H 200 - Require Certain General Reappraisals; H 248 - Taxpayer Debt Information Act; H 439 - Economic Development Jobsites Program; H 664 - Cell Tower Deployment Act; H 743 - UI Laws Administrative Changes; H 817 - Strategic Transportation Investments; S 312 - Referendum on Incorporating Lake James; and S 571 - Authorize Various Special Plates.

Senate Commerce Committee

The Senate Commerce Committee met twice last week on Tuesday, June 4, and Thursday, June 6. On Tuesday, the Committee approved the following bills: H 278 – HOAs/Voluntary Prelitigation Mediation; H 315 – Plastics Labeling Requirements; H 610 – Modify Requirements for In-Store Beer Sales; H 774 – Building Code Exclusion/Primitive Structures; H 793 – HOAs/Fidelity Bonds; and H 829 – Sale of Growlers by Certain ABC Permittees. On Thursday, the Committee approved the following bills: H 223 – Electric Membership Corps/Member Control; H 390 – State IT Governance Changes – AB; H 629 – Amend Definition of Special Purpose Project; and H 662 – Limited License/Install Backflow Assemblies.

House Public Utilities Committee

The House Public Utilities Committee met Wednesday to take up two bills. S 9, Utilities/Design/Survey Location Services, requires utility owners to locate and describe underground utilities upon request from persons responsible for designing or surveying underground facilities or requires a general description and location of existing underground facilities in an area. S 9 received a favorable report and was calendared for Friday, June 7. S 378, Assess Propane Dealers/Distributors, authorizes a referendum of propane and distributors regarding a voluntary assessment on propane to provide funding for promotional, educational and other programs of the industry. S 378 received a favorable report and was referred to the House Finance Committee.

House Commerce Committee

On Wednesday, the House Commerce Committee met and passed one bill out of the committee. S 76, the Domestic Energy Jobs Act, was discussed in the committee and significant changes were included in the version that passed the committee compared to the original bill out of the Senate. The committee heard one amendment, which would have moved the Energy Jobs Council outlined in the bill from the Department of Environment and Natural Resources to the Department of

Commerce. The amendment failed 22-28. The committee also heard from several speakers, including DENR Secretary, John Skvarla, who said he supports the bill as currently written.

The version that passed out of the committee restored the requirement that the General Assembly will have to vote to approve the final rules before any hydraulic fracturing can take place in North Carolina. The committee substitute also removed the language that would allow for deep well injections. The House version restored the requirement for DENR to have a "landman registry" for those who will broker mineral rights deals with landowners and operators. The House bill also includes more bonding funds to cover potential damages to landowners and localities than the Senate bill.

House Appropriations Subcommittee Meetings

Today, all of the House Appropriations Subcommittees met to review each subcommittee's budget recommendations. Subcommittees allowed an opportunity for members to offer amendments. The full budget will be posted online this weekend, including any changes due to amendments. Next week, the House plans to take the budget bill up in House Appropriations Committee on Tuesday and then on the House floor Wednesday and Thursday.

Tax Reform

Tax reform took its first concrete steps forward last week. A proposed committee substitute was before the House Finance Committee on Tuesday. Three amendments were offered in that committee. The "Howard amendment" increased the cost of the proposal by allowing a full deduction for mortgage interest expenses, charitable contributions, and property taxes on real estate. It was approved on a voice vote with strong support. The original PCS had limited the deduction for mortgage interest expense and charitable contributions and allowed no deduction for property taxes. The amendment increased the cost of the proposal by over \$525 million per year. Another amendment failed to be approved by a split vote of 15-15 and would have repealed the film production tax credit early. The PCS with the Howard amendment was then approved by the committee. The bill was then referred to the House Appropriations Committee on the floor of the House that afternoon. On Wednesday, a new PCS was offered in House Appropriations. That PCS made several corrections, but the biggest impact of the PCS was the removal of the Howard amendment. Members of the Appropriations Committee voted 44-34 not to have the PCS before them for discussion, effectively ending public debate on

the bill for the day. On Thursday, the bill was back before the House Appropriations Committee with a new PCS. That PCS addressed some of the issues that were raised in the Howard amendment and was approved by the committee. On Friday, the bill was on the House floor for debate. After much debate, the bill was given preliminary approval by a vote of 72-32, almost entirely along party lines. Key provisions of the 3rd Edition of the bill include:

Reduction of personal income tax rates to 5.9%. Rates currently range from 6% to 7.75%

An increase in the standard deduction amount coupled with elimination of personal exemptions.

An increase in the child tax credit.

Itemized deductions would be allowed for a) mortgage interest expenses and property taxes on real estate up to \$25,000 for a married couple filing a joint return (lower thresholds for other filing statuses) and b) the full amount of charitable contributions.

Reduction of the corporate income tax rate from 6.9% to 5.4% over 5 years.

Reduction of the corporate franchise tax rate from 0.15% to 0.135%.

Extension of the sales and use tax to movies and entertainment; service contracts; and alteration, maintenance, repair, cleaning, and installation of tangible personal property.

Elimination of special taxes on electricity and piped natural gas and the imposition of a State sales tax on these items at the rate of 7%.

LEGISLATIVE CALENDAR

Fri, June 07, 2013

7:30 AM

Appropriations Subcommittee on Information Technology -- CORRECTED (House)

425 LOB

8:30 AM

Appropriations Subcommittee on Transportation (House)

1228/1327 LB

8:30 AM

Appropriations Subcommittee on General Government (House)

1425 LB

8:30 AM

Appropriations Subcommittee on Justice and Public Safety (House)

415 LOB

8:30 AM

Appropriations Subcommittee on Education (House)

421 LOB

8:30 AM

Appropriations Subcommittee on Natural and Economic Resources (House)

424 LOB

8:30 AM

Appropriations Subcommittee on Health and Human Services (House)

643 LOB

10:00 AM

Session Convenes (House)

House

10:00 AM

North Carolina General Statutes Commission

1027/1128 LB

IMMEDIATELY AFTER SESSION

Appropriations Subcommittee on Transportation -- CANCELLED (House)

1228/1327 LB

15 MINUTES AFTER SESSION

Appropriations Subcommittee on Health and Human Services (House)

643 LOB

IMMEDIATELY AFTER SESSION

Appropriations Subcommittee on General Government (House)

1425 LB

IMMEDIATELY AFTER SESSION

Appropriations Subcommittee on Justice and Public Safety (House)

415 LOB

IMMEDIATELY AFTER SESSION

Appropriations Subcommittee on Education (House)

421 LOB

Mon, June 10, 2013

4:00 PM

Conference Committee on House Bill 13

State Agency Property Use/Biennial Report. (H13)

544 LOB

7:00 PM

Session Convenes (House)

House

7:00 PM

Session Convenes (Senate)

Senate

Tue, June 11, 2013

8:30 AM

Appropriations (House)

Appropriations Act of 2013. (S402)

643 LOB

10:00 AM

Judiciary II (Senate)

Court Improvem't Project Juv Law Changes.-AB (H350)
No Possession of Firearms/Undocumented Aliens. (H465)
Suspension Removed When Eligibility Met. (H611)
Background Checks for Firefighters. (H698)
Possession of Needles/Tell Law Officer. (H850)
Grand Jurors/Service. (H879)

1124/1224 LB

10:30 AM

Rules, Calendar, and Operations of the (House)

Community Service/Post-Release Supervision. (S494)

1228/1327 LB

11:00 AM

Commerce (Senate)

Bldg Codes: Local Consistency/Exempt Cable. (H120)
Reinstate 2009 Energy Conservation Codes. (H201)
Transitional Mortgage Loan Originator. (H616)
Omnibus State IT Governance Changes. (H700)

1027/1128 LB

11:00 AM

Agriculture/Environment/Natural Resources (Senate)

Marine Fisheries Rulebook Production. (H548)

NC Agriculture and Forestry Act. (H614)
NC Seafood Park/Name Change. (H686)

544 LOB

12:00 PM

State and Local Government -- CORRECTED (Senate)

Establish Ombudsman/Foster Care/Gaston County. (H68)
Clarify Pender County ABC Laws. (H234)
Buncombe Cty/Community College Projects. (H501)
Cramerton Charter Revisal. (H562)
Public Contracts/Construction Methods/DB/P3. (H857)

1124/1224 LB

12:00 PM

Transportation -- CANCELLED (House)

Motor Vehicle Safety Inspector Law Change. (S717)
Suspend Truck Inspection/Severe Weather. (S377)
CDL Changes. (S461)
Prohibit Aftermarket HID Headlights. (S493)
Bioptic Lenses for Drivers License Tests. (S568)
Allow DOT to set Max. Speed of 75 MPH. (S709)
ID Card for Homebound Persons. (S712)

643 LOB

1:00 PM

Finance (Senate)

Tax Reform presentations by Brent Lane, Ben Russo, Roby Sawyer, and Mike Walden.

544 LOB

1:00 PM

Agriculture (House)

Landowners/Lessees May Trap Coyotes. (S376)
Wildlife Resources Comm. Penalty Changes. (S636)

NC Farm Act of 2013. (S638)

643 LOB

Wed, June 12, 2013

8:30 AM

Finance (House)

544 LOB

10:00 AM

Judiciary Subcommittee A (House)

Young Offenders Rehabilitation Act. (H725)
Guaranteed Asset Protection Waivers. (S358)
WC/Cancellation Procedure Changes. (S614)

1228/1327 LB

11:00 AM

Health Care -- CORRECTED (Senate)

Medicaid County of Residence. (H867)
Expand Pharmacists' Immunizing Authority. (H832)
Chiropractic Assistant Certification/Fee.-AB (H371)

544 LOB

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Please remember that you can listen to committee meetings and press conferences on the General Assembly's website at www.ncleg.net. Once on the site, select "Audio," and then make your selection – House Chamber, Senate Chamber,

Appropriations Committee Room or Press Conference Room. A schedule of committee meetings and other events is also available on the website.

2 Attached Images