



## INTRODUCTION

The General Assembly has adjourned for the year after reconvening in Raleigh last week to handle the court-ordered redrawing of Congressional maps, appointments, nominations, and some conference reports.

The new maps, as redrawn, give Democrats a good chance to pick up two more Congressional seats in 2020. Republicans currently hold 10 out of the 13 state Congressional seats. As reconfigured, Democrats would be in a favorable position to win seats currently held by Republican Representatives George Holding and Mark Walker to make the split 8-5.

Although this map is more favorable than the current districts, many Democrats still don't approve and the plan passed along party lines. Many Democrats argue that the new maps remain gerrymandered for the benefit of the Republicans. After passing both chambers this week, the maps are likely to head back to court where Democrats are expected to ask judges to redraw new lines, expecting that they can pick up at least one more seat than what was proposed by the legislature. If the three-judge panel agrees with Democrats that the new maps do not meet the court order, then the judges could turn to a special master to redraw the lines yet again. If this were to happen, the special master will need to work fast. The filing deadline for Congressional races is just weeks from now, on December 2<sup>nd</sup>.

Most in Raleigh also expected to see some attempt to resolve the funding issue for Medicaid Transformation (not to be confused with Medicaid Expansion which is one of the key issues in the battle over the budget). The Transformation process has been planned and worked on for years with a great deal of money and effort already being expended to move all Medicaid recipients to a new managed care model that now seems to be in jeopardy. The change was to take place February 2020 but the Secretary of DHHS announced earlier this year that funding must be in place by the middle of November for that deadline to be met. It is unclear what will happen next, but it seems like anything that does happen will need legislative action so we do not expect anything until January 2020 when they come back into session.



## TOWING AND RECOVERY PROFESSIONALS OF NC



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The legislature intends to reconvene on January 14<sup>th</sup>, at which point they expect to briefly meet to handle any further pressing business, as well as potentially override some of Governor Cooper's vetoed bills this session, including the budget and Medicaid transformation, though the adjournment resolution allows the legislature to take up nearly any issue they choose during the January session.

## BILL UPDATES

HOUSE BILL 231, UNC & Comm. Coll. Pay/Retiree Bonus. This bill that would fund salary increases to employees of the UNC System and the North Carolina Community College System and provide one-time cost-of-living supplements for retirees of the teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, and the Legislative Retirement System was vetoed by the Governor on November 8<sup>th</sup>. His veto provides that, "The General Assembly shortchanges our universities and community colleges and their employees, as well as state retirees, despite a robust economy and decent raises for other state employees. Higher education is North Carolina's best economic development tool, and we must invest in education to keep it that way." **The bill has been sent to House Rules Committee.**

HOUSE BILL 398, Info. Tech. Budget/2019-2021 Fiscal Biennium. Governor Cooper vetoed this bill on November 8<sup>th</sup>, stating that, "This legislation fails to adequately fund state cybersecurity and data analytics needs while sending a substantial capital earmark outside the state's proven university system." The bill would appropriate funds for the Department of Information Technology and information technology projects and restrict use of the certain funds to specified purposes, including the NC HealthConnex, the Criminal Justice Information Network, cybersecurity upgrades, Office of Administrative Hearings information technology support, data analytics positions, the state's integrated criminal justice data system (CJLEADS), and Montreat College's Cybersecurity Regional Training Center. **The bill has been sent to House Rules Committee.**

SENATE BILL 250, Remove Foreign Citizens from Voting Rolls. This bill that would, among other things, require prospective jurors to be US citizens and require disqualification due to citizenship to be reported to the State Board of Elections was vetoed by the Governor on November 6<sup>th</sup>. In his veto, Governor Cooper provides that, "Only citizens should be allowed to vote. But blocking legitimate voters from casting a ballot is a risk we cannot take when the law already prevents non-citizens from voting and has legitimate mechanisms to remove them from the rolls. This legislation creates a high risk of voter harassment and intimidation and could discourage citizens from voting." **The bill has been sent to Senate Rules Committee.**

SENATE BILL 354, Strengthening Educators' Pay Act. This bill was amended in the Conference Committee to instead provide for certain teacher and non-teacher pay increases and one-time bonuses. The Conference Committee report was passed by the House and Senate, but was vetoed by Governor Cooper on November 8<sup>th</sup>. The veto provides, "The General Assembly continues to shortchange teachers and non-certified school personnel like cafeteria workers, bus drivers and teacher assistants, despite a robust economy and decent raises for other state employees. Educators deserve more if our schools are to remain competitive with other states and keep good teachers." **The bill has been sent to Senate Rules Committee.**

SENATE BILL 578, Reduce Franchise Tax/Expand Film Grants. This bill was amended in the House Rules Committee and would: (1) reduce the franchise tax rate for all corporations except electric power companies; (2) eliminate the 55% of appraised value method used to determine a corporation's franchise tax base, effective for taxable years beginning on or after January 1, 2021; and (3) reduce the qualifying expense threshold for awards from the Film and Entertainment Grant Fund and increase the maximum grant award amount for a single season of a television series from \$12 million to \$15 million. The bill as amended was approved by the House and Senate, but was vetoed by the Governor on November 8<sup>th</sup>. The Governor states that, "This legislation prioritizes corporate tax cuts over investments in education and would erode state revenue at the same time the General Assembly is underinvesting in schools. Cutting taxes for corporations at more than \$1 billion over five years will hurt North Carolina's future." **The bill has been sent to Senate Rules Committee.**

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