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Focusing on Legislative Representation

LEGISLATIVE REPORT April 13, 2017

INTRODUCTION

This week things returned to business as usual in the General Assembly following the passage of the HB2 replacement bill last Thursday. House Bill 2 has remained in the news, however, as LGBT rights groups criticize the replacement bill for leaving discrimination in place for many North Carolinians. All eyes were on the NCAA as they prepared to announce whether the HB2 replacement bill went far enough to allow sporting events to return to the state. On Tuesday, the NCAA announced that they would lift the ban on North Carolina from holding championship events; the announcement coming just after UNC clinched the Men's Basketball National Championship Game after defeating Gonzaga. Some cities in other states have maintained their travel bans to NC, however, citing concerns that the HB2 replacement law is inadequate.

Additionally, on Monday a federal judge overturned the legislative redrawing of Greensboro City Council districts from 2015. The changes have been criticized as political moves to elect more Republicans. Later in the week, the last of Governor Cooper's cabinet nominees began the confirmation process, with the Department of Environmental Quality Secretary, Michael Regan, being unanimously recommended to be confirmed by the Senate Committee on Agriculture/Environment/Natural Resources on Thursday. Sec. Regan will now await confirmation by the Senate Nominations Committee.



TOWING AND RECOVERY PROFESSIONALS OF NC



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BILLS OF INTEREST

HOUSE BILL 562, Enhanced Penalty for Second Degree Trespass, would provide that the penalty for second degree trespass is a Class 1 misdemeanor if the offense occurs in a multi-occupancy bathroom, shower, or changing facility. **Introduced by Representatives Brenden Jones, Murphy, Grange, and Malone and referred to the House Judiciary I Committee.**

HOUSE BILL 570, K-12 Academic Freedom, would require the State Board of Education to adopt a policy to be implemented by local boards of education to ensure academic freedom in the classroom. The policy could not prohibit an educator from maintaining a safe and orderly classroom or a timely agenda, and would include, at a minimum, the following elements:

- students and educators are encouraged to respect the ideological, political, religious, or nonreligious viewpoints held by all persons in the classroom;
- students and educators are permitted to engage in open dialogue, critical thinking, and the free exchange of ideas related to the content of the course;
- a student shall not be discriminated against or mocked for the student's ideological, political, religious, or nonreligious viewpoints;
- an educator shall not take a student's ideological, political, religious, or nonreligious viewpoints into account when evaluating the student's performance; and
- educators may answer questions posed by students with openness and honesty.

Introduced by Representatives Speciale, Pittman, Ford, and Boswell and referred to the House Education K-12 Committee.

HOUSE BILL 571, Automatic Expunction/Wrongful Conviction, would provide for the automatic expunction of a person's record if the person is wrongly convicted, incarcerated, and later cleared of the charge. The bill would provide \$10,000 to the Administrative Office of the Courts to assist with the cost of implementing this requirement. **Introduced by Representatives Hanes, Hardister, Dobson, and Quick and referred to the House Judiciary I Committee.**

HOUSE BILL 572, Legal Notices/Require Internet Publication, is substantially similar to Senate Bill 435, summarized in the April 4, 2017, Legislative Report. **Introduced by Representatives Ross, Davis, Goodman, and Malone and referred to the House Rules Committee.**

HOUSE BILL 588, Omnibus Gun Changes, would make various changes to the State's laws regarding firearms, including:

- allowing the sheriff, in the sheriff's discretion, to request disclosure of any court orders concerning the mental health or mental capacity of the applicant to be used for the sole purpose of determining whether the applicant is disqualified to receive a permit to purchase a pistol;
- providing that, when a sheriff notifies the potential holder of a mental health order in writing that a particular individual has completed an application for a pistol purchase permit, the holder of any court orders that concern the mental health or mental capacity of an applicant for a pistol purchase permit shall, upon request, release to the sheriff of the county any and all mental health orders concerning the pistol purchase permit applicant;
- providing that, if educational property is the location of both a school and a building that is a place of religious worship, then a person who has a valid concealed handgun permit or is exempt from obtaining a permit, may possess and carry a handgun on the premises of the place of religious worship and any associated parking lot outside the operating hours of the school;

- allowing a person who has a concealed handgun permit to carry a concealed handgun on educational property if the educational property is an institution of higher education;
- providing that the term “educational property” does not include any of the following: (i) land, buildings, or other facilities owned, leased, or otherwise controlled by educational institutions but not used primarily for educational purposes; (ii) a religious institution for which facilities are used as a school on a part-time basis, provided such facilities are not currently in use as a school; (iii) a road or other publicly used thoroughfare which crosses an educational campus; or (iv) a medical facility for which the primary purpose is patient care rather than education;
- providing that restrictions on extracurricular activities do not apply to persons not participating in the extracurricular activity provided the extracurricular activity is conducted in a public place, including, but not limited to, a restaurant, public park, or museum;
- allowing the Governor and the Governor's immediate family to carry a weapon on the property of the Executive Mansion or the Western Residence of the Governor;
- extending the validity of permits to carry concealed handguns from five to ten years;
- requiring sheriffs to deny concealed handgun permits to applicants who were or have been discharged from the Armed Forces under dishonorable conditions (was, under conditions other than honorable);
- authorizing legislators and legislative employees with concealed handgun permits to carry a concealed handgun on the premises of the State legislative buildings and grounds, notwithstanding any rule by the Legislative Services Commission (Commission);
- authorizing the Commission to adopt a rule requiring the legislator or employee to provide notice to the Chief of the General Assembly Special Police before carrying the handgun on the premises;
- authorizing the Legislative Services Commission to adopt a rule prohibiting the carrying of a firearm in the gallery of the State legislative building;
- authorizing legislators and legislative employees with concealed handgun permits to carry a concealed handgun on the premises of the state legislative building and grounds, subject to notice requirements adopted by the Commission;
- clarifying that weapons used in specified crimes must be returned to their rightful owners under specified conditions, unless the rightful owner is the convicted defendant, in which case the presiding judge may dispose of the weapon as specified at the judge's discretion; and
- making it a Class 1 misdemeanor for a person to arm himself or herself with an unusual and dangerous weapon for the purpose of terrifying others and goes about on public highways in a manner to cause terror to the people; however, no person would be convicted of a violation of this section based only on the person's possession or carrying of a handgun, whether openly or concealed.

Introduced by Representatives Speciale, Pittman, and Millis and referred to the House Judiciary I Committee.

HOUSE BILL 599, Body-Worn Camera Recordings, would require law enforcement officers to wear and activate a body-worn camera during any recordable interaction;

- inform the person or people the law enforcement officer is interacting with that the interaction is being recorded except when doing so would be unsafe, impracticable, or impossible;
- not deactivate a body-worn camera until (i) the conclusion of the recordable interaction; (ii) the law enforcement officer has left the scene; (iii) a supervisor, while being recorded,

authorizes the law enforcement officer to deactivate the body-worn camera; or (iv) a listed exception authorizes deactivation;

- announce, prior to deactivating a body-worn camera, that he or she is deactivating the body-worn camera and the reason why he or she is deactivating the body-worn camera;
- note in any incident report prepared after a recordable interaction that a recording was made.

A law enforcement officer would not be required to activate a body-worn camera in any of the following places or situations:

- interactions with confidential informants and undercover officers;
- during routine, non-law enforcement related activities, including when a law enforcement officer is engaged in a personal conversation, when a law enforcement officer is using a rest room or bathroom, or when a law enforcement officer is dressing or undressing in a locker room or dressing room;
- when a law enforcement officer is providing training or making a presentation to the public;
- when entering a private residence under nonexigent circumstances, unless written or on-camera consent is given by the owner or the occupier of the residence;
- when a law enforcement officer is conducting a strip search, unless written or on-camera consent is given by the person being strip searched; or
- interactions with a victim or witness, unless written or on-camera consent is given by the victim or witness.

The bill would also:

- allow a recording captured by a body-worn camera to be used as evidence in any relevant administrative, civil, or criminal proceeding;
- allow a law enforcement agency to disclose or provide a copy of any recording captured by a body-worn camera under this section to any person who submits a written request to the law enforcement agency;
- allow a law enforcement agency, prior to disclosing or providing a copy of a recording captured by a body-worn camera under this section, to redact any portion of the recording that (i) a law enforcement officer is not required to record or (ii) is otherwise prohibited by law from being disclosed. A law enforcement agency would provide a written statement to the person who requested access to the recording explaining why portions of a recording are redacted or why the law enforcement agency is declining to disclose or provide a copy of the recording;
- allow a person who is denied access to a recording or an unredacted recording to apply to the appropriate division of the General Court of Justice for an order compelling disclosure or copying, and the court will have jurisdiction to issue the order;
- require a law enforcement agency to provide training to a law enforcement officer on how to operate a body-worn camera prior to the law enforcement officer wearing and activating a body-worn camera;
- include similar requirements for a law enforcement officer to activate the dashboard camera when engaging in a traffic stop, vehicle pursuit, vehicle search, or other interaction with the public that is within the range of the camera; and
- provide \$5 million to the Governor's Crime Commission to provide grants to law enforcement agencies for the purposes of purchasing and maintaining body-worn cameras.

Introduced by Representatives Brockman, Quick, B. Richardson, and Alexander and referred to the House Judiciary I Committee.

HOUSE BILL 604, Repeal Death Penalty, would repeal the death penalty and require all current prisoners sentenced to death to be resentenced to life imprisonment without the possibility of parole. **Introduced by Representatives Meyer, Michaux, Holley, and Black and referred to the House Rules Committee.**

HOUSE BILL 612, Comprehensive Firearm Ed. Elective/Schools, would direct the State Board of Education to develop and identify a comprehensive firearm education course that can be offered as an elective at the high school level. The course would incorporate history, mathematics, and science related to firearms and firearm safety education as recommended by law enforcement agencies or a firearms association. The course of instruction would not permit the use or presence of live ammunition, and would be conducted under the supervision of an adult who has been approved by the school principal. **Introduced by Representatives Adams, Henson, Boswell, and Presnell and referred to the House Education K-12 Committee.**

HOUSE BILL 619, Clarify Motor Vehicle Dealer Laws, is identical to Senate Bill 413, summarized in the April 4, 2017, Legislative Report. **Introduced by Representatives Brawley, Ross, Johnson, and Clampitt and referred to the House Transportation Committee.**

HOUSE BILL 633, Small Business Retirement Program, would:

- establish the North Carolina Voluntary Small Business Retirement Accounts Program as part of the Department of Commerce to provide a cost-effective group retirement option for small nongovernmental employers and employees of small nongovernmental employers;
- define a small nongovernmental employer as a business entity registered in this State that employs no more than 50 employees in the State for each working day in each of 20 calendar weeks or more in the current or preceding calendar year;
- create the North Carolina Voluntary Employee Retirement Accounts Board to develop standards and requirements for operation of the Program;
- allow a small nongovernmental employer in this State to elect to participate in the Program if, as of January 1, 2018, it does not offer an active retirement program for its employees before electing to participate in the Program;
- require a participating employer to comply with all Program requirements, including making payroll deductions and remittances as required;
- allow an employee of a nonparticipating employer in this State who elects to participate in the Program to make deposits in the participating employee's account in accordance with the procedures established by the Program, except that a nonparticipating employer would not be required to make payroll deductions and remittances; and
- require the Department of Commerce to include on its website a listing of the participating employers, and allow a participating employer to request to not be included in the list.

Introduced by Representatives Hardister, Ross, Goodman, and R. Moore and referred to the House Pensions and Retirement Committee.

HOUSE BILL 635, Electronic Pawn & Metals Database, is identical to Senate Bill 28, summarized in the February 6, 2017, Legislative Report. **Introduced by Representatives Riddell and Ross and referred to the House Judiciary III Committee.**

HOUSE BILL 636, Sale of Salvage Vehicle/No Inspection, would authorize a dealer to sell, without inspection, a used vehicle issued a salvage certificate of title if no repairs have been made to the vehicle after issuance of the salvage certificate of title, and the dealer discloses in

writing that no inspection has been performed. **Introduced by Representatives J. Bell and Brenden Jones and referred to the House Transportation Committee.**

HOUSE BILL 659, Filling Vacancies/U.S. Senate, would clarify the manner in which vacancies are filled in the office of United States Senator by providing that, if the Senator was elected as the nominee of a political party, the Governor will appoint from a list of three persons recommended by the State executive committee of the political party with which the vacating member was affiliated when elected if that party executive committee makes recommendations within 30 days of the occurrence of the vacancy. **Introduced by Representatives Burr, Saine, Bert Jones, and K. Hall and referred to the House Elections and Ethics Law Committee.**

SENATE BILL 580, UI for High Unemployment Areas/State Funding, would:

- raise the minimum number of weeks of unemployment insurance benefits;
- modify the calculation for determining the duration of benefits to account for regional variation in the unemployment rate;
- require the Secretary of the Department of Commerce, when the surtax applies, to notify the State Treasurer of the quarterly collections of the surtax on March 1, June 1, September 1, and December 1; and
- require an amount equal to 10% of the quarterly collections to be transferred to the Unemployment Insurance Fund.

Introduced by Senators Clark and Ford and referred to the Senate Rules Committee.

SENATE BILL 585, Study Intergovernmental Relations, would direct the Legislative Research Commission (LRC) to authorize a Joint Committee to study the relationship between and limitations and powers of the federal government, the State, and local governments in this State and, if appropriate based on the Committee's examination, provide recommendations for legislation, constitutional amendments, or other actions. The Committee would: (1) be composed of equal numbers of Senators and Representatives and include members of the majority and minority parties from each chamber; and (2) report its findings and recommendations, including recommended legislation, to the LRC no later than April 15, 2018. **Introduced by Senator Wells and referred to the Senate Rules Committee.**

SENATE BILL 587, Tax Returns Uniformly Made Public Act, would allow the name of a candidate for President or Vice President to appear on the general election ballot only if no later than 70 days before the date of the general election the candidate has filed with the State Board of Elections a copy of the candidate's federal income tax returns for the five years preceding the year of the general election and provided written consent for the public disclosure of the tax returns. The State Board of Elections would make the federal income tax returns publically available on its website within seven days after the income tax returns have been filed. However, before the income tax returns are made publically available, any personal or other information that should be kept confidential by law would be redacted. If a candidate for President or Vice President does not timely file with the State Board of Elections the federal income tax returns and written consent, the name of the candidate would not be printed on the official general election ballot. **Introduced by Senator Chaudhuri and referred to the Senate Rules Committee.**

SENATE BILL 589, Fantasy Sports Regulation, is identical to House Bill 279, summarized in the March 14, 2017, Legislative Report. **Introduced by Senators Gunn, Blue, and Lee and referred to the Senate Rules Committee.**

SENATE BILL 590, NC Consumer Fireworks Safety Act, would allow the possession and use of consumer fireworks in the State, subject to the following conditions:

- the person possessing or using the consumer fireworks must be at least 18 years old;
- the use of consumer fireworks may occur only between the hours of 10:00 A.M. and 10:00 P.M., with the following exceptions:
 - on July 4, use is permitted until 12:00 A.M.; and
 - on December 31 and the following January 1, use is permitted from 8:00 A.M. on December 31 until 12:30 A.M. on January 1;
- the discharge of consumer fireworks is prohibited in the following locations:
 - in or on the premises of a public or private primary or secondary school, unless the person has written permission from the school;
 - on the campus of a college or university, unless the person has received written authorization from the college or university; and
 - within 1,500 feet of a hospital, veterinary hospital, licensed child care center, fireworks retailer, fireworks distributor, gas station, or bulk storage facility for petroleum products or other explosive or flammable substances; and
- the possession or discharge of consumer fireworks is prohibited in or on the premises of any public park or public space, except as otherwise permitted by the person, State agency, or unit of local government owning or otherwise controlling the park, property, or space.

The bill also includes provisions regarding permits for the sale of consumer fireworks, tax on sales of consumer fireworks, and penalties for violations. **Introduced by Senators Brock and Gunn and referred to the Senate Finance Committee.**

SENATE BILL 592, Small Business Access to Capital Act, would provide \$5 million in each of the next two years to the Carolina Small Business Development Fund to increase small business lending and business services across the State. **Introduced by Senators Gunn and Ford and referred to the Senate Appropriations Committee.**

SENATE BILL 593, Arbitration and Mediation for Business Court, would:

- direct the Director of the Administrative Office of the Courts and the Chief Justice to establish an arbitration program within the North Carolina Business Court, and to determine the form of appeal for nonbinding arbitrations in cases arbitrated under that program; and
- authorize, but does not direct, the Director to establish a mediation program for the Business Court.

Introduced by Senators Barringer, Lee and Newton and referred to the Senate Judiciary Committee.

SENATE BILL 616, Limit Look-Back for Immaterial Irregularities, would provide that immaterial irregularities in the listing, appraisal, or assessment of property for taxation or in the levy or collection of the property tax or in any other proceeding or requirement could be taxed for the year in which the immaterial irregularity was discovered and for any of the preceding five years during which it escaped proper taxation in accordance with the assessed value it should have been assigned in each of the years for which it is to be taxed and the rate of tax imposed in each such year. **Introduced by Senator J. Davis and referred to the Senate Rules Committee.**

SENATE BILL 620, Eliminate Duplication/PED Study, would direct the Program Evaluation Division to evaluate the duplicative professional services within State agencies. In particular, the

evaluation would examine duplicative legal services provided to State agencies by in-house attorneys and attorneys located in the North Carolina Department of Justice. **Introduced by Senators Edwards and Newton and referred to the Senate Rules Committee.**

SENATE BILL 621, Business Contracts/Choice of Law and Forum, would enact the North Carolina Choice of Law and Forum in Business Contracts Act to:

- allow the parties to a business contract to agree in the business contract that North Carolina law shall govern their rights and duties in whole or in part, whether or not any of the following statements are true:
 - the parties, the business contract, or the transaction that is the subject of the business contract bear a reasonable relation to this State; and
 - a provision of the business contract is contrary to the fundamental policy of the jurisdiction whose law would apply in the absence of the parties' choice of North Carolina law;
- allow a party to a business contract to bring an action in the courts of this State for a dispute arising from the business contract if the business contract contains both of the following provisions:
 - a provision where the parties agree that North Carolina law shall govern their rights and duties in whole or in part; and
 - a provision where the parties agree to litigate a dispute arising from the business contract in the courts of this State;
- provide that this Act does not:
 - validate, invalidate, or otherwise affect the enforcement of a choice of law provision or a choice of forum provision in a contract that is not a business contract;
 - confer subject matter jurisdiction upon a court that would otherwise lack subject matter jurisdiction; or
 - affect the designation of an action as a mandatory complex business case.

Introduced by Senator Barringer and referred to the Senate Rules Committee.

SENATE BILL 622, Business Corporation Act Revisions, would make various revisions to the North Carolina Business Corporation Act, including provisions to:

- direct the Secretary of State to collect a \$150 filing fee for Articles of Validation;
- allow Articles of Incorporation to include a provision limiting or eliminating any duty of a director, an officer, or any other person, to offer the corporation the right to have or participate in any business opportunities, or classes or categories of business opportunities, prior to the pursuit or taking of the opportunity by the director, officer, or other person;
- enact new provisions regarding ratification of defective corporate actions;
- provide that a defective corporate action is not void or voidable if ratified or validated as provided;
- require any limits on the duration of a voting trust to be as set forth in the voting trust. A voting trust that became effective prior to October 1, 2017, is valid for not more than 10 years after its effective date unless the voting trust is amended to provide otherwise by agreement of the parties to the voting trust;
- amend provisions regarding shareholders' agreements;
- provide that, unless the articles of incorporation or bylaws provide otherwise, the board of directors, without regard to personal interest, may fix the compensation of directors for services in any capacity. The compensation of directors established pursuant to this

section is presumed to be fair to the corporation unless proven not to be fair to the corporation by a preponderance of the evidence;

- provide that, unless otherwise provided in the articles of incorporation, the bylaws, or the resolution of the board of directors designating the committee, a committee, by action of a majority of its members then in office when the action is taken, may create one or more subcommittees consisting of one or more members of the committee and delegate to the one or more subcommittees any or all of the powers and authority of the committee;
- provide that a director or officer is not liable for (i) any action taken as a director, or any failure to take any action, if the director or officer performed the duties of his/her office in compliance with this section or (ii) any failure to offer the corporation the right to have or participate in a business opportunity prior to the pursuit or taking of the opportunity by the director or other person if the corporation's articles of incorporation include a provision authorized by G.S. 55-2-02(b)(4) and the procedures and approvals required by the provision, if any, were complied with or obtained prior to the pursuit or taking of the opportunity by the director or other person;
- provide that, unless the articles of incorporation otherwise provide, approval by the corporation's shareholders of a plan of merger or share exchange is not required if all of the specified requirements are met;
- include provisions regarding merger between parent unincorporated entity and subsidiary corporation or corporations; and
- amend provisions regarding right to and notice of appraisal.

Introduced by Senators Barringer and Newton and referred to the Senate Judiciary Committee.

SENATE BILL 628, Various Changes to the Revenue Laws, would make various changes to the State's revenue laws, including:

- providing that a corporation's tax base is the greater of the following:
 - the proportion of its net worth;
 - fifty-five percent (55%) of the corporation's appraised value as determined for ad valorem taxation of all the real and tangible personal property in this State. For purposes of this subdivision, the appraised value of tangible property, including real estate, is the ad valorem valuation for the calendar year next preceding the due date of the franchise tax return;
 - the corporation's total actual investment in tangible property in this State. For purposes of this subdivision, the total actual investment in tangible property in this State is the total original purchase price or consideration to the reporting taxpayer of its tangible properties, including real estate, in this State plus additions and improvements thereto less (i) reserve for depreciation as permitted for income tax purposes and (ii) any indebtedness specifically incurred and existing solely for and as the result of the purchase of any real estate and any permanent improvements made on the real estate
- providing that the tax rate is \$1.50 per \$1,000 of the corporation's tax base, and that the tax imposed may not be less than \$200;
- defining apportionable income as all income that is apportionable under the United States Constitution, including income that arises from either of the following:
 - transactions and activities in the regular course of the taxpayer's trade or business;
 - tangible and intangible property if the acquisition, management, employment, development, or disposition of the property is or was related to the operation of the taxpayer's trade or business;

- amending the definition of service contract under the sales and use tax provisions as follows: A contract where the obligor under the contract agrees to maintain, monitor, inspect, or repair digital property or tangible personal property for a period of time or some other defined measure, regardless of whether the property becomes a part of or is applied to real property. The term does not include a single repair, maintenance, or installation service, *but generally includes a contract where the obligor under the contract agrees to provide an activity included in the definition of repair, maintenance, and installation services*. The term includes a service contract for a pool, fish tank, or similar aquatic feature and a home warranty. Examples include a warranty agreement other than a manufacturer's warranty or dealer's warranty provided at no charge to the purchaser, an extended warranty agreement, a maintenance agreement, a repair contract, or a similar agreement or contract;
- amending the provisions regarding the taxation of service contracts to delete the certain exemptions, including those for a motor vehicle service contract and repair, maintenance, and installation services and expands the exceptions to add a contract to provide a certified operator for a wastewater system and a contract to provide landscaping, pest control, or moving services
- amending the list of exemptions from retail sales and use tax to include: a motor vehicle service contract;
- making a person who willfully attempts or any person who aids or abets any person to attempt in any manner to evade or defeat a tax or its payment, in addition to other penalties provided by law, guilty of either (1) a Class F felony if violation involves less than \$100,000, or (2) a Class C felony for any other violation;
- making the willful failure to file a tax return, supply information, or pay any tax, a Class 1 misdemeanor for the first offense and a Class H felony for any second or subsequent offense; and
- allowing tax information to be disclosed for the purpose of providing to the Office of Child Support and Enforcement of the Department of Health and Human Services State tax information that related to noncustodial parent location information as required.

Introduced by Senators Tillman, Brock, and Tucker and referred to the Senate Rules Committee.

SENATE BILL 632, Protect NC Right to Work Constitutional Amend, would amend the State Constitution, if approved by a majority of voters in a statewide election to be conducted on November 6, 2018, to provide that “the right to live includes the right to work and therefore the right of persons to work shall not be denied or abridged on account of membership or nonmembership in any labor organization.” **Introduced by Senators B. Jackson, Daniel, and Edwards and referred to the Senate Rules Committee.**

SENATE BILL 646, Universal Voter Registration, would provide for automatic voter registration at drivers license offices, public agencies, community colleges, and colleges and universities of the University of North Carolina; and require the State Board of Elections to implement an outreach campaign informing citizens about automatic voter registration. **Introduced by Senators Woodard, Clark, and Lowe and referred to the Senate Rules Committee.**

SENATE BILL 648, Legalize Medical Marijuana, is identical to House Bill 185, summarized in the February 27, 2017, Legislative Report. **Introduced by Senators Van Duyn and Foushee and referred to the Senate Rules Committee.**

SENATE BILL 649, Public Records Access - NC Residents Only, would provide that access to North Carolina public records are for North Carolina residents. **Introduced by Senators Daniel, Brock, and Hise and referred to the Senate Rules Committee.**

SENATE BILL 653, SOG - Study Gubernatorial Transition, would direct the UNC School of Government to convene a working group, which would include senior policy staff members for the past four North Carolina Governors' administrations, to study ways to improve the process of gubernatorial transition in the State. The study would include issues related to infrastructure, cabinet agency transition and leadership, the use of memorandums of understanding between the incumbent Governor and candidates for office, disclosure of executive actions taken during the last six to 12 months of the incumbent administration, and if necessary, funding requirements. The working group would report its findings and recommendations, including any proposed legislation, to the Majority and the Minority Leaders of the Senate and the House of Representatives by no later than April 15, 2018. **Introduced by Senator Chaudhuri and referred to the Senate Rules Committee.**

SENATE BILL 654, Make NC Better for Business/Revenue Laws, would direct the Revenue Laws Study Committee to study whether:

- the fees charged to create a business entity in North Carolina are competitive with those charged in other Southeastern and Mid-Atlantic states;
- annual fees and filings for North Carolina business entities are competitive with those charged in other Southeastern and Mid-Atlantic states;
- the method by which any franchise taxes are imposed on North Carolina business entities are competitive with those charged in other Southeastern and Mid-Atlantic states;
- any North Carolina laws create unnecessary barriers to attracting venture capital financing; and
- North Carolina's corporate income tax rate is competitive with those charged in other Southeastern and Mid-Atlantic states.

The Committee would report its findings and recommendations to the 2017 General Assembly when it reconvenes for the 2018 regular session. **Introduced by Senator Brock and referred to the Senate Rules Committee.**

SENATE BILL 655, Change Date When Primary Elections Held, would require primary elections to be held on the Tuesday after the first Monday in March (currently, May) preceding the general election, and require the presidential primary to occur every four years on the Tuesday after the first Monday in March, 2020. **Introduced by Senator Brock and referred to the Senate Rules Committee.**

SENATE BILL 656, Electoral Freedom Act of 2017, would change the definition of a "political party" by reducing the number of signatures required for the formation of a new political party and for unaffiliated candidates to obtain ballot access eligibility. The bill would:

- amend the petition requirement for a group of voters to be considered a new political party to lower the number of required signatures to 10,000 (currently, 2% of the total number of voters who voted in the most recent general election for Governor, with signatures of at least 200 registered voters from each of three (currently, four) NC congressional districts; and
- lower the number of signatures required for an unaffiliated candidate to put their name on a general election ballot for statewide office to 5,000 (currently, 2% of the total number of voters who voted in the most recent general election for Governor), with signatures of

at least 200 registered voters from at least three (currently, each of four) NC congressional districts.

Introduced by Senator Brock and referred to the Senate Rules Committee.

SENATE BILL 668, Enhanced Penalty for Second Degree Trespass, is identical to House Bill 562, summarized above in this Legislative Report. **Introduced by Senators Britt, Daniel, and Ballard and referred to the Senate Rules Committee.**

SENATE BILL 672, Lack of Postmark/Absentee Ballots, would provide that absentee ballots received by a county board of elections by mail on the day after the election that are not postmarked are deemed to have been postmarked on or before election day upon verification of receipt by the county board of elections. **Introduced by Senator D. Davis and referred to the Senate Rules Committee.**

SENATE BILL 675, Lack of Postmark/Absentee Ballots, is identical to Senate Bill 672, summarized above in this Legislative Report. **Introduced by Senators Bryant, Tarte, and D. Davis and referred to the Senate Rules Committee.**

BILL UPDATES

SENATE BILL 68, Bipartisan Bd. of Elections and Ethics Enforce. The provisions of this bill were removed in the House Elections and Ethics Law Committee and replaced with new provisions to consolidate the functions of elections, campaign finance, lobbying, and ethics under one quasi-judicial and regulatory agency by creating the North Carolina bipartisan State Board of Elections and Ethics Enforcement. A previous version of this idea was ruled unconstitutional by the Courts and the sponsor reported that they have addressed the Courts concerns in this legislation. The bill includes provisions to:

- provide that the rules and forms adopted by the State Ethics Commission, Secretary of State related to lobbying, and the State Board of Elections will remain in effect, and policies, procedures, and guidance will remain in effect until amended or repealed by the Bipartisan State Board of Elections and Ethics Enforcement;
- transfer to the Bipartisan State Board of Elections and Ethics Enforcement the authority, powers, duties and functions, records, personnel, property, and unexpended balances of appropriations, allocations, or other funds, including the functions of budgeting and purchasing, of: (1) the State Ethics Commission, (2) the State Board of Elections, and (3) the lobbying registration and lobbying enforcement functions of the Secretary of State; and
- require the Bipartisan State Board of Elections and Ethics Enforcement to report to the Joint Legislative Commission on Governmental Operations, Joint Legislative Elections Oversight Committee, and the Legislative Ethics Committee on or before April 1, 2018, and again on or before March 1, 2019, as to recommendations for statutory changes necessary to further implement this consolidation.

The bill as amended was approved by the House Elections and Ethics Law Committee and the House Finance Committee. After an amendment to the bill on the House floor, the bill was approved by the House and sent by special message to the Senate.

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