



INTRODUCTION

August 3rd, the General Assembly was back in Raleigh, just over a month after the end of the 2017 “long session” on June 30th. The session was scheduled in anticipation of Governor’s vetoes that would need to be considered, however in the days leading up to the session legislative leaders announced that veto override votes would be put off until a later date, possibly during the session scheduled for September 6th. Despite this announcement, the Governor issued a proclamation calling the legislature back into session (also on August 3rd) to consider his vetoes, a Constitutional necessity to prevent the vetoed bills from becoming law without an override vote. In a usual sequence of events the session called by Gov. Cooper was convened and immediately adjourned, then the session called by the legislature was convened after a short break. When that session began, it was still unclear exactly what, if anything, the legislature intended to do.

The adjournment resolution that was approved on June 30th called the General Assembly back into session on August 3rd to consider veto overrides and to take up any bills that were “in conference” – that is, any bill that had been passed by one chamber, then changed by the other chamber in a way which the original chamber chose not to agree with. Such bills are assigned a “conference committee” of members from the House and Senate who are charged with working out a compromise version, called the “conference report.” The conference report, once agreed to by the conference committee, is sent back to each chamber for an up-or-down vote (meaning it cannot be amended). Strictly speaking, conference reports should only contain provisions from the two versions of the bill that passed the two chambers, however some conference reports have come before the House and Senate that include entirely new provisions, which have not passed either chamber or been vetted through their committees. Because meetings of conference committees are not public and most people (including many legislators) only see the report when it’s before the chambers for a final vote, the release of some reports (particularly for omnibus tax or regulatory reform bills) is hotly anticipated, and rumors about what they may or may not contain run rampant. Given the number of bills that were still “in conference” when session ended on June 30th, advocates worked during the interim to determine which of them would be brought up on August 3rd,



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and what provisions they would contain. As the day wore on, it became clear that not even the House and Senate leaders were totally decided on the answer.

A day that began at 10:00 a.m. ended 10 ½ hours later, when the House followed the Senate's lead and adjourned the one-day session. Of the dozen-plus bills in conference, 5 conference reports were taken up that day and 4 were passed, with one (Amend Administrative Procedure Laws) having been passed by the Senate but not the House. Those that were passed included omnibus tax and business regulatory reform bills; the final versions of which were still being negotiated when the day began. A third omnibus bill, this session's environmental regulatory reform package, is still being negotiated and was not brought up. Bills of interest that passed on August 3rd are summarized below.

Rather than coming back on September 6th as planned, the General Assembly will be back on August 18th for a session expected to last a week or more, during which additional conference reports can be taken up. Also eligible, per the amended adjournment resolution, will be "bills relating to election laws," which voting-rights advocates warned could signal additional attempt to impose a Voter ID requirement (three previous version of which was struck down by the Courts). The main focus of the next August session will be the newly drawn legislative maps, which are due by September 1st per a Court order. The Court rejected the request (made by Democrats) for a special election later this year, but the fact that new maps have officially been ordered means some members will soon be running in primary elections for districts quite different than the ones they currently represent. Other members will find themselves drawn into districts with fellow incumbent legislators (known as "double bunking), while still other members will simply choose not to run again (one, Union County Senator Tommy Tucker, has already announced his retirement). In addition, a number of wholly new districts will be created, in which no currently serving member lives. Finally, with the drawing of new districts, some will become "safer" for one party or the other, while others will become more competitive (read: some incumbent members who do choose to run again may lose their upcoming elections). All of this will lead unusually high turnover before the 2019 session, and a 2018 "short" session in which many members already know that they won't be back the following year. As the maps are finalized, candidate filing is completed and the election landscape is known, the competition for campaign contributions and political engagement will be fierce, with partisan control of the legislature (possibly) in the balance. Gov. Cooper has already raised over \$1 million for his "Break the Majority" campaign and plans to raise millions more, while GOP leaders stockpile resources for the upcoming cycle. All eyes will be on Raleigh and the next session starting August 18th, as the new legislative maps, and the political future of the State, begin to take shape.

BILL UPDATES

SENATE BILL 407, Employee Misclassification/IC Changes. This bill was developed to deal with the issue of employers classifying workers as independent contractors instead of employees and had a great deal of support in both chambers. The bill was amended in Conference Committee to:

- make effective on July 1, 2018, instead of October 1, 2017, the provision in SL 2017-8 (House Bill 5, Unemployment Insurance Technical Changes) that reduces the required time period for which any interested employer must be allowed to file its protest of the claim in order to have the claim referred to an adjudicator from 14 days from the mailing or delivery of the notice of the filing of the claim against the employer's account to 10 days; and

- make the Employee Fair Classification Act provisions effective December 31, 2017, instead of October 1, 2017.

The bill as amended in Conference Committee was approved by the House and Senate. Effective: December 31, 2017.

SENATE BILL 689, 2017 Appointments Bill Modifications. This law appoints persons to various public offices upon the recommendation of the Speaker of the House of Representatives, President Pro Tempore of the Senate, and the Majority and Minority Leaders of the House and Senate, and also makes some technical changes to previous appointments. **Effective: August 3, 2017, unless otherwise provided.**

- Effective July 1, 2017, Margaret Currin of Wake County, John R. Hemphill of Wake County, and Jeffrey T. Hyde of Guilford County are appointed to the Rules Review Commission for terms expiring on June 30, 2018. Effective July 1, 2017, Robert A. Bryan of Wake County and Jeffrey A. Poley of Wake County are appointed to the Rules Review Commission for terms expiring on June 30, 2019.

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