



INTRODUCTION

Last Thursday was the General Assembly's crossover deadline, the date by which bills without a financial element must move from one chamber to another in order to stay alive for the session. Usually, this is a week filled with late nights and craziness, but this session they actually planned ahead and moved bills quickly the week before so it was surprisingly calm. The House wrapped up its work on Tuesday and the Senate on Wednesday, meaning most lawmakers weren't even in town for the actual deadline.

A total of 1,687 total bills have been introduced this session, including more than 1,000 House bills and nearly 700 in the Senate. Most bills that had been heard in committee made it to the floor for a vote, and many remaining bills have a budget or finance component, exempting them from crossover. And some bills that may not have made the deadline, may be revived later in session with the addition of a fiscal element or by being added to another measure.

Now that crossover has passed, the budget will take center stage again. Senate Majority Leader Sen. Harry Brown, R-Onslow, indicated that the goal is for the Senate to complete the budget by the end of the month, which would likely mean floor votes on the week after Memorial Day. According to Brown, budget subcommittees are already working on the pieces of the budget.

Another issue that has been front and center this session has surfaced again. State Treasurer Dale Folwell has moved forward with his plan to change how the State Health Plan reimburses doctors and other providers. The State Health Plan announced that the state Insurance Department has given final approval to moving the plan to a government pricing model tied to Medicare rates. House Bill 184, which was approved by the House in April, would stop the plan while a study is conducted; however, the bill has not been heard in the Senate.

Also, last week, Governor Cooper announced nearly \$10 million in broadband grants through the Growing Rural Economies with Access to Technology (GREAT) program, which provides matching grants to internet service providers and electric membership cooperatives to expand high speed internet in Tier 1 counties. The grants were distributed to 14



NORTH CAROLINA ELECTRONIC SECURITY ASSOCIATION



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companies in 19 counties from Gates County in the state's northeast to Macon County in the state's far west. There appears to be bipartisan agreement that funding for GREAT should continue. The House budget included \$15 million a year for the program, as well as tweaks to eligibility rules that would allow for projects in less impoverished Tier Two counties. Cooper's budget included \$30 million for the 2019-2020 fiscal year but no money for the following year.

The General Assembly also continues to explore options to address teacher and school needs. Senate Bill 219 was passed by the Senate last week. It would give teachers extra time to pass licensing exams by allowing school districts to issue three-year, non-renewable limited licenses to teachers who are in danger of losing their jobs because of failing licensing exams. The bill also gives a one-year extension -- to June 30, 2020 -- for elementary school teachers and special education teachers whose initial licenses were set to expire in June.

The Senate also passed legislation to allow families with household income of more than \$70,000 per year to utilize the Opportunity Scholarship program, which provides private school vouchers. Senate Bill 609 would also eliminate a cap that has been used to limit the number of kindergarteners and first graders eligible for the program. The program has not been spending all the funds it is appropriated, accumulating more than \$12 million on hand, and it is scheduled to get an extra \$10 million a year from state taxpayers every year through 2026.

Finally, the week ended on a partisan note, as [news](#) broke that the State Board of Elections will remove longtime Executive Director Kim Strach, a Republican appointee. The change in leadership, and especially the timing, is questionable with the Republican primary in the 9th Congressional District race being held today, the 3rd Congressional District race going to a run-off and the [2020 U.S. Senate race](#) already heating up. In Raleigh it seems that everything is partisan these days.

BILL UPDATES

HOUSE BILL 144, Hands Free NC, as amended in the House Insurance and Rules Committee, would:

- make it unlawful for a person to operate a vehicle on a public street or highway or public vehicular area while using the person's hands to engage in distracted behavior that impairs or otherwise restricts the proper operation of the motor vehicle and results in operation that is careless, reckless, or heedless under the conditions then existing; **(yes, this language is confusing and was the subject of much debate in committee and on the House Floor)**
- provide that distracted behavior includes use of a handheld mobile telephone and use of a handheld electronic device;
- make a violation an infraction punishable by a fine of \$100 and the costs of court with no insurance surcharge assessed; and
- allow exceptions for the following:
 - the use of a mobile telephone or electronic device for the purpose of communicating an emergency situation to: an emergency response operator; a publicly or privately-owned ambulance company or service; a hospital; a fire department; or a law enforcement agency; and
 - the use of a mobile telephone or electronic device by any of the following while in the performance of official duties: a law enforcement officer; a member of a fire department; the operator of a public or private ambulance; a first responder

responsible for the protection and preservation of life, property, evidence, or the environment; the operator of a vehicle registered to a public utility or communications service provider when the operator is an employee of the public utility or communications service provider using the device to carry out official duties; and an amateur radio operator responding to an emergency situation.

The bill as amended was approved by the House Rules Committee and the Full House and will next be considered by the Senate Rules Committee.

HOUSE BILL 551, LRC Study - Require Paid Work Breaks. The provisions of this bill were removed in the House Rules Committee and replaced with new provisions that would instead direct the Legislative Research Commission (LRC) to study amending the Wage and Hour Act to require employers to provide a twenty-minute paid break to any employee working a shift of six hours or more. The study would include the following:

- assessing the merit of requiring that employees working a shift of six hours or more be provided a twenty-minute paid break by their employers and the economic impact of imposing such a requirement;
- determining whether other states have imposed such a requirement and investigating the results of such legislative mandates, including the economic impact;
- assessing the need to restrict the use of the paid break to delay the beginning or shorten the duration of the work period without the approval of the employer;
- evaluating the merit of authorizing the Commissioner of Labor to impose a civil penalty upon employers who fail to provide the required break;
- identifying factors to be taken into consideration by the Commissioner in determining the amount of any such civil penalty, including the size of the business of the person charged and the gravity of the violation;
- identifying and assessing procedures by which a violator would be able to challenge the Commissioner's penalty determination; and
- any other matters the LRC deems relevant to its efforts.

The LRC would report its findings, including any proposed legislation, to the 2020 Regular Session of the 2019 General Assembly upon its convening. **The bill as amended was approved by the House Rules Committee and the full House and will next be considered by the Senate Rules Committee.**

HOUSE BILL 606, Arson Law Revisions, was amended in the House Judiciary Committee and the House Rules Committee to authorize the Commissioner of Insurance, through the Office of the State Fire Marshal, and the State Bureau of Investigation (SBI), along with specified local fire departments and authorities (previously, the Director of the SBI through the SBI, the Office and the specified local entities) to investigate the cause, origin, and circumstances of fires. The bill would also require insurance companies to notify, cooperate with, and provide relevant information to the Office if the company believe the property loss was caused by incendiary means. **The bill as amended was approved by the House Judiciary Committee, the House Rules Committee and the Full House. The bill will next be considered by the Senate Rules Committee.**

HOUSE BILL 686, Automatic Renewal of Contracts. This bill was amended in the House Judiciary Committee, and it was revealed by the sponsor that **the bill was filed as a result of an alarm company contract that renewed after one year without any notice to the customer.** The bill would require any person engaged in commerce that sells, leases, or offers to sell or lease, any

products or services to a consumer pursuant to a contract, where the contract automatically renews unless the consumer cancels the contract, to do all of the following:

- provide a disclosure statement that clearly and conspicuously provides notice of all of the following:
 - that the contract will be automatically renewed if the consumer agrees to the contract;
 - the length of the initial term of the contract and the length of each renewal period under the contract;
 - the amount to be charged to the consumer for the initial term of the contract and the amount to be charged to the consumer for any renewal periods;
 - if any terms of the contract will change upon contract renewal, a list and explanation of those terms; and
 - an electronic mail address, mailing address, toll-free telephone number, or another cost effective, timely, and easy-to-use mechanism that the consumer may use to terminate the automatic renewal;
- obtain the consumer's affirmative consent before charging the consumer for an automatic renewal; and
- for any automatic renewal of 12 months or more (was, exceeding 60 days), provide written notice to the consumer by personal delivery, electronic mail, or first-class mail, *or any other form of notice agreed to by the consumer*, at least 15 days but no earlier than 60 days (was, 45 days) before the date the contract is to be automatically renewed, stating the date on which the contract is scheduled to automatically renew and notifying the consumer that the contract will automatically renew unless it is cancelled by the consumer prior to that date.

The bill would remove the current requirements that the person: (1) must disclose clearly and conspicuously how to cancel the contract in the initial contract, contract offer, or with delivery of products or services; and (2) if the terms of the contract will change upon the automatic renewal of the contract, disclose the changing terms of the contract clearly and conspicuously on the notification in at least 12 point type and in bold print. **The bill as amended was approved by the House Judiciary Committee, the House Rules Committee and the Full House. The bill will next be considered by the Senate Rules Committee.**

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