



INTRODUCTION

The General Assembly has re-convened for the short session to continue to address needs of North Carolinians as a result of the COVID-19 crisis and to consider various other bills, as well as the state's budget. Leaders have indicated that they hope to complete their business within four to six weeks, but recognize that this is subject to change due to the uncertain nature of the pandemic and the uncertainty around federal coronavirus funding.

Lawmakers are hard at work determining how to address the drastic economic shift in North Carolina, as a result of the pandemic. "Before COVID-19 hit North Carolina and our nation we were looking, here in North Carolina, at a significant budget surplus," Senate leader Phil Berger said. "Now, our nonpartisan fiscal staff is estimating that we will have a multi-billion dollar shortfall as far as our revenue is concerned." The losses could be as much as \$4 billion in tax revenue for the state, which would be around 16% of the state's \$25 billion budget. This sharp decline in revenue could result in huge cuts across state government.

On Tuesday, Senate Republicans gave us a look into what they are prioritizing for the state budget by filing 19 budget-related bills. Given the uncertainty around revenue numbers, none of the bills have a specific allocation yet, but that will follow once new revenue projections are released. These bills address various areas, including: enrollment growth in K-12 schools, UNC and community colleges, NC School of Science and Math's Morganton campus, NC Promise tuition funds, UNC construction reserve, NC Agricultural Sciences Center, Connect NC bond park facilities operating reserves, utility infrastructure funding, retirement contributions and debt service, Medicaid transformation, a \$623 million savings reserve allocation, Western Carolina University steam plant replacement, Raise the Age funding for juvenile justice facilities, Department of Health and Human Services relocation, repairs and renovation money for UNC and state agencies, Department of Information Technology and Western DATA Center improvements, and Military Affairs Commission funding. Additionally, a bill was filed to create a salary reserve fund for teachers, law enforcement and state employees. A senate budget writer explained in a press release that the purpose of filing these bills before having a complete understanding of the state's revenue is to show the public as early as possible what this session's top funding priorities will be in the face of this revenue shortfall.

You will notice in this legislative report that we have added quite a few general interest bills regarding broadband, unemployment, taxes and other areas of interest for many folks either personally or professionally. We hope that you find this information helpful.



NORTH CAROLINA ELECTRONIC SECURITY ASSOCIATION



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BILLS OF INTEREST

HOUSE BILL 1057, WC/COVID-19 Front Line Coverage/Funds, would:

- amend the workers' compensation law to provide that a pandemic infection contracted by a covered person shall be presumed to be due to exposure in the course of the covered person's employment which may only be rebutted by clear and convincing evidence;
- define a covered person as (1) a law enforcement officer, jailer, prison guard, firefighter, or an emergency medical technician or paramedic employed by a State or local governmental employer, including a volunteer firefighter, (2) a health care worker, or (3) an employee required to work during a pandemic for a business declared essential by executive order of the Governor or by order of a local governmental authority, including food service, retail, and other essential personnel;
- provide \$5 million to the Office of State Human Resources (OSHR), Department of Administration, for the 2020-2021 fiscal year to settle claims filed by State employees who contract the coronavirus in the course of State employment, with the funds available to pay these State employee claims until December 31, 2020, after which OSHR could use these funds to assist State agencies with the settlement of prior outstanding workers' compensation claims; and
- require every local law enforcement agency, county, city, and political subdivision of the State to credit any local governmental employee who is (1) a law enforcement officer, jailer, prison guard, firefighter, or an emergency medical technician or paramedic employed by a State or local governmental employer, including a volunteer firefighter or (2) a health care worker for any sick or vacation leave taken by the employee to comply with a quarantine related to exposure to the coronavirus.

Introduced by Representatives Jackson, Boles, Setzer, and R. Smith and referred to the House Health Committee.

HOUSE BILL 1061, UI Changes/Work-Sharing Funds, would make a variety of changes to the State's employment security laws, including:

- eliminating the limitations set forth regarding attached claims filed by employers for partial unemployment, and providing employers general authority to file claims for employees through the use of automation for partial unemployment;
- changing the weekly benefit amount for total unemployment to provide the weekly benefit amount to equal the average of the wages paid to the individual in the two highest paid quarters of the individual's base period divided by 52 and rounded to the next lower whole dollar (previously, was equal to the wages paid in the last two completed quarters of the individual's base period, divided and rounded), and effective August 1, 2020, increasing the cap for the weekly benefit amount from \$350 to \$450;
- eliminating the current duration parameters for unemployment benefits, and instead providing a standard maximum period of 26 weeks for any eligible individual entitled to receive unemployment benefits, unless expressly extended by state or federal law;
- enacting a new Article 6, Work-Sharing and Short-Time Compensation, of GS Chapter 96 to establish a short-time compensation program that allows employers to submit a short-time compensation plan for approval by the Division of Employment Security (Division) for an affected unit of the employer to avert layoffs and offer short-time compensation to workers in the affected unit under an approved plan. The provisions would:
 - require an employer to submit a signed, written short-time compensation plan (plan) to the Division for approval, and require the Division to develop an

application form that includes nine specified components, including: (1) the affected units and employees covered; (2) the employees' usual weekly hours of work, as defined, and the employer's proposed reduction percentage during weeks covered by the plan, which must be between 10 and 60 percent; (3) certification of continued health and retirement benefits, as defined, during weeks covered by the plan; (4) certification that the aggregate reduction of work hours is in lieu of layoffs; and (5) the effective date and duration of the plan, which cannot exceed 12 months. The bill would provide for flexibility in the application process for demonstrated good cause, such as modes of operation that preclude setting specific dates and hours in the application, and would exclude overtime work from the term *usual weekly hours of work*, and prohibit the hours from exceeding 40;

- require the Division to approve or disapprove the plan in writing within 30 days of receipt and to promptly notify the employer, require a notice of disapproval to include specific reasoning, and allow the submission of another plan after 90 days of disapproval;
- include provisions regarding the effective date and duration of the plan, allow plans to expire earlier than the end of the twelfth calendar month after its effective date, and allow an employer to terminate the plan at any time upon written notice to the Division;
- authorize the Division to revoke a plan approval for good cause at any time, which revocation would be in writing and include specific reasoning, and to periodically review plans to assure no good cause exists for revocation, such as failure to comply with the assurances given in the plan, unreasonable revision of productivity standards for the affected unit, conduct or occurrence tending to defeat the intent and effective operation of the plan, and violation of any criteria on which approval of the plan was based;
- include requirements and limitations regarding plan modification, and prohibit any modification from extending the original plan's expiration date;
- detail eligibility for short-time compensation and benefits included under an approved plan, including that the individual be monetarily eligible and not disqualified for unemployment compensation who: (1) during the week, is employed as a member of an affected unit under a prior approved plan and the plan is in effect with respect to the week for which compensation is claimed; (2) is available for his or her usual hours of work with the employer, including training; and (3) is deemed unemployed in any week during the duration of the plan when remuneration as an employee in an affected unit is reduced based on a reduction of the individual's usual weekly hours of work under an approved plan;
- define *unemployment compensation* as the unemployment benefits payable under new Article 6 other than short-time compensation including any amounts payable pursuant to an agreement under any federal law providing for compensation, assistance, or allowances with respect to unemployment;
- set the weekly compensation amount to be the product of the regular weekly unemployment compensation amount for a week of total unemployment multiplied by the percentage of reduction in the individual's usual weekly hours of work;
- exclude eligibility for combined benefits in any benefit year in an amount more than the maximum entitlement for regular unemployment compensation and payment for more than 52 weeks under the plan, and provide further parameters and limitations for compensation, including relation to regular unemployment

- require short-time compensation benefits to be charged to an employers' experience rating accounts the same as unemployment compensation is charged;
- require employers liable for payments in lieu of contributions to have short-time compensation attributed to service in their employ the same as unemployment compensation;
- deem an individual who has received all of the short-time compensation or combined unemployment compensation and short-time compensation available in a benefit year to be an exhaustee of extended benefits unless otherwise eligible for extended benefits; and
- providing \$100,000 to the Division of Employment Security for the 2020-21 fiscal year to implement the provisions of the new Work-Sharing and Short-Time Compensation provisions.

Introduced by Representative Richardson and referred to the House Finance Committee.

HOUSE BILL 1067, Modernize Debt Settlement Prohibition, would modernize and expand the prohibition of debt settlement by: (1) making debt settlement an unfair trade practice; (2) clarifying the definition of debt settlement; (3) expanding civil remedies available to debtors; and (4) limiting debt settlement acts that are authorized, which would include a licensed attorney acting within the attorney-client relationship with the debtor who has entered into any arrangement with a person engaged in, directly or through affiliates, in debt adjusting or debt settlement, excluding services provided to a debtor by an attorney or in the name of an attorney. The bill would define *debt settlement* as a business whereby any person holds themselves out as acting for consideration as an intermediary between a debtor and one or more of the debtor's creditors for the purpose of reducing, settling, or altering the terms of the payment of any debt of the debtor. It would be a Class 2 misdemeanor for a person, directly or through affiliates, to engage in, offer to engage in, or attempt to engage in debt adjusting or debt settlement. **Introduced by Representatives Howard, Saine, and Wray and referred to the House Finance Committee. The bill was amended in the House Finance Committee to exclude from those engaged in the business of debt adjusting or debt settlement an attorney-at-law licensed to practice in this State and acting within the attorney-client relationship with the debtor *or creditor*, excluding services provided to a debtor by an attorney, or in the name of an attorney, who has entered into any arrangement with a person engaged, directly or through affiliates, in debt adjusting or debt settlement. The bill as amended was approved by the House Finance and Rules Committee and the full House, and will next be considered by the Senate Finance Committee.**

HOUSE BILL 1073, NC Freedom To Work Act, is substantially similar to Senate Bill 712, summarized below in this Legislative Report. HB 1073 would also prohibit a person from being charged court costs for a violation of any these provisions. **Introduced by Representatives McNeely, Sasser, Hanig, and Jarvis and referred to the House Commerce Committee.**

HOUSE BILL 1075, UI Modifications/Increase Benefits/Funds, would amend the State's employment security laws by: (1) increasing benefit eligibility to a 26 week period and the maximum weekly benefit amount to \$450; (2) basing the calculation of the benefit amount on the average of the two highest paid quarters; (3) providing benefits in cases where an individual leaves employment for spousal relocation or health reasons or due to an undue hardship; (4) appropriating \$100,000 to the Division of Employment Security to inform the public of these changes; and (5)

authorizing the Legislative Research Commission to study the feasibility of establishing a short-term compensation program to benefit employers and employees. **Introduced by Representatives Alston, Batch, Holley, and Hunt and referred to the House Finance Committee.**

HOUSE BILL 1077, Ban the Box for COVID-19 State of Emergency, would, for the period the provisions become law until on the earlier of the date the Governor signs an executive order rescinding Executive Order No. 116, Declaration of a State of Emergency to Coordinate Response and Protective Actions to Prevent the Spread of COVID-19, or March 1, 2021:

- prohibit an employer or hiring authority from inquiring into or considering or requiring the disclosure of the criminal history of an applicant for employment, or including any such inquiry on any initial employment application form, until the employer or hiring authority has made a conditional offer of employment to the applicant;
 - define *criminal history* as a State or federal history of conviction of a crime, whether a misdemeanor or felony, that bears upon an applicant's fitness for employment, and provide that the term would not include a record of arrest not resulting in conviction;
 - provide that this prohibition is not applicable to positions for which an employer or hiring authority is otherwise required by law to consider an applicant's criminal history; however, nothing in this section would preclude the employer or hiring authority in its discretion from adopting the provisions;
 - prohibit a person from being disqualified from employment solely or in part because of a prior conviction, unless the conviction is determined to be substantially related to the qualifications, functions, or duties of the position after consideration of each of the following: (1) the level and seriousness of the crime; (2) the date of the crime; (3) the age of the person at the time of the crime; (4) the circumstances surrounding the commission of the crime, if known; (5) the nexus between the criminal conduct and the duties of the position; (6) the prison, jail, probation, parole, rehabilitation, and employment records of the person since the date the crime was committed; and (7) the subsequent commission of a crime by the person;
 - prohibit an arrest record that did not result in a conviction, convictions that have been sealed, dismissed, or expunged, and infractions or misdemeanors for which no jail sentence can be imposed from being the basis for disqualification from employment;
 - require an employer or hiring authority to inform an individual of a potential adverse hiring decision based on a prior conviction and provide the applicant an opportunity to provide evidence that the applicant was not correctly identified in the criminal history report, evidence that the report is incorrect or inaccurate, or evidence of mitigation or rehabilitation;
 - require the employer or hiring authority to provide the applicant written notice of the conviction(s) that are the basis for the potential denial, a copy of the applicant's criminal history, and examples of mitigation or rehabilitation evidence that the applicant can provide, all prior to a final hiring decision;
 - provide applicants five business days from receipt of these materials to respond, and require the employer or hiring authority to wait to make a final hiring decision until after the applicant has failed to respond or after reviewing the applicant's timely response;

- require an employer or hiring authority to give an applicant written notice of a denial based solely or in part of a prior conviction and include the fact of the denial, the grounds for the denial, and any complaint or grievance procedure available;
- exempt from these provisions hiring practices for the following positions: (1) law enforcement officers; (2) any position the primary function of which is to provide security services; (3) any position within the courts of the State; (4) any position within a prison, jail, or detention center within the State; (5) any position within a hospital, medical, or mental health facility within the State; (6) any position the primary function of which is to maintain or distribute controlled substances; (7) any position the primary function of which is to provide direct supervision to minors, including but not limited to, positions within a preschool, an elementary school, a secondary school, and any child care facility; or (8) any position that provides direct support to the other positions referenced above;
- require an employer or hiring authority to retain all records required by this section for at least two years, and to be made available to the Attorney General's Office, or its designee, upon written request, and provide that records retained under this section are confidential and are not public records;
- expand the North Carolina housing discrimination protections to also prohibit discrimination against an individual based upon the individual's criminal history;
 - define for the purposes of housing discrimination "criminal history" as information transmitted orally or in writing or by any other means, and obtained from any source, including, but not limited to, the person to whom the information pertains, a government agency, or a background check report regarding one or more convictions or arrests, a conviction that has been sealed, dismissed, vacated, expunged, voided, invalidated, or otherwise rendered inoperative by judicial action or by statute; a determination or adjudication in the juvenile justice system; a matter considered in or processed through the juvenile justice system; or participation in or completion of a diversion or a deferral of judgment program;
 - provide that these provisions would not apply when State or federal law otherwise requires a person to consider an individual's criminal history in the context of the circumstances referenced in the State Fair Housing Act's unlawful discriminatory housing practices; and
- provide \$130,952 to the Department of Justice, Fund Code 1200 (Legal Services) to be used for one attorney position to receive, investigate, and respond to complaints regarding these provisions.

Introduced by Representatives Alston, Morey, and Hawkins and referred to the House Regulatory Reform Committee.

HOUSE BILL 1080, Revenue Laws Recommendations, as originally filed, is identical to Senate Bill 727, summarized below in this Legislative Report. The bill was amended in the House Finance Committee to:

- expand the additions to federal taxable income that must be made in determining State corporate net income to include the amount of any expense deducted under the Code to the extent that that payment of the expense results in forgiveness of a covered loan under the specified section of the CARES Act and the income associated with the forgiveness is excluded from gross income under the CARES Act;
- modify the required adjustments to an individual's gross income, which are decoupled from federal requirements as follows to add that for taxable years 2013-2019, a taxpayer must

add the amount of any 2018, 2019, or 2020 net operating loss carried back and deducted on a federal return under the specified provision of the CARES Act but not absorbed in that year and carried forward to a subsequent year and to state that the purpose of the adjustment as to decouple from the net operating loss carryback provisions of section 2303 of the CARES Act; and

- add 12 new decoupling provisions and require taxpayers to make the specified additional adjustments to their adjusted gross income as specified relating to deductible 2018, 2019 and 2020 net operating losses, excess business losses, excess net operating loss carryforward deductions, excess interest expense deductions, employer paid qualified education loans excluded from gross income, deductions of qualified charitable contributions, and forgiveness of covered debt on a covered loan; and
- require taxpayers to add the amount of any expenses deducted under the Code to the extent that payment of the expense results in forgiveness of a covered loan under the CARES Act and the income associated with the forgiveness is excluded from gross income under the CARES Act (was, a taxpayer must add the amount of any forgiveness of indebtedness on a covered loan, with the stated purpose of decoupling from the loan forgiveness allowed under the CARES Act).

Introduced by Representatives Howard, Ross, Setzer, and Szoka. The bill as amended was approved by the House Finance Committee and will next be considered by the House Rules Committee.

HOUSE BILL 1085, Front Line State Employee Hazard Pay/Funds, would require a mandatory State employee required to work during a pandemic or epidemic in order to maintain mandatory operations to be granted hazard pay of at least 1.5 or an equivalent ratio in compensatory time for hours worked onsite up to 40 hours in a work week. The Legislative Research Commission is directed to study the practices of private and local governmental employers in this State regarding hazard pay for their employees and report its findings and any legislative proposals to the 2021 General Assembly upon its convening and \$5 million is provided to the Office of State Budget and Management to fund mandatory employee hazard pay and otherwise implement these provisions.

Introduced by Representatives Hunt, Harrison, Fisher, and Autry and referred to the House Appropriations Committee.

HOUSE BILL 1100, Relief for Business/Religious Orgs/COVID-19, would:

- provide that no criminal liability applies to any provision of an executive order issued by the Governor in response to the COVID-19 emergency or a prohibition or restriction issued by a city or a county in response to the COVID-19 emergency that restricts a business owner or religious organization's ability to operate if the owner or religious organization makes reasonable efforts to maintain and enforce social distancing;
- abate all prosecutions for violation of any provisions described above and prohibits charging court costs;
- prohibit a business operating as required from being closed by any law enforcement entity for violation of an executive order if the business is operating in compliance with the requirements;
- exclude businesses or establishments engaged in providing the use of video gaming machines, but would allow a business or establishment providing the use of video gaming machines along with other goods and services, that otherwise meets the criteria above, to operate the portions of its business that do not involve video gaming machines;

- set the maximum civil fine that may be levied against any person who is liable for a violation at \$5;
- provide \$5,000 to the Department of Commerce to develop and provide educational materials to businesses and religious organizations on the provisions of this act; and
- apply these provisions retroactively to March 23, 2020.

Introduced by Representatives Kidwell, K. Hall, Setzer, and Speciale and referred to the House Judiciary Committee.

HOUSE BILL 1104, Access to Affordable Health Coverage for All, would direct the Secretaries of the Department of Health and Human Services and the Department of Revenue to collaborate and create a mechanism for the State to provide a refundable premium tax credit that is (1) designed to help eligible individuals who fall into the "coverage gap" afford health insurance purchased through the federal Health Insurance Marketplace, or the Health Benefits Exchange (Exchange), and (2) modeled after the federal refundable premium tax credit for purchasing health insurance on the Exchange. To be considered part of the coverage gap and eligible for the State premium tax credit, a State resident would be required to meet all the outlined minimum requirements. The bill also would provide \$100,000 each to the Department of Health and Human Services and the Department of Revenue to design the program. This is a modified version of Medicaid Expansion.

Introduced by Representative Brockman and referred to the House Rules Committee.

HOUSE BILL 1105, COVID/Supplementary G.R.E.A.T. Grant Period, would direct the Department of Information Technology to provide a special supplementary grant process to accelerate the provision of broadband access through the Growing Rural Economies with Access to Technology grant program and would provide \$30 million for the broadband grants. **Introduced by Representatives Arp, Saine, B. Jones, and Reives and referred to the House Appropriations Committee.**

HOUSE BILL 1111, Sunshine Amendment, would amend the North Carolina Constitution, if approved by a majority of the qualified voters of the State at a statewide general election to be held in November of 2020, to provide that all State and local government public records are open to inspection and copying and that all State and local government meetings are open to the public. The bill would provide an exemption for these requirements subject to general law passed by two-thirds vote in each house of the General Assembly in case of public necessity provided that the law states with specificity the public necessity justifying the exemption and is no broader than necessary to accomplish its stated purpose. All laws that are in effect on January 1, 2021, that limit public access to records or meetings would remain in force until amended or repealed, and rules of court that are in effect on January 1, 2021, that limit access to records shall remain in effect until they are repealed. **Introduced by Representatives Setzer and Ross and referred to the House State and Local Government Committee.**

HOUSE BILL 1121, Legislative Transparency, would provide \$15,000 from the General Fund to the General Assembly, Division of Information Systems, to be used to: (1) determine how to enhance the North Carolina General Assembly's current web-based bill tracking system; and (2) plan, install, deploy, and test a closed captioning system for video broadcasts and video replays of daily legislative sessions and any recorded committee meetings. **Introduced by Representatives Ball, John, and Lofton and referred to the House Appropriations Committee.**

HOUSE BILL 1122, Provide Affordable Broadband Access to NC, would make various changes to the laws regarding broadband deployment and access in the state, including:

- authorizing the Department of Information Technology, in consultation with the Department of Public Instruction, to:
 - establish and administer a pilot Homework Gap Grants program to provide Internet access to students and teachers who do not have, or who cannot afford, home Internet service; and
 - initiate a one-year grant program that will serve as the foundation for a long-term solution for students and teachers who lack broadband service, which grants provided to Local Education Agencies to purchase equipment and services for individual student and teacher use and to provide Wi-Fi on school buses;
- making changes to the Growing Rural Economies with Access to Technology (GREAT) program to define *low-cost service offering* and *underserved areas*; and
- enacting new provisions to require every health benefit plan offered by an insurer in this State to provide coverage and reimbursement for virtual health care and prohibit a health benefit plan from limiting the originating site or the distant site for telehealth or virtual health services.

Introduced by Representatives Queen, Russell, Brewer, and Hunt and referred to the House Rules Committee.

HOUSE BILL 1140, Labor/Domestic Workers' Bill of Rights/Funds, would enact the Domestic Workers' Bill of Rights to:

- define a *domestic worker* as a person employed in a home or residence for the purpose of caring for a child, serving as a companion to a sick, convalescing or elderly person, housekeeping, or for any other domestic service purpose, but would not include any individual who is engaged in providing companionship services, and who is employed by an employer or agency other than the family or household using his or her services;
- provide that a domestic worker is entitled to at least 24 consecutive hours of rest in each and every calendar week, and may not be required to work on his or her day of rest;
- set out specific holidays to which a domestic worker is entitled;
- provide for remedies and enforcement of these rights; and
- provide \$200,000 each to the Departments of Labor and Justice to fund educational efforts concerning, and enforcement efforts pertaining to these provisions.

Introduced by Representatives Hawkins and Alston and referred to the House Rules Committee.

HOUSE BILL 1143, Modify Tax on Marijuana Products, would enact the North Carolina Medical Cannabis Act to authorize the medical use of cannabis. The bill includes provisions regarding protections for, prohibitions, restrictions, and limitations on medical use of cannabis, and directs the North Carolina Department of Agriculture and Consumer Services to establish a medical cannabis supply system that (i) provides a safe, regulated supply of cannabis appropriate for medical use by qualified patients who hold valid registry identification cards, and (ii) generates sufficient revenue for the Department to maintain and operate the system. The bill would provide affirmative defenses for qualified patients and caregivers as well as immunity for physicians for recommending the medical use of cannabis or providing written certification for the medical use of cannabis. The bill would establish the North Carolina Cannabis Research Program to develop and conduct studies designed to ascertain the general safety and efficacy of using cannabis for medical treatment, and would enact an excise tax on medical marijuana and synthetic cannabinoids

used in place medical marijuana. In addition, dealers of medical marijuana would be required to provide their name, address, social security number, and phone number, as well as the name, address, phone number, and illness of each person to whom the dealer distributes medical marijuana, and the dealer would bear the burden of proof in establishing that marijuana distributed was medical marijuana. **Introduced by Representative Montgomery and referred to the House Rules Committee.**

SENATE BILL 712, NC Freedom to Work Act, would:

- provide criminal immunity for any violation of the following five executive orders, issued by the Governor between March 17, 2020, and April 23, 2020 regarding the COVID-19 pandemic, and any subsequent extensions or amendments thereto:
 - [No. 118](#) (limits the sale of food and beverages to carry-out, drive-through, and delivery only);
 - [No. 120](#) (closes K-12 public schools statewide through May 15, bans mass gatherings of more than 50 people and closes some businesses);
 - [No. 121](#) (issues a statewide Stay at Home Order beginning Monday, March 30, 2020, at 5 p.m. until April 29, 2020, and directs people to stay at home except to visit essential businesses, to exercise outdoors or to help a family member. Bans gatherings of more than 10 people and directs everyone to physically stay at least 6 feet apart from others.);
 - [No. 131](#) (issues stronger social distancing requirements for retail stores still operating, makes earlier COVID-19 guidelines mandatory for nursing facilities and issues changes to speed up certain benefit payments to those who are out of work.); and
 - [No. 135](#) (extends until May 8, North Carolina's Stay at Home (Executive Order 121) as well as other orders regarding the closures of restaurants for dine-in service, bars and other close-contact businesses);
- provide criminal immunity for violation of any executive order issued after April 23, 2020, in response to the COVID-19 emergency pursuant to specified statutory authority regarding state of emergencies;
- further provide that all prosecutions for violations of these executive orders are abated;
- provide criminal immunity for any violation of local prohibitions and restrictions that mirror or exceed the limitations contained in the above described executive orders in response to the COVID-19 emergency, and provide that all prosecutions for violations of such prohibitions or restrictions are abated;
- cap civil penalties for any violation of these local prohibitions or restrictions at \$25 for the first violation and \$1 per day for each subsequent violation, and provide for citizen refunds of fines already collected less \$25 for the first violation and \$1 per day for each subsequent violation, and any amount deposited pursuant to the constitutional requirement concerning county school funds;
- prohibit disciplinary action by occupational licensing boards against any licensee who violates any of the described executive orders or local prohibitions or restrictions;
- make the provisions apply retroactively to March 17, 2020; and
- appropriate \$5,000 to the Secretary of State to provide the public with educational materials relating to the act, and require consultation with State occupational licensing boards in the development and dissemination of the materials.

Introduced by Senators Daniel, Sawyer, and Ford and referred to the Senate Rules Committee.

SENATE BILL 727, Revenue Laws Recommendations, would make a variety of changes to the State's revenue laws, including:

- expanding the additions to federal taxable income that must be made in determining State corporate net income to include: (1) a taxpayer's interest expense deduction that exceeds the interest expense deduction allowed under the Code as of January 1, 2020, for the 2019 and 2020 taxable year (provides that the provision is meant to decouple from the modification of limitation on business interest allowed under the CARES Act); and (2) the amount of any forgiveness of indebtedness on a covered loan, as defined in the federal CARES Act (provides that this provision is meant to decouple from the loan forgiveness allowed under the federal CARES Act) **Basically, this allows NC to tax the PPP Loan proceeds that are forgiven under the CARES Act;**
- providing that, for taxable years beginning on or January 1, 2021, a taxpayer can only carry forward the charitable contributions from taxable year 2020 that exceed the applicable percentage limitation for the 2020 taxable year allowed;
modifying the allowable itemized deduction an individual may elect to deduct from their gross income for mortgage expense and property tax to prohibit the amount allowed as a deduction for interest paid or accrued during the taxable year under the Code with respect to any qualified residence from including the amount for mortgage insurance premiums treated as qualified residence interest for taxable years 2014 through 2020 (currently, limited to taxable year 2014, 2015, 2016, and 2017);
- modifying the required adjustments to an individual's gross income, which are decoupled from federal requirements. Requires the taxpayer to add the amounts excluded from the taxpayer's gross income for the discharge of qualified principal residence indebtedness and qualified tuition and related expenses under the Code for taxable years 2014 through 2020 (currently, limited to taxable year 2014, 2015, 2016, and 2017);
adding new decoupling provisions and requiring taxpayers to make the specified additional adjustments to their adjusted gross income as specified relating to deductible 2018, 2019 and 2020 net operating losses, excess business losses, excess net operating loss carryforward deductions, excess interest expense deductions, employer paid qualified education loans excluded from gross income, deductions of qualified charitable contributions, and forgiveness of covered debt on a covered loan.
- repealing the statutes concerning adjustments to federal income in determining State income tax, to conform to the repeal of GS 105-153.5(b)(10) which eliminates the State income tax deduction allowed for cancellation of debt income recognized as federal income for certain taxable years.
- amending the statute regarding personal civil liability for unpaid taxes of a business entity to define the scope of the act to exclude the criminal liability of any person;
- amending the definition of *overdue tax debt* as any part of a tax debt that remains unpaid 60 days or more (was, 90 days or more) after it becomes collectible under state law and excludes tax debt for which an installment agreement was in place for the tax debt within 60 days (was, 90 days) after the tax debt become collectible;
- providing for a collection assistance fee of 20% to be imposed on any overdue tax debt (previously, imposed on an overdue tax debt that remains unpaid 60 days or more after the debt is deemed collectible under state law); and
- requiring notification to the taxpayer that the fee will be imposed at least 60 days prior to its imposition and allows the Department to include the fee notice on the notice of collection.

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

SENATE BILL 730, The No Patient Left Alone Act, would:

- establish the right for any minor admitted to a licensed hospital to designate a parent, guardian or person standing in loco parentis to have the unrestricted privilege of being present while the minor patient is receiving hospital care;
- establish the right for every adult admitted to a licensed hospital to designate a spouse or health care agent to have the unrestricted privilege of being present while the adult is receiving hospital care;
- provide that these rights cannot be affected by any termination, suspension or waiver by the hospital, the Department of Health and Human Services (DHHS) or a gubernatorial disaster or emergency declaration;
- bar licensed hospitals from requiring a patient to waive the rights granted by the statute; and
- require that each licensed hospital post information materials developed by DHHS explaining these rights.

Introduced by Senators Daniel, Perry and Krawiec and referred to the Senate Rules Committee.

SENATE BILL 734, Reinstate Earned Income Tax Credit, would reenact the earned income tax credit and establish the credit at five per cent. The credit would be effective for taxable years beginning on or after January 1, 2024. **Introduced by Senators deViere, Foushee, and Garrett and referred to the Senate Rules Committee.**

SENATE BILL 739, Personal Delivery Device/PDD/Delivery Robots, would enact new provisions regulating personal delivery devices and companies, including requiring annual registration with the Secretary of State and maintenance of general liability insurance. Personal delivery device would be defined as an electrically powered device for transporting cargo that is equipped with automated driving technology that enables the operation of the device with the remote support and supervision of a human. **Introduced by Senators Perry, Searcy, and Sawyer and referred to the Senate Commerce and Insurance Committee.**

SENATE BILL 740, Front Line State Employee Hazard Pay/Funds, is identical to House Bill 1085, summarized above in this Legislative Report. **Introduced by Senators Peterson and Garrett and referred to the Senate Rules Committee.**

SENATE BILL 745, Small Business Capital Improvement Account, would allow a small business taxpayer to deduct from the taxpayer's adjusted gross income the amount it deposited during the taxable year to a capital improvement account. The deduction would be limited to deposit amounts of five percent (5%) of the taxpayer's adjusted gross income up to \$1 million, two percent (2%) of the taxpayer's adjusted gross income above \$1 million up to \$2 million, and one percent (1%) of the taxpayer's adjusted gross income above \$2 million up to \$3 million. For these purposes, a "small business" would be defined as a business whose cumulative gross receipts from business activity for the taxable year do not exceed \$10 million, and a "capital improvement account" as an account at a federally insured banking institution into which are deposited amounts to be used solely for an improvement that adds value to real property owned and used exclusively by the small business, prolongs the useful life of such property at least 10 years, or adapts such property to new uses for the small business. A taxpayer would be required to include the amount deducted in a prior taxable year pursuant to this provision, if the amount was withdrawn and not used to pay

for capital improvements. **Introduced by Senators Garrett, deViere, and Searcy and referred to the Senate Rules Committee.**

SENATE BILL 748, Expand Mixed Beverage Sale During Pandemic, would authorize the Chairman of the ABC Commission to allow mixed beverage permittees to engage in retail sales for consumption off the premises, including delivery by the permittee, an employee of the permittee, or independent contractor, and make corresponding authorizations concerning delivery service permittees. The products sold or delivered under this provision would have to be: (1) packaged in a container with a secure lid or cap and in a manner designed to prevent consumption without removal; (2) sold only with food; and (3) limited to two servings per meal or food item ordered. The bill would provide \$50,000 to the ABC Commission for the 2019-20 fiscal year to implement these provisions. This authorization would expire on the date that Executive Order 116, declaring a state of emergency to coordinate COVID-19 response, expires or is rescinded. **Introduced by Senators Peterson and Chaudhuri and referred to the Senate Rules Committee.**

SENATE BILL 751, UI/Work Sharing Options/Funds, would establish a short-time compensation program that allows employers to submit a short-time compensation plan for approval by the Division of Employment Security (Division) for an affected unit (a specific plant, department, shift, or other definable unit of an employing unit that has at least two employees to which an approved short-time compensation plan applies) of the employer to avert layoffs and offer short-time compensation to workers in the affected unit under an approved plan. The bill would require the Division to approve or disapprove a short-time compensation plan in writing within 30 days of its receipt and promptly communicate the decision to the employer, and require a decision disapproving the plan to clearly identify the reasons for the disapproval. The bill includes provisions regarding the revocation and modification of an approved plan, eligibility for short-time compensation, and benefits, and changes to the same. The bill also would provide \$100,000 to the Department of Commerce, Division of Employment Security, to fund a personnel position to implement these provisions. **Introduced by Senator Nickel and referred to the Senate Rules Committee.**

SENATE BILL 757, Appointment of North Carolina Surgeon General, would establish the position of North Carolina Surgeon General for the State of North Carolina and provide \$150,000 to the Office of the Governor for the position. The NC Surgeon General would:

- be appointed by the Governor to serve as the State's chief public health advocate;
- serve for a term of four years, which would run concurrently with the term of the Governor;
- have their appointment, beginning January 1, 2024, subject to confirmation by the Senate;
- be able to be appointed to consecutive terms;
- report directly to the Governor and work closely with the Secretary of the North Carolina Department of Health and Human Services to ensure compliance with the strategic plans, policies, and implementation activities of the Department of Health and Human Services;
- advise the Governor and the Secretary on health policy and be a key spokesperson for the State on public health issues throughout the State by providing North Carolina residents with the best medical and scientific evidence on current health issues through public health reports and other tools of public communication; and
- meet the following qualifications:
 - be a physician licensed to practice medicine in this State;

- possess exceptional communication skills across multiple platforms, including scientific and community forums, policy-making venues, and traditional and digital media outlets;
- be a recognized leader in addressing the root causes of health disparities; and
- have a demonstrated commitment to serving individuals whose health outcomes are at risk due to social determinants of health such as food insecurity, housing instability, unmet transportation needs, and interpersonal violence.

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

SENATE BILL 763, Pay Equity for Essential Employees, would allow a taxpayer to deduct from the taxpayer's adjusted gross income a percentage of income that (1) is earned by an essential employee and (2) is derived from activities for which the employee is deemed essential during the period of March 28, 2020, to December 31, 2020. For these purposes, an "essential employee" would mean an employee working in a critical infrastructure sector identified by the Cybersecurity & Infrastructure Security Agency of the United States Department of Homeland Security in the advisory list published on March 28, 2020. The percentage would be as follows: (1) the first \$100,000 of income, fifty percent (50%); and (2) for the portion of income above \$100,000, seventy percent (70%). **Introduced by Senators Smith and Nickel and referred to the Senate Rules Committee.**

SENATE BILL 769, Municipal Broadband Expansion, would: (1) authorize cities and counties to purchase, lease, construct, and operate facilities to support intragovernmental services for the city's or county's internal governmental purposes, including wired or wireless network facilities; and (2) provide \$50,000 to the Department of Information Technology, Broadband Infrastructure Office, to assist local governments in planning and implementing broadband infrastructure expansion. **Introduced by Senators deViere, Searcy, and Foushee and referred to the Senate Rules Committee.**

SENATE BILL 773, Universal License Recognition Act, would require occupational licensing boards to issue a license, certification, or registration to any applicant who establishes residency in this State and satisfies all of the following:

- is currently licensed, certified, or registered in at least one other jurisdiction in the discipline applied for in this State at the same or substantially equivalent practice level, as determined by the occupational licensing board;
- has been licensed, certified, or registered by another jurisdiction for at least one year;
- has passed an examination required for the license, certification, or registration in the jurisdiction in which the applicant holds a current license, certification, or registration, if an examination was required;
- is in good standing in all jurisdictions in which the applicant holds a license, certification, or registration;
- has not voluntarily surrendered a license, certification, or registration, or had a license, certification, or registration revoked in any other jurisdiction as a result of unprofessional conduct;
- has met all minimum education, clinical supervision, or work experience requirements in all states that the applicant holds a license, certification, or registration at the time of application;

- does not have any active or pending disciplinary actions from an occupational licensing board in another jurisdiction, and, if applicable, the occupational licensing board has completed verification as provided;
- does not have a disqualifying criminal history record, as determined by the occupational licensing board; and
- has paid all applicable fees.

The bill would further require occupational licensing boards to:

- determine and verify, when an applicant has prior disciplinary actions from an occupational licensing board at the time of application, that the disciplinary action is pending or resolved, and, if applicable, that corrective action has been taken, or if the disciplinary action is pending, to suspend the application process for any license, certificate, or registration until the disciplinary action has been resolved;
- publish a document on its website that lists the specific criteria or requirements for licensure, certification, or registration by the board, and any necessary documentation needed for satisfying the requirements; and
- include in its annual report to the Secretary of State, the Attorney General, and the Joint Legislative Administrative Procedure Oversight Committee the number of individuals who applied for, received, or were denied licensure, certification, or registration in accordance with these provisions.

Introduced by Senators Edwards, Wells, and Sanderson and referred to the Senate Rules Committee.

SENATE BILL 781, Freedom of Speech/Press/Exercise of Religion, would prohibit the Governor or a governing body of a municipality or county from prohibiting or restricting any of the following by executive order, ordinance, prohibition, or restriction:

- any public press organization conducting activities in an emergency area in the normal course of business;
- any time, place, or manner of peaceable, nonviolent, or nonthreatening activity in an emergency area intended to express political views or to provide lawful information to others;
- any religious institution in an emergency area from conducting regular business or congregating for worship services during a state of emergency; however, the Governor could issue nonbinding recommendations requesting religious institutions prohibit or restrict regular business or congregation. For the purposes of this section, "religious institution" would be defined as any church, ecclesiastical, or denominational organization, or any established physical place for worship in this State at which nonprofit religious services and activities are regularly conducted, and any bona fide religious groups that do not maintain specific places of worship.

The bill also would provide \$2,500 each to the North Carolina Sheriffs' Association and the North Carolina Association of Chiefs of Police to educate local law enforcement officers on these requirements. **Introduced by Senators Britt, Daniel, and Hise and referred to the Senate Rules Committee.**

SENATE BILL 786, BE HEARD in the Workplace/Funds, would reorganize the current Chapter of the North Carolina General Statutes on Civil Rights and enact a new Article 2 on Unlawful Discriminatory Practices, titled, the BE HEARD (Bringing an End to Harassment by Enhancing and Rejecting Discrimination) in the Workplace Act to protect victims of harassment, including

sexual harassment, and to protect the civil rights of individuals who are members of protected classes. The Act would:

- provide that protected classes or protected categories include the following: age; creed; disability; domestic violence victim status; gender identity or expression; familial status; lawful source of income (in reference to housing only); marital status; military status; national origin; predisposing genetic characteristics; pregnancy-related condition; prior arrest or conviction record; race or color; sex; sexual orientation; and retaliation for opposing unlawful discriminatory practices;
- make it an unlawful discriminatory practice for an employer to subject any individual to harassment because of an individual's protected class status or because the individual has opposed any practices forbidden under the Act or because the individual has filed a complaint, testified, or assisted in any proceeding under the Act, regardless of whether such harassment would be considered severe or pervasive under precedent applied to harassment claims;
- make it an unlawful discriminatory practice to subject an individual to inferior terms, conditions, or privileges of employment because of the individual's membership in one or more protected categories;
- provide that the fact that the individual did not make a complaint about the harassment to the employer shall not be determinative of whether such employer is liable;
- provide that it is an affirmative defense that the harassing conduct does not rise above the level of what a reasonable victim of discrimination with the same protected characteristic would consider petty slights or trivial inconveniences;
- make it an unlawful discriminatory practice to permit discrimination against a nonemployee in the employer's workplace, and allow an employer to be held liable to a nonemployee who is a contractor, subcontractor, vendor, consultant, or other person providing services pursuant to a contract in the workplace or who is an employee of such contractor, subcontractor, vendor, consultant, or other person providing services pursuant to a contract in the workplace, with respect to an unlawful discriminatory practice, when the employer, its agents, or supervisors knew or should have known that such nonemployee was subjected to an unlawful discriminatory practice in the employer's workplace, and the employer failed to take immediate and appropriate corrective action;
- provide that an unlawful discriminatory practice is established under this Part when the complaining party demonstrates that the complaining party's protected class status was a motivating factor for any employment practice, even though other factors also motivated the employer;
- make it an unlawful discriminatory practice: (1) for an employer to require an employee to submit to sexual harassment either explicitly or implicitly as a term or condition of employment; (2) for an employer to base an employment decision affecting an individual's employment upon submission to or rejection of sexual harassment, or (3) when sexual harassment alters an individual's terms, conditions, or privileges of employment, including by creating an intimidating, hostile, or offensive work environment;
- specify rules for determining whether conduct constitutes workplace harassment, including permitting a single incident to constitute workplace harassment, requiring incidents considered in the aggregate, and presenting factors to be considered such as duration of the conduct and whether the conduct was threatening, and provide that conduct may be workplace harassment regardless of whether the complaining party is the individual harassed, the complaining party acquiesced or otherwise participated in the conduct, the conduct is experienced by others outside the protected class involved, the complaining

- party was able to continue their duties and responsibilities, the conduct did not cause a tangible or psychological injury, or the conduct occurred outside of the workplace;
- provide that an employer is liable for the acts of any individual whose harassment of an employee has created or continued a retaliatory hostile work environment that is unlawful under this Part if, at the time of the harassment, (i) such individual was authorized by the employer to undertake or recommend tangible employment actions affecting the employee or to direct the employee's daily work activities or (ii) the negligence of the employer led to the creation or continuation of that retaliatory hostile work environment;
 - allow a civil action to enforce the rights provided in addition to any other legal or equitable remedies and allow for the award of punitive damages and attorneys' fees;
 - require a civil action alleging sexual harassment to be brought within three years of the alleged unlawful discriminatory practice giving rise to the action, and all other civil actions under this section to be brought within one year of the alleged unlawful discriminatory practice; and
 - direct the North Carolina Human Relations Commission, the Civil Rights Division of the North Carolina Office of Administrative Hearings, and the Department of Labor to jointly: (1) develop training materials for employers and the general public that are designed to prevent unlawful discriminatory practices; and (2) establish grant programs to prevent and respond to workplace discrimination and harassment.

The bill also would:

- make unlawful discriminatory housing practices applicable to discriminatory practices because of a person's protected class status, as defined in GS Chapter 99D, as amended (previously, limited to discrimination because of race, color, religion, sex, national origin, handicapping condition, or familial status);
- no longer allow for tips earned by tipped employee to be counted as wages (previously allowed for tips to be counted as wages up to a certain amount if specified notice and record keeping requirements are met);
- direct the Legislative Research Commission to study the use of nondisparagement and nondisclosure agreements in the workplace and report to the 2021 General Assembly upon its convening; and
- provide \$500,000 each to the Human Relations Commission, the Office of Administrative Hearings' Civil Rights Division, and the Department of Labor to implement these provisions.

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

SENATE BILL 788, Save Our Restaurants Act, would appropriate \$125 million from the Coronavirus Relief Fund to the Office of State Budget and Management to make loans to assist qualifying businesses with business needs during periods of economic hardship occasioned by the COVID-19 pandemic: (1) \$50 million to the Restaurant Stabilization Program; and (2) \$75 million to the Hotel Stabilization Program. The bill also would provide \$7 million from General Fund to the ABC Commission to be used to provide a one-time reimbursement of fees paid to permittees with a valid ABC permit during the months of March, April, May, or June 2020. **Introduced by Senators Chaudhuri and Peterson and referred to the Senate Appropriations Committee.**

SENATE BILL 792, UI Modifications/Increase Benefits/Funds, is identical to House Bill 1075, summarized above in this Legislative Report. **Introduced by Senators Nickel and Chaudhuri and referred to the Senate Rules Committee.**

SENATE BILL 803, Capital Appropriation - Repairs & Renovations, among other funding items, would allow funds from the State Capital and Infrastructure Fund to be used for broadband infrastructure projects funded through appropriations to the Growing Rural Economies with Access to Technology Fund and for projects and grants identified in the Current Operations Appropriations Act. **Introduced by Senators Brown, Harrington, and B. Jackson and referred to the Senate Appropriations Committee.**

SENATE BILL 828, Absentee Ballot Equality/2020 Election, would require the State Board of Elections, notwithstanding any other provision of law to the contrary, **for the 2020 general election**, to provide all eligible voters in this State the option of submitting their mail-in absentee ballots with a declaration signed by the voter similar to the option afforded to covered citizens through special programs under the Uniform Military and Overseas Voters Act. Voters would not be required to comply with requirements more stringent than those required for submitting mail-in absentee ballots under the Uniform Military and Overseas Voters Act for the 2020 general election. **Introduced by Senator Clark and referred to the Senate Rules Committee.**

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