



## North Carolina League of Women Voters

### LEGISLATIVE UPDATE

May 30, 2003

## Introduction

Welcome to another addition of the North Carolina League of Women Voters Legislative Update. We would like to thank the following groups, who have been excellent sources, for the information that you are reading: *Charlotte Observer*, *Common Sense Foundation*, *Covenant for Children*, *Independent Newspaper*, *NC Budget and Tax Center*, *NC Council of Churches*, *NC Health Access Coalition*, *NC Justice and Community Development Center* and the *NC Voters for Clean Elections*. Additionally, a special thank you to members of the legislature who send us updates on the issues they are working on.

Please make sure to take a look at the “Action Alert” section at the end of the newsletter. It provides information on a specific issue and offers channels to **make your opinion known**.

If you would like to get on the monthly update email list, please send a subscribe message to: [lwvnc@earthlink.net](mailto:lwvnc@earthlink.net)

## Current Bills

### 1. Budget

#### Senate budget

The Senate created a budget for the next two fiscal years that differs from the House’s proposal in several substantial ways. The proposed plan works toward maintaining current service levels in education, Medicaid and corrections, and it proposes modest salary increases for state employees (1.8%). The plan would increase spending by approximately 5% (\$700 million), which the Senate plans to raise in part by adopting a freeze on the current tax structure and through several smaller measures such as reducing eligibility for the state child tax credit and stepping up the state's tax collection efforts.

#### Conference Committee

The Senate and the House budget plans both went to a joint committee for resolution of differences. However, last week the U.S. Congress passed its \$350 billion tax cut, in

which they offered state governments \$20 billion in relief. North Carolina's share should be about \$500 million. Of this amount over \$200 million is slated for N.C.'s Medicaid program. However, there are some who are advocating placing this money in rainy day funds and cutting Medicaid and other relief anyway.

Following news of the \$500 million in relief, the House offered the following recommendations:

- Spending \$3.5 million of the \$500+ million on health and other human service programs, education, justice and public safety.
- Not restoring any of the cuts they made to health programs already.
- Cuts of an additional \$41 million from Medicaid in 2003-04 and a whopping \$273.8 million in 2004-05.

**Critical medical services should not be cut so we can put money in the rainy day fund. Those sorts of cuts mean it is already a rainy day.** Restoring House cuts to critical health coverage for children and families would cost only \$9.9 million this year and \$45.3 million next year. This would still leave hundreds of millions more for other uses. It is unconscionable not to help people in the most dire need, especially when we just received funds allocated to that cause.

Members of the Conference Committee for H397 (the budget bill) are:

**House** – Crawford and Sherrill (Chairs), and Alexander, Allen, Baker, Brubaker, Cole, Culpepper, Daughtridge, Earle, Farmer-Butterfield, Fox, Gorman, Grady, Hackney, Haire, Howard, Jeffus, Justice, Kiser, LaRoque, Luebke, McComas, McGee, Miner, Nye, Owens, Sauls, Stiller, Tolson, Wainwright, Williams, Wright, and Yongue.

**Senate** – Garrou, Dalton, and Hagan (Chairs), and Albertson, Clodfelter, Dannelly, Gulley, Hoyle, Kerr, Lucas, Metcalf, Purcell, Rand, Reeves, Swindell, Thomas, and Weinstein.

For more information on the \$400 million budget shortfall, please see “Piecing together a budget” NC Policy Brief at [www.ncjustice.org](http://www.ncjustice.org) (click on the "Legislation" button).

## **2. Taxes**

As the state continues to face budget deficits, legislators are getting opportunities to consider increases in revenue. The following bills have been introduced. All are in the Finance Committee of the appropriate house.

### **Bank income tax**

**Short Title: H827 Conform Bank Expense Deduction**

**Long Title:** AN ACT TO CONFORM STATE INCOME TAX ON BANKS TO FEDERAL INCOME TAX ON BANKS.

**Sponsors:** Reps. Weiss, Luebke, Insko, and Glazier

**More information:**

<http://www.ncleg.net/html2003/bills/allversions/house/h827v1.html>

This bill deals with the bank tax loophole. Current state law allows banks to double-dip by deducting interest paid to customers (on savings accounts or CDs, for example) and then turning around and investing those deposited funds in tax-exempt securities (like government bonds). The federal tax code has banned this double-dipping tax break for years, and every other state but Arkansas has done the same. H 827 would close this loophole, which is estimated to cost the state \$50 to \$100 million in lost revenue each year, the exact amount varying with fluctuating interest rates and changing investment strategies.

### **Local Tax**

**Short Title: H 664, Local Option Tax Menu**

**Long Title:** AN ACT TO AUTHORIZE ADDITIONAL REVENUE OPTIONS FOR LOCAL GOVERNMENTS.

**Sponsors:** Representatives Insko and Glazier

**More information:**

<http://www.ncleg.net/html2003/bills/allversions/house/h664v1.html>

**Short Title: H 749, Local Option Tax Menu, , Local Option Tax Menu,**

**Long Title:** AN ACT TO AUTHORIZE ADDITIONAL REVENUE OPTIONS FOR LOCAL GOVERNMENTS.

**Sponsors:** Representatives Owens, Justice (Primary Sponsors); Dickson, Insko, and L. Allen.

**More information:**

<http://www.ncleg.net/html2003/bills/allversions/house/h749v1.html>

These bills would enable local governments to raise taxes. Both bills would permit local governments to conduct local option elections in order to implement and/or raise certain taxes locally. H 749 also allows local governments to impose “impact fees,” charges assessed to new home builders and owners to cover the costs of expanding infrastructure (sewer lines, schools, etc) to accommodate new development.

### **Tax at Gun Shows**

**Short Title: S610 Tax Collection at Gun Shows**

**Long Title:** AN ACT TO PROVIDE FOR TAX COLLECTION AT GUN SHOWS.

**Sponsors:** Senator Rand

**More information:**

<http://www.ncleg.net/html2003/bills/allversions/house/h749v1.html>

### **Earned Income Tax Credit**

**Short Title:** S574 Earned Income Tax Credit

**Long Title:** AN ACT TO CREATE A STATE EARNED INCOME TAX CREDIT.

**Sponsors:** Senators Clodfelter; Gulley and Reeves.

**More information:**

<http://www.ncleg.net/html2003/bills/allversions/senate/s574v1.html>

This bill would set up a state Earned Income Tax Credit paralleling the federal EITC. The amount of the state credit would be 10% of the federal credit.

### **Unemployment benefits**

**Short Title:** S439 Omnibus ESC Changes

**Long Title:** A BILL TO BE ENTITLED AN ACT MAKING OMNIBUS CHANGES TO THE EMPLOYMENT SECURITY LAWS OF NORTH CAROLINA.

**Sponsors:** Senators Clodfelter; and Dannelly.

**More information:**

<http://www.ncleg.net/html2003/bills/allversions/senate/s439v1.html>

For more information on this bPlease see "Unemployment Insurance Bill Hits a Snag" Number 17 of the NC Policy Brief at the Justice Center web site [www.ncjustice.org](http://www.ncjustice.org) (click on the "Legislation" button).

## **3. Election Reform**

### **Campaign Finance Reform**

**Short Title:** S760 Local Campaign Finance Reform

**Long Title:** AN ACT TO CLARIFY THAT GRANTS FROM UNIFORM PROGRAMS FOR PUBLIC CAMPAIGN FINANCING DO NOT CONSTITUTE "CONTRIBUTIONS" AND ARE NOT SUBJECT TO RESTRICTIONS ON CONTRIBUTIONS; TO CLARIFY THAT CERTAIN CITY AND COUNTY GOVERNMENTS ARE AUTHORIZED TO CONDUCT THOSE PROGRAMS; TO GRANT CITY AND COUNTY GOVERNMENTS LIMITED AUTHORITY TO SET STRICTER LIMITS THAN THOSE IN EFFECT STATEWIDE FOR CONTRIBUTION LIMITS AND REPORTING; AND TO MANDATE AND APPROPRIATE FUNDS FOR A STUDY OF LOCAL PUBLIC CAMPAIGN FINANCING PROGRAMS.

**Sponsors:** Senators Gulley; Allran, Bingham, Carrington, Dalton, Dannelly, Garrou, Hagan, Hartsell, Horton, Kinnaird, Metcalf, Purcell, Rand, Reeves, Shaw, and Soles.

**More information:** <http://www.ncleg.net/html2003/bills/allversions/senate/s760v1.html>

This bill authorizes cities with a population of 30,000 or more and counties of 50,000 of more to initiate a public financing program from their revenues, to lower the contribution limit in local elections, and to lower the threshold for requiring disclosure.

## **Voter Owned Elections Act**

### **Short Title: S1009 Voter Owned Elections**

**Long Title:** AN ACT TO PROVIDE CANDIDATES FOR CERTAIN COUNCIL OF STATE OFFICES WITH THE OPTION OF FINANCING THEIR CAMPAIGNS FROM A PUBLICLY SUPPORTED FUND, PROVIDED THAT THEY GAIN AUTHORIZATION TO DO SO FROM REGISTERED VOTERS AND THAT THEY ABIDE BY STRICT FUND-RAISING AND SPENDING LIMITS.

**Sponsors:** Senators Gulley; Bingham, Holloman, Kinnaird, Lucas, Metcalf, Purcell, and Reeves.

**More information:** <http://www.ncleg.net/html2003/bills/allversions/senate/s1009v1.html>

### **Short Title: H1235 Voter Owned Elections**

**Long Title:** AN ACT TO PROVIDE CANDIDATES FOR CERTAIN COUNCIL OF STATE OFFICES WITH THE OPTION OF FINANCING THEIR CAMPAIGNS FROM A PUBLICLY SUPPORTED FUND, PROVIDED THAT THEY GAIN AUTHORIZATION TO DO SO FROM REGISTERED VOTERS AND THAT THEY ABIDE BY STRICT FUND-RAISING AND SPENDING LIMITS.

**Sponsors:** Representatives Alexander, Earle, Goodwin, Nesbitt (Primary Sponsors); G. Allen, Bell, Bordsen, Church, Farmer-Butterfield, Glazier, Hackney, Insko, Parmon, Rapp, Wainwright, Warner, Weiss, and Womble.

**More information:** <http://www.ncleg.net/html2003/bills/allversions/house/h1235v1.html>

These identical bills would provide a public financing option for the eight Council of State Agency heads--Sec. of State, Attorney General, Auditor, Treasurer, Superintendent of Public Instruction, and the Commissioners of Agriculture, Insurance and Labor

## **Same Day Registration**

### **Short Title: S745 Same Day Registration**

**Long Title:** AN ACT TO PROVIDE FOR IN-PERSON REGISTRATION AND VOTING AT EARLY VOTING SITES AND AT CENTRAL SITES ON ELECTION DAY; AND TO PROVIDE FOR ADEQUATE IDENTIFICATION REQUIREMENTS FOR PERSONS REGISTERING AND VOTING ON THE SAME DAY TO PROTECT AGAINST FRAUD; AND TO APPROPRIATE FUNDS FOR IMPLEMENTING AND MONITORING THE PROGRAM.

**Sponsors:** Senators Lucas, Clodfelter; Dannelly, Dorsett, Garwood, Gulley, Hartsell, Holloman, and Malone.

**More information:** <http://www.ncleg.net/html2003/bills/allversions/senate/s745v1.html>

### **Short Title: H756 Same Day Registration**

**Long Title:** AN ACT TO PROVIDE FOR IN-PERSON REGISTRATION AND VOTING AT EARLY VOTING SITES AND AT CENTRAL SITES ON ELECTION DAY.

**Sponsors:** Representatives Ross, Michaux, Alexander, Luebke (Primary Sponsors); B. Allen, Bell, Bonner, Carney, Earle, Farmer-Butterfield, Glazier, Goodwin, Holliman, Insko, McComas, Parmon, Wainwright, and Weiss.

**More information:** <http://www.ncleg.net/html2003/bills/allversions/house/h756v1.html>

These bills would allow people to go to an Early Voting site in the last 19 days before the election, show ID, register and vote.

### **Help America Vote Act**

**Short Title: H842 Help America Vote Act Compliance**

**Long Title:** AN ACT TO PROVIDE FOR A SYSTEM FOR ALL NORTH CAROLINA ELECTIONS THAT COMPLIES WITH THE HELP AMERICA VOTE ACT.

**Sponsors:** Representatives Michaux, Stam (Primary Sponsors); and Alexander.

**More information:** <http://www.ncleg.net/html2003/bills/allversions/house/h842v1.html>

HAVA will impact every part of NC's voting process, including new guidelines for voting machines, voter registration, ballot counting, ex-felon registration and youth involvement in elections. The legislature and the Board of Elections will turn those guidelines into new laws. This bill passed the House in April.

### **Voter Owned Elections Legislative Day**

VOTER OWNED ELECTIONS LEGISLATIVE DAY will be held Wednesday June 11, 2003 at the NC General Assembly Auditorium, 3<sup>rd</sup> floor beginning 8:30am. We hope to see you there!

## **4. ENVIRONMENT**

### **Vehicles**

**Short Title: H806 Rebate and grant program for AFVs**

**Long Title:** AN ACT TO ESTABLISH AN ALTERNATIVE FUEL AND ALTERNATIVE FUEL VEHICLE REBATE AND INFRASTRUCTURE GRANT PROGRAM.

**Sponsors:** Representatives Tolson; and Insko.

**More information:** <http://www.ncleg.net/html2003/bills/allversions/house/h806v1.html>

This bill creates a rebate program for buyers of alternative fuel vehicles and a grant program to promote alternative fuel infrastructure.

**Short Title: S763 NC Clean Vehicles**

**Long Title:** AN ACT TO ESTABLISH THE NORTH CAROLINA CLEAN VEHICLES PROGRAM.

**Sponsors:** Senators Gulley; and Lucas.

**More information:** <http://www.ncleg.net/html2003/bills/allversions/senate/s763v1.html>

**Short Title: H933 NC Clean Vehicles**

**Long Title:** AN ACT TO ESTABLISH THE NORTH CAROLINA CLEAN VEHICLES PROGRAM.

**Sponsors:** Representatives Alexander and Insko.

**More information:** <http://www.ncleg.net/html2003/bills/allversions/house/h933v1.html>

Places North Carolina alongside the handful of other states that have adopted low emission vehicle programs, which offer greater reductions in air pollution than baseline federal vehicle standards.

### **Environmental Enforcement**

**Short Title: H868 Improve Environmental Enforcement**

**Long Title:** AN ACT TO IMPROVE THE ENFORCEMENT OF VARIOUS ENVIRONMENTAL LAWS.

**Sponsors:** Representatives Culpepper; Luebke and Weiss.

**More information:** <http://www.ncleg.net/html2003/bills/allversions/house/h868v1.html>

Raises various penalties for the first day of violation from \$5,000 to \$10,000; allows agency to recover investigative costs; raises first-day fine for hazardous waste violation from \$25,000 to \$37,500. Senate AENR.

## **6. Women's Issues**

### **Choose Life License Plate**

**Short Title: S96 "Choose Life" License Plate**

**Long Title:** AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A "CHOOSE LIFE" SPECIAL LICENSE PLATE.

**Sponsors:** Senators Tillman; Allran, Apodaca, Ballantine, Berger, Bingham, Blake, Brock, Carpenter, Forrester, Foxx, Garwood, Hartsell, Moore, Shubert, Sloan, and Stevens.

**More information:** <http://www.ncleg.net/html2003/bills/allversions/senate/s96v1.html>

**Short Title: H64 "Choose Life" License Plate**

**Long Title:** AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO ISSUE A "CHOOSE LIFE" SPECIAL LICENSE PLATE.

**Sponsors:** Representatives Gillespie; Allred, Barbee, Barnhart, Capps, Church, Clary, Culp, Daughtry, Dockham, Eddins, Ellis, Frye, Gorman, Gulley, Hilton, Howard, L. Johnson, Kiser, Lewis, McGee, McHenry, Moore, Nye, Pate, Preston, Ray, Rayfield, Rhodes, Sauls, Setzer, Stam, Walend, Walker, Warner, West, K. Williams, C. Wilson, and G. Wilson.

**More information:** <http://www.ncleg.net/html2003/bills/allversions/house/h64v1.html>

Choose Life License Plate would authorize the N.C. Division of Motor Vehicles to issue a state license plate with the phrase "Choose Life." Proceeds would be distributed to anti-abortion crisis-pregnancy centers.

### **Reproductive Health**

**Short Title: S595 Conscience Protection/Contraceptives**

**Long Title:** AN ACT TO PROVIDE EFFECTIVE CONSCIENCE PROTECTION IN THE

INSURANCE LAW PERTAINING TO COVERAGE FOR PRESCRIPTION CONTRACEPTIVE DRUGS OR DEVICES AND FOR OUTPATIENT CONTRACEPTIVE SERVICES.

**Sponsors:** Senators Berger; Allran, Apodaca, Carrington, Foxx, Reeves, Shubert, and Stevens.

**More information:** <http://www.ncleg.net/html2003/bills/allversions/senate/s595v1.html>

**Short Title: H642** Conscience Protection/Contraceptives

**Long Title:** AN ACT TO PROVIDE EFFECTIVE CONSCIENCE PROTECTION IN THE INSURANCE LAW PERTAINING TO COVERAGE FOR PRESCRIPTION CONTRACEPTIVE DRUGS OR DEVICES AND FOR OUTPATIENT CONTRACEPTIVE SERVICES.

**Sponsors:** Representatives Wood; and Hilton.

**More information:** <http://www.ncleg.net/html2003/bills/allversions/house/h642v1.html>

"Conscience Protection/Contraception" would gut a 1999 law that currently requires all health insurers that provide coverage for prescription drugs to extend that coverage so that it includes prescription contraceptive drugs and devices. This bill would also extend the "conscience clause" to allow individual employers who oppose abortion to deny coverage to their employees.

**Short Title: H854 No Abortions under State Health Plan**

**Long Title:** AN ACT TO PROHIBIT COVERAGE FOR ABORTIONS UNDER THE TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN.

**Sponsors:** Representatives Representatives Capps; Barnhart, Blust, Gorman, Gulley, L. Johnson, Lewis, Rhodes, Sexton, and Walker.

**More information:** <http://www.ncleg.net/html2003/bills/allversions/house/h854v1.html>

"No Abortion Under State Employee Health Plan" would prohibit coverage for abortions under the medical plan for teachers and state employees.

## **7. Tort Reform**

**Short Title: H809 Ensure Health Care Access**

**Long Title:** AN ACT TO ENSURE ACCESS TO HEALTH CARE BY ESTABLISHING A REASONABLE TWO HUNDRED FIFTY THOUSAND DOLLAR LIMIT ON NONECONOMIC DAMAGES, ACCOUNTING FOR CERTAIN COLLATERAL SOURCE PAYMENTS, AUTHORIZING THE PERIODIC PAYMENT OF FUTURE ECONOMIC DAMAGES, PROVIDING THE FORM OF VERDICTS AND AWARDS OF DAMAGES, AND REGULATING ATTORNEY CONTINGENCY FEES IN MEDICAL MALPRACTICE ACTIONS; AND TO PROVIDE THAT CERTAIN CONFIDENTIALITY REQUIREMENTS APPLY TO DOCUMENTS REGARDING NURSING HOME QUALITY OF CARE.

**Sponsors:** Representatives Miner, Nye, Kiser, Crawford (Primary Sponsors); G. Allen, Barbee, Barnhart, Blackwood, Bowie, Brubaker, Capps, Church, Clary, Cole, Culp, Daughtridge, Decker, Dockham, Eddins, Ellis, England, Fox, Frye, Gibson, Gillespie, Goforth, Gorman, Gulley, Hall, Harrell, Hill, Hilton, Holmes, Howard, C. Johnson, L. Johnson, Justice, Justus, LaRoque, Lewis, Lucas, McComas, McCombs, McGee, McHenry, McMahan, Mitchell, Owens, Pate, Preston, Rapp, Ray, Rayfield, Rhodes,

Sauls, Setzer, Sexton, Sherrill, Starnes, Walend, Walker, Warner, Warren, West, K. Williams, C. Wilson, G. Wilson, Wood, and Yongue.

**More information:** <http://www.ncleg.net/html2003/bills/allversions/house/h809v1.html>

The Ensure Health Care Access bill is the response of doctors to the issue of medical malpractice. It would limit the amount of noneconomic damages (e.g., pain and suffering), which a jury could award to \$250,000, and limit the amount of contingency fees attorneys could receive. In addition, H 809 would prevent use of various reports about nursing homes (including state inspection reports and proceedings of peer review committees) in suits against those homes even though those suits are related to the quality of care provided.

## **\*\*\*Action Item\*\*\***

### **Cutting Critical Health Coverage for children and families**

Critical medical services should not be cut so we can put money in the rainy day fund. **It is unconscionable not to help people in the most dire need, especially when we just received funds allocated to that cause.**

Call your legislator and ask - why are you still cutting health programs for the needy when you are getting over \$500 million in new money from the federal government - and half of that for Medicaid? House members especially need to hear this - the Senate is behind us and has restored these cuts once already - and without the extra federal money.

Most effective method of contacting your representative:

- CALL. If you need their name and number enter your zip code at:  
[www.ncleg.net/GIS/Representation/Who\\_Represents\\_Me/Who\\_Represents\\_Me.html](http://www.ncleg.net/GIS/Representation/Who_Represents_Me/Who_Represents_Me.html)  
Or, call the General Assembly switchboard: 919-733-4111
- You can also Email an alert directly from the website of the Covenant with NC's Children: <http://capwiz.com/cwncc/officials/state/?state=NC>

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