



INTRODUCTION

The latest COVID-19 bill is on its way to the Governor after unanimously passing both chambers this week. House Bill 196 is a \$1.7 billion-dollar package, spending federal COVID-19 money and making some COVID-related policy changes like extending virtual options for services like notarization. It includes \$600 million for COVID-19 testing and related needs, as well as \$390 million for K-12 and higher education as they look towards safely reopening. Although the bill passed with unanimous support, there were some procedural concerns expressed by members, as well as some who said the bill should do more.

The bill was filed on Monday and quickly made its way through committees with little room for amendments. Rep. Donny Lambeth explained that the bill was pre-conferenced with the Senate and that any changes members wished to make to the bill had to be approved by Senate leaders first. During the Appropriations Committee meeting for this bill, Rep. Lambeth told the members that there was not enough time to hear all of the proposed amendments, so some amendments would have to be heard later during the bill's next stop: the smaller Rules Committee. Prior to the Rules meeting, leaders could be seen outside of the Rules Committee room reviewing proposed amendments. House leaders expressed their desire to use taxpayer money wisely and to get this money out the door to those that need it as quickly as possible, reminding members that this will not be the last COVID-19 bill we see this session. "The quicker we can do it, the faster these moneys can go out, and we can get families across the state the help that they need," said Rep. Donny Lambeth. "We're going to have more opportunities to address some of the needs we've heard."

FAILED VETO GETS ANOTHER CHANCE

One of the most closely watched bills at the General Assembly this week has been the controversial, Republican-led school reopening bill: Senate Bill 37. This bill would require the state's public schools to offer an in-person schooling option for all students. Governor Cooper vetoed the bill last Friday, explaining that the bill did not do enough to return our students safely. "The question on SB 37 that I vetoed is not whether our children should be in the classroom in person," Cooper said. "They absolutely should. The question is whether we do it safely. The bill allows middle and high school students to be in school without following



NORTH CAROLINA SECURITY AND LOW VOLTAGE ASSOCIATION



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NCDHHS and CDC guidelines on social distancing. SB 37 also removes authority from state and local officials to put students in remote learning in an emergency like a new COVID variant hitting our schools.”

This bill has been so closely watched because it will tell us just how closely Democrats will fall in line with the Democratic Governor on his vetoes. So far, Democrats have stuck together to sustain all of Gov. Cooper’s vetoes since he has been in office. This bill tested that, because several Democrats voted in favor of this bill the first go-round, one Democratic senator even signed on to sponsor the bill. The three Democratic senators who previously voted in favor were Sens. Kirk deViere, Paul Lowe, and Ben Clark. In order to override a veto in the Senate, only one of the three original Democratic supporters would need to vote in favor of the override. On Monday night, the Senate put it to a vote and failed to override the veto, 29-20. The override was just one short. Although Sens. deViere and Lowe changed their votes this go-round to sustain the veto, one key Democrat, the only one Senate Republicans needed to override, was missing from the vote. Sen. Ben Clark, a co-sponsor of the bill, was not present at the time of the vote.

Following the failed veto override, Senate Republicans announced that they would take up a motion to reconsider the override to give the bill’s co-sponsor an opportunity to be heard on the bill that bears his name. Although the Senate was expected to hold another vote on Senate Bill 37 this week, the chamber pivoted and moved to assign the bill to the Senate Rules Committee.

UNEMPLOYMENT BILL

Senate Finance heard a coronavirus unemployment bill this week. The bill, if passed, would require unemployed individuals to continue to search for work in order to receive benefits. The bill would also halt any increase in unemployment tax for employers. The Senate bill has a companion bill running in the House, sponsored by House Finance Chairwoman Rep. Julia Howard.

LOCAL BILL LOOPHOLE

The General Assembly has various bills running right now that would go against Gov. Cooper’s Executive Orders. Many this week have been sports-related. The House passed two bills this week that would expand the number of fans allowed at sporting events during the pandemic. House Bill 118 would allow more than a dozen counties to allow 50% capacity at sporting events held outdoors. Democratic members questioned if this local bill was constitutional, as it deals with public health, but Speaker Moore disagreed. Speaker Moore argued that the bill does not go against the constitution. Instead, it addresses Executive Orders from the Governor under the Emergency Powers Law. Local bills, unlike statewide bills, cannot be vetoed by the Governor. With Republican majorities in both chambers, local bills could be a great opportunity for Republicans to sidestep the Governor’s Executive Orders.

BILLS OF INTEREST

HOUSE BILL 189, Second Amendment Preservation Act, would enact the Second Amendment Preservation Act to:

- provide that specified federal acts, laws, executive orders, administrative orders, court orders, rules, and regulations are infringements on the people's right to keep and bear arms guaranteed by the Second Amendment of the US Constitution and Section 30 of Article I of the NC Constitution, including: taxes on or the registration or tracking of the owners of firearms, accessories or ammunition that might reasonably be expected to encroach on or impair the right of law-abiding citizens to purchase or own those items; and any act ordering the confiscation of firearms, firearm accessories, or ammunition from law-abiding citizens;
- define *law-abiding citizen* as a person who is not otherwise precluded under State law from possessing a firearm and excluding anyone who is not legally present in the US or this State;
- provide that it the duty of NC courts and law enforcement agencies to protect the rights of law-abiding citizens within State borders and protect these rights from federal infringement;
- prohibit any entity or person from enforcing the described federal actions prohibited by the act, or otherwise depriving a citizen of the rights and privileges of the Second Amendment or Section 30 of Article I of the NC Constitution, with injured parties authorized to bring an action against the violator(s) and receive reasonable attorneys' fees and costs if successful; and
- bar sovereign, official, or qualified immunity as an affirmative defense in any action brought under the Act.

Introduced by Representatives Kidwell, Hanig, Goodwin, and Adams and referred to the House Judiciary 3 Committee.

HOUSE BILL 192, COVID Response/Supplemental Spending 2020-21, is the COVID spending bill as introduced by the Democrats in the House. The Republican version was introduced and approved in one week at the General Assembly.

- \$20 million to the Office of State Budget and Management (OSBM) for 2020-21 to provide additional funds for the continuity of State agency operations experiencing increased costs due to the COVID-19 pandemic (pandemic), and includes four authorized uses of the funds, including incurred COVID-19 related expenses and the continuation of providing critical services;
- \$10 million to the Department of Agriculture and Consumer Services, the Department of Environmental Quality (DEQ), and the Department of Natural and Cultural Resources (DNCR) to provide for fee-supported activities and programs at each agency that has experienced substantial declines in revenue due to the pandemic, and includes authorized uses, including planning for post-pandemic resumption of normal service levels;
- \$1 million to the Office of the State Treasurer, Local Government Commission for 2020-21 to support essential services provided by local government units whose control of financial affairs is fully assumed by the Commission;
- \$10 million to the Department of Agriculture and Consumer Services for 2020-21 to provide grants to food banks experiencing increased demand due to the pandemic;
- \$30 million to OSBM for 2020-21 to be allocated to enhance high-speed internet access across the State through a multipronged approach, and includes \$12 million to the

Community College System Office, \$15.5 million to the Office of the Governor, and \$2.5 million to DNCR;

- \$3 million to OSBM for counseling services to support small businesses with \$1 million each to the UNC Board of Governors, the Community College System Office, and the nonprofit contractor of the Department of Commerce;
- \$3 million to the following to be used as a stimulus investment in their marketing budgets as specified: DACS (\$500,000); DNCR (\$500,000); and the Department of Commerce (\$2 million).
- \$11.1 million to The Golden L.E.A.F. Inc., for the Rapid Loan Recovery Program established in the 2020 COVID-19 Recovery Act;
- \$20 million to the Department of Administration, Office of Historically Underutilized Businesses for 2020-21 for the RETOOLNC grant program for additional funding to assist State certified minority-owned and women-owned businesses in their pandemic recovery;
- \$4 million for 2020-21 for the NC Pandemic Recovery Office (NC PRO) to provide grants to nonprofits providing housing-related legal services to renters and homeowners facing hardship, eviction, or foreclosure due to the pandemic, and \$500,000 to the Office of Administrative Hearings for 2020-21 to fund temporary positions needed to assist in handling fair housing discrimination case filings that have increased due to the pandemic;
- would prohibit the ABC Commission from imposing certain fees;
- \$50 million to the Department of Public Safety (DPS) for 2020-21 to continue communicable disease emergency pay for employees who work in conditions that put them at increased risk of exposure. Restricts use to hazard pay for work performed during the 2020-21 fiscal year;
- would require the Department of Public Instruction (DPI) to administer a one-time, lump sum bonus of \$2,500 for qualifying public school employees, and \$1,500 for noncertified public school employees who are permanent, full-time employees on a 12-month contract;
- \$280 million and \$77 million to specified agencies for bonuses for qualifying public school employees and noncertified public school employees, respectively;
- \$111 million to the Community College System Board (CC System Board) and to the UNC Board of Governors (BOG) to fund one-time \$2,000 compensation bonuses for their respective State-funded employees;
- \$64.5 million to the Department of State Treasurer for 2020-21 to be used for COVID-19 related expenses incurred by the NC State Health Plan for Teachers and State Employees (SHP);
- would amend the statute that directs the Department of Health and Human Services (DHHS) to increase the fee-for-service Medicaid rates paid directly by the Division of Health Benefits by 5%, effective March 1, 2020, to extend the provision's expiration to the earlier of (1) the date the declared nationwide public health emergency as a result of the 2019 novel coronavirus expires, (2) the date Executive Order No. 116 expires or is rescinded, or (3) June 30, 2021 (was, March 31, 2021);
- would establish a new weekly unemployment benefit amount as follows: Effective for new claims filed after February 20, 2021, sets the weekly benefit amount for an individual who is totally unemployed at an amount equal to the wages paid to the individual in the last two completed quarters of the individual's base period divided by 52 and rounded to the next lower whole dollar. Excludes from eligibility individuals whose amount calculated using the specified formula is less than \$15. Caps the weekly benefit amount under the new provision at \$500;

- would set the maximum duration for individuals eligible to receive unemployment benefits at 26 weeks for new unemployment insurance claims filed for any period beginning after November 28, 2020 (current law provides for 12 to 20 weeks based on the seasonal adjusted unemployment rate);
- would specify that total insured wages under the statute means total wages reported by employers taxable under the statute for the 12-month period ending June 30 preceding the compensation date (previously referred to total wages reported by all insured employers). Effective for taxable years beginning on or after January 1, 2022; and
- would appropriate federal funds received under the Coronavirus Response and Relief Supplemental Appropriations Act 2021, for Highway Infrastructure Programs, Enhanced Mobility of Seniors and People with Disabilities, and Grants-In-Aid for Airports to the Department of Transportation (DOT) as set forth in specified federal guidance.

Introduced by Representatives Reives, Adcock, Harris, and Lofton and referred to the House Rules Committee.

HOUSE BILL 196, 2021 COVID-19 Response & Relief, would make various modifications to Covid-19 relief legislation and provide additional appropriations for the expenditure of federal Covid-19 pandemic relief funds. The bill was filed on March 1st, and quickly made its way through the House and the Senate. These provisions include the following:

- modifies the provisions that would direct the Department of Public Instruction (DPI) to use \$1 million to contract with a third party to conduct a statewide assessment of the cybersecurity capabilities of public schools and threats posed to public schools in response to COVID-19 to: (1) deem both the assessment and the report submitted by DPI confidential and not a public record; (2) regarding the implementation of a statewide cybersecurity program, to require DPI to contact with a third-party entity, which must be a business entity with broad experience in cybersecurity services, including a history of successful contracts in this State and at least one other state and prohibit the entity from having its principal office located in China or Russia;
- requires DPI to use the specified federal funds reserved as follows:
 - \$1 million to contract with a third-party entity to conduct a statewide assessment of the cybersecurity capabilities of public schools and threats posed to public schools in response to COVID-19, with DPI reporting to specified NCGA committee chairs by June 20, 2021;
 - \$9 million to implement a statewide cybersecurity program to implement a statewide cybersecurity program in public schools, with DPI administered program components, as specified;
- increases the allocation for Golden LEAF for small business loan assistance from \$75 million to \$83 million;
- allocates \$8 million to the Department of Administration for the ReTOOLNC grant program to provide additional funds to assist state-certified, minority-owned, and women-owned businesses in their recovery.

Introduced by Representatives Faircloth, Bumgardner, K. Hall, and Strickland. The bill as amended was approved by the House and the Senate and was sent to the Governor for his signature on March 4th.

HOUSE BILL 197, NC Constitutional Carry Act, would:

- amend the statute that prohibits carrying concealed weapons to provide that the **term weapon does not include a firearm** for purposes of the statute;
- allow any person who is a citizen of the United States and who is at least 18 years old to carry a concealed handgun in this State unless provided otherwise by law (currently, the Sheriff's Department issues concealed carry permits);
- make it unlawful for a person who meets any of the specified criteria to carry a concealed handgun, including a person who is under indictment for a felony, who is an unlawful user of, or addicted to, marijuana, alcohol, or any depressant, stimulant, or narcotic drug, or any other controlled substance, or who is or has been adjudicated to be a danger to self or others due to mental illness or lack of mental capacity;
- make a violation a Class 2 misdemeanor for a first offense and a Class H felony for a second or subsequent offense;
- require a person to carry valid identification when carrying a concealed handgun and to disclose to any law enforcement officer that the person is carrying a concealed handgun when approached or addressed by the officer and display the proper identification upon the officer's request;
- make it unlawful to carry a concealed weapon into certain areas, as specified; and
- require the State to continue to make a concealed handgun permit available to any person who applies for and is eligible to receive a concealed handgun permit.

Introduced by Representatives Kidwell, Hanig, Goodwin, and Setzer and referred to the House Judiciary 3 Committee.

HOUSE BILL 200, Lifetime Concealed Handgun Permit, would make concealed carry permits valid until revoked or suspended, rather than for a period of five years from the date of issuance under current law. The bill would require permittees to notify the sheriff of the county where the person resides within 30 days of any address change and would require sheriffs to provide permittee address changes to the State Bureau of Investigation for inclusion in the statewide list of permittees. The bill also would amend the grounds for permit revocation to include that the person is no longer a State resident. **Introduced by Representatives Adams, Bumgardner, Hanig, and Willis and referred to the House Judiciary 3 Committee.**

HOUSE BILL 211, Reopen Bars and Restaurants, would authorize the following to open and operate their food and drink service for on-premises consumption notwithstanding any emergency declaration issued by the Governor or public health emergency local ordinance related to COVID-19: (1) any establishment that prepares or serves food or drink; (2) private clubs and private bars; (3) specified permitted wineries; and (4) specified permitted distilleries. The bill would set out the qualifications that must be met to operate, including that the establishment (1) was in existence on March 10, 2020, is properly licensed and permitted, and holds necessary applicable ABC permits; (2) requires daily temperature checks and completion of health questionnaires of employees and prohibits those showing symptoms from entering the establishment to work; (3) conducts frequent, routine cleanings during operation and a deep cleaning after the close of business each day; (4) if applicable, provides disposable gloves and requires masks be worn by guests and employees using a buffet-style service or self-service areas; prohibits self-serve beverages; and (5) limits the number of guests at each table to 10. These provisions would expire after any declaration of emergency prohibitions and restrictions applicable expire or are otherwise terminated to permit the establishment to open for full unrestricted service of food and drink. **Introduced by**

Representatives Moffitt, Setzer, Mills, and Zenger and referred to the House Judiciary I Committee.

HOUSE BILL 214, Grant Prog. to Reduce CV19 Vaccine Hesitancy, would direct the Department of Health and Human Services (DHHS) to establish the COVID-19 Vaccine Hesitancy Elimination Program as a competitive grant program that would award grants of up to \$10,000 to minority businesses to conduct or host public communications, health or educational initiatives, community vaccination events, social media initiatives, or other activities. The bill would appropriate \$2 million to DHHS for 2021-22 to establish and operate the program. **Introduced by Reps. Quick, K. Smith, Logan, and Pierce and referred to the House Appropriations Committee.**

HOUSE JOINT RESOLUTION 233, Application for a Convention of the States, would apply to Congress for the calling of a convention of the states limited to proposing amendments to the United States Constitution that impose fiscal restraints on the federal government, limit the power and jurisdiction of the federal government, and limit the terms of office for its officials and for members of Congress. **Introduced by Representatives Riddell, Bell, Hardister, and Saine and referred to the House Judiciary 1 Committee.**

SENATE BILL 170, Students, Parents, Community Rights Act, would permit increased access to outdoor sporting facilities as specified in public and nonpublic high schools in Alexander, Catawba, Cherokee, Clay, Cleveland, Graham, Haywood, Jackson, Lincoln, Macon, and Swain Counties. **Introduced by Senators Corbin, Alexander, and Proctor and referred to the Senate State and Local Government Committee. Since this was introduced as a local bill for these counties only, it must be approved by the House and Senate only and does not require the signature of the Governor and can avoid a possible veto.**

SENATE BILL 172, 2021 COVID-19 Response & Relief, is identical to House Bill 196, summarized above in this Legislative Report, as originally filed. **Introduced by Senators B. Jackson, Harrington, and Hise and referred to the Senate Appropriations/Base Budget Committee.**

SENATE BILL 178, Reenact Child Care Tax Credit, would reenact the credit for child care and certain employment-related expenses and provide for a tax credit for employment-related expenses incurred by a taxpayer based on the taxpayer's filing status, adjusted gross income, and qualifying dependent's status, with the applicable percentage ranging from 9% to 13%. The bill would cap the amount of employment-related expenses for which a credit can be claimed at \$3,000 for taxpayers with a household that includes one qualifying individual, and \$6,000 for taxpayers with a household that includes more than one qualifying individual. **Introduced by Senators Mohammed and Foushee and referred to the Senate Rules Committee.**

SENATE BILL 181, Reinstate Earned Income Tax Credit, would reenact the earned income tax credit and set the earned income tax credit at 5% (previously, 4.5% for taxable year 2013 and 5% for all other taxable years). **Introduced by Senators Mohammed, Foushee, and Lowe and referred to the Senate Rules Committee.**

SENATE BILL 182, Restore Educational Sales Tax Holiday, would reenact the sales and use tax holiday for school supplies. **Introduced by Senators Mohammed, Foushee, and Lowe and referred to the Senate Rules Committee.**

SENATE BILL 190, Prohibit Weapons at Voting Place, would make it a Class 1 misdemeanor for a person to possess, or carry, whether openly or concealed, any dangerous weapon (i) at a location used as a voting place, (ii) within 100 feet from the door of entrance to a location used as a voting place, or (iii) while in line to vote at a location used as a voting place, while the location is open and being used as a voting place. The prohibition would not apply to a law enforcement officer acting in discharge of the officer's official duties. **Introduced by Senators Mayfield, Fitch, and Marcus and referred to the Senate Rules Committee.**

BILL UPDATES

HOUSE BILL 110, Increase Building Permit Exemption Threshold, was amended in the House Local Government - Land Use, Planning and Development Committee to increase the threshold from \$15,000 to \$20,000, effective October 1, 2021, applicable to any construction, installation, repair, replacement, or alteration on single family residences or farm buildings occurring on or after that date (the previous edition gradually increased the cost threshold every year from 2021 through 2025, with the threshold set at \$20,000 on October 1, 2025). **The bill as amended was approved by the House Local Government Committee and will next be considered by the House Finance Committee.**

HOUSE BILL 128, Increase Access to Sporting Venues in Schools, was amended in the House Education - K-12 Committee to:

- expand the scope of the proposed requirements for attendance at sporting events at qualifying schools to make the requirements also applicable to graduation or commencement ceremonies and other outdoor activities including but not limited to drama performances, club events, and speaker series;
- amend attendance requirements to now set a permitted occupancy range for each facility with a capacity stated on the facility's certificate of occupancy in accordance with the State Building Code, limiting spectators to no less than 30% (was 25%) and no more than 50% capacity;
- add criteria for facilities that do not have an occupancy capacity under the State Building Code, to require no more than 14 spectators for every 1,000 square feet;
- require qualifying schools to comply with Interim Guidance for Administrators and Participants of Youth and Amateur Sports Programs, as it existed on February 26, 2021 (was, January 28, 2021) so long as the requirements do not conflict with the act;
- amend the definition of *spectators* to exclude graduating students at graduation or commencement ceremonies, and additionally excludes a member of the immediate household of an athlete or graduating student;
- make the act applicable at any time when the occupancy capacity of indoor or outdoor gatherings is limited to less than 50% by an executive order, secretarial order, or emergency directive and related to the COVID-19 pandemic.

The bill as amended was approved by the House Education K-12 Committee and the full House. The bill will next be considered by the Senate Rules Committee.

SENATE BILL 37, In-Person Learning Choice for Families. This bill to require all local school administrative units to provide the option of in-person instruction to students in grades kindergarten through 12 was vetoed by Governor Cooper on February 26th. In his veto, the Governor states that, “Students learn best in the classroom and I have strongly urged all schools to

open safely to in-person instruction and the vast majority of local school systems have done just that. However, Senate Bill 37 falls short in two critical areas. First, it allows students in middle and high school to go back into the classroom in violation of NC Department of Health and Human Services and CDC health guidelines. Second, it hinders local and state officials from protecting students and teachers during an emergency. As I have informed the Legislature, I would sign the bill if these two problems are fixed.” **The Senate failed to override the Governor’s veto and has sent the bill back to the Senate Rules Committee.**

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