



INTRODUCTION

Last week was exciting for North Carolina, with the huge announcement of Apple choosing North Carolina for its \$1 billion-plus East Coast campus and engineering hub. The 1-million-sq-ft. building in the Research Triangle Park will employ over 3,000 people in areas related to machine learning, artificial intelligence, software engineering, and other cutting-edge industries. The jobs are expected to have a minimum starting salary of \$133,520. Over time, the company expects the average minimum salary to be \$187,001.

State political leaders on both sides of the aisle celebrated this opportunity for the state, and the great bipartisan effort it took to seal the deal and attract such businesses to the state. Gov. Roy Cooper, Senate Leader Phil Berger, Senate Minority Leader Dan Blue, House Speaker Tim Moore and House Democratic Leader Robert Reives issued a joint statement:

“Innovation has long been North Carolina’s calling card and Apple’s decision to build this new campus in the Research Triangle showcases the importance of our state’s favorable business climate, world-class universities, our tech-ready workforce, and the welcoming and diverse communities that make so many people want to call North Carolina home. This announcement will benefit communities across our state and we are proud to work together to continue to grow our economy and bring transformational industries and good paying jobs to North Carolina.”

State lawmakers and local economists expect our new residents to attract even more people and companies to the area. Naysayers argue that the big tax incentives offered to Apple to locate here provided an unfair advantage to one of the largest, most lucrative businesses in the world. Brian Balfour, Senior Vice President of Research at the John Locke Foundation criticized the deal, saying “Imagine being a small business owner who has paid taxes in North Carolina for years hearing that one of the largest corporations on the planet will be getting a massive tax break.” So long as Apple meets its commitments, the company is expected to pay half of the taxes it would have without incentives. Supporters argue that the good outweigh the bad, and there will still be a great pay-off for the state in the deal. “When Apple creates those jobs per this agreement, it has the opportunity to get tax reimbursements of up to almost \$846 million over 39 years,”



NORTH CAROLINA SECURITY AND LOW VOLTAGE ASSOCIATION



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Cooper said. "Importantly, as a result of these accountable and transformational incentives, Apple will contribute at least \$110 million to North Carolina's Industrial Development Fund that will be available to the 80 North Carolina counties with the most need." The company will also invest \$100 million to support schools and community initiatives in the Triangle.

While Corporate America is speaking out throughout the nation on social justice matters and election laws, some wonder if our newest resident may keep the General Assembly from joining southern colleagues in pushing controversial bills for the rest of this session. In recent weeks, Republican leadership in both chambers have announced that controversial bills targeting transgender youth participating in sports, and another banning gender confirming hormone treatment for transgender people under 21 years of age will not move this session. In response to Speaker Moore's comments on the transgender sports bill, Democratic House member Representative Terence Everitt tweeted, "It appears that 'not a need to take it up at this time' is just another way of saying 'Apple'."

Gov. Cooper's State of the State Address

On Monday night, Gov. Cooper gave his third State of the State address. As you can imagine with the past year we've had, there was a lot to be covered in this year's address. In the Governor's speech, he recognized brave North Carolinians' stories over the past year, celebrated our communities' and state's resilience and strength, and expressed hope for the state's recovery and for a greater, stronger North Carolina tomorrow.

"The past year has tested every person in our state and I have been so inspired by the resilience, innovation and support for one another that North Carolinians have shown during this pandemic," said Gov. Cooper. "In tough times, the people of North Carolina step up. I'm so grateful for the efforts of people across our state and honored to recognize some amazing North Carolinians for their contributions tonight."

While the Governor recognized this state's strengths and achievements, he also acknowledged areas where we must continue to grow and improve as a state, and as a nation. Gov. Cooper said the pandemic shed light on several areas for improvement, specifically the systemic racism state residents still face. "Everyone should have opportunity, and everyone should be able to feel safe in their own homes and communities without fear of authorities who should be there to protect them," he said. He also called for greater funding of our public schools and for Medicaid expansion.

Following the Governor's address, Republican House Speaker Tim Moore responded in a pre-recorded video. "We've had a year of a health crisis and devastating job losses, political divisiveness and civil unrest," Moore said. The Speaker expressed a keen interest in using our budget surplus money to fund projects to improve our roads and increase broadband internet access. With regard to the year's civil unrest, he said Republicans were willing to invest in training for law enforcement officers but they will not defund them. "Let me be very clear, no proposal to weaken the thin blue line by defunding the police will ever be passed by this legislature," Moore said. Both state leaders expressed a great deal of hope for the future of this state.

Fourteenth Congressional Seat

The results of the once-a-decade count of residents in the country has resulted in North Carolina gaining a congressional seat. The U.S. Census Bureau announced early last week that North

Carolina will be gaining a 14th congressional seat, after gaining nearly one million residents over the past decade. Along with North Carolina, five other states have gained at least one congressional seat: Colorado, Florida, Montana, Oregon, and Texas (they added 2 seats). Seven states also lost a congressional seat: California, Illinois, Michigan, New York, Ohio, Pennsylvania, and West Virginia. This census data is used to determine how many Representatives each state will have in Congress and the number of electors a state receives for presidential elections. This data also helps federal agencies determine where to allocate grant funding for building new roads and other infrastructure projects, and assists states in creating their legislative districts. The Bureau will be releasing redistricting-related data to state legislatures in mid-August.

House Bill 605: Voters Right to Know Act

The Voters Right to Know Act passed the House with unanimous support last week, and has now been referred to the Committee on Rules and Operations in the Senate. The bipartisan bill aims to place more educational information at voting sites based on common questions asked by this state's voters. The bill would require signs to be placed at voting sites answering frequently asked questions, and a QR code that can be scanned for additional information.

Senate Bill 360: Prohibit Collusive Settlements by the AG

Senate Bill 360 passed the Senate on a party-line vote last week, 28-21. This bill would require joint approval from the Speaker of the House and the President Pro Tempore of the Senate before the Attorney General can enter into a consent judgement or settlement agreement in a dispute, claim, or controversy in which the Speaker of the House or the President Pro Tempore of the Senate have intervened or are otherwise named parties. This bill was a Republican response to the State Board of Elections settlement agreement and rule change during the 2020 election, that ultimately lengthened the number of days the Board of Elections could accept absentee ballots postmarked by Election Day to nine days after November 3rd. Republicans have held that that settlement was unlawful and changed election law, which the General Assembly has sole constitutional authority to do. This came after the General Assembly passed bipartisan election measures related to the pandemic for the election. Democrats have held that the Board of Elections acted within its authority to settle the case and to address concerns raised about delays with the U.S. Postal Service following a letter from the U.S. Postmaster General. The bill has been referred to the House Rules Committee.

This Week at the Legislature

The House has announced that they will not be holding votes until Wednesday. We can expect many committee meetings prior to their first voting session next week, with various bills moving from committees early in the week to the floor for a vote by the end of the week to meet the cross-over deadline on May 13th.

BILLS OF INTEREST

HOUSE BILL 678, Legislative Transparency Act, would require all sessions of the House and Senate and, unless specifically exempted, all official committee meetings to be (1) broadcast live by streaming video (contemporaneous audio and video content) over the internet, (2) recorded, and (3) archived in a manner that makes the video broadcast available for replay by the public. The bill includes a variety of additional provisions to: (1) prohibit a bill from receiving a second or third reading in either chamber unless the bill appeared on the published calendar emailed to NCGA members and was posted to the NCGA website at least 24 hours in advance and from being

considered in committee unless the bill appeared on the committee's agenda within at least 48 hours of the scheduled meeting; and (2) provide funding for (i) 19 full-time equivalent positions in the Program Evaluation Division and (ii) ongoing audio and video streaming of all sessions and committee meetings. **Introduced by Representatives Ager and Logan and referred to the House Rules Committee.**

HOUSE BILL 683, Prescription Drug Disposal/John's Law, would require every pharmacy that dispenses a controlled substance to a patient, at the time of dispensation, to (1) provide the patient with written informational materials on how to properly, safely, and promptly discard unused, unwanted, or expired drugs and medications and the risks of failing to properly to do; and (2) make available on-site, for purchase or at no cost to the patient, at least one consumer method for individuals to dispose of unwanted or expired prescription drugs, including over-the-counter, at-home drug disposal products or secured medication collection kiosks or boxes. **Introduced by Representative Sasser and referred to the House Health Committee.**

HOUSE BILL 686, No Gov't Retribution for Refusal of CV19 Vax, would: (1) allow an applicant for State and local government employment or a State or local government employee to file a grievance alleging that the applicant or employee was retaliated against for choosing not to take any of the coronavirus vaccines; and (2) provide that any legal resident of this or another state who chooses not to take any of the coronavirus vaccines approved for emergency use or otherwise by the United States Food and Drug Administration has the same right as an individual who chooses to take any such vaccine to the full and free use of buildings and land owned, leased, or otherwise controlled by the State of North Carolina or any of its political subdivisions, including schools, colleges, and universities. **Introduced by Representatives Johnson, Penny, Watford, and Moss and referred to the House State Government Committee.**

HOUSE BILL 696, Various Changes to Nonprofit Corporations Act, would make various changes to the North Carolina Nonprofit Corporations Act, including provisions to: modify limitations on mergers and sales of assets; require annual reports to the Secretary of State; authorize domestication; modify required number of directors; authorize certain electronic transactions except as limited by articles of incorporation or bylaws; and modify the requirement for establishing committees of the board of directors. **Introduced by Representatives Lofton, Howard, Reives, and Moffitt and referred to the House State Government Committee.**

HOUSE BILL 698, Release Body-Worn/Dashboard Camera Video, is identical to Senate Bill 510, summarized in the April 23, 2021, Legislative Report. **Introduced by Representatives Quick, Hunter, Gailliard, and Clemmons and referred to the House Rules Committee.**

HOUSE BILL 703, Breast Cancer Diagnostic Imaging Parity, would require every health benefit plan offered by an insurer in this State that provides benefits for a diagnostic examination for breast cancer to ensure that the cost-sharing requirements applicable to a diagnostic examination for breast cancer are no less favorable than the cost-sharing requirements applicable to a screening examination for breast cancer. The bill also would define "cost sharing requirements" and update definitions for various diagnostic techniques for cervical and breast cancer; and make required coverage of examinations and lab tests for screening for early detection of cervical cancer and low-dose screening mammography with the same deductible, coinsurance, and other limitations as similar covered services applicable to all health benefit plans in the State. **Introduced by**

Representatives Belk, White, Lambeth, and Carney and referred to the House Health Committee.

HOUSE BILL 706, Realigning Emergency Checks and Balances, would:

- provide for the expiration of a state of emergency declared by the Governor for which the emergency area constitutes 45 or more counties at 120 hours after issuance without a concurrence of the Council of State, or 21 days after issuance with concurrence of the Council of State;
- prohibit the Governor from issuing any further substantially similar orders declaring a state of emergency during the pendency of a state of emergency;
- require the Council of State be given 120 hours to concur or not concur, and permits remote meetings with the Governor during that time, and the Governor to document contact and responses of each member and release the response or lack of response by member name and position;
- require the General Assembly to hold a majority vote on a joint resolution whether to continue the state of emergency that contains a statewide emergency area issued by the Governor and, if determined a statewide state of emergency exists, vote to resolve that the emergency exists and issue appropriate legislation to mitigate or address the emergency: (1) upon the convening of an extra session on legislative call; or (2) if the General Assembly is in regular session at the time of such a declaration or scheduled to be in regular session within 21 days of the declaration, during regular session; and
- amend the State Constitution, if approved by a majority of the qualified voters of the State at a statewide election to be held on the same date as the general election in November of 2022, to require the General Assembly to convene in extra session upon the declaration of a statewide state of emergency by the Governor.

Introduced by Representatives Kidwell, Goodwin, Hanig, and Moss and referred to the House Judiciary I Committee.

HOUSE BILL 709, Taxpayer Protection Act, would amend the State Constitution, if approved by a majority of the qualified voters of the State at a statewide election to be held on the same date as the general election in 2022, to establish the maximum annual percentage change in State *fiscal year spending*, calculated at inflation plus the percentage change in State population in the prior calendar year, with an increase in the spending limit authorized only by two-thirds majority of each house of the General Assembly. **Introduced by Representatives Riddell, D. Hall, Paré, and Saine and referred to the House Finance Committee.**

HOUSE BILL 710, School Bus/Failure to Stop/Penalties/Evidence, would increase the minimum fines for failing to stop for properly marked school buses when stopped in certain instances as follows: for violation of the statute from \$500 to \$1,000; for willful violation of the statute and also striking any person from \$1,250 to \$2,250; and for willful violation of the statute and also striking a person that result in their death from \$2,500 to \$3,500. The bill would further establish that it is prima facie evidence that the vehicle was operated by the person in whose name the vehicle was registered at the time of the violation whenever evidence is presented in any court or administrative hearing of the fact that a vehicle was operated in violation of the statute, and would include a similar provision regarding the operation by a renter of a rented vehicle. **Introduced by Representatives Logan, Brown, and Garrison and referred to the House Transportation Committee.**

HOUSE BILL 719, Repeal Death Penalty, would repeal the death penalty and require all current prisoners sentenced to death to be resentenced to life imprisonment without the possibility of parole. **Introduced by Representatives K. Smith and Quick and referred to the House Rules Committee.**

HOUSE BILL 723, Reenact & Revise Racial Justice Act, would reenact the Racial Justice Act and prohibit the State from seeking a criminal conviction or sentence on the basis of race, ethnicity, or national origin. **Introduced by Representatives Alston, Morey, Harrison, and Autry and referred to the House Rules Committee.**

HOUSE BILL 724, Repeal Death Penalty, is identical to House Bill 719, summarized above in this Legislative Report, but also includes a series of “whereas” clauses. **Introduced by Representatives Alston, Meyer, Hawkins, and Morey and referred to the House Rules Committee.**

HOUSE BILL 743, Remove ID Mark/Increase Punishment, would increase the punishment for altering, destroying, or removing permanent personal identification marks from personal property to make it a Class 1 misdemeanor if the personal property was valued at less than \$1,000 at the time of the offense or a Class H felony if the personal property was valued at \$1,000 or more at the time of the offense. **Introduced by Representative C. Smith and referred to the House Judiciary 2 Committee.**

HOUSE BILL 748, Term Limits for Legislators, would amend the State Constitution, if approved by a majority of the qualified voters of the State at the general election in November 2022, to limit members of the General Assembly to no more than six terms of office. **Introduced by Representative Everitt and referred to the House Rules Committee.**

HOUSE BILL 751, Abolish Employment At-Will, would abolish the doctrine of at-will employment and allow an employee to be fired only for just cause. The bill would state that the General Assembly finds that every contract for employment, whether the contract is written or oral, will consist of both express and implied terms that are legal covenants between the parties to the contract, and declares that an implied covenant of good faith and fair dealing is part of every employment contract in this State, and that, therefore, it is the public policy of this State that the employment at-will doctrine is inconsistent with the implied covenant of good faith and fair dealing. **Introduced by Representative Logan and referred to the House Rules Committee.**

HOUSE BILL 757, The Police Use-of-Force Transparency Act, would require the Department of Justice, in consultation with the Criminal Justice Education and Training Standards Commission and the Sheriffs' Education and Training Standards Commission, to develop and maintain a statewide database for use by law enforcement agencies that tracks all critical incident data of law enforcement officers in North Carolina. "Critical incident" would mean an incident involving any use of force by a law enforcement officer that results in death or serious bodily injury to a person. All law enforcement agencies in the State, including, but not limited to, the State Highway Patrol, the State Bureau of Investigation, county sheriffs' offices, municipal police departments, campus police agencies, and company police agencies, would provide to the Department of Justice information requested to maintain the database and information collected would be confidential. **Introduced by Representative Szoka and referred to the House Judiciary 3 Committee.**

BILL UPDATES

HOUSE BILL 103, Automatic Renewal of Contracts, was amended in the House Rules Committee to amend the provisions regarding automatic renewal clauses in contracts to require a consumer who enters into a contract online to be allowed to cancel the contract online. **The bill as amended was approved by the House Rules Committee and the full House. The bill will next be considered by the Senate Rules Committee. The North Carolina Security and Low Voltage Association is opposed to this legislation since it continues to include a provision to require affirmative consent before renewing a contract.**

HOUSE JOINT RESOLUTION 330, Federal Authority Regarding Elections, was amended in the House Rules Committee to state that the General Assembly does not support (rather than stating legislator opposition to) any attempt by the federal government to usurp or interfere with the State's legislative authority over the management, control, and administration of elections, and federal H.R. 1 (*For the People Act of 2021*; introduced in Congress on January 4, 2021) and any subsequent enactment of the terms of this proposal and implores members of Congress to oppose the same. **The bill as amended was approved by the House Rules Committee and the full House. The bill will next be considered by the Senate Rules Committee.**

SENATE BILL 35, Max 4-Yr Age Diff to Marry Under 18 Yrs. As originally filed, the bill would have amended the lawful age to enter into marriage in this state to 18 years of age or older and eliminated the existing exceptions for persons to marry under the age of 18. The bill was amended in the Senate Judiciary Committee to instead allow a (1) person over age 16 and under age 18 or (2) person over age 14 and under age 16 to marry a person no more than four years older (previously, allowed those persons to marry with no restriction on the age of the person they married). **The bill as amended was approved by the Senate Judiciary Committee and will next be considered by the Senate Rules Committee. As you can imagine, this amendment has raised quite a bit of controversy and it is unclear if the bill will move forward.**

SENATE BILL 228, Allow Employers to Offer EPO Benefit Plans, was heard in two Senate committees where amendments were made to the bill. The latest version would:

- change the permitted conditions of coverage for services provided by a provider not contracted with the EPO but who the insured elects to continue coverage of ongoing treatment;
- in such cases, allow the provider to agree to accept the preferred provider organization rate or other rate agreed to by the provider or insurer plus applicable copayments for reimbursement in full from the insurer and the insured;
- authorize insurers to contract for an exclusive provider organization with licensed health care providers of all kinds, with contracts not disapproved by the Commissioner of Insurance within 90 days of filing deemed approved;
- void any contractual provision between an insurer offering an exclusive provider benefit plan and a health care provider that restricts the provider's right to enter into provider contracts with other persons;
- require contracts to provide all participating providers information about the insurer and the insurer's exclusive provider benefit plans;
- make the rules of the Commissioner of Insurance applicable to preferred provider organizations related to provider accessibility for the insured group, adequacy of providers,

availability of services at reasonable times, and financial solvency also applicable to exclusive provider organizations; and

- change the effective date, making the act now applicable to insurance contracts issued, renewed, or amended on or after July 1, 2021.

The bill was approved and will next be considered by the Senate Rules Committee.

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