



INTRODUCTION

Friday, July 1st marked the last full day of short session, but legislators aren't putting Raleigh in their rearview mirrors for long. According to the adjournment resolution, a "sine die" adjournment (final adjournment) isn't expected until December. In the meantime, the resolution calls for monthly "check in" sessions, as described by Speaker Moore. During these sessions, legislators will be able to take up only a limited number of issues - elections bills, litigation and emergencies, to adopt conference reports, and/or to address any vetoes from Gov. Cooper. Under the House's version of the adjournment resolution, the December session would have included a vote on a "Medicaid modernization plan." Since the Senate opposed and did not act on the House's study alternative to their Medicaid expansion and healthcare reform bill, that was excluded from the final resolution.

The General Assembly has reserved the option to return on the following dates to handle any necessary business:

- Tuesday, July 26th
- Tuesday, August 23rd
- Tuesday, September 20th
- Tuesday, October 18th
- Tuesday, November 15th
- Tuesday, December 13th

While there were some victories, this short session was largely "lukewarm," with chambers disagreeing on major, landmark, session-long issues that were ultimately set aside to get through this short session as quickly as they had originally hoped. A major disappointment was the failure to reach agreement on a healthcare package that includes Medicaid expansion. While the issue may be taken up later this year if an agreement can be reached, there was strong opposition to the Senate's omnibus plan (Nursing Independent Practice, Certificate of Need reforms and Out of Network notice provisions) by the state's medical community and the hospitals. Those groups asked for a "clean" Medicaid Expansion Bill and the House provided that option, although with a delay until December to hold the vote after the November election. Despite support to Expand Medicaid by the House and the Senate leadership and strong support from Governor Cooper, no resolution was reached before they adjourned last week. We expect that discussions/negotiations will continue on this issue with so many opportunities to come back into session and address



NORTH CAROLINA SECURITY AND LOW VOLTAGE ASSOCIATION



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Expansion which would provide a financial windfall to North Carolina.

The General Assembly did, however, agree to a budget that passed Friday and has been sent to Governor Cooper for his signature. We do not expect a veto since the budget vote was bi-partisan in both chambers, but we never say never! Below are the highlights:

2022 APPROPRIATIONS ACT

The General Assembly passed a \$27.9 billion budget, the largest in state history. This adjustment to the budget added \$900 million to the spending plan for the upcoming fiscal year than what was originally planned. The House vote was 85-27, and the Senate vote was 38-9.

Legislators started this budget process with more than \$6 billion in surplus. With that in mind, Republican leaders expressed interest in new tax cuts or accelerating the existing tax-cut plan enacted in last year's budget. However, the final budget didn't include any additional tax cuts. Instead, almost all of the surplus was put into reserves. Budget writers have explained that they wrote this budget with caution due to rising inflation and the potential for a recession. "This budget has taken reasonable steps to prepare for an economic downturn or recession, to help with rising costs, runaway inflation, supply-chain breakdowns, labor shortages, COVID uncertainties, gas prices, and other pressures," said Rep. Donny Lambeth lead House budget chairman.

The budget does include raises for state employees and teachers. State employees would receive an average 3.5% raise, with some prison and public safety workers receiving more. Teachers would receive an average 4.2% raise next year, including step increases with larger raises for newer teachers. Retirees would receive a 4% one-time cost of living bonus, as well. While this is something, it is certainly not considered enough for many state Democrats. Various Democrats critiqued the bill for having insufficient raises amid inflation, as well as insufficient funding for education. Some also argued that the budget process was unfair. Since the budget was released as an already-agreed upon conference report between Republican budget writers in the House and Senate, there were no opportunities for amendments or any changes to the budget.

This aside, there were 19 Democrats that voted in favor of the budget in the House and 13 in the Senate. It seems many Democrats figured it was better to spend some of the surplus than to not spend any of it at all, since Republican leadership had made it clear that they were willing to go home without a budget adjustment. "I promised you that if those poison pills were not abundant in this budget, then a good number of my members would vote for it," Sen. Blue told legislators. It remains to be seen what the Governor will do with this budget that does not include Medicaid expansion or what many Democrats see to be sufficient funding for a variety of areas. SEANC, the State Employees' Association, has already called on the Governor to veto the bill, saying it is not enough for state employees. The North Carolina Association of Educators has also spoken out about their funding in this budget and insufficient raises, but fell short of asking for a veto. On its original vote, the budget passed with enough Democratic support to override a veto. It is unclear if enough Democrats would stick with the Governor and change their vote if an override vote came to the floor.

You can view the budget [here](#) and committee report [here](#).

NEXT AT THE LEGISLATURE

The General Assembly will hold no-vote sessions until at least July 26th, at which time they may return to take up any vetoes from Gov. Cooper.

BILLS OF INTEREST

HOUSE BILL 1175, 2022 Speaker & PPT Appointments. This legislation appoints persons to various public offices upon the recommendation of the President Pro Tempore of the Senate and the Speaker of the House of Representatives.

- Effective July 1, 2022, Richard L. Purcell of Mecklenburg County, Rachele "Shelley" R. Wolford of Wake County, Michelle P. Logan of Pitt County, Stephen E. Griffin of Durham County and Thomas D. Luckadoo of Catawba County are appointed to the Education and Workforce Innovation Commission for a term expiring July 1, 2025.
- Effective January 1, 2023, Lorenzo "Larry" J. Mares, Jr., of Craven County and Jack A. Walder of Wake County are appointed to the Locksmith Licensing Board for a term expiring December 31, 2025.
- Effective January 1, 2023, John T. Cole of Alamance County, Sheriff B. Phil Howell of Ashe County, and Melanie A. Neal of Guilford County are appointed to the 911 Board for terms expiring December 31, 2025. Effective January 1, 2023, Greg W. Foster of Alexander County, Thaddeus B. "Thad" Southers of Forsyth County, Edward L. Kerlin of Wake County, and Kyle W. Randleman of Sampson County are appointed to the 911 Board for terms expiring December 31, 2026.
- Effective July 1, 2022, the Honorable Neville Hall of Rockingham County and William P. "Bill" Aceto of Watauga County are appointed to the State Building Commission for a term expiring June 30, 2025.
- Effective January 1, 2023, Thomas Roger West of Cherokee County and Francis X. De Luca of New Hanover County are appointed to the State Ethics Commission for a term expiring December 31, 2026.
- Effective July 1, 2022, Kevin S. Gordon of Cleveland County and H. Vernon Massengill of Caswell County are appointed to the State Fire and Rescue Commission for a term expiring June 30, 2025.
- Effective July 1, 2022, Dennis A. Hall of Alamance County is appointed to the North Carolina Home Inspector Licensure Board for a term expiring July 1, 2026.
- Effective July 1, 2022, Jeffrey T. Griffin of Cabarrus County and Harlen M. Summey, Jr., of Randolph County are appointed to the North Carolina Code Officials Qualification Board for terms expiring June 30, 2026.

Effective: July 1, 2022, except as otherwise provided.

SENATE JOINT RESOLUTION 917, Adjournment Resolution, would provide that when the House and Senate adjourn on Friday, July 15, 2022, they stand adjourned to reconvene on:

- (1) August 12, 2022, at noon until Tuesday, August 16, 2022;
- (2) September 13, 2022, at noon until Thursday, September 15, 2022;
- (3) October 11, 2022, at noon until Thursday, October 13, 2022;
- (4) November 9, 2022, at noon until Friday, November 11, 2022;
- (5) December 8, 2022, at noon until Friday, December 9, 2022; and
- (6) December 15, 2022, at noon.

During the reconvened sessions, only the following matters could be considered:

- Bills returned by the Governor with his objections under Section 22 of Article II of the North Carolina Constitution, but solely for the purpose of considering overriding of the veto upon reconsideration of the bill;
- Bills providing for the selection, appointment, or confirmation as required by law, including the filling of vacancies of positions for which the appointees were elected by the General Assembly upon recommendation of the Speaker of the House of Representatives, President of the Senate, or President Pro Tempore of the Senate;
- Bills providing for action on gubernatorial nominations or appointments;
- Bills concerning the districts for Congressional, State House, State Senate, judicial, municipal, county, and other elected officials and containing no other matters;
- Bills responding to actions related to litigation challenging the legality of legislative enactments, including litigation concerning the matters listed in subdivision (4) of this section, and containing no other matters;
- Any bills relating to election laws;
- Bills providing for impeachment pursuant to Article IV of the North Carolina Constitution or Chapter 123 of the General Statutes;
- Adoption of conference reports for bills for which conferees had been appointed by both houses on or before Friday, July 1, 2022;
- Simple resolutions addressing organizational matters of each respective house;
- A joint resolution further adjourning the 2021 Regular Session, amending a joint resolution adjourning the 2021 Regular Session, or adjourning the 2021 Regular Session, sine die.

Effective: July 1, 2022.

BILL UPDATES

HOUSE BILL 103, Automatic Renewal of Contracts. This bill was opposed by the North Carolina Security and Low Voltage Association and was approved by the House before stalling in the Senate. The Senate then moved the bill to the Rules Committee so we scrambled worried they had agreed to move the bill forward! However, they only moved it to use this bill as their “vehicle” for the budget bill this year and all of the previous language was removed from the bill. **The budget was later approved by the House and the Senate and has been sent to the Governor for his signature.**

HOUSE BILL 776, Remote Notarization/Gov't Transparency. This bill to allow a remote electronic notary to perform any notarial act by means of communication technology except (1) a self-proved will; (2) a revocable or irrevocable trust or any other document amending the same except for a certification of trust or similar document; (3) a death beneficiary form that requires an acknowledgment; (4) a codicil to a will; (5) any document related to the relinquishment of parental rights; or (6) mail-in absentee ballots was amended in Conference Committee. Among these changes, the bill would require a remote electronic notarial certificate to contain a statement in the acknowledgement, jurat, or verification certificate identifying where the remotely located principal was physically located at the time of the remote electronic notarization; and no longer explicitly require the communication technology used to make reasonable accommodations for remotely located principals with vision, hearing, or speech impairments. **The Conference Committee report was adopted by the House and Senate and has been sent to the Governor for his signature.**

HOUSE BILL 911, Regulatory Reform Act of 2022, was amended in the Conference Committee to revise the statute that voids any confession of judgment by a borrower or the execution of a power of attorney by a borrower in favor of any consumer finance licensee or in favor of any third person to confess a judgment or to appear for the borrower in any judicial proceeding by adding a new provision to specify that the subsection does not prohibit a consumer finance licensee from taking a confession of judgment from a borrower following the borrower's failure to make a payment as required under a loan contract. **The Conference Committee report was adopted by the House and Senate and has been sent to the Governor for his signature.**

SENATE BILL 346, Extended Learning for Elective Courses. The provisions of this bill were removed in the House Education K-12 Committee and replaced with new provisions that would:

- authorize local boards of education to adopt a policy authorizing students to earn elective course credit for alternative educational opportunities that take place outside of the required instructional day;
- set out criteria local board policies must follow, including establishing a process and criteria for local boards to approve alternate educational opportunities, and direct the Department of Public Instruction to provide guidance to local boards on implementing the statute, including, at a minimum, examples of (1) a process for approving alternative educational opportunities, (2) criteria for evaluating alternative educational opportunities, and (3) requirements for an approved entity to follow when providing an alternative educational opportunity;
- require each local board opting to adopt such a policy to annually report to DPI, beginning November 15, 2023, and require DPI to compile the information submitted by local boards of education and annually report on the information at the State level and by local school administrative unit to the Joint Legislative Education Oversight Committee by December 15;
- authorize local boards to adopt a policy establishing requirements for approval of alternative educational opportunities for elective course credit.

The bill was further amended on the House floor to no longer limit approval of alternative educational opportunities to those sponsored by businesses or trade associations to those located in the state and to add the requirement that the policy prohibit the local board of education from requiring an alternative educational opportunity for high school graduation. **The bill as amended was approved by the House and has been sent to the Senate Rules Committee to consider the changes made by the House.**

SENATE BILL 410, Open Meetings/Various Bd. Adj/Public Records, was amended in the House Judiciary 4 Committee to:

- specify that the term "public body," as used in statutes that regulate meetings of public bodies, includes any entity described whether established by State constitution or otherwise;
- amend the definition of *public record* to specify that the term "agency of North Carolina government or its subdivisions" includes every public body subject to public meetings laws;
- add a new requirement for the Governor to convene the Council of State whenever statutes call for the concurrence, advice, discretion, opinion, or consent of the Council of State to require Council proceedings, rather than advice and proceedings, to be entered in a journal and signed by present members;

- direct the Council to adopt rules establishing a comprehensive system of parliamentary procedure on or before October 1, 2022, including the method of introducing and considering resolutions presented by members and the posting of the journal and minutes online., and deem Mason's Manual of Legislative Procedure to apply in the absence of such adoption, effective for meetings held after October 1, 2022, and require the Governor to provide posting of all minutes and the journal online within 10 business days of each Council meeting; and
- amend membership of the 22-member Human Relations Commission of the Civil Rights Division of the Office of Administrative Hearings, to now provide for the Governor to appoint one member from each of the 14 congressional districts (was, 13 districts), and four members at large (was, five members at large).

The bill as amended was approved by the House Judiciary 4 and Rules Committee but was sent back to the House Rules Committee prior to the end of session.

SENATE BILL 493, JDIG Multilocation Projects Modifications, was amended on the House floor to provide that, if House Bill 911 becomes law, then Section 11, which specifies that the statute does not prohibit a consumer finance licensee from taking a confession of judgment from a borrower following the borrower's failure to make a payment as required under a loan contract, would be repealed. **The bill as amended was approved by the House and has been sent to the Senate Rules Committee to consider the changes made to the bill in the House.**

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