



North Carolina League of Women Voters LEGISLATIVE UPDATE

August 5, 2003

Introduction

Welcome to this session's final edition of the North Carolina League of Women Voters Legislative Update. Regular issues of the Legislative Update will begin again in May when the legislature reconvenes. The purpose of the Legislative Update is to alert members about issues that may be of interest. These issues are generally supported by LWV positions. Since we don't have our own lobbyist in Raleigh, we are passing on information provided by other groups. These groups are acknowledged in the introduction and also when their information appears.

Sources of information include: *Charlotte Observer*, *Common Sense Foundation*, *Covenant for Children*, *John Locke Foundation*, *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, some members of the legislature send us updates on the issues they are working on.

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BILLS

1. End of Session

From the North Carolina Council of Churches and North Carolina Covenant for Children:

The 2003 session of the General Assembly, which began with a weeklong stalemate on the selection of a House speaker, ended in stalemate when the House adjourned, leaving the Senate no choice but to do likewise. At the end of the Senate session Senator Basnight took the microphone and gave an embittered and emotional speech in which he lamented, "We just lost a big opportunity; a wonderful opportunity to have a positive effect for people in this state. I hope you have a jolly summer."

The final sticking points between the House and Senate had been a highway maintenance bill and a new cancer center for Chapel Hill. When Senate President Pro Tem Marc Basnight got the roads bill amended to require the establishment of a new free ferry in his district, the House refused to go along. The requirement was dropped, and the \$700 million highway maintenance bill passed.

Deadlock over the cancer center was not resolved. No one seems to object to the idea of the cancer center or the need for the cancer center. One major sticking point though is where the money would come from. The Senate wanted to proceed with construction and approve the issuance of \$180 million in special indebtedness that would be paid off by money from the Health and Wellness Trust Fund. The House was only willing to authorize \$2.5 million in planning expenses. When negotiators were unable to reach agreement, the House adjourned. A short time later, at the end of a long and unusual Sunday session, the Senate followed suit.

Bills not adopted

Several routine end-of-session bills were NOT adopted. Among these were:

* **The Studies Bill**- usually a bill authorizing or even mandating a host of studies during the interim between sessions,

* **The Technical Corrections Bill**- it usually contains truly technical changes: misspellings, typographical errors, erroneous references to statutes, etc. This year, it was filled with lots of substantive measures, including the \$180 million cancer center,

* **The Appointments Bill**- it includes appointments to state boards and commissions made by the Speakers of the House and President Pro Tem of the Senate. The Governor will have the power to select replacements for those with expired terms and to fill vacancies, but he must do so from names given to him by the Speakers and the President Pro Tem.

Economic Security

Editorial from The N.C. Covenant for Children:

The majority of safety net programs went unchanged in this year's budget and legislative debate. Legislators eliminated the Farmer's Market program which allowed participant in the Women, Infants and Children (WIC) nutrition program to use vouchers at Farmer's Markets to buy fresh, locally grown foods, but other hunger and nutrition programs were not changed. SB 439-OMNIBUS ESC CHANGES became law and will improve North Carolina's Unemployment Insurance program. This bill will allow workers to collect unemployment benefits when they must leave work due to domestic violence, to care for a family health crisis or because their spouse must relocate for another job or military assignment. In addition, it will allow unemployed part-time workers to look for part-time work while collecting unemployment benefits – previous law required they look for full-time work to get benefits. This bill will help more unemployed workers get the unemployment benefits they need in order to make ends meet.

2. Taxes

From the North Carolina Council of Churches:

H 1241, ESC Surtax Delay

Under current law, employers must pay a 20% surtax on their unemployment insurance premiums if the state's unemployment fund drops below \$163 million. Although the state's unemployment fund is far below \$163 million, virtually empty in fact, members of the business community don't want to pay additional unemployment taxes. So the General Assembly passed H 1241, which suspends the imposition of the 20% surtax. The bill awaits the Governor's signature.

This financial situation was created, at least in part, by unfortunate tax cuts in the '90's. Between 1992 and 1999, when unemployment was low, the state's business community thought there was too much money collecting in the Unemployment Trust Fund. So the General Assembly cut the unemployment tax rate six times.

3. Election Reform

S 760, Local Campaign Finance Options, has been passed by the Senate and is in the House Election Laws Committee.

4. Environment

From the North Carolina Conservation Network:

Want to sign up for renewable power? Providers are offering customers a new way to support renewable energy programs. Customers of Duke Power and most other N.C. utilities can now sign up for "green" power. Please see the link below:

<<http://www.charlotte.com/mld/charlotte/news/6399931.htm>>

5. Healthcare Reform

From the NC Justice and Community Development Center:

Most major cuts were avoided this year with the one exception of health coverage for very low-income families who have just entered the workforce (transitional Medicaid coverage). Their coverage was reduced from 24 months to 12 months. NC Health Choice was funded adequately and provider reimbursement rates were kept at state health plan levels.

Legislators refused to raise any new revenue, staying away even from the cigarette tax despite strong public and interest group support. Major service cuts did not happen this year because of the one-time infusion to NC of around \$500 million from the federal government as part of the emergency aid package for all states.

6. Women's Issues

S 919, Homicide Prevention Act/Domestic Violence, has been ratified and awaits the Governor's signature.

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7. 2004 Short Session

From the N.C. Council of Churches:

Under the terms of the adjournment resolution, the General Assembly will reconvene on May 10, 2004, for its short session. Only certain matters can be considered, the most important of them being:

- bills affecting the 2004-05 state budget.
- bills introduced this year, passed by one house and not defeated in the other house.
- bills recommended by study commissions and other similar groups.
- non-controversial local bills.
- constitutional amendments.

Any new matters not fitting these categories could be taken up only if approved by two-thirds of each house.

The adjournment resolution also calls for a special session of the Senate starting on September 15 and dealing only with economic development and with medical malpractice. Since the House won't be in session, it's hard to tell exactly what the Senate will be able to accomplish.

Redistricting. The General Assembly will also have to return to Raleigh to adopt a new redistricting plan. Last session, the Democratic-controlled General Assembly adopted a redistricting plan. It was challenged in the courts by Republicans. A state court judge sided with the challengers and imposed his own new districts, which were more favorable to Republican candidates. But the judge made clear that his districts were an emergency measure, just for the 2002 elections. This year, Democratic leaders in the General Assembly appealed to the state Supreme Court, asking it to re-instate the first redistricting plan. Recently that Court voted 4-1, along party lines, to reject the appeal. So legislators will have to return sometime before the 2004 election cycle begins and draw new district lines.

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