



NORTH CAROLINA BURGLAR AND FIRE ALARM ASSOCIATION

LEGISLATIVE REPORT

MARCH 31, 2009

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INTRODUCTION

After much anticipation and speculation, the Governor released her budget proposal to the General Assembly. Although there were hints that the budget would make substantial changes in how agencies worked and would stop funding to programs that were not working, the budget did not include a lot of surprises or cuts. Funding was eliminated for 20 programs, but they typically were smaller programs and there were no major shifts in government services or funding. We have provided a brief review of the Governor's budget at the end of this legislative update. We only go over the highlights of the proposal as we expect it to drastically change as both the House and Senate respond with their own versions of a two year spending plan in the next several months.

While most of the discussion in the press and at the Legislature has to do with the budget and the loss of revenue that the state is experiencing, many other issues are being discussed and many bills are being filed. The Senate bill filing deadline was extended to Thursday, March 26th to give the bill drafting office time to finish all of the requests from legislators. Over the last two weeks alone, over 740 bills have been filed in the House and Senate at the General Assembly and the total for the session is at almost 2,000 bills. This legislative report includes most of the legislation filed before the bill drafting deadline in the Senate; however, we will report on some of those bills in the next report. The House deadline is not until April 8th so we expect another surge of bills to be filed in the next two weeks.

LICENSES FOR FIRE ALARM CONTRACTING

SENATE BILL 856, Require License for Fire Alarm Contracting, would require all fire alarm contractors to be licensed by the North Carolina State Board of Examiners of Electrical and Fire Alarm Contractors. The bill sets out the composition, duties, and authority of the Board. Fire alarm contracting would be defined as engaging or offering to engage in the business of installing, maintaining, altering, or repairing any fire alarm. "Fire alarm" would be defined as a system or portion of a combination system that consists of components and circuits arranged to monitor and annunciate the status of fire alarm or supervisory signal initiating devices and to initiate the proper response to those signals. In each separate place of business operated by a fire alarm contractor, at least one listed qualified individual would be required to be regularly on active duty and to have the specific duty and authority to supervise and direct all fire alarm work done or made by the business. In addition, every person, partnership, firm, or corporation engaging in the business of fire alarm contracting would be required to display a current certificate of licenses in its principal place



of business and in each branch place of business which it operates Applicants for certification would be required to be least 18 years of age and to demonstrate to the satisfaction of the Board their good character and adequate technical and practical knowledge concerning the safe and proper installation of fire alarms. The examination would include, but not be limited to, the appropriate provisions of the North Carolina Fire Prevention Code, and the chapters of the National Electrical Code related to fire alarm installation, testing, and maintenance, as adopted by the North Carolina Department of Insurance. The Board would also require licensees to take up to 10 hours of continuing education courses each year. **Introduced by Senator Vaughan and referred to the Senate Commerce Committee.**

If you would like a copy of any of the legislation introduced or considered by this year's General Assembly, you may receive one copy of as many bills as you are interested in, free of charge, by calling the General Assembly's Printed Bills office at 919/733-5648. They will need to know if it is a House bill or Senate bill and the bill number. (For example, Senate Bill 8). Copies are also available on the General Assembly's World Wide Web site: <http://www.ncleg.net>.

BILLS OF INTEREST

HOUSE BILL 678, Make UM/UIIM Insurance Optional Again, would allow a person to reject coverage for uninsured and underinsured motorists when purchasing a motor vehicle bodily injury liability insurance policy. **Introduced by Representative Allen and referred to the House Insurance Committee.**

HOUSE BILL 686, Modernize Do Not Call Notice Procedures, would expand the methods used to notify telephone subscribers regarding their ability to object to receiving telephone solicitations to include bill inserts, bill messages, or direct mailings, including e-mail when affirmatively selected by the customer. **Introduced by Representative Tucker and referred to the House Public Utilities Committee.**

HOUSE BILL 715, Advertisement of Corporate/LLC Dissolution, would require a dissolved for-profit corporation, nonprofit corporation, or limited liability company seeking protection from unknown claimants to publish notice of its dissolution in a newspaper of general circulation in any county where the dissolved corporation or LLC conducted business during the 5 years prior to filing its articles of dissolution. Currently, the notice must be published in the county where the principal or registered office was located. **Introduced by Representative Allen and referred to the House Commerce, Small Business, and Entrepreneurship Committee.**



HOUSE BILL 730, Increase Corp. Tax Rate Parity B/W States, would reduce the state income tax rate for C Corporations to 6.9% before 2010 and to 6.5% after 2010. **Introduced by Representatives Starnes and Blust and referred to the House Finance Committee.**

SENATE BILL 625, No Deceptive Advertising/Business Location, would expand the prohibition on misrepresenting geographical location by businesses that supply perishable products to include prohibiting misrepresentation in any other part of the business listing including a telephone directory, other directory assistance database, on the internet, or in any other part of an advertisement. **Introduced by Senator Boseman and referred to the Senate Commerce Committee.**

SENATE BILL 641, Litter Reduction Act of 2009, would reduce roadside and other littering and encourage recycling by requiring a deposit on beverage containers and requiring redemption centers to accept returned beverage containers and refund the deposits. **Introduced by Senator Doug Berger and referred to the Senate Commerce Committee.**

SENATE BILL 685, Reduce Corporate Income Tax Rate, would reduce the state income tax rate for C corporations to 5.9% in 2009, 4.9% in 2010, 3.9% in 2011 through 2018, and 5.9% in and after 2019. **Introduced by Senator East and referred to the Senate Finance Committee.**

SENATE BILL 709, Home Improvement Fraud, would create the offense of home improvement fraud, which would be committed when a contractor knowingly engages in any of the following: (1) uses any deception, false pretense, or false promise to cause any person to enter into a contract for home improvements or (2) damage any property of any person with the intent to induce that person to enter into a contract for home improvements. A violation would be a Class H felony for a first offense, a Class F felony for a second offense, and a Class C felony for a third or subsequent offense. The court could also order a person convicted to pay restitution. **Introduced by Senator Allran and referred to the Senate Judiciary II Committee.**

SENATE BILL 749, Revise UM/UIM Liability Coverage Requirements, would require a person who has a motor vehicle liability insurance policy to purchase minimum uninsured and underinsured motorist coverage equal to \$30,000 because of bodily injury to or the death of one person in any one accident and \$60,000 for bodily injury to or the death of two or more persons in any one accident. The insured would be required to purchase underinsured motorist coverage in an amount equal to the uninsured motorist coverage purchased. Vehicles not covered by a personal auto policy would not be required to be covered by uninsured or underinsured motorist coverage. **Introduced by Senator Clodfelter and referred to the Senate Commerce Committee.**



SENATE BILL 768, Increase Earned Income Tax Credit, would increase the earned income tax credit from 5% to 6.5%. **Introduced by Senator Kinnaird and referred to the Senate Finance Committee.**

SENATE BILL 786, University Non-Appropriated Capital Projects, would allow the use of non-appropriated funds for residence hall fire suppression sprinkler system installations at Elizabeth State University (\$1.1 million) and the University of North Carolina at Chapel Hill (\$7.2 million). **Introduced by Senator Stevens and referred to the Senate Finance Committee.**

SENATE BILL 811, Fuel Rationing Authority for Governor, would authorize the Governor to establish a system for rationing, price freezing, or other controls over fuel during a state of emergency, a state of disaster, or the finding of abnormal market disruption with respect to fuel. **Introduced by Senator McKissick and referred to the Senate Commerce Committee.**

SENATE BILL 849, Repeal Motor Vehicle Safety Inspections, would repeal the requirement that motor vehicles registered in North Carolina have an annual safety inspection and would require the Division of Motor Vehicles to develop and implement a management improvement plan for Motor Vehicles Emissions Inspection program. **Introduced by Senator Albertson and referred to the Senate Commerce Committee.**

GOVERNOR'S BUDGET PROPOSAL

The Governor's budget proposal had to deal with an expected \$3.4 billion shortfall in revenues. The Governor is using an increase in cigarette taxes (\$1 per pack) and alcohol (5%) to add \$508 million and is using federal stimulus money to fill in other gaps. The Governor also used what she is calling "truth in budgeting" which provides only a percentage of salaries to the various agencies instead of the 100% funding which results in "lapsed" salaries that agencies use for other things at the end of the budget year. Additionally, over twenty programs were cut entirely from the budget and other programs were reduced. Here is a sampling:

- Require \$25 co-pay for emergency visits for Medicaid
- Reduce Telecommunication Service Charges (SBI)
- Sentencing Services Program
- NC Legal Education Assistance Program (LEAF)
- Close 2 regional offices of the Council for Women
- Young Offenders Forest Conservation Program
- Camp Woodson Wilderness Camp
- Closing six minimum security prisons and a prison hospital
- Close 25 adult beds at Broughton and Cherry Hospitals
- Reduction of 7% to Mediation Centers



The Senate is currently putting their budget proposal together and we expect to see different priorities and reductions. The Senate proposal will then go to the House where they will make their own proposal with their priorities. We will provide a more detailed summary of the Senate and House budget proposals.

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