



NORTH CAROLINA BURGLAR AND FIRE ALARM ASSOCIATION

LEGISLATIVE REPORT

MAY 24, 2007

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INTRODUCTION

Just when you think that things could not get more hectic at the General Assembly, the pace picked up with activities prior to the crossover deadline. The past two weeks have been on a frenzied pace of activity as both the House and the Senate rushed to complete bills and pass them through their chambers before the bill crossover deadline today, Thursday, May 24th. All bills that have been approved by the Senate are now eligible for consideration in the House and all bills that have been approved by the House are now eligible for consideration in the Senate. However, bills that have not passed either the Senate or the House and are not finance or appropriations bills are technically ineligible for further consideration. As always though, there are a variety of ways and methods to keep legislation alive by way of amendments to other bills or adding fees and appropriations to bills. It will be a little easier now, though, to keep track of legislation since there is a smaller pool of bills to follow.

At the same time during this two-week frenzy, the Senate was working on its budget proposal since it received the House's approved version of the budget. We have reported on the House budget provisions in this report by giving a short summary of the money requested and the reason for the request. Once the Senate budget is released, we will report on the differences between the House and Senate versions. The House and Senate are still hopeful that they will be able to complete the budget by the June 30th deadline.

The State Board of Elections held their hearing regarding Representative Thomas Wright, however, he did not testify. There was surprising testimony from the investigator not only regarding Representative Wright's campaign reports, but also some loan documents that it appears were obtained through fraud. House Speaker Joe Hackney called for Representative Wright's resignation and also submitted his case to the Legislative Ethics Committee. Representative Wright has made statements that he has no intention of stepping down or resigning his position and will continue to serve in the House. Although there is some question about whether the House has the ability to remove him from office, there does seem to be a consensus that the House can set up requirements for its members and therefore should also be able to establish requirements for removal from office. It will be interesting to see what action the House democrats take against one of their own members in light of the other scandals that have occurred in the state.



This report does not include all activities from this current crossover week and we will report on those activities in the next report. We hope you all have a wonderful Memorial Day weekend.

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 1895, Tax on Heavy Equipment Rental Agreements, would authorize counties and cities to levy a tax of up to 0.75% on gross receipts from heavy equipment rentals by businesses who rent construction, mining, forestry, commercial, and industrial equipment. The business would be required to specify the tax rate in each rental agreement. **Introduced by Representative Saunders and referred to the House Commerce, Small Business, and Entrepreneurship Committee.**

HOUSE BILL 1897, Health Care for All Planning Commission, would establish the North Carolina Health Care for All Planning Commission and would provide over \$100,000 in each of the next two years to fund the Commission. The Commission would conduct a comprehensive review of North Carolina's current health care system and would develop and recommend to the General Assembly a Health Care for All Plan that would ensure that all North Carolinians have access to regular, affordable, and appropriate health care by the year 2012. **Introduced by Representative Insko and referred to the House Ways and Mean Committee.**

HOUSE BILL 1957, The School Construction Bond Act of 2007, would authorize the State Treasurer to issue \$3 billion in revenue bonds that would be secured by the net revenue of the state lottery. The bill would also require that lottery net revenue be used only for two purposes, repaying the bonds and school construction. Current law provides for distributions of the net revenue of the lottery for four purposes: class size reduction; pre-kindergarten programs, college and university scholarships; and school construction. **Introduced by Representative Dollar and referred to the House Rules Committee.**

HOUSE BILL 2047, Adjust Highway Use Tax by MPG Groupings, would impose a variable highway use tax of 2% to 4% for new motor vehicles based upon the miles-per-gallon rating of the vehicle as established by the Corporate Average Fuel Economy (CAFE) standards. **Introduced by Representatives Luebke and Harrison and referred to the House Transportation Committee.**



BILL UPDATES

HOUSE BILL 257, Streamlined Sales Tax Changes. This bill was modified in the House Finance Committee to change the rules regarding the tax consequences of bundling services depending on whether the bundle includes services or whether the price of the taxable products in the bundle is no more than 50% of the price of the bundle. **The bill as amended was approved by the House Finance Committee and the full House and will next be considered by the Senate Finance Committee.**

NORTH CAROLINA BIENNIUM BUDGET 2007/2008

North Carolina drafts a two-year budget every odd-numbered year during the long session of the General Assembly. The short session, in every even-numbered year, is used to make budget adjustments as necessary depending on income and expenses for the State. The procedure is as follows: the Governor makes his proposal after receiving information from his various departments (e.g. The Department of Commerce) regarding the spending needs and revenue expectations for each agency. This proposal is provided to either the House or Senate, who take turns making the first draft proposal. The other chamber then makes a budget proposal and a conference committee is formed to work out the differences between the two versions. Both chambers must approve the same budget, then the Governor must then sign the budget into law.

This year the House began the budget process in the legislature with House Bill 1473, and made a variety of adjustments, deletions, and additions to the proposal provided by the Governor. The House has recently completed and approved its version of the budget. The Senate is now working on its version of the budget and will make a variety of changes to the House proposal. The Governor, the North Carolina House of Representatives, and the North Carolina Senate each have their own priorities and ideas about how State government should work and how best to spend the State's money. Final negotiations will take several weeks with a goal of completing the budget by June 30th. Below we have summarized the highlights of the House budgetary provisions that are of interest to your Association.

Private Protection Services and Alarms Systems Licensing Boards Pay for Use of State Facilities and Services. The House-approved budget would require the Private Protective Services and Alarm Systems Licensing Boards to pay the appropriate state agency for the use of physical facilities and services provided to those boards by the state.

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