



LEGISLATIVE REPORT

NORTH CAROLINA BURGLAR AND FIRE ALARM ASSOCIATION

JULY 7, 2006

INTRODUCTION

The final version of the North Carolina State Budget for 2006-2007 was negotiated between the House and the Senate last week. Although they missed their deadline of having the Budget approved before the end of the fiscal year, they did at least reach a tentative agreement before July 1st. The Legislators then took a long weekend for the July 4th holiday and voted on Wednesday and Thursday of this week to approve the Conference Report between the House and the Senate. The Conference Report is the negotiated agreement between the House and Senate versions that will become the final Budget. The Budget now goes to Governor Easley for his signature and since he has already expressed support for many of the provisions in the budget, we expect the Budget to be signed into law.

The House and Senate will now wind down its business and most observers expect the Session to be completed by the third week of July. There is usually a lot of tension between the House and Senate during this time of year, with each chamber trying to finish their priorities and leave by a certain date. Most of the time, including this year, those priorities are different. The battle this year will be whether to include some of the issues that were removed from the Budget, including the minimum wage increase, the landfill moratorium, and other policy questions. Additional issues that remain are the package of lobbying, campaign and ethics reforms, sex offender registration changes, ID theft provisions and a variety of economic development and environmental issues.

This is always a dangerous time of year for lobbyists and other stakeholders at the General Assembly. This is the time of year that bills will be changed completely and will be run through Committees and on the floor of the House and Senate in a day or two, with no chance for input or debate about the merits of the bill. Although lobbyists usually can talk to sponsors of bills regarding the provisions in their legislation, with this expedited schedule it is difficult to effect any change in legislation. We expect legislators to work long hours in the next two weeks to complete all unresolved issues for the year.

BILL UPDATES

HOUSE BILL 1827, General Contractor Licensing Exceptions/Clearing/Vehicle Values (NEW). This bill was modified in the House Transportation Committee to add two new controversial sections to the bill. The first provision would allow billboard owners to remove a larger portion of trees from the public right of way to open access to viewing of their billboards. The second provision would reduce the property tax value for motor vehicles from market value to wholesale value. Many local governments have complained that this change in the definition of value would decrease their tax revenue substantially. **The bill, as amended, was approved by the House Transportation Committee and will next be considered by the House Finance Committee.**



SENATE BILL 774, Seat Belt Use Enhancements. This bill was modified to make it clear that commercial vehicles are also required to use seat belts and would require seat belts to be used in the back seat of passenger vehicles. Law enforcement agencies would issue only warnings for violations from December 1, 2006 to June 30, 2007 and could issue citations for violations after June 30, 2007. The bill was further modified on the House floor to reduce the fine from \$75 to \$10 and to prohibit law enforcement from stopping a vehicle solely on the basis of the failure to wear a seatbelt in the back seat. **The original bill was approved by the Senate last year and the bill as recently amended was approved by the full House. The bill will next be returned to the Senate to consider the changes made by the House.**

SENATE BILL 847, Enact Vehicle Protection Product Act (NEW). This bill was completely replaced in the Senate Commerce Committee to a bill that would require those who warrant vehicle protection products to register with the Department of Insurance and follow a variety of regulations. A vehicle protection product would be defined as a device, system or service that is: (1) installed on or applied to a vehicle; (2) is designed to prevent loss to damage from a vehicle from a specific cause; and (3) includes a written warranty. Vehicle protection products include alarm systems, body part marking products, steering locks, window etch products, peddle and ignition locks, fuel and ignition kill switches, and electronic, radio and satellite tracking devices. The bill specifically provides that providers of service agreements for motor vehicles are not subject to the requirements in the bill. We have sent the language of this bill to the North Carolina Burglar & Fire Alarm Association for their review and comment. **The bill, as amended, was approved by the Senate Commerce Committee and will next be considered by the Senate Finance Committee.**

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