



NORTH CAROLINA BURGLAR AND FIRE ALARM ASSOCIATION

LEGISLATIVE REPORT

JUNE 3, 2008

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INTRODUCTION

As promised, legislators are moving quickly to take care of their business during the short session. The House has already completed its budget proposal and is expected to discuss and approve it this week. The Senate's goal is to take two weeks to draft and approve its budget proposal, and then the House and Senate will have almost two weeks to resolve any differences. Since there is very little money to go around, both the House and the Senate seem confident that they will be able to resolve their differences and approve the budget by the June 30th deadline. The atmosphere at the General Assembly is very intense as committee meetings for new bills as well as the budget process are underway in earnest and there has been no slow startup period as is usually the case. Everyone seems intent on getting business completed and closing down the session as soon as possible. Even the most hardened and skeptical lobbyists and legislative staff believe that the session might actually adjourn in mid-July or earlier.

Although this is the short session and new legislation is limited to bills affecting the budget, study commission bills, local bills, and a few other very distinct categories, both the House and the Senate have broken their previous records and have filed over 1,400 bills this year and a total of 4,962 bills during the two-year session. The bill filing deadlines passed on May 28, 2008 and no further legislation should be filed except for a handful of resolutions and bills to disapprove rules. This report includes all the bills that were filed during the week of May 19th through May 23rd and the next report will summarize the rest of the legislation. After those reports summarizing the new legislation filed, the reports will then cover specific legislation as it moves through the process and give you information regarding any amendments or changes to the legislation.

An interesting issue to watch during the legislative session will be the Governor's waning influence on the budgetary process. In the past, the Governor had great influence on matters that were or were not included in the budget as he would threaten to veto the budget bill. However, this year is the Governor's last year in office and it has been speculated that the House and Senate will both pursue their own interests over the Governor's proposals. In addition, the Governor has suffered some recent political setbacks and it will be interesting to see how much or how little influence he has over the final budget as it is approved by the House and the Senate. It will also be interesting to see whether the Governor will actually veto any proposed budget if it does not have items he believes are important, including a 7% pay raise for teachers to bring them up to the national average or funding for his educational programs.



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 2205, Increase State Fire Protection Grant Funds. This bill would provide \$5 million to the State Fire Protection Grant Fund for additional compensation to local fire districts and municipalities that provide local fire protection to state-owned buildings. **Introduced by Representative Insko and referred to the House Appropriations Committee.**

HOUSE BILL 2229, Health Insurance Pool Pilot Program. This bill would establish a health insurance pilot demonstration project in Buncombe and surrounding counties to create a model for affordable, employer-based health insurance which would reduce the number of uninsureds and reduce the cost of health insurance. The program would accept all small employers and their employees into the pool and would also provide a tax credit for small employers who provide at least 50% of the health insurance premium for their employees. **Introduced by Representatives Goforth, Rapp, Fisher, and Thomas and referred to the House Insurance Committee.**

HOUSE BILL 2296, Fire Protection Funds for UNC Pembroke. This bill would provide \$200,000 to the Pembroke Rural Fire Department to ensure adequate services to UNC-Pembroke and to purchase additional equipment needed to make their aerial fire truck fully operational. **Introduced by Representative Sutton and referred to the House Appropriations Committee.**

HOUSE BILL 2335, Extend Small Business Health Benefits Credit. This bill would extend the credit provided to small businesses for providing employee health benefits from January 1, 2009 to January 1, 2014. **Introduced by Representatives Weiss, Luebke, Wainwright, and Gibson and referred to the House Finance Committee.**

HOUSE BILL 2416, Internal Revenue Code Update. This bill incorporates into North Carolina's tax law the provisions of three federal acts: Economic Stimulus Act of 2008; Mortgage Forgiveness Debt Relief Act of 2007; and Small Business and Work Opportunity Tax Act of 2007. **Introduced by Representatives Luebke, Wainwright, Weiss, and Gibson and referred to the House Finance Committee.**



HOUSE BILL 2476, Property Tax Modifications. This bill would require counties to reappraise real property for property tax purposes every four years instead of every eight years. **Introduced by Representatives Brubaker and Hill and referred to the House Finance Committee.**

HOUSE BILL 2500, Electronics Recycling Amendments/Add TVs. This bill would clarify that the computer equipment recycling requirements enacted in 2007 apply only to computer equipment discarded by consumers in North Carolina. Televisions discarded by North Carolina consumers would be added to the equipment that must be recovered for reuse or recycling. **Introduced by Representatives Allen, Gibson, and Samuelson and referred to the House Environment and Natural Resources Committee.**

HOUSE BILL 2504, Limit Impervious Pavement in Parking Lots. This bill would repeal the legislation passed in 2007 which imposed limits on the amount of impervious surface for parking areas. This bill would enact a new statute to: (1) define key terms, including development, impervious surface, and vehicular surface area; (2) limit to 80% the amount of impervious surface in a vehicular surface area of any development that disturbs more than 1 acre of land; and (3) prohibit cities and counties from issuing building permits to any development that does not meet that standard. **Introduced by Representatives Allen and Gibson and referred to the House Appropriations Committee.**

HOUSE BILL 2512, Economic Incentives Disclosure and Compact. This bill would require businesses seeking development incentives to disclose the location, nature, and value of all other incentives the business has sought in other jurisdictions. The state would also be authorized to work with other interested parties (states) to develop a model agreement to limit the use of incentives. **Introduced by Representative Gibson and referred to the House Finance Committee.**

HOUSE BILL 2514, Lower Tax Rate for Certain Corporations. This bill would reduce the corporate income tax rate from 6.9% to 5% of the taxpayer's state net income if the taxpayer has at least as many full-time employees at the end of the fiscal year as at the beginning of the fiscal year and at least 60% of the income is from doing business within the state. **Introduced by Representative Boylan and referred to the House Finance Committee.**

HOUSE BILL 2521, FSU Funds/Fire Training Tower. This bill is identical to Senate Bill 1663, summarized below in this legislative report. **Introduced by Representatives Dickson and Lucas and referred to the House Appropriations Committee.**



HOUSE BILL 2527, Recycle Plastic Bags. This bill would require retailers who own or control more than 10,000 square feet of retail space in the state and provide customers with plastic bags for carrying purchased items to implement a plastic bag collection program for recycling, provide a clearly marked receptacle for collecting plastic bags, and arrange for the pickup, transport, and recycling of the plastic bags collected. **Introduced by Representatives Harrison and Martin and referred to the House Environment and Natural Resources Committee.**

HOUSE BILL 2550, Small Business Health Benefits Credit. This bill would increase the dollar amount of the tax credit for any small business that provides health insurance benefits for its employees from \$250 to \$500 per eligible employee whose total wages or salary received from the business does not exceed \$40,000. The bill would also extend the sunset on the tax credit to January 1, 2014. **Introduced by Representative Holliman and referred to the House Commerce, Small Business, and Entrepreneurship Committee.**

SENATE BILL 1663, FSU Funds/Fire Training Tower. This bill would provide \$750,000 to construct a fire training tower for Fayetteville State University's fire science program. **Introduced by Senator Rand and referred to the Senate Appropriations Committee.**

SENATE BILL 1675, Disapprove Building Council Fire Code Rule. This bill would disapprove the administrative rule governing Group A-2 sprinklers as adopted by the North Carolina Building Code Council and approved by the Rules Review Commission. **Introduced by Senator Purcell and referred to the Senate Commerce, Small Business, and Entrepreneurship Committee.**

SENATE BILL 1714, Improve Consumer Credit Reporting LRC. This bill would authorize the Legislative Research Commission to study consumer credit reporting practices, including why small businesses or credit reporting entities are not included in consumer credit reports or histories. **Introduced by Senator Clodfelter and referred to the Senate Rules Committee.**

SENATE BILL 1769, Energy Efficiency Sales Tax Holiday. This bill would provide for a sales tax holiday from the third Monday in April through the following Sunday on certain Energy Star qualified products with a sales price of \$6,000 or less. The sales tax would not apply to items sold for use in trade or business, items subject to the school supply tax holiday, or rentals. **Introduced by Senator Snow and referred to the Senate Finance Committee.**

SENATE BILL 1817, Motor Fuels Tax Holiday. This bill would establish a motor fuels tax holiday on fuels supplied or imported between July 1 and August 31 each summer until July 1, 2010. **Introduced by Senator Forrester and referred to the Senate Finance Committee.**

Colleen Kochanek is an attorney at Smith Moore LLP and is legislative counsel for the North Carolina Burglar and Fire Alarm Association. She can be reached at 919.755.8700 or at colleen.kochanek@smithmoorelaw.com. The Legislative Report is a publication of Smith Moore and may not be copied without prior written permission.



SENATE BILL 1870, *Authorize Presidential Primary in February*. This bill would authorize the General Assembly to consider a bill to move the presidential primary to February. **Introduced by Senator Brock and referred to the Senate Rules Committee.**

SENATE BILL 1878, *Property Tax Modification*. This bill is identical to House Bill 2476, summarized above in this legislative report. **Introduced by Senator Clodfelter and referred to the Senate Finance Committee.**

SENATE BILL 1926, *Electronics Recycling Amendments/Add TVs*. This bill is identical to House Bill 2500, summarized above in this legislative report. **Introduced by Senator Cowell and referred to the Senate Finance Committee.**

SENATE BILL 1944, *Energy Efficiency Sales Tax Holiday*. This bill would provide a sales tax holiday on specified Energy Star qualified products during the sales and use tax holiday on the first Friday in August through the following Sunday. **Introduced by Senator Hartsell and referred to the Senate Finance Committee.**

SENATE BILL 1951, *Repeal County Land Transfer Tax*. This bill would repeal the authorization given to counties in 2007 to levy a land transfer tax of up to fourth-tenths percent if approved by the voters of the county. To date, no counties have levied the tax. **Introduced by Senator Hoyle and referred to the Senate Finance Committee.**

SENATE BILL 1952, *Business Tax Protection Act*. This bill would waive penalties and reduce sales tax assessments for small businesses that meet certain requirements that show they have tried to follow tax laws in good faith. The bill would also release retailers from liability if they rely on erroneous verbal advice from the Department of Revenue in response to a verbal request for advice if the taxpayer reasonably relied on the advice and the penalty or assessment was not a result of the taxpayer's failure to provide adequate or accurate information. **Introduced by Senator Hoyle and referred to the Senate Finance Committee.**

— Colleen Kochanek
NCBFAA Legislative Counsel
Smith Moore LLP
colleen.kochanek@smithmoorelaw.com
www.smithmoorelaw.com