



NORTH CAROLINA BURGLAR AND FIRE ALARM ASSOCIATION

**Weekly Legislative Report
February 25, 2005**

INTRODUCTION

This week the Governor presented his budget to the Joint Appropriations Committee for the House and Senate. As expected the budget included an increase in the cigarette tax to \$.45 cents and also prioritized education funding. The Governor's budget recommends continuing the temporary half cents sales tax, but would discontinue the temporary income tax bracket for higher income earners. Both the House and Senate Appropriations Committees will review the Governor's budget and then will make changes to the budget based on their own priorities. We will provide a summary of the Governor's budget proposals that are of interest to your Association in next week's legislative report.

The budget release has caused everyone to kick into high gear as work has picked up quickly around the General Assembly. Committees are now meeting and we expect the pace to increase as we near the bill filing deadlines in March and April.

The House and Senate both approved a package for Western North Carolina for Hurricane Relief. Legislators from the western part of the state have been working tirelessly to push this bill forward to provide needed funding for those affected by the flooding. Although the Governor had already set aside some funds, both the House and the Senate approved a much larger package that would use the Governor's funds but also take more money from the "rainy day" fund, which is a fund set aside by the state for emergencies and other statewide problems. Although the Governor's office said publicly that they felt like the funding approved by the House and Senate was too large, he is expected to sign the bill into law. It would be very difficult for him to veto a bill that is providing assistance for those who suffered from a natural disaster.

The House and Senate adjourned on Thursday and will reconvene next Monday evening.

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

SENATE BILL 172, Corporate Income Tax Exemption, would give small businesses who are C Corporations an income tax exemption based upon their net income. Corporations earning less than \$100,000 would have an exemption of \$25,000 and a corporation with income of \$100,000 to \$200,000 would have an exemption of \$12,500. Companies earning more income than \$200,000 would receive no exemption. **Introduced by Senator Smith and referred to the Senate Finance Committee.**

SENATE BILL 193, North Carolina Bridge and Toll Road Authority, would authorize the North Carolina Toll Road and Bridge Authority to levy tolls to expand or maintain any North/South Interstate that does not pass through a North Carolina city with a population greater than 250,000. The toll could not exceed \$10 and could only be collected at the Virginia and South Carolina borders. **Introduced by Senator Shaw and referred to the Senate Finance Committee.**

HOUSE BILL 318, Permanent House Rules, would adopt the rules of the House for the 2005-2006 session. The bill provides the rules and procedures that legislators must follow to file bills, argue bills and sets up committees. The bill also establishes the bill filing deadlines for the House as follows:

	<u>To Bill Drafting</u>	<u>Filed with clerk</u>
Local bills	March 22	March 30
Public bills (not requiring Appropriations or Finance)	April 13	April 20
Public bills (requiring Appropriations or Finance)	May 4	May 11

The bill also establishes a crossover deadline of May 19th. **Introduced by Representative Culpepper and referred to the House Rules Committee. This bill has already been adopted by the House and the rules are now in effect for this session.**

HOUSE BILL 330, Living Wage Act, would raise the minimum wage from the current rate of \$5.15 per hour to \$6.15 per hour and then to \$7.15 per hour on Labor Day, 2006 and to \$8.50 per hour on Labor Day, 2007. **Introduced by Representatives Adams and Farmer-Butterfield and referred to the House Commerce Committee.**

HOUSE BILL 352, Small Business Tax Exemption. This bill is substantially similar to Senate Bill 172 as summarized above in this week's report, except that the exemption would be \$20,000 for corporations with less than \$100,000 of net income and \$12,000 for corporations with \$100,000 to \$200,000 of net income. **Introduced by Representative Holloway and referred to the House Finance Committee.**

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