

ECNC Semi-Monthly Update, June 1, 2007

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House members were still recuperating this week as the Senate quickly passed a budget that even made the minority party members happy. The \$20,000,000,000 budget was 270 pages long and had fewer than 90 minutes of debate. Republican members liked the Senate budget because it spends \$226 million less than the House, eliminated the “temporary” sales and income tax increases from 2001, and capped the gasoline tax at 29.9 cents per gallon. If passed by the House, it will be a budget to brag about in campaign ads.

Other budget items of interest to the business community include:

- **One North Carolina Fund** - \$14,000,000 to offer economic development incentive grants
- **SBIR/STTR** - \$5,000,0000 incentive program grants
- **Manufacturers Energy Tax Credit** - \$0

May 23rd was the crossover deadline for bills that did not affect the General Fund budget. The House and Senate calendars were packed as committee chairman pushed legislation through as quickly as possible to keep bills alive for further consideration. With this deadline behind and the Senate budget complete, the legislature will now concentrate on a conference report for vastly different budgets and the fewer bills that are now eligible.

Bills With Action

H 973. MENTAL HEALTH EQUITABLE COVERAGE passed 2nd and 3rd readings in the House and has been referred to the Senate Healthcare Committee. There are two committee substitutes that the House adopted after the original version of the bill. This bill would mandate that certain mental health benefits be added to small business health insurance plans. Business and health insurance organizations have opposed the bill because it will increase the cost of health insurance to small businesses.

H1623 Worker's Comp/Medical Diagnostic Testing passed 2nd and 3rd readings in the House and has been referred to Senate Commerce. The House committee substitute makes the following changes to 1st edition. Modifies proposed amendment to GS 97-26 to require that the physician selecting a health care and diagnostic services center to analyze and administer any diagnostic tests that are authorized by the physician must comply with GS Chapter 90, Article 28 (self-referrals by health care providers).

H1719 Health Insurance Pilot/Chambers received a favorable report on a committee substitute from House Commerce. The bill has been referred to the House Rules Committee. The old version of the bill established a pilot project. The new committee substitute establishes the ten-member Joint Legislative Commission on Group Health Insurance for Chambers of Commerce to study, in consultation with the Commissioner of Insurance, whether allowing trade associations to purchase group health insurance will result in more affordable health insurance coverage for small employers. The commission must recommend to the General Assembly a design for a pilot project allowing selected chambers of commerce to purchase health insurance beyond what is allowed under current law.

Provides for the appointment of cochairs, calling of meetings, and commission staff. The commission is required to report the study results to the 2008 Regular Session of the 2007 General Assembly upon its convening. The commission terminates at the earlier of the filing of its final report or upon the convening of the 2008 regular session. Effective July 1, 2007.

S 301 Expunge DWI Civil Revocation passed 2nd and 3rd readings in the Senate and has been referred to House Judiciary I.

S1117 Civil Trial Exhibits passed 2nd and 3rd readings in the Senate and has been referred to House Judiciary III.

S 1271. Firefighter/Payroll Deductions passed 2nd and 3rd readings in the Senate and has been referred to House Personnel. The Senate committee substitute makes the following changes to 3rd edition. Modifies proposed GS 153A -92.1 and proposed GS 160A-162.1 as follows: (1) changes the definition of *employee* to a county officer or employee paid by the county; (2) defines *employer* as any county or political subdivision of the state, removing the separate definitions of *employer or public safety employer* and *employer or law enforcement employer*; (3) requires an employer to make a payroll deduction upon the request of the employee for the membership dues of an employee organization or association that has at least 2,000 members statewide, including at least 500 law enforcement officers; (4) requires the authorization for the deduction to be in a signed writing; and (5) removes the requirement for written authorization each time there is an increase in the amount of the membership dues deduction.

H1473 2007 Appropriations Act passed 2nd and 3rd readings in the Senate and is awaiting a vote to concur or not concur in the House this Monday night.