

Legislative Update, June 17, 2016

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With negotiations on the budget bill ([HB 1030](#)) still continuing outside the public view, this week the General Assembly focused on other issues.

Tax Proposals; Services Tax Clarifications and New Market Jobs Act

The House Finance Committee rolled out its counter-proposal to the Senate's proposed tax revisions. These proposals are set out in a proposed committee substitute to [HB 994](#). Among other things, the House proposal would make various clarifications to the sales tax on repair, maintenance and installation services adopted last session (while, unlike the Senate proposal, not significantly expanding the base of taxpayers) and would implement a 25% state tax credit that piggybacks on the federal New Market Jobs Act, which targets loans for business in low-income communities.

NC-SC Border

The General Assembly approved a bill ([SB 575](#)) resolving a border dispute with South Carolina. Among other things, it addresses issues such as taxes and education related to people who believed they lived in one state but are in the other. The bill now goes to Governor Pat McCrory for his signature. South Carolina Governor Nikki Haley has already signed it.

Occupational Licensing Boards

The House passed a bill ([HB 1007](#)) to respond to a U.S. Supreme Court decision, [N.C. Board of Dental Examiners v. Federal Trade Commission](#). Among other things, it would add new financial reporting requirements for licensing boards and require boards to adopt rules related to complaints and disciplinary actions. It now goes to the Senate for consideration.

Online Legal Documents

A bill ([HB 436](#)) to end a long dispute between the N.C. State Bar and Legal Zoom passed the Legislature this week. It redefines "practice of law" by exempting services that provide blank legal documents, such as wills, leases, and promissory notes that people can fill out online, purchase, and print. These services must register with the State Bar

every year and each type of document must be reviewed and approved by a licensed North Carolina attorney before going online. It must also include a disclaimer that the online documents are not a substitute for seeking legal advice and any customer satisfaction disputes must be referred to the State Bar.

Income Tax Amendment

A bill ([SB 817](#)) that would amend the State's Constitution to lower the maximum income tax from 10% to 5.5% was discussed this week in the Senate. While the State income tax rate is already set at 5.499% for 2017, this proposal, if approved, could prevent the Legislature from raising income tax rates in the future.

Math Courses

After a spirited debate in the Senate, members passed a bill ([HB 657](#)) requiring K-12 schools to offer two tracks of high school math, one that integrates topics and another that separates algebra and geometry into different courses. The bill reflects a debate that has stretched over a period of years related to North Carolina's use of the Common Core standards. Its future in the House is uncertain.

Wind Farms and Flight Corridor Maps

A plan to prohibit wind energy projects in certain areas as determined by a map that depicts military training paths passed the Senate Committee on Ag & Environment this week and will be considered by the full Senate next week ([HB 763](#)).

Boating While Impaired

The Legislature has passed a bill ([HB 958](#)) that would make it a felony offense if an impaired boater kills or seriously injures someone. The bill was filed in reaction to the death of Sheyenne Marshall, who was killed last year by an impaired boater.

For more information, please contact the Government Affairs Team, linked below.