

North Carolina Legislative Update, July 1, 2016

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It is a busy week at the General Assembly as legislators are pushing through the final days of the 2016 short session. The legislature is expected to adjourn for the year either late today or tomorrow. The remaining items include the House giving final approval to the budget conference report, and a myriad of other bills.

Among the issues addressed thus far this week:

Budget Highlights ([H1030](#)):

This bill adjusts the second year of the biennium budget with a total spend of \$22.3B, which is a slight increase from FY 2016. Some key items in the bill are:

Teacher Raises– Average teacher pay will be raised to \$50,150 per year. The average increase for a K-12 teacher will be 4.7%.

State Employee Raises– A 1.5% raise is provided for employees in addition to a 0.5% one-time bonus. Certain employees will also be eligible for a 1% in merit-based pay raise and state retirees will receive a one-time bonus of 1.6%.

Tax changes–It increases the standard deduction over a two-year period to \$17,500 and makes other changes related to the privilege tax paid on equipment purchases. It also clarifies the 2015 sales tax expansion related to repair, maintenance and installation of tangible personal property.

Mental Health– It appropriates \$18 million of the \$52 million proceeds from the sale of the Dorothea Dix property to fund new and expanded inpatient mental health facilities in rural and underserved areas.

Body Camera Recordings ([H972](#))

This bill, which is headed to the Governor for his signature, details a process in which a person can obtain video or audio recordings from a police body or dashboard camera, although the recordings are not considered a public record. The bill also directs local health departments to establish needle and syringe exchange programs, an initiative that is believed by

some to help reduce the occurrences of HIV and other diseases commonly spread by the use of dirty needles.

Achievement School Districts ([H1080](#))

This bill, which has passed both houses, creates an Achievement School District pilot program with supporters arguing that it will assist students in failing schools. The program will hand over five of the state's lowest performing schools to private sector charter school companies that will not be subject to oversight from local school boards.

Constitutional Amendments ([H3](#))

The Senate passed a proposal Tuesday to add three constitutional amendments to November's ballot. The first amendment proposed by the bill relates to eminent domain and would restrict the government's ability to take property only for "public use," require payment of "just compensation" for it, and provide a right to a jury trial in all condemnation cases. The second amendment would cap the state's income tax rate at 5.5% and would require that future lawmakers deposit 2% of the budget annually into the emergency reserve fund until the balance reaches 12.5% of the annual budget. The third amendment indicates that North Carolinians have a constitutional right "to hunt, fish and harvest wildlife." It is uncertain whether the House will consider the bill before adjournment.

DOT omnibus bill and MAP Act ([H959](#))

This bill contains a number of provisions proposed by the Department of Transportation and has passed both chambers. One notable addition to the bill addresses an issue decided in a recent North Carolina Supreme Court case deciding that the state must reimburse property owners whose property rights were violated by the state's MAP Act.

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