

North Carolina Legislative Update, May 12, 2017

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Work at the Legislature picked back up this week as the Senate unveiled and passed its 2017–2019 budget proposal.

Senate Budget ([S257](#))

The Senate passed its version of the budget bill early Friday morning. The bill spends \$22.9 billion in fiscal year 2018. It includes pay increases for teachers and State employees (an averaged 3.7 percent and the greater of 1.5 percent or \$750 respectively) increased funding for transportation construction and Hurricane Matthew recovery, and additional deposits into the Savings Reserve.

The budget proposal reflects the Senate's priority of implementing further tax reform. The reductions, estimated to total \$1 billion over two years, include additional reductions in the personal and corporate income tax rates. The proposal would also raise the standard deduction.

The Senate budget also contains a number of policy-oriented provisions. These include a moratorium on wind farm projects, raising the age of individuals tried as adults from 16 to 18, and phasing out, by 2025, the State's current health facility certificate of need system.

The House will begin work on the budget next week and is expected to make a number of changes. After the House passes the bill, the two chambers will seek to resolve their differences in a conference committee prior to presenting it to Governor Cooper. Key Legislators have announced a goal of enacting a budget bill by June 15, prior the end of the State's fiscal year on June 30.

Veto Override ([H467](#))

Both chambers voted to override Governor Cooper's veto of legislation that limits monetary damages in civil nuisance lawsuits against farming and forestry operations filed by neighboring residents. This veto was the fourth to be overridden this session.

Raise the Age ([H280](#))

The House Judiciary I committee this week approved a bill that will raise the age at which individuals are tried as adults.

Current law allows 16- and 17-year old offenders to be tried as adults, which makes North Carolina the only state with this practice. A similar provision was included in the budget bill passed by the Senate this week. During the House Appropriations committee hearing, chair and bill sponsor Representative Chuck McGrady (R-Henderson) noted that the policy change will be costly due in part to the need for additional new juvenile custody beds. He also noted that eventual reductions in recidivism will save the State dollars in the long run.

For more information, contact the Brooks Pierce Government Affairs team, linked below.