

1

The General Assembly

The 2007 General Assembly convened on January 24 and adjourned on August 2. The session was one of the shorter long sessions, which is remarkable considering the high number of bills introduced and enacted. This chapter provides an overview of the 2007 session, including the organization of each house, major legislation enacted, and unfinished business.

Overview

The 2007 long session was a record-breaking session. More bills were filed in 2007 than in any year since 1987, when 3,723 bills were filed. The 3,645 bills introduced in 2007 is a 22 percent increase over the 2,984 introduced in 2005, and the 551 laws enacted this year is a 19 percent increase over the 463 enacted in the 2005 long session. Despite the large increase in the number of bills to consider, the General Assembly concluded its business a full month earlier than it did in 2005.

Legislators returned to Raleigh for two days in September for reconvened and extra sessions to address Governor Easley's veto of House Bill 1761, the Job Maintenance and Capital Development Fund.

The House of Representatives

The November 2006 election resulted in the election of sixty-eight Democrats and fifty-two Republicans to the House of Representatives, increasing the Democrats' majority by five members beyond the majority in the 2005 General Assembly. Joe Hackney was elected Speaker of the House, ending James Black's four-term reign as Speaker.

The demographics of the 2007 House can be broken down as follows:¹

- Thirty-seven women, five more than in 2005
- Eighty-three men
- Twenty African Americans, one more than in 2005

1. These statistics reflect House membership as of the end of the 2007 session and take into account the resignation or death of any members and the appointment of replacement members.

- One Native American
- One person of Hispanic ancestry

The House membership underwent many changes as the year progressed. Representative Howard Hunter died in January and was replaced by Annie W. Mobley, and Representative Ed Jones resigned to take a Senate seat and was replaced by Angela R. Bryant. Perhaps the most well-known change was the resignation of Jim Black in February and the appointment of Tricia Ann Cotham, the youngest member of the General Assembly, to fill the vacancy. Finally, Ken R. Furr was appointed on August 15, after the session adjourned, to replace David Almond, who resigned in July after media reports that a complaint was filed against him by a legislative employee.

Table 1-1 lists the 2007 House officers.

Table 1-1. Officers of the 2007 House of Representatives

Joe Hackney, Chatham, Moore, and Orange counties, Speaker
William L. Wainwright, Craven and Lenoir counties, Speaker Pro Tempore
Hugh Holliman, Davidson County, Democratic Leader
Paul Stam, Wake County, Republican Leader
Larry M. Bell, Sampson and Wayne counties, Jean Farmer-Butterfield, Edgecombe and Wilson counties, Deborah K. Ross, Wake County, and Larry D. Hall, Durham County, Democratic Whips
Bill McGee, Forsyth County, Republican Whip
Denise Weeks, Principal Clerk
Robert L. Samuels, Sergeant-at-Arms

The Senate

The November 2006 election also increased the majority held by the Democrats in the Senate. The 2007 Senate was made up of thirty-one Democrats, two more than in 2005, and nineteen Republicans. The demographics of the 2007 Senate can be broken down as follows:²

- Seven women, the same as in 2005
- Forty-three men
- Eight African Americans, one more than in 2005

The 2007 session saw the death of two senators. Senator Robert Lee Holloman died in January and was replaced by former Representative Ed Jones. Senator Jeanne Hopkins Lucas, the state's first female African-American senator, died in March and was replaced by Floyd B. McKissick Jr.

The 2007 Senate officers and leadership are largely unchanged from the 2005 session and are shown in Table 1-2.

Table 1-2. 2007 Senate Officers and Leadership

Beverly Perdue, Lieutenant Governor, President
Marc Basnight, Dare, Beaufort, Camden, Currituck, Hyde, Pasquotank, Tyrell, and Washington counties, President Pro Tempore
Charlie Smith Dannelly, Mecklenburg County, Deputy President Pro Tempore
Tony Rand, Bladen and Cumberland counties, Majority Leader
Phil Berger, Guilford and Rockingham counties, Minority Leader
Tom Apodaca, Buncombe, Henderson, and Polk counties, Deputy Minority Leader
Katie G. Dorsett, Guilford County, Majority Whip
Jerry W. Tillman, Montgomery and Randolph counties, Minority Whip
R. C. Soles Jr., Brunswick, Columbus, and Pender counties, Chair, Democratic Caucus

2. These statistics reflect Senate membership as of the end of the 2007 session and take into account the resignation or death of any members and the appointment of replacement members.

Charles W. Albertson, Duplin, Lenoir, and Sampson counties, Secretary, Democratic Caucus
Phil Berger, Guilford and Rockingham counties, Republican Leader
Tom Apodaca, Buncombe, Henderson, and Polk counties, Deputy Republican Leader
Jean Preston, Carteret, Craven, and Pamlico counties, Chair, Republican Policy Committee
Janet Pruitt, Principal Clerk
Cecil Goins, Sergeant-at-Arms

Statistical Comparison

Table 1-3 compares the 2007 session with other odd-year sessions of the past ten years. The 3,645 bills introduced is 22 percent higher than the 2005 total of 2,984 and 53 percent higher than the 2003 total of 2,368.

Table 1-3. Statistical Comparisons of Recent Odd-Year Sessions

	1997	1999	2001	2003	2005	2007 ^a
Date convened	Jan. 29	Jan. 27	Jan. 24	Jan. 29	Jan. 26	Jan. 24
Date adjourned	Aug. 28	Jul. 21	Dec. 6	Jul. 20	Sept. 2	Aug. 2
Senate legislative days	123	101	173	102	126	111
House legislative days	123	103	179	102	125	113
Senate bills introduced	1,089	1,175	1,109	1,028	1,184	1,573
House bills introduced	1,245	1,489	1,478	1,340	1,800	2,072
Total bills introduced	2,334	2,664	2,587	2,368	2,984	3,645
Session Laws Enacted	528	462	519	433	463	551
Vetoes	0	0	0	2	2	1
Joint resolutions ratified	33	22	36	32	58	68
Simple resolutions adopted	11	24	10	19	26	7
Total measures passed	572	508	565	484	547	626
Percentage of measures passed	24.5%	19.0%	21.8%	20.4%	18.3%	17.2%

^aThese numbers do not reflect activities occurring during the 2007 reconvened session or 2007 extra session.

Major Legislation Enacted in 2007

The 2007 General Assembly enacted a number of significant pieces of legislation, a few of which are listed below.

Contempt by Juveniles

S.L. 2007-168 (H 1479) amends Chapter 5A and Chapter 7B to address how judges may handle juveniles who disrupt court or engage in other conduct for which an adult would be held in contempt. A further discussion of contempt by juveniles can be found in Chapter 4, "Children and Juvenile Law."

Energy

A number of bills were enacted by the General Assembly in 2007 aimed at achieving greater energy efficiency. The most comprehensive and controversial piece of legislation was S.L. 2007-397 (S 3), which established a renewable energy and energy efficiency portfolio

standard. By the year 2012, electric utilities in North Carolina are required to derive 3 percent of their retail sales from renewable energy resources and energy efficiency measures; that percentage is phased up, rising to 12.5 percent by the year 2021. Electric membership corporations and municipalities also start at a 3 percent requirement in 2012, but their standard is capped at only 10 percent in 2018 and beyond. The legislation allows power producers to recover their costs for renewable energy investments and energy efficiency measures from their rate base through an annual rider on electric bills. It also allows electric utilities to begin recovering the cost of construction of new coal and nuclear fueled power plants before they are completed and put online. More information on this and other energy efficiency legislation can be found in Chapter 12, "Environment and Natural Resources."

Eyewitness Identification and Interrogation Reform

Two important pieces of criminal procedure legislation were enacted this year. First, S.L. 2007-421 (H 1625), creates the Eyewitness Identification Reform Act. The act requires state and local law enforcement officers to follow specific procedures when conducting lineups. The second, S.L. 2007-434 (H 1626), enacts a new article, "Electronic Recording of Interrogations," requiring interrogations to be electronically recorded in certain cases. More information about these acts can be found in Chapter 7, "Criminal Law and Procedure."

High Risk Pool

S.L. 2007-532 (H 265) establishes the North Carolina Health Insurance Risk Pool, a new nonprofit entity that makes health insurance available to and relatively affordable for individuals who are considered "high risks" by other insurers, such as individuals with certain diagnoses, medical conditions, or risk factors. A discussion of the new high risk insurance pool can be found in Chapter 14, "Health."

Highway Funding from Local Governments

S.L. 2007-428 (S 1513) encourages counties and municipalities to help cover the costs of major highway construction by authorizing counties to participate in the cost of construction and improvement of roads on the state system and to make improvements to portions of the state system. Municipalities are also allowed to elect to use Powell Bill funds for a project on the Transportation Improvement Program list. Further discussion of this legislation can be found in Chapter 5, "Community Planning, Land Development, and Related Topics."

Legal Expense Funds

S.L. 2007-349 (H 1737) enacts a new Article regulating legal expense funds. An individual in public office or seeking public office in North Carolina is required to create a legal expense fund if the individual is given a contribution by someone other than a spouse, parent, or sibling to fund an existing or potential legal action taken by or against the individual in his or her official capacity. Further discussion of this legislation can be found in Chapter 9, "Elections."

Local Option Taxes

A provision in the budget, S.L. 2007-323 (H 1473), authorizes county boards of commissioners to levy a land transfer tax of up to 0.4 percent or an additional one-quarter cent sales and use tax, subject to approval by the voters of the county. Counties may adopt one but not both of the new taxes. The county would retain the entire amount of the tax and may use it for any lawful purpose.

Sixteen counties sought voter approval for a transfer tax on their November 2007 ballots, and all sixteen measures failed by a wide margin. Voters also rejected the proposed sales tax in eleven

of the sixteen counties that proposed it in 2007. Other counties are considering whether to seek approval for the new taxes in future years. A discussion of the local option taxes can be found in Chapter 18, “Local Taxes and Tax Collection.”

Medicaid

One of the most controversial issues of the session was how to relieve counties of their share of Medicaid costs. The issue was resolved as a part of the budget, S.L. 2007-323, by creating a comprehensive Medicaid relief package in which the state incrementally assumes the full county Medicaid share and provides counties additional revenue-raising options in exchange for a portion of the counties’ sales tax revenue. A more thorough discussion of Medicaid relief can be found in Chapter 16, “Local Finance.”

Mental Health

S.L. 2007-268 (H 973) amends G.S. Chapter 58 to require health insurers to offer benefits for the care and treatment of mental illness that are no less favorable than benefits for physical illness generally. More information on this legislation can be found in Chapter 19, “Mental Health.”

Forfeiture of Pensions for Corruption or Fraud

S.L. 2007-179 (S 659) requires elected officials convicted of state or federal felonies related to corruption or election law fraud to forfeit their pensions. The offense must have been committed while the individual was serving in the applicable office and the conduct on which the offense is based must be directly related to the individual’s service. For discussion of this legislation, see Chapter 13, “Ethics and Lobbying.”

Formal Bid Limits for Public Construction Contracts

S.L. 2007-446 (H 73) increases the formal bidding threshold for construction or repair contracts from \$300,000 to \$500,000. This change affects when informal bidding procedures apply to construction and repair work as well as when advertisement and sealed bids requirements apply to contracts. Discussion of this legislation can be found in Chapter 23, “Public Purchasing and Contracting.”

Public Financing of Campaigns

S.L. 2007-540 (H 1517) enacts the Voter-Owned Elections Act. The act creates the North Carolina Voter-Owned Elections Fund to provide public financing for campaign costs incurred by candidates for State Auditor, Superintendent of Public Instruction, and Commissioner of Insurance. More information can be found about the act in Chapter 9, “Elections.”

Same Day Voting Registration

S.L. 2007-253 (H 91) allows a person who is qualified to register to vote to register and vote at the same time at county “early voting” one-stop absentee voting sites. Same-day registration and voting is limited to the early voting period. A discussion of this legislation can be found in Chapter 9, “Elections.”

Smoking

In 2006 smoking was prohibited in all legislative buildings. In 2007 the General Assembly considered several bills to expand the smoking ban. Some efforts to regulate smoking failed, but several pieces of legislation were approved by the General Assembly. Legislators gave approval to

S.L. 2007-193 (H 24), prohibiting smoking in state government buildings and allowing local governments to regulate smoking in local government buildings. Additional legislation regulated smoking at elementary and secondary schools and on UNC's grounds and in its facilities. S.L. 2007-459 (H 1294) prohibits smoking in long-term care facilities and requires licensed home care agencies to prohibit their employees from smoking in patients' homes. A more thorough discussion of the smoking bans considered by the General Assembly this year can be found in Chapter 14, "Health."

Solid Waste Disposal

In 2006 the General Assembly approved a moratorium on new landfills. With the moratorium expiring on August 1, 2007, the General Assembly revisited the solid waste disposal issue in the hotly debated S.L. 2007-550 (S 1492). Generally, the act makes changes in (1) technical requirements that must be met by new landfills, (2) siting considerations for new landfills, (3) processes for permitting new landfills, (4) fees for solid waste disposal, and (5) other aspects of solid waste handling. A detailed discussion of this legislation can be found in Chapter 12, "Environment and Natural Resources."

Speeding

In the spring of 2007, *The News & Observer* published a series examining the treatment of individuals ticketed for speeding, which found that a very low percentage of drivers were convicted as charged. S.L. 2007-380 (S 925) responded by providing that a violation of the statute requiring motor vehicles to be equipped with a working speedometer is not a lesser-included offense of charges of speeding in excess of 25 mph over the posted speed limit. The legislation also provides that a driver charged with speeding more than 25 mph over the posted speed limit is ineligible for a disposition of prayer for judgment continued. Further discussion can be found in Chapter 21, "Motor Vehicles."

Tax Relief for Elderly or Disabled Homeowners

S.L. 2007-497 (H 1499) provides expanded property tax relief for elderly or disabled homeowners by creating a property tax exclusion for a permanent residence that is owned and occupied by a North Carolina resident whose income is less than the income eligibility limit and who is at least sixty-five years old or is totally and permanently disabled. The amount excluded from taxation is increased beginning in the 2008-09 tax year to the greater of 50 percent of the value of the residence or \$25,000. S.L. 2007-1499 also creates a new property tax "circuit breaker" benefit for elderly or disabled homeowners. This new benefit will be available for a permanent residence owned and occupied for at least five years by a North Carolina resident who is at least sixty-five years old or is totally and permanently disabled with income less than 150 percent of the income eligibility limit. Further information on this legislation can be found in Chapter 18, "Local Taxes and Tax Collection."

Unfinished Business

With the large number of bills introduced this session, there were many that were not enacted during the 2007 session. While some bills made it through at least one house, there were also high profile issues that saw very little action.

Studies

As in 2003 and 2005, the omnibus studies bill was not passed, although numerous studies were authorized in individual pieces of legislation. The bill remains eligible for consideration in 2008. Because the study bill was not enacted to authorize issues to be studied before the short session, the Legislative Research Commission or the leadership of the House or Senate may establish committees and decide the issues to be studied.

Death Penalty

Although several pieces of legislation were introduced concerning the death penalty, these bills saw very little movement during the session. As in 2003 and 2005, legislation was introduced calling for a moratorium and study of the death penalty. The issue became even more controversial in January when the North Carolina Medical Board adopted the position that any physician engaging in any physical or verbal activity during an execution was subject to discipline for violating medical ethics. The state's last execution occurred in August 2006; the medical board's position effectively created a death penalty moratorium, as no physicians were willing to attend executions as required by G.S. 15-190. In March the Department of Corrections sued the medical board arguing that the medical board's position and threat of punishment made it impossible to find doctors willing to participate in executions. In October the Wake County district court ruled against the medical board, declaring that the medical board was trumped by the statute and stating that the intent of the legislation was for doctors to attend executions and provide medical assessments. The court further found that executions were beyond the medical board's reach because executions are not a medical event or procedure. S.L. 2007-346 amended several laws relating to the practice of medicine, including defining the practice of medicine, but failed to address the overall issue. The medical board is currently appealing the district court's decision.

House Bill 1691 would have suspended executions for two years while reforms were considered. House Bill 1526 would have amended the aggravating circumstances for capital cases and required a case to be declared noncapital if the court did not find substantial evidence of first-degree murder or of an aggravating circumstance at a hearing conducted before the pretrial conference. As the session progressed, both bills were amended in committee to also require a study of the costs of the state's current death penalty system and the potential savings from making more cost-effective decisions about whether a first-degree murder case may be tried as a capital case. Despite being discussed in the House Judiciary I Committee, neither of these bills made it to the floor for a vote. House Bill 341 would require the North Carolina Supreme Court, when conducting the required proportionality review for a death sentence, to consider factually similar cases in which the defendant was sentenced to life in prison in addition to capital cases in which the death penalty was imposed. This bill passed the House and is eligible for consideration during the 2008 session.

Dorothea Dix Hospital

The future of the Dorothea Dix Psychiatric Hospital Campus in Raleigh has been the subject of controversy in recent years. House Bill 1644 and Senate Bill 1541 both provide that if the state ceases to use the hospital for the provision of mental health services, the General Assembly must examine the possibility of creating a park on the campus that is to be financed with local public revenues and private contributions. Each bill also provides for the renovation of buildings on the campus and states that the intended uses provided for in the bill must continue to support mental health services. Each bill passed its respective house and is eligible for consideration in 2008.

Transportation

Senate Bill 1352 would provide gap funding for projects authorized by the Turnpike Authority, by requiring an annual appropriation of \$20 million from the General Fund to the

Turnpike Authority. Instead of the appropriation, an earlier version of the bill proposed an \$8 increase in the registration fees for private vehicles and property-hauling vehicles, with the additional fees being credited to the Turnpike Authority to be used to provide debt service on bonds issued for Authority projects. The version of the bill with the appropriation passed second and third reading in the House and was not taken up again by the Senate.

After the session adjourned, the media reported that some legislators felt a special session was needed to examine transportation funding issues. Instead of seeking a special session, Senate President Pro Tempore Basnight and House Speaker Hackney formed the 24-member 21st Century Transportation Committee. The committee is charged with studying a number of issues over the next year, including improving the transportation system, traditional and nontraditional transportation financing methods, mass transit, fuel and energy conservation, and the use of innovative technology as applied to the transportation system. The committee must submit a final report to the General Assembly by December 31, 2008.

Navy Outlying Landing Field

For many years, environmental advocates, citizens of eastern North Carolina, and others have been fighting the Navy's efforts to build an outlying landing field (OLF) in Washington County near the Pocosin Lakes National Wildlife Refuge. House Bill 1906 is a joint resolution urging the Navy to find a location other than Washington, Beaufort, or Perquimans County for the OLF and urging the state's congressional delegation to withhold funding for the proposed OLF in Washington County until a more suitable location is found. The resolution was passed by the House and is eligible for consideration during the 2008 session.

School Bullying

One of the bills receiving the most public attention and resulting in some interesting debates was House Bill 1366, the School Violence Prevention Act, which would enact a new Article 29B, "School Violence Prevention," in G.S. Chapter 115C. The new article would prohibit bullying and harassing behavior, impose an affirmative duty to report instances of bullying and harassing, and prohibit retaliation against individuals reporting the behavior. Schools would also be directed to implement strategies for school violence prevention. Much of the controversy centered around how to define bullying and harassing behavior. The bill is in its fifth edition; each chamber passed a different version of the bill, and it is now back in the House on the issue of concurrence with the Senate version.

The Governor's Veto

The 2007 session found the General Assembly in the unusual situation of coming back for simultaneous reconvened and extra sessions. Governor Easley vetoed only one bill, House Bill 1761, the Job Maintenance and Capital Development Fund, claiming in his veto message that the bill would set a dangerous precedent for the state's economic development policy and that it was unfair to taxpayers. The bill would have created a fund in the Department of Commerce to provide a grant to a private business if it invested a minimum amount in a facility in a development tier one county, employed and maintain at least 2,000 full-time employees or equivalent full-time contract employees at the facility, and satisfied other specified conditions. The bill would have allowed grants for up to five businesses for a total cost of \$40 million. The bill did not name a specific company, but it was widely believed that it was intended for Fayetteville's Goodyear Tire Company.

House Bill 1761 was ratified on August 2 and vetoed on August 30. The General Assembly reconvened on September 10, but it did not act on House Bill 1761 during the reconvened session. Instead, the Governor convened the General Assembly for an extra session on September 10 to

consider alternative legislation. During the extra session, three bills were introduced. The General Assembly ultimately gave its approval to a reworked version of the Job Maintenance and Capital Development Fund, S.L. 2007-552 (Extra Session H 4). This version increases the maximum total cost of grants that may be paid to \$60 million, sets wage standards, and addresses employee retention. The new act also appears to allow Bridgestone Firestone, a Goodyear Tire competitor, to qualify for a grant. Both the reconvened and extra sessions adjourned on September 11. A more detailed analysis of House Bill 1761 and S.L. 2007-552 can be found in Chapter 8, "Economic and Community Development."

The Legislative Institution

Legislative Interns

S.L. 2007-201 (S 167) expands the category of students eligible to participate in the legislative intern program to include students enrolled in community colleges that offer college transfer programs. The program was limited to students enrolled in four-year colleges and universities.

Senate Coat of Arms

S.L. 2007-354 (S 371) enacts new G.S. 120-271 making it a Class 2 misdemeanor to use, manufacture, reproduce, or sell any likeness of the Senate seal or coat of arms unless directed by the Senate or the Senate Principal Clerk. The seal may be used for manufacture or sale of an item for the state's official use.

Information Sharing

S.L. 2007-103 (S 940) amends G.S. 120-32.01 to require the Department of State Treasurer Retirement Systems Division to provide the Fiscal Research Division with online access to active and retired member information or records.

Program Evaluation Division

S.L. 2007-78 (S 1132) enacts new Article 7C of G.S. Chapter 120, establishing the Program Evaluation Division to assist the General Assembly in overseeing government functions by providing information to be used in evaluating whether public services are being delivered in an effective and efficient manner. The division's duties include examining state agency programs and activities and evaluating their merits and effectiveness, developing measures to determine the cost of activities performed and services provided, and making recommendations to improve the efficiency and effectiveness of state agencies. The act also establishes the eighteen-member Joint Legislative Program Evaluation Oversight Committee. The committee's duties include reviewing requests for evaluations to be performed by the division, establishing the division's annual work plan, and recommending to the General Assembly any changes needed to implement a recommendation that has been included in a report from the division and endorsed by the committee.

The 2008 Session

The adjournment resolution, Res. 2007-68 (S 1573), as amended by Res. 2007-70 (S 1575), provides that the 2008 regular session of the General Assembly will convene at noon on May 13, 2008. Only the following may be considered during that session:

- Bills introduced by May 27, 2008, directly affecting the budget.
- Bills amending the North Carolina Constitution.
- Bills introduced in 2007 that passed third reading by May 24, 2007, in the house in which the bill was introduced and that were not unfavorably disposed of by the other house.
- Bills and resolutions introduced by May 21, 2008, implementing the recommendations of various commissions and committees.
- Noncontroversial local bills that are introduced by May 28, 2008, and are accompanied by a certification that no public hearing will be required and that the bill is approved for introduction by each member of the relevant house whose district is affected by the bill.
- Bills making a selection, an appointment, or a confirmation of members of state boards and commissions.
- Bills concerning matters authorized by joint resolution passed during the 2008 session by a two-thirds majority in each house and joint resolutions authorizing consideration of these bills.
- Bills introduced by May 28, 2008, affecting state or local pension or retirement systems.
- Resolutions authorized under Senate Rule 40(b) or House Rule 31, primarily relating to deceased persons.
- Adjournment resolution.
- Bills disapproving administrative rules.

The adjournment resolution prohibits blank bills from being introduced in the House of Representatives during the 2008 session. The adjournment resolution also authorizes the Speaker of the House or the President Pro Tempore of the Senate to allow committees or subcommittees to meet when the General Assembly is not in session to review matters related to the 2007–09 budget, prepare reports, and consider other matters as appropriate, other than resolutions, bills, or proposed committee substitutes that originated in the other house. Conference committees may also meet with approval from the Speaker or President Pro Tempore.

Christine B. Wunsche