



YOU DON'T SAY...

"That makes me want to be a third-grade teacher."

Sen. Harry Brown, R-Onslow, talking about budget provisions that would give the best third-grade teachers the opportunity to earn \$6,800 bonuses.

THE INSIDER, 6/28/16

Insider for June 28, 2016

News Summary

Budget Deal

Resources: [Budget Press Release](#) | [PCS for House Bill 1030](#) | [Money Report](#)

The House and Senate agreed over the weekend to spend \$22.34 billion in 2016-17, a 2.8 percent spending increase that raises pay for teachers and state employees and bolsters the state's rainy day fund. House and Senate leaders held a news conference at 7 p.m. Monday to announce the deal, but copies of the budget weren't expected to be available until later Monday night. The budget is expected to be approved by both chambers by the end of the week. A quick signature by Gov. Pat McCrory would put the budget in place roughly by the start of the new fiscal year on Friday. The agreement would give teachers average raises of 4.7 percent, with plans to increase teacher pay from \$47,783 to \$50,186 next year and to \$54,224 over three years. It also gives state employees 1.5 percent across-the-board pay raises, as well as 0.5 percent bonuses. The plan also would set aside \$80 million for merit-based bonuses for state employees. Rep. Nelson Dollar, R-Wake, the top House budget writer, said the money allocated for state employees would add up to an average of 3 percent raises. Merit bonuses will be distributed within state agencies, with some workers receiving more than 1 percent and others less than 1 percent, he said. Dollar also said this year's teacher raises would focus on more experienced teachers, as beginning teachers received pay boosts the past two years. Retirees would get a one-time bonus of 1.6 percent under the plan. The deal also would give experience-based step increases to teachers, principals and assistant principals, Highway Patrol troopers and clerks and magistrates. It also would provide \$16 million for raises for correctional officers, as well as \$4.5 percent raises for district attorneys, public defenders and other judicial branch workers.

The plan also would add nearly \$475 million to the rainy day fund, bringing its balance to nearly \$1.6 billion, or about 7.5 percent of the budget. "I think that's important as we look in the future when that next recession comes how we've prepared ourselves for

that," said Sen. Harry Brown, R-Onslow, the top Senate budget writer. On taxes, the budget would add \$2,000 to the standard deduction over two years for married taxpayers filing jointly, bring it to \$17,500. That means a family making the median household income of about \$44,000 would save \$110 next year. "I am proud the Senate and House have reached a compromise that continues the discipline and conservative principles of spending responsibly, taxing sparingly and saving wisely that have turned North Carolina's fiscal outlook around in the past five years," said Senate leader Phil Berger, R-Rockingham.

The plan also would decrease tuition at three UNC institutions – UNC Pembroke, Western Carolina University and Elizabeth City State University – to \$500 per semester for in-state students and \$2,500 per semester for out-of-state students. The original Senate proposal for low-cost tuition included three historically black colleges and universities, plus UNC Pembroke and Western Carolina. After public outcry, the Senate removed the three HBCU's from the proposal, but Elizabeth City State was added back in the budget compromise. Berger said legislators fielded many requests to put the three HBCUs back in, but legislators decided to include only ECSU. "I think the decision was that Elizabeth City State was probably the one that could most benefit from the program," he said. The reduced tuition would apply to the three schools beginning in the fall of 2018. The budget compromise also guarantees no in-state tuition increases for four years at all public universities in North Carolina, which lawmakers say will provide certainty to families budgeting for college, as well as encourage students to complete degrees on time. For many more details on the state budget and for links to budget documents, click on the Resources link above.(Patrick Gannon, THE INSIDER, 6/28/16).

Session Calendar

The final state budget compromise is expected to be approved by the House and Senate by the end of the week, with this year's short session likely continuing into next week, legislative leaders said Monday night. The Senate plans to vote on the \$22.34 billion spending plan Tuesday and Wednesday. The House, which has a rule requiring it to wait a couple of days before votes, is expected to consider the budget Thursday and Friday, with the possibility of moving the votes up to Wednesday and Thursday, said House Speaker Tim Moore, R-Cleveland. "We want to consult with the minority party to make sure they have enough time to review it as well," he said. Asked what that meant for the end of this year's short session, Moore said the House expects to be back next week to try to finish its business. Senate leaders said they wanted to adjourn this week and joked that they could show their House counterparts how to make that happen. "I'll remind the good senator he has 50 (members). I have 120," Moore said. "We can still show them how to do it," Senate leader Phil Berger, R-Rockingham, responded. Moore added that it was too early to say how long the legislature would remain in session next week.(Patrick Gannon, THE INSIDER, 6/28/16).

Sanctuary Cities

The N.C. Senate voted 32-17 Monday to cut off school and road construction money to local governments with immigration "sanctuary city" policies. A law passed last year banned local governments from preventing law enforcement officers from asking about a suspect's immigration status or sharing immigration information with federal authorities. That law did not specify any penalties. Sen. Norman Sanderson, a Pamlico County Republican and the bill's sponsor, said he's concerned about law enforcement agencies that are accepting IDs issued by nonprofits to immigrants here illegally. "In

order for this penalty to take effect, a city or a county has to deliberately make a conscious decision to break the law of North Carolina," Sanderson said. "That should create a real concern for everybody in this Senate."

A group called FaithAction says it has issued thousands of IDs with support from the Greensboro Police Department. FaithAction's website says it "can be used by law enforcement as a helpful tool for identification, and may be accepted by city agencies, schools, health centers, and businesses, depending on the policy of each institution." "It is not a government issued ID and is not a license to drive," said Sen. Gladys Robinson, a Greensboro Democrat who defended the program. "The ID provides a greater sense of dignity and trust."

Robinson said the bill shows "disdain for those who have not had the ability to change their immigration status due to a broken federal system." Sen. Buck Newton, a Wilson Republican who is running for attorney general, said he's opposed to the ID program. "When I have new neighbors, we bring them a pie, we don't give them a fake ID," he said. "This is an effort to stop fake IDs. This is a matter about public safety."

Sanderson's bill would put the state attorney general's office in charge of investigating sanctuary city violations. The office would develop an anonymous tip form and review possible violations within 45 days.

If a city or county is found in violation of immigration laws, it would lose a full year of state funding for school construction projects and local street projects. If it's still in violation after 60 days, it would lose a second year of funding. Sen. Jay Chaudhuri, a Raleigh Democrat, said he's concerned the bill would let the attorney general make decisions about school and road funding. "This bill gives unprecedented power and authority to the attorney general's office," he said. "This bill would turn the attorney general into both an immigration czar and a state budget czar over municipalities." The Senate will take a final vote on the bill Tuesday before it heads to the House. (Colin Campbell, THE NEWS & OBSERVER, 6/27/16).

Redistricting Case

The U.S. Supreme Court agreed Monday to decide whether Republican lawmakers relied too heavily on race when they redrew North Carolina's congressional districts to give the GOP a powerful advantage in the swing state. The justices will hear the case in the fall — almost certainly too late to affect November's elections. But in the years ahead, it could impact partisan efforts to create electoral districts aimed at swaying the balance of power in Congress and in state legislatures. The Supreme Court could consider it together with a similar appeal from Virginia, where challengers say Republicans packed black voters into a dozen statehouse districts, strengthening GOP control of neighboring territories.

Five of the eight current justices appear sympathetic to such claims brought by minority voters, based on a 2015 ruling in an Alabama case, according to election-law expert Rick Hasen at the University of California at Irvine. North Carolina's GOP leaders deny factoring in race to an illegal extent, saying their 2011 map was designed primarily to give Republicans an edge while complying with the federal Voting Rights Act after the 2010 census. "We continue to believe the maps are fair, legal and constitutional and look forward to our day in court," state Sen. Bob Rucho, a chief architect of the maps, said Monday. Opponents say they unfairly stacked black voters into two districts that were already electing African-American representatives, thus diluting their influence in neighboring territories.

A federal court ruled in February that race was the predominant factor in drawing the two districts and ordered them redrawn. A new map of 13 congressional districts was

used in an unusual June 7 primary, separate from most other races. A high court ruling also should influence a separate court challenge of North Carolina's state legislative districts. North Carolina is a swing state whose voters split almost evenly in the last two presidential elections. But the GOP's maps created veto-proof majorities in the state legislature, and the congressional delegation now has three Democrats to 10 Republicans.

The latest court-ordered map essentially created a new district without an incumbent, but the Republican-leaning territory is expected to help the GOP maintain this 10-3 edge. It also upended the former territories of two Republican members of Congress, pitting them against each other in the primary. Rep. George Holding beat Rep. Renee Ellmers after groups including the Club for Growth and Americans for Prosperity funded ads questioning her conservative credentials. Holding is expected to beat a Democrat in November.

The state's lawyers, meanwhile, say the federal court's logic forces North Carolina into the difficult situation of having to consider race to comply with federal voting rights laws, while also triggering "strict scrutiny" of its maps for doing so. "The three-judge court's approach would trap states between the threat of vote dilution claims and the hammer of a racial gerrymandering claim," they wrote in a Supreme Court filing. Their challengers argue that GOP mapmakers illegally gerrymandered the 2011 map, drawing boundaries "whose grasping tendrils were necessary to capture disparate pockets of black voters."(Jonathan Drew, THE ASSOCIATED PRESS, 6/27/16).

Low-performing Schools

Senate Democrats failed Monday to get their local school districts exempted from a proposed law that would have the state give five low-performing schools to charter companies to operate. The Senate gave preliminary approval with a 31-15 vote to a bill that would create an Achievement School District made up of five schools from around the state and overseen by a superintendent the State Board of Education hires. The superintendent would choose charter operators to run the schools for up to eight years. A version of the bill has already passed the House. The Senate eliminated a provision in the House version that would have allowed school districts to keep schools chosen for the district under local control by hiring new principals for them. Under the Senate version, the only alternative to having a school taken for the new district would be for the district to close it.

Democratic senators from Wake, Guilford, Mecklenburg, and Nash tried to exempt their school districts, but their amendments were either defeated or not debated. Republican Sen. Chad Barefoot of Wake Forest said the Achievement School District is a strategy the state should try to rescue students from chronically failing schools. Barefoot said Democrats' attempts to exempt some districts amounted to allowing schools to continue failing. Unlike existing charters, the Achievement School District schools would be neighborhood schools and not schools of choice.

Democrats speaking in opposition said it is wrong to force local districts into an experiment that has failed in Tennessee. A study of the first three years of achievement district schools in Tennessee found almost no difference in student proficiency. Forcing districts to give their schools to charter companies is a "failing strategy," said Sen. Angela Bryant, D-Nash. Charter companies will be the main beneficiaries, she said. The move is "basically lining the pockets of your supporters who make up these management companies or private operators." Wake County has approval from the State Board of Education to give two of its elementary schools charter-like flexibility with the goal of improving student performance. "Why would we get in the middle of

that?" asked Sen. Mike Woodard, D-Durham.(Lynn Bonner, THE NEWS & OBSERVER, 6/27/16).

Abortion Rules

Monday's U.S. Supreme Court ruling striking down abortion clinic regulations in Texas doesn't affect North Carolina, which updated its own standards for abortion clinics last year. Unlike Texas, North Carolina doesn't require that clinics comply with regulations as strict as ambulatory surgical centers. Also, North Carolina requires doctors to apply for admitting privileges at a local hospital but does not require that they be admitted. The General Assembly fought over clinic regulations in 2013. Abortion opponents argued for provisions like Texas has, saying women's safety was at stake. Advocates for abortion rights said stringent restrictions were really about trying to force clinics out of operation.

After public input, the McCrory administration came up with new regulations, which were adopted in September and took effect in October. Abortion opponents complained that their viewpoint wasn't adequately represented in the process. A law passed last year requires that doctors send to state health regulators ultrasound images for women seeking abortions. It also requires that abortion clinics be inspected annually, establishes a 72-hour waiting period, and requires doctors provide data to state regulators about second-trimester abortions they perform. A previous law requiring ultrasound images be described to patients was ruled unconstitutional.

"The Court's ruling today sacrifices the safety of women and their unborn babies for the abortion industry's greed by allowing abortion businesses to continue their treacherous practices of operating by substandard medical practices," N.C. Values Coalition executive director Tami Fitzgerald said in a statement. "Requiring hospital admitting privileges for abortion doctors and requiring that abortion clinics meet the same standards as other ambulatory surgical centers is both reasonable and necessary to protect women's health, but the Supreme Court is setting up a lower standard of care for these clinics just because they perform abortions. Jenny Black, president and CEO of Planned Parenthood South Atlantic, issued this reaction: "We applaud the U.S. Supreme Court for their decision affirming women's access to safe, legal abortion. Yet as we celebrate today's victory, it does not undo the past five years of damage and restrictions already passed into law in our own state by anti-abortion politicians. No woman or doctor should be shamed, pressured, or punished for receiving or providing essential medical care. We will continue to fight restrictions on safe, legal abortion on behalf of our patients in North Carolina. A woman's right to make decisions about her health, family and future should never be dependent on her zip code."(Craig Jarvis, THE NEWS & OBSERVER, 6/27/16).

Body Cameras

House Republicans on Monday night knocked back repeated efforts by Democrats to make police body and dashboard camera footage more accessible to the public before giving final House approval to rules governing the use of the controversial technology. House Bill 972 now goes to the Senate. Last week the House tentatively approved the measure after more than 90 minutes of debate. The bill establishes that recordings made by law enforcement agencies are not public records and gives agencies the right to determine what footage can be released. On Monday, three amendments aimed at increasing public access failed in votes that ran along party lines. Rep. William Richardson, D-Cumberland, repeated himself from last week, again calling the proposal "one of the most important bills of the session." He then argued it was "crucial to give

guidance to police officers and judges as to what is a compelling reason to release footage." Rep. Susan Fisher, D-Buncombe, and Rep. Joe Sam Queen, D-Haywood, also pushed for greater transparency. "There have been instances where things have happened, or people have been injured, or a death," said Fisher, "and we want the public to know what has happened." Rep. Larry Hall, D-Durham, warned colleagues, "on this issue we are taillights, not headlights. We are not leading. We are going against serving the public." Each time, bill sponsor Rep. John Faircloth, R-Guilford, stood his ground. He debated the bill was well-constructed over more than two years of work and enjoyed support from law enforcement and the Administrative Office of the Courts, which had been hard to secure. "Some folks are upset that we don't just open up the files and say take a look, see what you want," Faircloth said. "Post it on Facebook." In other business, the House:

- Unanimously approved a bill to expand access for entrepreneurs and small businesses to "crowdfunding" investments. State crowdfunding bills failed to win legislative approval in 2013 and 2015. Senate Bill 481 allows entrepreneurs to raise up to \$1 million every 12 months in \$5,000 chunks from friends, family, customers or clients that are N.C. residents. It also requires the Department of Revenue to post redacted "private letter rulings" online. The bill now goes back to the Senate for concurrence.

(Dan Boylan, THE INSIDER, 6/28/16).

Constitutional Amendments

Senate Republicans gave initial approval Monday to putting three constitutional amendments on the November ballot, some on topics that could bring voters to the polls heading into the fall. One amendment would cap the state's individual income tax rate at 5.5 percent and mandate lawmakers set aside money annually for emergencies. A second would reinforce limits on state and local government taking private property through eminent domain for "public use" only. The third would protect the right of people to hunt and fish. The 32-17 vote exceeded the 30 in favor required to get constitutional referenda on the ballot. A final Senate vote was expected Tuesday. The bill also would have to be passed by 72 members in the House, which has approved eminent domain amendments several times. Constitutional amendments aren't subject to a governor's veto. The current income tax rate is 5.75 percent but is slated to drop to 5.499 percent in 2017. Republican senators say lowering the cap, which is 10 percent, would help preserve the legislature's recent tax overhauls designed to lower income tax rates and place greater reliance on sales taxes. "We're on the right path, and this is another step in that direction," said Sen. Bob Rucho, R-Mecklenburg. "The people will make this ultimate decision."

North Carolina government currently keeps a "rainy day" reserve fund of \$1.1 billion, and it's expected to grow this coming year. But there's no requirement that lawmakers set aside money there. Under the proposal, the legislature would be required to put cash equal to 2 percent of previous year's capital and operating budget in the reserve fund annually, growing each year up to an amount equal to 12.5 percent of the budget, or \$2.7 billion today. The governor couldn't tap into the money. Two-thirds of the members of each chamber would have to agree to either tap into the fund or decline to save the money. State Treasurer Janet Cowell's office has criticized the income tax and reserve fund restrictions, suggesting it could knock down the state's coveted top bond

rating. The office told senators the constitutional limits are viewed unfavorably by the rating houses by limiting flexibility to respond to revenue shortfalls. The taxation amendment "has the real potential to put our triple-A bond rating at risk," said Sen. Jay Chaudhuri, D-Wake, formerly the top lawyer in Cowell's office. Income and sales taxes are the two arms the state uses to stand up from an economic downturn, Chaudhuri added, but the amendment would tie one of those arms. The amendment isn't about "messaging to get voters out on Election Day," warned Sen. Floyd McKissick, D-Durham. "This is serious business." Republicans disagreed that the restrictions would harm the state's high rating, which keeps borrowing expenses low. An eminent domain amendment has been approved by the House five times since a 2005 U.S. Supreme Court decision opened the door for condemnation for private development projects, but the Senate has never signed on until now. Senate Minority Leader Dan Blue, D-Wake, said Senate Republicans likely have combined the eminent domain amendment with the income tax amendment as leverage in late-session negotiations with House Republicans. Blue also said the income tax cap and eminent domain limits likely are designed to attract "more reactionary kind of voters" to the polls in November. The hunting and fishing amendment is designed to preserve the ability for families to pass down this tradition to future generations, said Sen. Buck Newton, R-Wilson. The proposed amendment language highlights hunting and fishing as a "preferred means for managing wildlife" while subject to "reasonable regulations" by the General Assembly. (Gary D. Robertson, THE ASSOCIATED PRESS, 6/27/16).

Charter Oversight

The House overwhelmingly approved a bill that will change charter school oversight, allowing less frequent reviews of charter schools and making easier for struggling schools to keep their charters. Under the bill, charters would no longer be reviewed at least once every five years. Instead, a school would be reviewed once before its charter expires, unless there are indications it's in trouble. Rep. Paul Stam, R-Wake, said the change will allow the state to focus on the schools that need the most help. The State Board of Education would no longer be able to revoke a charter simply because a school is low performing. Charters with low test scores that meet or exceed growth, or those that are making progress on improvement plans would be able to stay open. The House approved the bill 110-4. It now goes to Gov. Pat McCrory for his signature. A national charter advocacy group, the National Association of Charter School Authorizers, wrote House leaders opposing the bill, saying it would leave the state board with little authority to close low-performing schools. Lee Teague, executive director of the N.C. Public Charter School Association defended the bill in a letter to legislators. With the changes, charter schools and traditional public schools will be judged by the same standard, he wrote. (Lynn Bonner, THE NEWS & OBSERVER, 6/27/16).

Trump Delegates

North Carolina will send 72 delegates to next month's Republican National Convention – and some still don't want Donald Trump to win the nomination. And at least one delegate supports an effort that could deny Trump many of the delegates pledged to him in the primaries. "I would not want him to have the nomination," says Mark Mahaffey of Lee County, a one-time supporter of Texas Sen. Ted Cruz. "I don't trust him. I don't think he's very stable." Mahaffey, a lifelong Republican, has allied with "Free the Delegates," a group that claims 400 delegates who favor freeing delegates from pledges to support Trump on the first ballot. Another group called

"DelegateRevolt.com," also is encouraging delegates to dump Trump when the convention kicks off July 18.

Trump, the GOP's presumptive nominee, has 1,542 delegates, according to the Associated Press. That's 305 more than he needs to clinch the nomination in Cleveland. Trump clearly has support. "He's going to make not only a fine nominee but a fine president," says delegate Joe Daughtery, chairman of the Wayne County commissioners. "Somebody's got to clean up politics ... We've got to get somebody who can't be bought, and that's the way I feel about Trump. He's going to do what's in the best interest of our country."

But some are skeptical. "I don't think he has a history of conservatism, let alone Republicanism," says delegate Matthew Ridenhour, a Mecklenburg County commissioner. Charlotte delegate Daniel Rufty, chairman of the 12th District GOP, calls Trump "a New York liberal." "I do not think he's going to win," Rufty says. "To be honest, I think he's probably the worst candidate Republicans can put up. It looks like we'll be losing by a landslide if he's the nominee." Even so, Rufty said he'd vote for Trump over Democrat Hillary Clinton. Ridenhour declined to say who'll get his vote in November. The uncertainty comes in a week that has tested some Trump supporters. Not only did he fire longtime campaign manager Corey Lewandowski and see his poll numbers slip against Clinton, but he reported anemic fundraising, with just over \$1 million in the bank to Clinton's \$42 million.

Charlotte pastor Mark Harris understands why some Republicans are skeptical. But he says they should take the long view. "There's more than just a 4-year term for a president at stake," he says. "I think there's a 40-year generation at stake. Decisions will be made by the next president that will affect us for 40 years." Dallas Woodhouse, executive director of the N.C. Republican Party, says he thinks delegates are coming together. "While there are strong Trump supporters and some not so strong, I think they have coalesced for the most part around the nominee," he says. "And they're good Republicans."

Trump's failure to secure the nomination on the first ballot could throw the convention into chaos and anger the more than 13 million primary voters who supported him. Under N.C. GOP primary rules, delegates could face a \$10,000 penalty for not supporting the candidate to whom they're pledged. Mahaffey calls that "a gross overreach by the NCGOP and unnecessarily leaves the party open to legal challenge." Woodhouse says it's the same rule that was in effect four years ago. Skepticism, if not outright hostility, was evident at last month's state GOP convention. Delegate Bob Orr, a former state Supreme Court Justice and one-time GOP candidate for governor, said he can't vote for Trump. He plans to go to the voting booth and do one of two things: "Either not vote for president or vote for somebody I think is qualified to lead the country." Conservative Mary Frances Forrester is a delegate from Gaston County. She says her concerns about the country outweigh her concerns about Trump. "There are a lot of us out there who feel so strongly about the direction of our country that we are willing to be convinced about our candidate," she says. "And that's sort of where I am. I'm waiting to be convinced."(Jim Morrill, THE CHARLOTTE OBSERVER, 6/27/16).

Orlando Comments

Democratic Sen. Jeff Jackson Monday accused his Republican opponent of saying the Orlando shooting victims "deserved" to die. But Republican Bob Diamond said Jackson was "twisting" words he posted on the internet. Two days after the shootings in an Orlando nightclub in which 49 people died, Diamond posted a tweet that said, "Did They (The LGBT Victims) Deserve It? "All men and women are #sinners and deserving of

hell. ALL are equally #guilty before a Holy and Righteous God. Unless repentance of sin occurs ... ALL will equally and eternally perish." He attached a blog from North Carolina Pastors Network President David Kistler that said essentially the same thing. Alluding to the shooter, Kistler also called Islam a "godless, anti-Christ, anti-God, anti-American ideology ... that is antithetical to all that is America and American."

"In even questioning whether these victims 'deserve it,' (Diamond) shows a painful lack of basic moral awareness," Jackson said in a statement. "Mr. Diamond is seeking election to a district that includes thousands of LGBT citizens. He cannot claim to represent their interests while also suggesting that they deserve to be murdered simply for being who they are." Diamond said while he believes homosexuality is a sin, he was not suggesting the victims deserved to die. "They all died for the same reason, because they were in the wrong place at the wrong time, not because of their background or anything," he said. "I was just trying to show that we're all sinners and I'm a sinner."(Jim Morrill, THE CHARLOTTE OBSERVER, 6/27/16).

School Buildings

The state Senate unanimously passed a bill Monday allowing school districts to enter long-term leases for school buildings designed just for them. The bill allowing lease-build agreements was written with Robeson County in mind, but would apply statewide. The talk in Robeson is of vacating 30 schools and working with a developer to build fewer new schools for lease. State Treasurer Janet Cowell objected to an earlier version of the bill, but provisions she objected to were removed. The bill proposes that counties will help pay the lease with local money saved from using fewer schools. State savings were also included in an earlier version of the bill, meaning that the state would have been on the hook for county debt. In the revised bill, the state would not be responsible for county debt. The Treasurer's office dropped its objections to the bill. "This is just getting one new way for our rural counties to build schools," said Sen. Jane Smith, D-Robeson. The bill now goes to the House for consideration.(Lynn Bonner, THE NEWS & OBSERVER, 6/27/16).

Cold Storage

United States Cold Storage Inc. will create 50 jobs in Duplin County over the next five years as it expands its distribution and warehouse operations there, state officials announced Monday. The company plans to invest \$21.6 million at its Warsaw facility over that time. "The continued growth and success of this 127-year-old company means good jobs for our economy," Gov. Pat McCrory said in a news release. The New Jersey-based U.S. Cold Storage is a leader in refrigerated storage and logistics. Its facility in Duplin County, one of three North Carolina locations the company maintains, has been in operation since 1996. The company's North Carolina workforce is approximately 70 people. U.S. Cold Storage plans to add logistics and distribution, customer care, management and other employees, generating an annual payroll of more than \$1.5 million. The project is expected to receive a performance-based One North Carolina Fund grant of up to \$120,000. Also, a \$300,000 building reuse grant through the Commerce Department will help ready the U.S Cold Storage's facility for operation.(NEWS RELEASE, 6/27/16).

PPP Poll

Neither candidate for governor has been able to break away yet, the polls continue to show, raising the question: Is this the way it's going to be until November? Gov. Pat McCrory and Attorney General Roy Cooper are tied at 41 percent each, according to the

results of a Public Policy Polling survey released Monday, largely mirroring the trend in other surveys to date. Democratic nominee Cooper continues to be an unknown quantity for the plurality of respondents: 35 percent have no opinion about him; 34 percent view him favorably and 31 percent unfavorably. Respondents' view of McCrory, meanwhile, continues to be under water: 43 percent have a favorable impression and 47 unfavorable. One other factor to mix in: 13 percent of the voters surveyed don't know who they'll vote for in the governor's race.

In the lieutenant governor's race, incumbent Dan Forest is tied with his Democratic challenger, Linda Coleman; each at 37 percent. Twenty-two percent say they are undecided. As Tom Jensen of the Democratic-leaning PPP observes: With these results and recent polling showing the presidential race is tied in North Carolina, and the U.S. Senate race finds the incumbent up by just 3 points, "It's hard to imagine there's another state more competitive politically this year."

The state legislature has the approval of 18 percent of voters, while 57 percent disapprove of the job it's doing — and that goes for either party. Democrats in the General Assembly have a 34-48 percent favorability rating and Republicans have 34-49 percent. PPP surveyed 947 registered voters, which is not as accurate as polling likely voters. The survey was on June 20 and 21, and the margin of error is 3.2 percentage points.(Craig Jarvis, THE NEWS & OBSERVER, 6/27/16).

Political Spending

A new study finds that it is getting harder to know who is funding political advertising at the state level as more money becomes anonymous or is filtered from one political action committee to another. In 2014, the last year in which statewide elections were widespread across the country, only 29 cents of every \$1 of independent political spending could be tracked easily to its original individual donor, according to the Brennan Center for Justice at the New York University School of Law. In places where the costs of elections can be cheaper because word is distributed by direct mail rather than television ads, the spending can have a larger impact. Dark money comes from nonprofit advocacy groups that spend on political purposes but are not subject to campaign finance disclosures. Its rise is one of the effects of the U.S. Supreme Court's 2010 Citizens United ruling, which removed caps on how much corporations, unions and interest groups can spend on advocacy communications that do not specifically call for the election or defeat of candidates. That category of spending grew from less than \$600,000 in 2006 to nearly \$22 million in 2014 in the states the study evaluated. Despite that rise, the majority of state political spending overall remains from traditional channels where most large contributions must be disclosed: candidates' official committees and party organizations.

One election with heavy dark money spending was the 2014 Arizona race for two seats on the Public Utilities Commission, which was in the throes of a debate over solar power policy. More than \$3 million in dark money poured into that race through social welfare nonprofit groups that in turn donated to PACs that made independent expenditures. That was up from just \$3,000 in total outside spending in a similar race in 2008 -- and all the money at that time was linked to specific donors. Some of the 2014 money came from the Arizona Public Service Company, the state's biggest utility, but the company has not disclosed how much. There has been litigation since then over whether the public has a right to know how much the company funded. A utility spokeswoman did not return a call. That election is a prime reason Arizona fast became a hub of dark money. In 2006, there was just \$35,000 involved in state races. In 2014, it was over \$10 million.

The Brennan study was limited to California, the most populous state, along with Arizona and four others: Alaska, Colorado, Maine and Massachusetts. They were among only nine that had statewide elections in the study years of 2006, 2010 and 2014 and collected enough data on political spending by outside groups to do the analysis. The authors said they did not have enough time to delve into all nine states, so they chose the first six alphabetically. James Bopp Jr., a conservative Indiana lawyer who has pushed for political contributions to be equated with speech, says the Brennan analysis is misleading. Many states require advocacy groups to report individual donors who specify that their contributions be used for political purposes. Donors who make general gifts, he said, don't determine whether it will be used in political ads. "It would be unfair to attribute that spending to any of your donors," Bopp said. The Brennan authors said they were surprised not by the growth of dark money but rather by what they called gray money. It happens when a super PAC, which is supposed to be independent of a candidate's campaign organization, takes contributions from other PACs. While all the committees are required to report the source of their funding, it takes digging through multiple reports to find out where the money originates. That category of spending was far larger than the fully dark money in the six states. It was \$42 million in 2006 and tripled to \$129 million in 2014.(Geoff Mulvihill, THE ASSOCIATED PRESS, 6/26/16).

Impaired Boating

North Carolina has toughened penalties for boat operators who unintentionally kill or injure someone while under the influence of alcohol. Gov. Pat McCrory on Monday signed a law making the penalties for impaired boaters who cause injuries or fatalities similar to those that motorists receive. The bill signing comes after a Concord teenager was killed last year by a boater authorities say was intoxicated while on Lake Norman. Beginning Dec. 1, death by impaired boating will be a class of felony punishable by a minimum of a little more than three years in prison. The current penalty for driving a boat while impaired is misdemeanor with a minimum \$250 fine. The N.C. Wildlife Resources Commission says alcohol was involved in at least seven of 24 fatal boat accidents in 2015.(THE ASSOCIATED PRESS, 6/27/16).

Amoeba Death

Gov. Pat McCrory on Monday said there needs to be a 'total re-examination' of regulatory oversight of Charlotte's Whitewater Center following the death last Sunday of an Ohio teenager who contracted a rare brain infection after visiting the park. The U.S. National Whitewater Center is the only one of three similar parks in the nation that is not regulated to help prevent waterborne illnesses. Authorities that regulate water quality do not routinely test for the presence of the amoeba. But Mecklenburg County does test the water in public pools, including parks and apartment complexes, once a year for pH and disinfectant levels. State regulations require public pool owners to test pH and chlorine levels daily. "I think there needs to be a total reexamination of classifying this type of park similar to a swimming pool, where there's ongoing testing," McCrory said, adding that there is a lesson to be learned from the tragedy.(Tim Funk and Bruce Henderson, THE CHARLOTTE OBSERVER, 6/27/16).

Tobaccoville Recall

A state House bill that would allow for recall elections in Tobaccoville is headed to Gov. Pat McCrory after clearing the Senate on Monday. House Bill 1058 would amend the charter of the village of Tobaccoville to allow the recall of village officials. Area

legislators have said their bills were spurred by the resignation decision of Tobaccoville Mayor Billy McHone in January, then his rescission within 24 hours. Tobaccoville residents and the village council debated in January two proposed ordinances that would restrict discharging firearms within 1,000 feet of an occupied building and ban the use of "exploding targets" set off by high-velocity bullets.

The ordinances were proposed after property owners near Griffin Road filed a petition asking the council to do something about explosions near their homes on property owned by James and Janice Catlett. One ordinance was withdrawn from consideration, and the other was tabled. In the midst of the debate, McHone resigned as mayor Jan. 7 but rescinded his resignation before the council could meet again or accept his resignation. The recall process would require a petition with the signatures of at least 20 percent of the registered voters in Tobaccoville in order to recall a public servant. The petition would be filed with the village clerk, who would forward the petition to the board of elections. The board would verify the signatures. If the number of signatures on the petition is sufficient, the village council would adopt a resolution calling for a recall election. If the bill becomes law, voters in Tobaccoville could complete the process of amending the charter before the November general election. McHone told the Journal in May that he made a mistake in January. (Richard Craver, WINSTON-SALEM JOURNAL, 6/28/16).

League Podcast

The N.C. League of Municipalities has launched a podcast series focused on North Carolina's cities and towns. Called "Municipal Equation," the series plans to talk with experts who have innovative ideas about planning for the future, as well as with the authors of books and reports. The podcast will begin as a biweekly production. Episode One "captures the tough, edge-of-death story of Denise D. Adams, a Winston-Salem City Council member," according to the League. Episode Two will be about infrastructure challenges. (Craig Jarvis, THE NEWS & OBSERVER, 6/27/16).

House Bills Filed

Monday, June 27, 2016

No bills filed.

Senate Bills Filed

Monday, June 27, 2016

- [SB 899](#) (Apodaca) CONFIRM GRANTHAM/RETIREMENT SYSTEM BOARD
- [SB 900](#) (Apodaca) CONFIRM WRIGHT/RETIREMENT SYSTEM BOARD
- [SB 901](#) (Apodaca) CONFIRM MCCANN/RETIREMENT SYSTEM BOARD

What Happened in the House

Monday, June 27, 2016

- Added to Calendar
 - [HB 984](#) (Howard) TRANSFER OF DAVIE COUNTY CORRECTIONAL CENTER
- Amendment Failed A5

- [HB 972](#) (Faircloth) LAW ENFORCEMENT RECORDINGS/NO PUBLIC RECORD
- Amendment Failed A7
 - [HB 972](#) (Faircloth) LAW ENFORCEMENT RECORDINGS/NO PUBLIC RECORD
- Amendment Failed A6
 - [HB 972](#) (Faircloth) LAW ENFORCEMENT RECORDINGS/NO PUBLIC RECORD
- Calendared pursuant to House Rule 36(b)
 - [HB 1134](#) (McNeill) ADMIN. CHANGES RETIREMENT SYSTEM/TREASURER
- Conference committee appointed
 - [HB 984](#) (Howard) TRANSFER OF DAVIE COUNTY CORRECTIONAL CENTER
 - [SB 371](#) (Hartsell) LME/MCO CLAIMS REPORTING/MENTAL HEALTH AMENDS
- Failed Concur in S Com Sub
 - [HB 984](#) (Howard) TRANSFER OF DAVIE COUNTY CORRECTIONAL CENTER
- House concurred in Senate committee substitute
 - [HB 242](#) (Faircloth) VARIOUS CHARTER SCHOOL LAW CHANGES
- Ordered Engrossed
 - [HB 972](#) (Faircloth) LAW ENFORCEMENT RECORDINGS/NO PUBLIC RECORD
 - [SB 481](#) (Barringer) FUND SM BUSINESS/DOR RULINGS/CITY RT OF WAY
- Ordered Enrolled
 - [HB 242](#) (Faircloth) VARIOUS CHARTER SCHOOL LAW CHANGES
- Passed 3rd Reading
 - [HB 972](#) (Faircloth) LAW ENFORCEMENT RECORDINGS/NO PUBLIC RECORD
 - [HB 1128](#) (Bradford) CORNELIUS LIMITS
 - [SB 481](#) (Barringer) FUND SM BUSINESS/DOR RULINGS/CITY RT OF WAY
 - [SB 774](#) (Tucker) MARVIN AND ASHEBORO/DEANNEXATION
 - [SB 852](#) (Hise) TOWN OF BAKERSVILLE/TOWN OF CLYDE/DEANNEX
- Placed On Calendar For 06/28/2016
 - [HB 1134](#) (McNeill) ADMIN. CHANGES RETIREMENT SYSTEM/TREASURER
- Ratified
 - [HB 567](#) (Saine) NC CEMETERY ACT CHGES
 - [HB 960](#) (Turner, R.) RETIREMENT CREDITABLE SERVICE CHARTER SCHOOLS
 - [HB 1035](#) (McNeill) LGC/TRAINING FOR LOCAL GOV'T FINANCE OFFICERS
 - [HB 1045](#) (Speciale) NEW BERN CHARTER/REVISED & CONSOLIDATED
- Re-ref Com On Banking
 - [SB 327](#) (Gunn) ALLOW PRIZE-LINKED SAVINGS ACCOUNTS
- Re-ref Com On Environment

- [HB 593](#) (McElraft) AMEND ENVIRONMENTAL & OTHER LAWS
- Re-ref Com On Local Government
 - [SB 132](#) (Sanderson) CARTERET FOX TRAPPING
- Re-referred To House Committee On Finance
 - [SB 727](#) (Tillman) MOORE COUNTY LOCAL SALES TAX USE RESTRICTION
- Re-referred To House Committee On Rules, Calendar, and Operations of the House
 - [SB 53](#) (Krawiec) CITIES/OVERGROWN VEGETATION NOTICE
- Serial Referral To Regulatory Reform Stricken
 - [SB 53](#) (Krawiec) CITIES/OVERGROWN VEGETATION NOTICE
- Special Message Received For Concurrence in S Com Sub
 - [HB 253](#) (Faircloth) JUSTICE REINVESTMENT ACT CHANGES
 - [HB 392](#) (Szoka) FAYETTEVILLE CHARTER/PWC CHANGES
 - [HB 407](#) (Stevens, S.) HOUSING AUTHORITY TRANSFERS
 - [HB 523](#) (Graham, C.) DRIVERS LICENSE DESIGNATION/AMERICAN INDIAN
 - [HB 533](#) (McGrady) MODIFY PUV EXCEPTIONS TO DISQUALIFICATION
 - [HB 594](#) (Hurley) MV DEALER DOC. RETENTION/INSPECTION/FORMAT
 - [HB 678](#) (Glazier) AMEND INNOCENCE COMMISSION STATUTES
 - [HB 842](#) (Martin, G.) MEDICAID WAIVER PROTECTIONS/MILITARY FAMILIES
 - [HB 1039](#) (Bell, L.) OMNIBUS OCCUPANCY TAX CHANGES
- Special Message Received From Senate
 - [SB 554](#) (Meredith) SCHOOL BUILDING LEASES
 - [SB 886](#) (Wells) RETIREMENT AMENDMENTS
 - [SB 897](#) (Apodaca) ASHEVILLE CITY COUNCIL DISTRICTS
- Special Message Sent To Senate
 - [HB 1128](#) (Bradford) CORNELIUS LIMITS
 - [SB 774](#) (Tucker) MARVIN AND ASHEBORO/DEANNEXATION
 - [SB 852](#) (Hise) TOWN OF BAKERSVILLE/TOWN OF CLYDE/DEANNEX
- Withdrawn From Com
 - [HB 1134](#) (McNeill) ADMIN. CHANGES RETIREMENT SYSTEM/TREASURER
 - [SB 53](#) (Krawiec) CITIES/OVERGROWN VEGETATION NOTICE
 - [SB 132](#) (Sanderson) CARTERET FOX TRAPPING
 - [SB 327](#) (Gunn) ALLOW PRIZE-LINKED SAVINGS ACCOUNTS
 - [SB 727](#) (Tillman) MOORE COUNTY LOCAL SALES TAX USE RESTRICTION
- Withdrawn from the Calendar
 - [HB 593](#) (McElraft) AMEND ENVIRONMENTAL & OTHER LAWS

What Happened in the Senate

Monday, June 27, 2016

- Amendment Adopted A1
 - [HB 1039](#) (Bell, L.) OMNIBUS OCCUPANCY TAX CHANGES
- Amendment Adopted A6
 - [HB 1080](#) (Bryan) ACHIEVEMENT SCHOOL DISTRICT

- Amendment Adopted A1
 - [SB 886](#) (Wells) RETIREMENT AMENDMENTS
- Amendment Failed A1
 - [HB 100](#) (Cleveland) LOCAL GOVERNMENT IMMIGRATION COMPLIANCE
- Amendment Failed A2
 - [HB 1080](#) (Bryan) ACHIEVEMENT SCHOOL DISTRICT
- Amendment Failed A5
 - [HB 1080](#) (Bryan) ACHIEVEMENT SCHOOL DISTRICT
- Amendment Failed A1
 - [HB 1080](#) (Bryan) ACHIEVEMENT SCHOOL DISTRICT
- Amendment Tabled A1
 - [HB 3](#) (McGrady) OMNIBUS CONSTITUTIONAL AMENDMENTS
- Amendment Tabled A3
 - [HB 1080](#) (Bryan) ACHIEVEMENT SCHOOL DISTRICT
- Amendment Tabled A4
 - [HB 1080](#) (Bryan) ACHIEVEMENT SCHOOL DISTRICT
- Engrossed