

# NCCA Lobbyist Report

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Despite the unusual circumstances we find ourselves in in 2020 with our society and economy in complete disarray due to COVID-19, the North Carolina General Assembly will convene for its Short Session on April 28th. Typically, the Short Session is a "budget adjustment" and "completion of unfinished business" session that starts in mid spring and wraps up in July, leaving plenty of time for campaigns ahead of the November elections. The schedule for this year looks to be the same.

However, in the absence of legislative action before the legislature convenes, the Governor has used his Constitutional authority to declare a State of Emergency (Executive Order 116). that declaration triggers certain additional authority and powers to the Governor. Under that Declaration of Emergency, the Governor has been issuing executive orders that carry the force of law; in normal times lawmaking is the strict purview of the legislature with our Constitution granting the Governor only the legislative power to veto bills. His March 10th declaration of a State of Emergency over the COVID-19 pandemic granted his enhanced powers to mandate law changes through executive orders which are enforceable under the law as class 2 misdemeanors. During this short time, he has issued 16 total executive orders to slow the person-to-person spread of the coronavirus with social distancing, define essential businesses, suspend in-person public education, restrict gatherings, enhance unemployment benefits, protect renters from evictions, and urge utilities to use leniency toward unpaid balances. He has taken these steps largely in coordination with the legislative leadership.

Later this month the General Assembly will convene as scheduled. Taking priority for legislative action this year is supporting all COVID-19 related changes to state authority, relaxing of deadlines, and support of the Administration's emergency authorities. At the top of the list for North Carolinians is the extension of the April 15th tax deadline for both quarterly filers and W-2 employees. The federal government extended that tax deadline to July 15th - eliminating accompanying penalties and fees. The North Carolina Legislative Leadership and the Governor issued a joint announcement that it would follow suit. That official action cannot take place until the Legislature convenes April 28th and passes a law.

The next top priority will be in dealing with public education in the state: school attendance schedules, waiving certain graduation requirements, paying school personnel, nutrition, and other education functions. Fifty-eight percent of the state budget is school funding, a total of \$15 billion. Some requirements the State Board of Education has asked the General Assembly to relax or waive entirely include: CPR proficiency, volunteer hours, and end of grade exams. The State Board seeks to have high school seniors take classes as "pass" or "withdraw COVID-19" in order that no

student be penalized for the COVID-19 impacts. Over half NC students attending public schools live in poverty.

In anticipation of a substantially lower revenue forecast for 2020, the General Assembly will look for ways to reduce the FY 2021-22 budget. The state is experiencing a double hit with its highest unemployment in 2 generations which triggers state unemployment payments in addition to loss of income tax revenue. With nearly all businesses closed sales and use taxes will also be greatly reduced for at least the first half of the year. Personal income tax and sales and use tax, combined, fund 80% of the state budget

The manner in which the General Assembly convenes will accommodate COVID-19 related social distancing guidelines. Legislative leaders anticipate publicly-available online committee meetings with a video feed, but will continue to hold floor votes (as required by the Constitution). Floor votes will likely be "held open" like congress does so that members do not have to be in the chamber all at once; this is a departure from the usual 10 seconds for a House vote and 5 seconds for a Senate vote. Provisions will also be made for simple majorities to declare a quorum and voice votes whenever possible. This new approach will require legislators to negotiate their differences in bills before they reach the floor for action. And we will expect to see much fewer contentious floor amendments and hi jinx under the rules.