

1

The General Assembly

The 2006 General Assembly was notable for the major substantive legislation enacted during a session normally focused on budget adjustments, noncontroversial local matters, and issues pending from the previous year. The major legislation included rewrites of the ethics and lobbying laws, and increase in the minimum wage, and substantial revisions relating to driving while impaired and registered sex offenders. The session also saw a dramatic increase in the number of bills introduced and a significant increase in the number of session laws enacted.

Overview of the 2006 Regular Session

Article II, Section 11, of the North Carolina Constitution provides for a biennial session of the General Assembly that convenes in every odd-numbered year. Until 1973 the General Assembly held a single regular session, convening in each odd-numbered year, meeting several months, and then adjourning *sine die*. Prior to 1974, legislative sessions in even-numbered years of the biennium were extra sessions (the North Carolina Constitution authorizes the Governor or a three-fifths majority of both houses to call such a session), and they were rare and of short duration.

Beginning with the 1973–74 biennium, the General Assembly began holding annual sessions. The General Assembly convenes in January of odd-numbered years. In these “long sessions,” which generally run through midsummer, a biennial budget is adopted and any legislative business may be considered. In even-numbered years the General Assembly convenes for a “short session,” which generally runs from May through July or August. In the short session, the General Assembly considers budget adjustments for the second year of the biennium and generally deals with bills that have passed one house and a limited number of additional noncontroversial matters. Legally the short session is a continuation of the long session.

The 2006 session convened May 9 and adjourned July 28. The length of the session as compared to other recent short sessions is shown in Table 1-1.

Table 1-1. Length of Legislative Sessions

Year	1996	1998	2000	2002	2004	2006
Date Convened	May 13	May 11	May 8	May 28	May 10	May 9
Date Adjourned	June 21	Oct. 29	July 13	Oct. 4	July 18	July 28
Senate Legislative Days	25	101	40	69	44	48
House Legislative Days	27	100	40	77	44	47

The 2005 adjournment resolution provided that only the following could be considered in the 2006 session:

- Bills directly and primarily affecting the budget for the 2006–07 fiscal year, if they were introduced by May 25, 2006
- Bills introduced in 2005 that passed third reading in the house of introduction by specified deadlines in 2005 and were not unfavorably disposed of in the other house
- Bills implementing recommendations of study commissions, commissions directed to report to the General Assembly, select committees, the House Ethics Committee, or the Joint Legislative Ethics Committee or its subcommittee, if they were introduced by May 17, 2006
- Noncontroversial local bills, if they were introduced by May 24, 2006
- Bills making appointments
- Bills authorized for introduction by a two-thirds vote of both houses
- Bills primarily affecting state or local pension or retirement programs, if they were introduced by May 24, 2006
- Bills proposing constitutional amendments
- Bills disapproving administrative rules
- Resolutions regarding state government reorganization, memorial resolutions, and adjournment resolutions

In the 2006 regular session, 1,974 bills were introduced, more than twice as many as in the 2004 session. An unusually high proportion of these bills proposed appropriations of state funds for specific, often local, projects. The General Assembly enacted 264 session laws, 24 joint resolutions, and 7 simple resolutions in 2006. One bill was vetoed. Table 1-2 compares the number of introductions and enactments in 2006 with those of the previous five short sessions.

Table 1-2. Statistical Analysis of Legislative Short Sessions

Year	1996	1998	2000	2002	2004	2006
Bills & Resolutions Introduced	911	1,036	760	706	881	1,974
Senate	442	516	383	368	415	881
House	469	520	377	336	466	1,093
Session Laws Enacted	222	229	191	190	203	264
Public Laws	113	135	118	80	116	172
Local Laws	109	94	73	110	87	92
Bills Vetoed	NA	0	0	1	1	1

Major Legislation Enacted in 2006

Among the major items of legislation enacted in the 2006 regular session are the following, each of which is discussed in detail in the chapter indicated.

Budget Modifications

S.L. 2006-52 (H 2351—Continuing Appropriations) and S.L. 2006-66 (S 1741—Modify Appropriations Act of 2005) modify the 2006–07 state budget, substantially increasing spending, borrowing for capital improvements, and reducing taxes (Chapter 2). S.L. 2006-203 (H 914) reorganizes, updates, and revises the Executive Budget Act.

Video Poker Machines

S.L. 2006-6 (S 912) bans video poker machines effective July 1, 2007. Machines located on tribal lands and operated under a Tribal-State Gaming Compact are exempt from the ban. (Chapter 5).

North Carolina Innocence Inquiry Commission

S.L. 2006-184 (H 1323) creates an independent commission to investigate factual claims of innocence made by convicted felons. The act sunsets in 2010 (Chapter 7).

Sex Offender Law Changes

S.L. 2006-247 (H 1896) makes extensive changes in the sex offender registration laws, including the imposition of certain residential, employment, and volunteering restrictions on persons required to register; establishment of a satellite-based sex offender monitoring program; and creation of the criminal offenses of involuntary servitude, sexual servitude, and human trafficking (Chapter 7).

Economic Development

S.L. 2006-224 (H 1965) restricts the use of eminent domain for economic development purposes. S.L. 2006-252 (H 2170) enacts a package of state economic development tax incentives that will replace the Bill Lee Act for most affected taxpayers. S.L. 2006-168 (H 2744) extends the expiration date of the Job Development Investment Grant program from January 1, 2008, to January 1, 2010, and increases from \$15 million to \$30 million the maximum amount of grant liability the state may incur for the program in 2006 (Chapter 8).

Electoral Fairness Act

S.L. 2006-234 (H 88) reduces the number of signatures required for a statewide unaffiliated (third party) candidate to be placed on the ballot (Chapter 9).

Students with Disabilities

S.L. 2006-69 (H 1908) renames the state's special education statutes as Education of Children with Disabilities and rewrites the law to conform it to the federal Individuals with Disabilities Education Act (Chapter 10).

Flags/Pledge of Allegiance in Schools

S.L. 2006-137 (S 700) directs local boards of education, charter schools, the North Carolina School of the Arts, and the North Carolina School of Science and Math to require the display of the United States and North Carolina flags in every classroom and to require the recitation of the Pledge of Allegiance on a daily basis (Chapter 10).

Energy

S.L. 2006-206 (S 2051) directs the Department of Administration to plan for the conversion of state fuel distribution facilities to facilitate the use of ethanol, biofuels, and other gasoline alternatives. S.L. 2006-90 (S 402) lengthens the permissible term of guaranteed energy savings contracts from twelve to twenty years and raises the state's aggregate limit on these contracts from \$50 million to \$100 million (Chapter 12).

Solid Waste

S.L. 2006-244 (S 353) enacts a one-year moratorium on permits for most new landfills and directs the Environmental Review Commission to study various issues relating to solid waste (Chapter 12).

Video Service Competition Act

S.L. 2006-151 (H 2047) replaces the local cable television franchising system with a statewide video service franchising scheme and eliminates the authority of local governments to assess and collect cable franchise taxes. The act provides for equal taxation of video programming services regardless of how the services are delivered and replaces local revenues from the repealed cable franchise taxes with a new distribution of state sales taxes. Finally, the act sets minimum requirements for public access channels and provides funding to local governments to support these channels (Chapters 15 and 26).

Minimum Wage

Effective January 1, 2007, S.L. 2006-114 (H 2174) increases the minimum wage in North Carolina to equal the federal minimum wage or to \$6.15 per hour, whichever is higher (Chapter 15).

Cell Phone Use by Drivers under Eighteen

S.L. 2006-177 (S 1289) prohibits a person under eighteen from using a mobile telephone while operating a motor vehicle in motion on a highway or in a public vehicular area (Chapter 19).

Governor's DWI Task Force Recommendations

S.L. 2006-253 (H 1048) makes extensive changes in the laws governing driving while impaired. Effective December 1, 2006, the changes affect impaired driving cases from the point of sale of alcohol (by regulating the sale of kegs of beer) to the restoration a person's license and the person's parole from prison (Chapter 19).

Seat Belt Use Enhancements

S.L. 2006-140 (S 774) requires seat belts to be used by the driver and every passenger of a motor vehicle, including commercial motor vehicles (Chapter 19).

State Government Ethics Act

S.L. 2006-201 (H 1843) is a comprehensive rewrite and reorganization of the laws relating to state government ethics and lobbying (Chapter 25).

Tax Reductions

S.L. 2006-66 provides for an earlier reduction of the state sales tax rate from 4.5 percent to 4.25 percent, effective December 1, 2006, and an earlier reduction in the upper-income individual tax bracket rate from 8.25 percent to 8 percent, effective beginning with the 2007 tax year (Chapter 26).

Governor's Veto

Governor Easley, as in past sessions, used his veto sparingly. He vetoed only one bill, Senate Bill 542, Access to State Facilities. This bill would have required state agencies to allow reasonable access to state facilities and employees for a domiciled employee association having 40,000 members, a majority of which are current state employees. The purposes for which access would have been allowed were membership recruitment, membership consultation, and to offer member benefits, including insurance products. The State Employees Association of North Carolina was a supporter of the legislation.

The bill was ratified on July 27, 2006. The Governor vetoed it on August 19, 2006, stating in his veto message that only a single employee association fit the bill's description and thus the bill was unfair to other associations and to public employees' rights of free association. In addition, the Governor stated that the bill would give an unfair competitive advantage to insurance companies associated with the sole qualifying employee association.

The Governor signed executive order 105 on August 18, 2006, allowing access for any domiciled employee association having at least 2,000 members, at least 500 of which are state or local government employees. The purposes for which access is allowed are limited to membership recruitment and consultation. The General Assembly did not attempt to override the veto.

The Legislative Institution

Legislative Ethics

As discussed in Chapter 25, "State Government Ethics and Lobbying," S.L. 2006-201 makes numerous significant changes relating to legislative ethics. It enacts the State Government Ethics Act (G.S. Chapter 138A), creating ethical standards relating to using a public position for private gain, accepting gifts, misuse of confidential information, conflicts of interest in official actions, and nepotism. The act also provides for disclosure statements of economic interest, investigation of ethics complaints, advisory opinions, and ethics education. S.L. 2006-201 also makes conforming changes to the Legislative Ethics Act. Finally, it combines the 2005 laws on legislative lobbying (Article 9A of G.S. Chapter 120) and executive branch lobbying (Article 4C of G.S. Chapter 147) into a new G.S. Chapter 120C.

Smoking

The General Assembly banned smoking at the legislature. S.L. 2006-76 (H 1133) amends G.S. 143-597 to designate all areas of any building occupied by the General Assembly as non-smoking areas.

Executive Budget Act

Articles 1 (Executive Budget Act) and 1B (Capital Improvement Planning Act) of G.S. Chapter 143 govern procedures for preparing the recommended state budget, enacting the budget, and administering the budget. Effective July 1, 2007, S.L. 2006-203 combines those articles and recodifies them into a new G.S. Chapter 143C (State Budget Act) to simplify,

reorganize, and update the budget statutes, conform the statutes to constitutional provisions governing appropriations, and make other changes.

The 2007 Session

The next regular session of the General Assembly will convene at noon on January 24, 2007. Members of that General Assembly were elected in the November 7, 2006, elections.

Martha H. Harris