

Budget considerations continue to play the most prominent role in legislative developments in Raleigh. House and Senate budget conferees have recently agreed on a budget proposal that would raise income taxes on those with incomes in the higher end of the spectrum. Additionally, "sin" taxes would be increased (on alcohol and tobacco), a new tax would be imposed on internet services and the sales tax could go up. The budget is being circulated to all of the members of the legislature as we speak, and there could be a vote on the budget this week.

The General Assembly is anxious to adjourn. Thus, a successful vote on the budget would likely mean that adjournment could be just around the corner.

Last week **HB 1297 - Provider Credentialing/Insurers** passed the Senate. It had previously passed the House in May, and the Senate version differs from the House version. Therefore, the bill will go back to the House for concurrence in Senate amendments. This legislation is meant to expedite the credentialing process of providers by insurers.

On the **tort reform** side of things, note that **SB 882 - Statute of Repose/Products Liability** was ratified on July 28. It increases the statute of repose for products liability actions from six years to twelve.

Note that **HB 813 - Comparative Fault** appears to be bogged down at the present time. It passed the House in the middle of May, and has been in Senate J-I since that time. The House sponsors are Representative Glazier, Blust, Ross and Stiller. Rep. Stiller has resigned from the legislature, and Rep. Ross has been awarded a fellowship which will enable her to travel to India and China. Rep. Ross is making that trip this week, and she has been a staunch advocate of the comparative fault bill.

For this week, at least at this point, there is relatively little activity of interest on the legislative agenda. Senate Commerce will consider **HB 1166 - Insurance Law Changes**. It passed the House last week on July 27. The most prominent component of this bill is the treatment of information that can be provided to funeral homes concerning life insurance on deceased individuals for whom the funeral homes provide services.

House Insurance is scheduled to meet tomorrow, but only a fireworks safety and permitting bill (**SB 563**) is on its agenda.

On the P&C front, note that **HB 1305 - Beach Plan Changes** has not been progressing in the Senate. Various revisions and tweaks to this legislation are being considered, and I will keep you advised should this legislation break free and be calendared in committee.

I will keep you advised as the budget is considered and as adjournment becomes a real possibility. Please favor me with your thoughts and comments at any time, and I hope that the coming of August finds that all goes well.