



BUILD UP!

NORTH AND SOUTH CAROLINA BUILDING DIVISIONS NEWSLETTER

CAROLINAS AGC - MARCH 23, 2005

SUMMER DIVISION MEETING SLATED FOR HILTON HEAD

Registration packets will hit your desk in coming weeks for the upcoming Building Division Meeting. Please mark your calendars for **July 14 - 17** and plan to join us at **The Crowne Plaza Resort on Hilton Head Island**. This year's theme is "The Rapidly Changing Face of Your Construction Business." The meeting will feature quality, industry-related speakers on topics such as trends in the industry regarding delivery methods, training, MBE participation, National AGC developments and technology.

At the Building Division breakout session, we'll discuss how far we have come in addressing the Division goals for the year. You also will hear about legislative developments in both Carolinas that affect how you do business.

There will be a spouse/guest brunch on Friday as well as a Captain's Choice golf tournament (guests/spouses welcome). Following golf, there will be a cocktail reception and dinner/dance.

The joint session meeting on Saturday will feature well-known author and top-rated speaker Dr. Jerry V. Teplitz, who will show you how to make every day positive, energized and relatively stress free through actual tools and techniques that will increase your energy levels, resulting in more productivity and creativity.

For registration information, contact Leslie B. Hope at 803/799-5380, ext. 5515, or lhope@carolinasagc.org.


TORT REFORM BILL IN S.C. SIGNED BY THE GOVERNOR

The S.C. General Assembly began its session on Jan. 11, 2005 and the Senate immediately cranked up hearings on the general business tort reform bill. Sen. Glenn McConnell, the Senate Judiciary Committee chairman, made his position known at the first full committee meeting that same afternoon, telling panel members the issue had been debated enough over the past 2 ½ years and that as far as he was concerned the senators were "either for tort reform or against it, that no one was on the fence on this matter" and he expected things to move quickly. And, they did! The Senate completed its work and passed a bill (S. 345) out of committee by Feb. 2, then spent much of February debating the matter on the Senate floor.

Meanwhile, the House jumped right in as well and sent on Feb. 9 its version of the bill (H. 3008) to the House floor. The bill was amended, received third reading by Feb. 17 and was passed on to the Senate. So, for most of last month, the main issue discussed at the State House was tort reform. And, thanks to the Tort Reform Coalition, of which CAGC is a member, and to all of our members and the members of the 39 other participating associations, the bill passed with a unanimous concurrence vote in the House on March 16. The governor signed the bill into law on March 21. The new legislation:

- Decreases the statute of repose on construction defects from 13 to 8 years.
- Sets standards for who pays what share of damages in lawsuit awards.
- Limits where lawsuits can be filed.
- Targets frivolous lawsuits.
- Makes using a nickname in lawyer advertising a violation of the Unfair Trade Practices Act.

FREE WEEKLY NEWS "TO GO" FROM CAGC

A new feature of the Wednesday e-Bulletin allows you to print out all news articles with just one click. At the top of each issue, see the icon  **View or Print articles in full**. Now you can print all the articles at once and either read the news at your leisure or take your entire newsletter with you on the run.

Of course, you can still click any headline to take you right to that full story on our web site.

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N.C. LEGISLATIVE AND GOVERNMENT RELATIONS

The N.C. General Assembly, which began its long session on Jan. 26, 2005, is beginning to ratchet up its work after committee assignments recently were completed. The biggest issue facing lawmakers is an estimated \$1.3 billion budget shortfall for the coming fiscal year, beginning July 1. Gov. Mike Easley, in his \$16.9 billion budget recommendation unveiled last month, would help plug that shortfall by keeping in place a half-cent increase in the sales tax, which was scheduled to expire June 30, as well as hike the cigarette tax by 45 cents. Concerning construction, the budget plan includes \$13 million to match federal and local funds for water resources development projects, as well as \$5 million for infrastructure and equipment needs at the state ports. It also would cut \$30 million for public schools construction.

It appears as though a state lottery – which was not in the governor’s budget – will be voted on up or down in the House in coming weeks. There is increasing support in the House for a lottery. Unlike the House, the Senate has long supported a lottery, as it could generate an estimated \$400 million.

Some good news early in the session is that Sen. Basnight has told CAGC he would support a multi-billion-dollar construction program for water and sewer, highway and education (public schools, universities, community colleges) needs. With limited funding, exactly how that would be funded remains to be seen. Some issues CAGC is involved with include:

- Workers' comp reform. CAGC has helped fund a business coalition in this effort, which would include making it much more difficult for workers' comp claims to be paid out when an injury or death on the job is the result of intoxication by alcohol or drugs.
- Protecting highway funding, reducing construction equipment and machinery taxes, cracking down on job theft and increasing economic development.
- Helping with underground utility safety efforts and trying to exempt licensed general contractors from having to have certified well drillers for temporary dewatering activities.
- Getting a CAGC member appointed to the State Building Commission. CAGC has recommended to House Speaker Jim Black that John M. Thompson of J. M. Thompson Co. succeed Cleve Paul of D. S. Simmons, Inc., when his second and final term on the commission expires July 1, 2005.
- Reducing the corporate income tax rate. With the budget crunch, this issue faces an uphill battle.

Meantime, other issues surfacing include mill rehabilitation tax credits, reducing Highway Fund diversions, toll roads, minority business participation on public work, revisions to lien laws, double payment by contractors concerning lower-tiered subs, reverse auction bidding (which CAGC opposes) and expediting change orders on public work.

Happy Easter

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