

# Governor Hunt and Special Sessions

While Governor James Martin (R) attempted to use bond referendums to implement and fund various public programs, Governor Jim Hunt (D) preferred to use special sessions to bring attention to what he perceived to be important needs. During his third and fourth terms as governor, Hunt called a total of six special sessions.

Hunt called his first special session in February 1994 in order to deal with crime – specifically to “keep violent criminals behind bars longer and make prison a real deterrent.” The session lasted from Feb. 8 to March 26. While Hunt told community leaders he thought that, at bottom, crime was a “a religious problem ... a matter of getting people right in their souls,” his initial \$118 million, 36-point anticrime package called for tougher sentencing, after-school programs, juvenile training schools, and substance-abuse programs for inmates. The result of the two-month long session was a \$257 million crime bill (S.L. 1994-24es) that implemented structured sentencing laws, passed a “Three-Strikes, You’re Out” bill aimed at violent repeat offenders, funded the construction of five new prisons, and funded several school-based programs, as well as drug treatment programs for inmates.

In 1996, Governor Hunt called two special sessions. The first came on February 21 after Speaker of the House Harold Brubaker (R-Randolph) requested the governor call a special session to pass legislation to reduce business unemployment taxes. Although Hunt initially balked at the suggestion, he eventually acquiesced. Meeting for 2 hours

and 39 minutes, the General Assembly overwhelmingly (remember, it was an election year) passed a \$140 million unemployment tax cut (S.L. 1996-1es).

**I place economy among the first and most important of republican virtues, and public debt as the greatest of dangers to be feared.**

Thomas Jefferson

Governor Hunt called the second special session of 1996 after budget negotiations broke down during the 1996 short session. The main point of contention was saving, as opposed to spending, a \$700 million budget surplus. The Republican House wanted to save no less than \$398 million of the surplus and spend much of the remainder on building new prisons. The Democrat Senate wanted to spend the entire surplus, mostly on education. Although the two-year budget from the long session was already in place, an outraged Hunt declared the state was in “crisis” and called legislators back into session on July 8. After the legislative leadership came together behind closed doors to iron out a compromise, the budget was passed with no debate on August 3. The day prior, August 2, the Legislature also passed the “Tax Reduction Act of 1996,” which lowered the sales tax on food, cut the corporate income tax, and instituted the “William S. Lee Quality Jobs and Business Expansion Act,” better known as the Bill Lee Act.

In the fall of 1997 Hunt appointed a special commission to discuss proposals on juvenile crime, with the apparent intention of calling another special session to address the issue. On February 27, 1998, the

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governor abruptly changed course and announced that he was going to call the General Assembly into session to pass legislation regarding his latest pet project – the expansion of taxpayer subsidized healthcare for children. Declared the governor: “There are tens of thousands of children of working families that are uninsured. Their parents work hard, but they make too much for Medicaid. . . . Too often, these families face a terrible choice: food and shelter for their children or health insurance.” Accordingly, Hunt proposed a plan to cover some 71,000 children in families who make up to 200 percent of the federal poverty limit. The initial impetus for the expansion was the availability of an annual federal contribution of \$79.9 million for children’s healthcare that could only be tapped if the state increased its healthcare budget by \$27.7 million per year.

As in 1994, the special session lasted nearly two months, from March 24 to April 30. The primary focus of debate was a Republican recommendation that families who opted in to the state program should have to help offset the cost by paying a monthly premium of up to \$28. While the governor called the premiums a “bad idea,” House Speaker Harold Brubaker (R-Randolph) defended the proposal as reflecting “fairness, accountability and personal responsibility.” Debate over the governor’s plan also stalled at the last minute over the Senate’s refusal to consider a House-sponsored tax credit for families who purchase health insurance for their children.

The final plan (S.L. 1998-1es) provided health insurance for children whose families earn up to 200 percent of the federal poverty limit, but required the families to pay an annual enrollment fee of up to \$100 and a small co-pay for doctor visits and prescriptions. The General Assembly also agreed to a \$100 to \$300 refundable tax credit for families who actually buy insurance coverage for their children.

Hunt called his fifth special session in December 1999 so that the General Assembly could pass the \$830 million “Hurricane Floyd Recovery Act of 1999” (S.L. 1999-463es). On March 30, 2000, Hunt called the Legislature back to Raleigh in order to pass a bill aimed at protecting North Carolina tobacco companies from potentially crippling lawsuits. The special session was prompted by a Florida lawsuit involving five tobacco firms (two of which were based in North Carolina: R.J. Reynolds Tobacco Co. of Winston-Salem and the Liggett Group of Durham) that was anticipated to result in a \$100 billion to \$300 billion punitive judgment (in the end, the jury awarded damages of \$144.87 billion). The four-hour, April 5 session resulted in the passage of a law (S.L. 2000-1) that placed a \$25 million limit on punitive damage bonds, that is, bonds filed during an appeal. In passing the law, North Carolina joined three other neighboring states: Georgia, Kentucky and Virginia.

Following Governor Hunt’s example, Governor Mike Easley (D) has also called several special sessions: in 2002, for redistricting; in 2003, for economic development; another in 2003, for redistricting; and in 2004, for economic development. In 2004, Governor Easley himself estimated that every day the General Assembly is in special session costs “\$100,000 per day of taxpayer money.”