

Exhibit 2

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News for Friday, February 18

Good morning

The legislature has finalized its redrawn legislative and congressional districts, so now it's up to the courts to decide what happens next.

Will a three-judge panel accept the new maps as a valid response to the N.C. Supreme Court's ruling that previous maps were unconstitutional? Will they use a map submitted by the plaintiffs instead? Or get their **trio of special masters** to draw another set of maps?

We probably won't know until late next week. In the meantime, we can have fun analyzing the legislature's maps and speculating about candidates and election outcomes if the court OKs these maps. If you want to take a look, here are the links to the detailed version of **N.C. House**, **Senate** and **congressional** proposals.

Here's my initial list of political winners and losers under these maps:

Winners:

Northeastern NC Democrats: The congressional district that includes many of the state's majority-minority counties now leans more heavily Democratic – good news for Sen. Don Davis, former Sen. Erica Smith and other candidates running for this seat.

U.S. Rep. Dan Bishop: While the Republican incumbent's Charlotte home is cut off from the South Carolina border counties he currently represents, he's said he'll still run in a district that stretches east from Union County. Under the latest maps, that's a safe Republican district.

U.S. Rep. Kathy Manning: The Democrat's Triad district had been carved up into multiple GOP-leaning districts in the earlier map, but now there's a district with a large chunk of Greensboro. Her political career isn't over yet.

House Speaker Tim Moore: He **told The News & Observer** that he's reconsidering his plans to forego a congressional bid to stay in the state House. The latest maps have a competitive district from Charlotte west though his home county of Cleveland. The moderate nature of the district makes it less appealing for a GOP firebrand like Madison Cawthorn, but Moore could be his party's best shot to win the seat.

Losers:

Senate leader Phil Berger: Another senator noted Thursday that the redraw makes Berger's Rockingham/Guilford Senate district substantially more competitive. Berger has enjoyed a safe seat for more than a decade, but he told reporters he'll still seek re-election. Look for Democrats to dump huge amounts of money to try and unseat him, forcing him to spend campaign cash he'd usually use to help fellow GOP candidates in other districts.

Rep. John Szoka: The longtime Republican lawmaker from Fayetteville had been running for Congress. The new maps put him in Congressman David Rouzer's district, and his new state House district may lean Democratic. Szoka voted against the congressional map because of how it carves up Fort Bragg.

U.S. Rep. Madison Cawthorn: He may end up switching back to his original western N.C. district, but his decision to jump districts means that other strong Republican candidates have emerged in the west.

Sen. Wiley Nickel: The new maps split western Wake from the Democratic Orange/Durham district where he'd been running. He'll either have to run in a county where he doesn't live, run in a much less favorable congressional district for Democrats, or stay in the state Senate.

Colin Campbell

ccampbell@businessnc.com

Legislature isn't done yet

While the legislature finished approving redistricting maps on Thursday, they're not planning to adjourn the session just yet.

Senate leader **Phil Berger** told reporters after yesterday's session that while no votes are expected next week, lawmakers could be in Raleigh the week of Feb. 28. Some legislators are working on a budget technical corrections bill, he said, and "there may be a couple other things that are in the hopper."

After that, though, Berger expects that legislators will adjourn "to a date certain" – likely after the May primary to begin the 2022 short session.

Tax fix for farmers, fishermen

Farmers and fishermen will get a reprieve from potential tax filing penalties thanks to a legislative fix that sailed through both chambers Thursday.

State law allows people who make their living from fishing or agriculture to make interest-free tax payments throughout the year – as long as they file their tax returns by March 1. But this year, the N.C. Department of Revenue is **delaying tax return processing** until the end of this month as it updates software to match tax code changes.

That makes that March 1 deadline impossible to meet, according to **Rep. Keith Kidwell**, R-Beaufort and sponsor of the new version of **House Bill 797**. The bill pushes that deadline for farmers and fishermen to April 15.

“Without our help today, they will owe the Department of Revenue interest and potentially penalties,” said **Sen. Paul Newton**, R-Cabarrus, who introduced the bill in the Senate.

Jobs bill for Goldston? Not so fast

Sometimes it can take more than a year to pass relatively minor legislation at the General Assembly. Case in point: **Senate Bill 128**, which was first introduced in February 2021 and got resurrected this week.

All it did initially was make some tweaks to the qualifications to serve on the **Isothermal Community College** Board of Trustees in Rutherford County. No one had any beef with the change, but the bill got largely ignored by the House until last November.

It resurfaced then and immediately got an amendment that had nothing to do with either Rutherford County or community colleges. **Rep. Robert Reives**, D-

Chatham, added an amendment that would make it easier for the tiny Chatham County town of **Goldston** to annex property into its town limits.

Reives says the move would help Goldston run water and sewer lines to attract an unspecified new employer bringing 40 to 45 jobs. Goldston, located near Sanford, has a population of just 234 people.

Reives' amendment meant SB 128 didn't have enough time to get final votes before the legislature adjourned for the year. But it resurfaced late Wednesday night with a quick House vote.

However, the Senate seemed less eager to help out Goldston. It left town without taking action on the bill.



Tax incentives for captive insurance

Speaking of bills that have taken forever to get across the finish line, legislation with incentives to lure **captive insurance** operations back to North Carolina is finally headed to the governor's desk.

Senate Bill 347 would make a number of changes to regulations governing captive insurance, including a short-term tax exemption for captive insurance companies that move to North Carolina. These are services that sell insurance to other businesses to cover things like worker's compensation and malpractice protection.

Sen. Todd Johnson, R-Union, said last year when the bill first surfaced that many companies like Lowe's and Truist have moved their captive insurance operations to other states to take advantage of more favorable tax treatment.

As the bill passed the House unanimously on Thursday, **Rep. Chris Humphrey**, R-Lenoir, told colleagues that it “will bring those jobs and taxes back to this state.”

Another insurance bill requested by the N.C. Department of Insurance, **Senate Bill 496**, also passed the House but will need another Senate vote before it's done.

Daybook

- The legislature's new study committee to consider Medicaid expansion, the **Joint Legislative Oversight Committee on Access to Healthcare and Medicaid Expansion**, holds its first meeting today at 10 a.m. The **agenda** includes a range of topics, from the federal "surprise billing" law to rural hospital closures to the shortage of nurses.
- The N.C. Innovation Council, which will **develop the financial technology regulatory sandbox program**, meets at 1 p.m.

Quotable

"What did my Democratic colleagues do?"

– Rep. Billy Richardson, D-Cumberland, when he was called on to announce how he'd vote on the proposed N.C. Senate redistricting map. Rep. Destin Hall informed him that Democrats were voting no, so Richardson voted no.



TODAY'S TOP 10
Important stories from across N.C.

1. NC lawmakers OK bill giving student opt-out to mask mandates

Gary D. Robertson/Associated Press

North Carolina parents could permit their K-12 students to opt out of mask-wearing mandates set by local education boards inside schools in legislation approved by the General Assembly on Thursday.

The bill now heads to the desk of Democratic Gov. Roy Cooper, who as the final vote was being completed held a news conference to encourage local governments -- including boards of education -- to end broad mask requirements, as COVID-19 transmission rates and hospitalizations fall.

"This (omicron) variant is clearly more contagious, yet generally causes less severe illness, particularly to people who are vaccinated and boosted. And now, people know how to gauge their level of risk and decide how to best protect themselves," Cooper said. This and other updated health recommendations for schools would begin March 7.

Cooper didn't say what he'd do with the opt-out measure, which surfaced from Republicans back in Raleigh this week to redraw redistricting maps. But he said he has "concerns that it's unwise and irresponsible." The governor could veto the measure, sign it into law or let it become law without his signature.

"I mean, are we going to let people pick and choose which public health rules they're going to follow?" Cooper asked.

The Senate and House approved the measure with slight veto-proof margins, although several senators were absent. A handful of Democrats joined GOP legislators in backing the change. [\[Read more here\]](#)

2. State offers hope to storm victims denied federal aid

Shelby Harris/Carolina Public Press

North Carolina's state government is extending a helping hand to victims of last year's Tropical Storm Fred who may have been denied federal aid.

Weeks after Tropical Storm Fred ripped through Western North Carolina Aug. 16-17 — bringing record-breaking rainfall and claiming the lives of six people — the Federal Emergency Management Agency deployed workers to survey damage and gauge how much financial assistance was needed.

As WNC residents began applying for the funds, many found the process to be more complicated than expected. "You had to find (FEMA), and unless you had a computer or something, you really didn't know where to find them," Haywood County resident Steve Chaney said.

After Chaney submitted his application, his frustrations with FEMA continued.

Chaney estimates Tropical Storm Fred inflicted more than \$10,000 worth of damage to the roof, driveway and spring of his home in Cruso, a small mountain community outside Canton.

However, FEMA cut Chaney a check for only \$312 after assessing his house. Instantly, his hope to repair his home of seven years disappeared.

Federal guidelines require specific documentation. COVID-19 has prevented in-person collaboration. These issues have made securing FEMA funds difficult for the local government, said Haywood County Director of Emergency Services Travis Donaldson. [\[Read more here\]](#)

3. GOP political newcomer Bo Hines to vie for competitive Greensboro-area House seat

Bryan Anderson/WRAL

Conservative political newcomer and U.S. House candidate Bo Hines intends to run in a highly competitive Greensboro-area seat, he told WRAL News in an interview shortly after Republican lawmakers on Thursday approved a new congressional map.

Hines said the 6th Congressional District is largely where he has spent the past year campaigning and is a place he has personal connection to.

Democratic U.S. Rep. Kathy Manning is the area's current representative. She has expressed interest in running for reelection but has not formally declared. "I just truly believe that this is the place that I feel at home," Hines said. "I've been here the last five years of my life, and I love the people here and want to represent them in Congress." Manning did not immediately respond to a request for comment. [\[Read more here\]](#)

4. Cherokee plan to start dispensing medical marijuana late 2022 or early 2023

Paul Woolverton/USA Today Network

The Eastern Band of Cherokee Indians plans to begin selling medical marijuana to its tribal members and the general public by the end of this year or in the beginning of 2023 in its territory in the mountains of Western North Carolina.

The Cherokee hope to plant their first crop of medical marijuana in late March or early April. But the tribe has a tight schedule to make that happen, and it

may need to adjust its plans.

The Cherokee govern themselves as a separate sovereign territory and can allow marijuana sales in their territory, which is called the Qualla Boundary, regardless of state and federal law. Their Tribal Council passed ordinances in May and August to make that happen for medicinal purposes.

But implementing the law isn't happening overnight.

The tribal government is proceeding carefully and deliberately as it sets up its program for farming, manufacturing and dispensing medicinal marijuana, said Jeremy Wilson, the governmental affairs liaison for the tribe's Principal Chief Richard B. Sneed.

The tribe is creating a special purpose limited liability corporation to grow and sell the marijuana, said Jim Terry, a consultant advising the tribe. "They're hoping to have that entity set up and running by the end of February," he said.

And once the LLC is in place, planting for the 2022 growing season would begin in the Qualla Boundary around the end of March and early April, Terry said. Harvesting would follow in the fall. [\[Read more here\]](#)

5. The way North Carolina's electricity rates are set will change with a new law

David Boraks/WFAE Radio

The way North Carolina's big electric companies set rates is changing in a big way. State regulators adopted rules last week to carry out a new law that, among other things, lets utilities seek multiyear rate plans and earn performance-based bonuses.

The rules follow Gov. Roy Cooper's signing last fall of a major energy reform bill, House Bill 951. They apply to state-regulated utilities Duke Energy and Dominion Energy but not to town-owned systems or electric co-ops.

The new rules spell out how the companies can seek rate increases for new transmission lines or generating facilities in the future, instead of in the past as the state has done for a century.

"The way utilities have been regulated is they go and build stuff, and spend money, and then come into the Utilities Commission and say, 'Hey, we would like to recover the money that we already spent,'" said Peter Ledford, general counsel and policy director with North Carolina Sustainable Energy Association.

The new law lets companies submit three-year plans for raising rates to pay for future investments. And it allows for bonuses or penalties depending on whether the companies meet targets set by regulators, Ledford said.

"Let's say the average customer loses power X hours a year right now. If Duke reduces that they might get a financial bonus. If somehow power outages get worse, Duke would pay a financial penalty," Ledford said.

Ledford said the order lacks some consumer protections his group wanted.

[\[Read more here\]](#)

6. Dietary supplement maker BestCo will create nearly 400 more jobs in Mooresville

Catherine Welch/ WFAE Radio

Supplement maker BestCo has been approved for a state grant to expand its facility in Mooresville. The company makes and packages dietary supplements for brand names.

The North Carolina Economic Investment Committee voted Thursday to give BestCo a total package of nearly \$2.6 million in tax reimbursements over 12 years as long as the company hits its jobs and investment goals. Iredell County and the City of Mooresville are offering \$8.3 million in incentives.

The company says it will create 394 new jobs with an average salary of about \$51,000. It will also invest \$177 million by 2025. The expansion will be for producing and packaging gummies.

This is the second economic development announcement for Iredell County this month.

Paint maker Sherwin-Williams announced earlier this month that it's expanding its manufacturing plant in Iredell County, creating 183 jobs. [\[Read more here\]](#)

7. Robert Califf confirmed as US Food and Drug Administration commissioner

News Release

Robert M. Califf, MD, Duke University adjunct professor of medicine (cardiology) and former director of the Duke Clinical Research Institute (DCRI), has been confirmed as commissioner for the U.S. Food and Drug Administration following a vote by the Senate Thursday. Califf's appointment to the position will mark his second time heading the agency, which he also led during the final year of former President Barack Obama's administration.

Califf was nominated to the post by President Joe Biden in November 2021. His confirmation was hailed by his colleagues in the world of clinical research and academic medicine.

"Dr. Califf is the ideal choice to lead the FDA at this critical time," said Mary E. Klotman, MD, dean of the Duke University School of Medicine. "He brings extraordinary experience and wisdom. I'm so appreciative of his willingness to serve our country again."

"There's no question that Rob Califf is the perfect fit for this job at this moment," said Duke cardiologist and current executive director of the DCRI Adrian Hernandez, MD, a longtime colleague of Califf's. "He has the background, the skills, the knowledge, and the personal integrity to lead the FDA at a critically important time."

The nomination also garnered swift support from six former FDA Commissioners, who in a joint letter to the Senate confirmation committee praised Califf's "lifelong commitment to leadership in promoting public health and advancing clinical science." [\[Read more here\]](#)

8. State denies expansion of quarry, mining on site near RDU, Umstead Park

WRAL News

The state Department of Environmental Quality on Thursday became the latest agency to deny Triangle Quarry a permit to expand on land adjacent to Umstead Park.

After two public hearings and thousands of public comments, the Division of Entergy, Mineral and Land Resources determined the quarry's plan "would have a significantly adverse effect on the purposes of a publicly owned park, forest or recreation area."

The decision is a potential major blow to the project and a win for environmentalists and others who have pushed, for years, against the quarry's plans. The proposed expansion, on land owned by the Raleigh-Durham Airport Authority, had prompted a public outcry from property owners, hikers and mountain bikers.

The proposed expansion has been tied up in court since 2019. The latest decision can be appealed to a state administrative law judge. [\[Read more here\]](#)

9. Ductwork manufacturer adding 25 jobs in Thomasville

News Release

Nordfab, a manufacturer of ductwork used in environmental filtration systems will expand its existing operations in Thomasville with an investment of \$5.5 million, Gov. Roy Cooper announced Thursday. The decision creates 25 jobs in Davidson County to support the expansion of the company's production facilities.

"Manufacturers continue to thrive in North Carolina," said Governor Cooper. "Companies appreciate the state's investments in workforce development and infrastructure, and Nordfab's expansion shows once again that these investments pay off in new jobs and a growing economy."

The average annual salary for the new positions is \$45,840 with the potential to create an annual payroll impact of more than \$1.1 million per year. Davidson County's overall average annual wage is \$45,117.

A performance-based grant of \$50,000 from the One North Carolina Fund will help facilitate Nordfab America's expansion, based on a company investment of

\$4.1 million. [\[Read more here\]](#)

10. Governor's education cabinet takes on longitudinal data, workforce strategy, and more

Alex Granados/Education NC

Gov. Roy Cooper signed an executive order Tuesday creating a governance board for the North Carolina Longitudinal Data System (NCLDS). The order, signed during Cooper's education cabinet meeting, outlines how the new board will be structured and what its duties will be.

The NCLDS is a "system of systems" that connects data across agencies (like early childhood, K-12, postsecondary education, and the workforce) to track how students are doing from when they enter the early childhood system through their participation in the workforce. Ideally, as a better-linked and targeted data system, NCLDS could help support evidence-based policymaking.

Geoff Coltrane, Cooper's senior education adviser, gave an overview of NCLDS during the meeting. He recapped for cabinet members their previous endorsement of four key steps for the system in 2021, including the establishment of a governance board.

Another step was the hiring of an executive director to oversee the system. According to Coltrane, the Government Data Analytics Center (GDAC) is currently interviewing candidates and hopes to hire someone in the next month or two.

Cooper said he is excited about making progress with the NCLDS to "help us to better connect students to better paying jobs."

State Superintendent of Public Instruction Catherine Truitt, an education cabinet member, said that, due to “logistics,” similar efforts in the past have had trouble getting off the ground.

“I would just encourage us all to be cognizant of that so that we don’t stall, as has happened in the past,” she said. [\[Read more here\]](#)

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North Carolina Tribune
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