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Business officials give early support to HB2 repeal bill

By Richard Craver Winston-Salem Journal 17 hrs ago



Roy Cooper has expressed confidence there is enough Republican support for an HB2 repeal. [Buy Now](#)

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Members of the North Carolina business community are expressing hope that a bipartisan — and significantly criticized — attempt at repealing House Bill 2 will gain enough legislative support to pass.

House Bill 186, introduced Wednesday, incorporates several elements of Democratic-sponsored legislation, such as enhanced criminal penalties for sexual assaults and anti-discrimination policies for hiring, housing and educational systems.

However, the bill maintains that only the General Assembly has the authority to regulate access to public restrooms, showers, locker rooms and other facilities except for facilities owned or under the direct control of a city.

It also does not specifically provide for anti-discrimination protections for the LGBT community.

One of the 11 co-sponsors is Rep. Ed Hanes, D-Forsyth, who said that while “we’re not married to every provision in (HB186) by any means, it is a great beginning for conversation.”

Nonetheless, HB186 has been embraced in part or whole by several leading business groups, such as the

N.C. Chamber, NAIOP North Carolina, which represents commercial real estate developers, brokers and other industry professionals, the Charlotte Chamber and the Charlotte Executive Leadership Council.

“The North Carolina Chamber and the statewide business community have been clear about our goals on this issue,” Lew Ebert, the chamber’s president and chief executive, said in a statement.

“We are encouraged and supportive of House Bill 186 as a bipartisan effort to move toward a resolution. We encourage continued dialogue and collaboration among elected leaders to pass a solution.”

Other business officials, meanwhile, remain firm in their position that HB2 needs to be repealed with no conditions in order to persuade the NCAA, ACC and NBA to return or not extend a ban on holding championship and other events in North Carolina.

Fortune magazine has estimated the economic damage to the state as exceeding \$600 million. The potential for the NCAA to skip N.C. venues for neutral-site championships for the 2018-22 cycle could cost another \$250 million, according to the Greater Raleigh Sports Alliance.

“We have not taken a position on either bill. Our membership is divided on the issue,” said Gayle Anderson, president and CEO of the Winston-Salem Chamber of Commerce.

The support of the N.C. Chamber for HB186 is intriguing in that HB2 contains two pro-business elements: taking away state court as a venue for suing an employer for discrimination, and prohibiting local government entities from requiring a set hourly wage from third-party contractors working on their projects.

In July, legislators approved restoring allowing people to sue in state court over discrimination. The modification restores the right to file discrimination lawsuits in state court — within one year of the alleged offense. That is shorter than the previous three-year limit, but twice as long as the limit in federal court.

‘Off the list’

NAIOP North Carolina issued a statement that “strongly urged” legislators from both parties “to embrace HB186 as a bipartisan solution that repeals HB2 and allows our state to recover from the economic damage suffered over the past year.”

The group said that since HB2 was signed into law by former Republican Gov. Pat McCrory, “North Carolina and its commercial real estate industry has suffered millions in lost revenue from taxes, leases and fees, as dozens of economic development prospects have passed over our state because of this law.”

“The office and industrial sectors have been most strongly hit, and with millions of square feet coming on line over the next few quarters, net absorption will be insufficient to keep up with deliveries in Charlotte, the Triangle and the Triad.

“As a result, many of our state’s developers and real estate professionals are at financial risk once again, just a few years after the end of the Great Recession,” the group said.

NAIO stressed that “economic development recruiters increasingly tell our brokers that North Carolina is ‘off the list’ when it comes to company relocations.”

John H. Boyd, a site-selection expert based in New Jersey, said that on one hand, economic rankings showing North Carolina in the top echelon “are a valuable marketing arrow in the quiver of North

Carolina's economic development foot soldiers.”

“This list is widely followed and gets huge exposure.”

Yet, Boyd said, “the big gorilla in the room” remains HB2 and “how long will its effect play out for North Carolina.”

“Site selection is largely a process of elimination, and most site searches take place without the guidance of a site selection firm, such as ours, to sort things out and get into the weeds on certain factors,” Boyd said.

“HB2 has given a number of companies (Deutsche Bank, PayPal and others) a convenient reason to eliminate North Carolina from consideration for new investments and jobs,” Boyd said.

The Charlotte Observer quoted Lynn Good, Duke Energy's chief executive, as saying that “HB186 represents an opportunity to advance North Carolina's economic well-being.

“The Charlotte Executive Leadership Council stands with elected officials from both parties who continue seeking an answer through collaboration and cooperation on behalf of our entire state.”

The Charlotte newspaper said the council is comprised of major business leaders, including Bank of America Corp. chief executive Brian Moynihan, Wells Fargo executive David Carroll, Novant Health Inc. chief executive Carl Armato and Carolinas HealthCare System chief executive Gene Woods.

Bob Morgan, chief executive of the Charlotte Chamber, said he is encouraged “by the early bipartisan support for the proposed House Bill 186.”

Starting point?

Currently, there is no law-enforcement mechanism for HB2, known primarily as the transgender restroom bill.

HB186 says that people shouldn't face discrimination because of "genetic information," instead of explicitly mentioning sexual orientation and gender identity. It adds military veterans to the list of those protected from discrimination.

Democratic Gov. Roy Cooper submitted his repeal proposal Feb. 14.

"I am concerned that this legislation, as written, fails the basic test of restoring our reputation, removing discrimination and bringing jobs and sports back to North Carolina," Cooper said.

Cooper said he will keep working with the legislature. He has expressed confidence there is enough Republican support for an HB2 repeal.

HB186 co-primary sponsor Chuck McGrady, R-Henderson, told The News & Observer of Raleigh that HB186 "is not a take-it-or-leave-it bill."

"This is the best starting point we've had up until now. We've got to forget about special interest groups on the right and the left, and do what's right for North Carolina."

Hanes said his support for HB186 comes in part from "having leadership from ranking Republicans and respected members of the Democratic caucus working together toward resolution."

HB186 gives cities and counties the ability to adopt nondiscrimination ordinances after giving at least a 30-day notice of the text of the ordinance.

Any nondiscrimination ordinance would go into effect

90 days after being approved by a city or county.

However, any ordinance could be subject to a voter referendum if a petition is submitted that contains the signatures of 10 percent of the voters who voted in the most recent municipal election.

That element has drawn the ire of not only LGBT supporters, but also several Democratic legislators and left-leaning advocates.

“I have two concerns with this,” Cooper said in a statement Sunday. “First, it subjects the rights of the minority to a vote of the majority. It would be like putting the Civil Rights Act to a popular vote in cities in the South during the 1960s. Except today, it would come with the perils of modern campaigns.”

Cooper added a second concern.

“Imagine the endless campaigning— months of one side demonizing the other about whether LGBT citizens have rights,” Cooper said. “Toxic 30-second TV ads. Nasty mail filling up your mailbox. And North Carolina is still in the national news for all the wrong reasons.”

Cooper called on legislative Republicans to return to the negotiating table.

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