REP. BLACKWELL: If you would, try to find a seat. I've got some preliminary matters that I want to go over, so hopefully we'll understand what we're going to try to do, and we'll need to be a little bit flexible, I understand.

I want to start by saying to the members of the committee, to help us judge the time that we need to dispose of the bill by 11:45, which is my intention, I would like you to indicate to the staff behind me, as soon as you possibly can, if you intend to offer an amendment. I don't have to know what the amendment is, but I'd just like to have an idea of how many we might possibly be dealing with, if you could accommodate that.

If you're interested in speaking for or against the bill, or if you simply want to speak on the bill, if you will, register in the back; I think there's a sign-up sheet back there. If you don't consider yourself for or against, you might want to sign up on the shortest list. You can explain that you signed up on that side, but that you're not really for or against.

My intention at this point, subject to getting us out of here by about 11:45, 11:50, is to try to allow 30 minutes of public comment, up to
two minutes per speaker. If we don't need that much time, fine. If we need more time because of anticipated amendments, I may have to cut back on that, but we'll go as far on the list as we can. My intention is that we will begin by having the sponsors present the bill. They'll then -- we'll have discussion by the committee. We'll then take public comments. And then we will come back and have such amendments and votes as the committee needs, with the idea, again, of being finished by 11:45. So, with your cooperation, hopefully we can stick to that schedule.

Okay. The Chair recognizes Representative Bishop to present the bill. Representative Bishop, you want to come to the podium? And while Representative Bishop is coming up, I'll say -- I'll try to remind you, but when we get to the public comments time, please identify yourself and any organization or agency that you may be associated with. Okay. And we welcome Representative Stam, and -- and we'll let them present this in such order as they may choose.

REP. STAM: Mr. Chair -- Mr. Chairman, members of the committee, I'd like to give you an overview -- an overview for about two minutes, and
then Representative Bishop will be going paragraph by paragraph, so that we completely understand it. This is a common sense bill that ensures the status quo ante. That is -- what do I mean by that? If you pass the bill, really, nothing is changed from yesterday until tomorrow, but it prohibits other deleterious changes in the future. It protects privacy. It also clarifies what units of local government can do on a couple of disputed issues. I would contend that it is not changing that, it's just clarifying and making clear -- that is, making clear what local -- what units of local government can do and not do.

The reason this is important, is that we need -- for economic development, we need a good intrastate common market. We have 100 counties, we have 500-plus cities, and businesses that want to grow and expand. It's not a good idea for them to have to have different employment rules in different places where they do business. Obviously, infrastructure will be different, zoning will be different, the fees will be different, the taxes will be different, but they shouldn't have to guess or to comply with rules made by one city that apply to everybody who's going to contract with
that city, even if their -- even if their other place of business is in, say, Wake County.

   So, for example, if Catawba County were to issue certain rules on employment practices for their bidders, and I wanted to bid on that from Wake County, Catawba County should not be able to tell my business in Wake County what to do. We need to put a stop to that. This is important at the intrastate level. It's important at the interstate level, and even in world trade, but especially intrastate and interstate. I'd like to ask the Chair to recognize Representative Bishop, who will go through it paragraph by paragraph.

   REP. BLACKWELL: Representative Bishop, you're recognized.

   REP. BISHOP: Thank you, Mr. Chairman. I hail from Charlotte, and -- and as Representative Stam said today, I think what we're doing is preserving sense of privacy that people have long expected in private facilities. And we are restoring and clarifying -- clarifying the existing authority and limits of authority of local governments. The recitals at the beginning of the bill say that. They point out that the power of localities in North Carolina comes from delegation
by the General Assembly.

And in the case of the Charlotte ordinance passed in February, there was exercised a power that's never been delegated to the City of Charlotte, or to any locality, except for a few in their charters. But not Charlotte. So Article VII, Section 1 of the North Carolina Constitution sets forth that law. That's our fundamental law of this state.

Immediately below that, Representative Stam made the point that consistent business regulation statewide is critical for -- for the success of business, and to make the kind of business environment that we need for the people of North Carolina to prosper.

Article II, Section 24 says that the General Assembly cannot make local acts on business. That is to say, labor, trade, mining, or manufacturing. The Constitution specifically sets that forth in order that we not have a balkanized or patchwork system of business law, varying from place to place within the state. The other recitals are consistent with that. And now I'll proceed to the operative parts of the bill.

The bill is in three parts. The first
part establishes in two sections that in public
facilities in North Carolina, the policy will be
that bathrooms will be designated according to
biological sex, and usage of them will be according
to biological sex. That's the law of North
Carolina already. The North Carolina building code
specifies the number of facilities, and that
they'll be designated according to biological sex.
This clarifies it.

So in the two sections -- the first is
that in K-12 public education facilities, bathrooms
for students will be bathrooms and -- and their --
bathrooms and changing facilities; the terminology
you see -- single-sex, multiple occupancy bathroom
and changing facilities and also -- so you have
multiple and single occupancy, obviously. If it's
a multiple-occupancy facility, then they'll be
designated and used according to biological sex.
Biological sex is to be designated on the birth
certificate. And for those that may not know,
North Carolina already has in statute a provision
that if someone has sex reassignment surgery, then
they can amend their birth certificate so that it
is the -- so that it has the other gender. And so
this is consistent with that.
The -- the Section 1 includes specific accommodations that are allowed for various circumstances. It permits local boards of education to maintain single occupancy bathroom or changing facilities that students can use. It also has exceptions in Subpart -- in Subparagraph -- Subsection (d) listed for custodial purposes; for maintenance of, or inspection purposes; to render medical assistance; to accompany students needing assistance or -- or a student needing to receive assistance.

And -- and also the last one, Section -- Subsection (7) there, says, that has been temporarily designated for use by that person's biological sex. It is often the practice in athletic events in particular, where a team travels to the opposite school, that a locker room of the other gender than the sports team will be temporarily designated for their use during that event. So that's covered as well.

Section 1.3 of the bill, the second provision on bathroom policy, and it provides that in other public facilities; so facilities operated by state agencies, by localities and also other types of bathrooms operated by local school boards,
the same policy will exist, and the same similar exceptions apply. Notice there is no mandate on private business in this law. Businesses are free to regulate their own facilities as they see fit, and we believe that's consistent with a good, favorable business environment and appropriate freedom of choice.

Now, Part 2. Part 2 and Part 3 are the portions that, as we introduced the bill, I mentioned relate to clarifying what authority exists for localities in certain areas. Part 2 has three sections. Section 2.1 clarifies that local governments lack authority, or "preempted" is the term in law, to adopt regulation of wages.

Now, the reason that that is in this bill, is because of the two sections that follow that, Sections 2.2 and 2.3. These sections provide that if a local government, county, or city, engages a contractor, it is not able to impose regulations or controls on that contractor's employment practices, or mandate or prohibit how it will provide goods, services, or accommodations to any member of the public. These were the provisions previously modified in 2013, when a city overstepped its authority and used its contracting
policy to impose a minimum living wage, as the terminology went, on -- on its contracting parties. We've now made clear, instead of here, because what we said there is, they're disabled from regulating the employment practices generally of contracting parties or their -- their way of selling services or goods. Therefore, we've moved more generally, and clarified something, again, that is not new law. It's a clarification.

The Wage and Hour Act of North Carolina is a complete and integrated legislative scheme regulating wages and labor conditions. And we -- so, we've -- to make it abundantly clear that local governments are disabled from this area, we've made an explicit statement of preemption of the field. That takes us to the third part, which is titled Protection of Rights in Employment and Public Accommodations. North Carolina has had, since 1976, in Article -- in Chapter 143, a statement of public policy against employment discrimination on the basis of race, religion, color, national origin, and sex. For the first time, we are enacting -- proposing to enact a statewide statement of public policy against discrimination in public accommodations, on those
same categories. I've actually omitted two that appear in the top, and I want to explain — explain this. So that — in the employment discrimination provision that's pre-existed, there's a — covers age, which is uniquely appropriate for employment discrimination, not for public accommodations, for reasons I can go into if someone has a question, but the other one is disability.

There were reports in the media this morning that we're curtailing protections for disabilities. That's completely incorrect. That is covered comprehensively in a separate State statute. Chapter 168A of the General Statutes provides comprehensive protection for disability discrimination, including in public accommodations.

There was a case from the Court of Appeals in 2015, in which the fact that handicap is included in this employment nondiscrimination public policy statement, creates a — an enormous confusion that the Court of Appeals had to work its way through. And it is a potential trap for the unwary. If people who suffer disability discrimination should bring their claim inadvertently under that public policy statement, as opposed to under Chapter 168A, they can deprive
themselves of appropriate remedies.

So as we're -- as we're enacting, for the first time in North Carolina, a statewide statement of public accommodations nondiscrimination, we've left handicapped to be covered completely and comprehensively by the existing Chapter 168A. And we've used, for consistency, the definition of public accommodations in 168A to inform the nondiscrimination policy that we are enacting here. And we cover all of the -- of the -- what the Supreme Court has termed suspect and quasi-suspect classifications in this new comprehensive statement opposed to discrimination in public accommodations.

In both of those statements of public policy, we have also made -- we have also now articulated clear statements of legislative intent, that localities are preempted from acting in these areas. But I want to emphasize to you all again, that no one can point to a statute that has ever explicitly delegated authority to cities and counties to do that. And, in fact, if you read the Williams versus Blue Cross and Blue Shield case from 2003, the courts have already been active in striking down exactly that sort of regulation. Where there was a comprehensive employment
discrimination measure enacted in a county, the
Supreme Court said that county didn't have
authority to do that. But the matter appears to
remain unclear, and therefore we're proposing to
clarify it.

In both of these statements of public
policy -- the one on employment discrimination, the
other on public accommodations discrimination --
the Human Resources Commission within the
Department of Administration is empowered to
receive complaints, to investigate, and to
conciliate complaints that arise concerning either
of those.

At the end, there's a severability
provision; you all know what that's for. And as --
and -- and the final provision, Part 5, makes
clear, to the extent the field preemption
statements made elsewhere in the legislation
doesn't seem to cover it, or leaves any doubt at
all, makes clear that ordinances, regulations,
policies adopted that are inconsistent with this
law, are superseded and preempted. And that's from
front to back. Mr. Chairman.

REP. BLACKWELL: Thank you,
Representative Bishop. Before we take questions,
let me do a couple of other housekeeping things. One is, I had a question that, for members of the committee, you do not have to offer amendments to the bill in committee in order for them to be considered on the floor. You can, under the rules that were just adopted earlier in session, amendments can be offered on the floor for the first time. So you can take that into consideration in deciding if you have something you want to offer.

Also, I should point out to the committee members and the public that are present, that we have four House Sergeant-At-Arms that are around the chambers that may be able to help you if you have a concern. Young -- Young Bay is over here, Jim Moran in the back by the door, Doug Harris is back here, and Joe Crook is over by this door. So we appreciate that.

One other thing is, because we were about 15 minutes late in getting started because of the availability of the bill and the explanation for the bill, we've gotten permission to extend that time by which we take the vote from 11:45 to 12:00. We may not need that, but I'm going to do that in my discretion, so that hopefully we won't have to
cut short public comment.

With that being said, are there questions from the committee for Representative Bishop, or -- is Representative -- I don't know if Representative Stam is still here. I don't know if the other sponsors are present, if they want to come up, Representative Howard or Steinberg, if they're in the room, but are there questions from the committee? Representative Richardson.

REP. RICHARDSON: Thank you, Mr. Chairman. I don't necessarily -- well, I have a question in the sense of, we just got this bill just before the explanation started. There are a lot of statutes that are listed in this bill, and I think it's very unfair to the committee to ask us to make an informed decision on this bill that seems to impact some things that we're not aware of. Is it a -- a possibility that we could be given at least five to ten minutes to read this for ourselves, from front to back? Because right now, listening to him and trying to read along with all these statutes, I'm not sure of what is really in this bill.

REP. BLACKWELL: Representative Richardson, if you think five minutes would do it,
why don’t we give you the lesser of the times you requested, and we’ll be at ease for five minutes to give members of the committee that haven’t seen this before a chance to look at it.

REP. RICHARDSON: Thank you, Mr. Chairman.

(Members at ease.)

REP. BLACKWELL: The committee will be back in order. Are there further questions from members of the committee? Representative Warren, I think I saw earlier that you had your hand up?

REP. WARREN: Thank you, Mr. Chair. I’d just like to be recognized. It’s an appropriate time to make a motion.

REP. BLACKWELL: All right. Any other questions from members of the committee at this point? Seeing none, we will go to public comment. The first public comment, if you’ll go to the speaker in the back, and use the mic, and identify yourself, and if you are with an agency or organization, on whose behalf you are speaking, if you’d let us know that. And our first speaker is Chris Sgro. If it’s -- I hope I didn’t -- is that okay? Two minutes, each, please.

MR. SGRO: Good morning. My name is
Chris Sgro. I'm the Executive Director of Equality
North Carolina, the statewide LGBT advocacy
organization, representing over 170,000 members,
and we have many of our allies here with us today.
What Charlotte did is not unique or extreme. Their
democratically-elected City Council overwhelmingly
passed a protection ordinance for LGBT people. Two
hundred-plus cities across the nation, have these
protections already, including Myrtle Beach and
Columbia, South Carolina. We're talking about
other similar cities, not just New York or San
Francisco.

There have not been public safety
concerns in any of those cities for the decades
that these ordinances have been in place. That is
a fact, and facts matter. What is extreme, is this
special session. The first since 1981, wasting
42,000 taxpayer dollars a day, more than a North
Carolina educator's yearly salary, is what you are
doing here.

This ordinance is a best practice. What
this NCGA stands to do is a worst practice.
Republicans in Tennessee and South Dakota have
killed less sweeping bills because of concerns that
we have not had time to evaluate in the five
minutes that we just gave folks, to digest this lengthy legislation. This would be the most sweeping anti-LGBT bill in the nation. We cannot allow state policy to be crafted, or passed, for political gain or out of factless fear.

    My community deserves to be protected. Yes, in restrooms, and in restaurants, and in hotels, and in ability to hail a taxi. Those are common sense protections. This session is not common sense. The eyes of North Carolina, our business community, my trans and gay brothers and sisters, and the nation, are focused on you here today. Please reject fear. My community's safety and facts must trump the perceived politics of this. Vote against.

    REP. BLACKWELL: Thank you, Mr. Sgro. The next speaker is Chloe Jefferson, if I'm getting that name correctly. Ms. Jefferson.

    MS. JEFFERSON: Hi. My name is Chloe, and I'm in my junior year at Greenville Christian Academy. When the Charlotte City Council passed their bathroom ordinance, I was immediately fearful. I was fearful because, if Charlotte can do something like this, what city will be next, my own? Changing in front of my girl peers is already
intimidating enough. The teen years are especially
difficult with different body image perceptions
being pushed on us through social media, magazines,
and Hollywood. We start to believe that there's a
certain way to look, and to not look. Now we add
the possibility of males changing and showering
alongside me. This is something that makes me, and
I'm sure other girls, even more self-conscious.
Girls like me should never be forced to undress or
shower in the presence of boys. I would imagine
being born a boy but thinking you're a girl is very
scary and confusing. But being a teenage girl is
confusing, too.

What about my rights to privacy and
wishes to not be exposed to young males changing
and showering beside me? I think everyone has the
freedom to believe in what they want, but they
shouldn't change laws for a small number of
students that punish and single out the rest of us.
That wouldn't be fair.

Not only is this bathroom ordinance a
problem for my privacy, but also a problem for my
safety. I would no longer feel safe using the
bathroom in public places. Knowing that a man
could easily walk into the women's bathroom, with
no limitation, is completely frightening.

Charlotte's bathroom ordinance allows men complete access to private places reserved for women. With this access, there's no stopping what people may do. How can my parents possibly send me into a bathroom -- public bathroom, knowing that a man could possibly be waiting for me. This ordinance will be used as a way to have access to unarmed girls in what should be a private setting.

Charlotte is only the first city, and if Governor McCrory and the General Assembly do not fix what Charlotte has done, I think others will follow. I am not the only girl scared, if Charlotte's ordinance is not changed. Everyone should be aware that it would be girls like me who are affected by ordinances like Charlotte and we deserve protection. Thank you.

REP. BLACKWELL: Thank you. The next speaker on our list is Sarah Preston.

MS. PRESTON: Good morning. My name is Sarah Preston. I'm the acting Executive Director for the ACLU of North Carolina. As an organization that cares deeply about ensuring equality for all North Carolinians, including lesbian, gay, bisexual and transgender individuals, we are very concerned
about this legislation. We all understand that this proposal came about because of an ordinance passed by Charlotte. This ordinance was not complicated. It is a simple measure designed to protect all individuals in public accommodations, including restaurants, bathrooms, hotels, transportation, and even accessing government services.

I know that many people probably do not understand what it means to be transgender, or identify with a sex other than the one that was assigned at birth, and that's okay. But the reality is that a transgender woman is a woman, and a transgender man is a man, living his life just like any other man, and he should be able to access the men's restroom. These men and women should be able to expect fair and equal treatment from their governments, and in public accommodations. Instead, half of the transgender individuals surveyed in North Carolina recently reported being harassed in public accommodations, and eight percent reported being assaulted. We are here today thinking about adding to that harassment, encouraging those assaults and violence, and we should do better for this community.
If this body truly wants to consider a nondiscrimination ordinance, they must include gender identity and sexual orientation. It is important that we protect all of the vulnerable communities in our state and not pick and choose which we want to provide full accommodations to. Thank you.

REP. BLACKWELL: Our next speaker is, if I'm -- again, Eleana Smith.

MS. FEDORUK: Good morning, Mr. Chairman, members of the committee. I'm Kelly Fedoruk, and I'm here to read the statement from Eliana Smith, because she's unable to come here today. She's in Charlotte, and asked that I read her statement to all of you this morning. "I'm Eliana Smith, and I've lived here in Charlotte for eight years. I write to you today because I truly believe this Charlotte ordinance creates dangerous and vulnerable situations for women, children, and men. I'm going to share something today that I never thought I would share publicly, but I feel is really necessary due to the direction that our city is going in.

I was sexually assaulted as a young girl, and in the years that followed, I had a real fear
of men hurting me. This fear followed me for a long time. I actually remember when I was searching for colleges, and the thought of co-ed dorms making me incredibly nervous. I specifically picked a school where I knew girls would all be on the same floor, because I wanted to make sure my privacy, as a woman, was protected. Thankfully, I found healing and peace from the terrible pain that I experienced, and I did come to realize that I could be safe again.

In recent weeks, the thought of what I experienced has come back to my mind as I watched the Charlotte City Council vote to allow biological males into women's bathrooms, locker rooms, and showers. I have serious concerns and anxiety that I may encounter a man in the bathroom. But more than the pain and nervousness I feel, because of what has happened to me in my life, I fear even more for my children. I have four young children, and I never want any of them to go through the pain, the humiliation, and the trauma I suffered for years. How will I be able to go into the bathroom, knowing that at any moment a man, or someone pretending to be a woman, could walk in? I won't have peace about my little girls showering
and changing at the Y, where there very well could be a man in that room.

In passing this ordinance, the City Council ignored its obligation to protect all citizens of Charlotte, and demonstrated that they really don't care about my concerns. Instead, the City Council values and chose its political agenda over safety, privacy, and common sense."

Mr. Chairman, I see I'm out of time. May I have a couple seconds to finish her statement? Keep it short? Thank you.

"My concerns and my fears are real, and it's not right for anyone to discount them or for anyone to call me a bigot and a fearmonger, because I want to keep my family safe. As a victim of sexual abuse, it is very difficult to speak up or defend yourself. There's this fear, especially as a young girl, that if you speak up, you or your family will pay somehow. The same fear returns in a different way and I ask you all today to pass this bill, and I urge Governor McCrory to sign this and protect all citizens of this great state."

Thank you.

REP. BLACKWELL: Our next speaker, and let -- let me say, before -- I appreciate
everybody's decorum, but at various points, before we get through, please remember that we don't have clapping or demonstrations of support, pro or con, and you all are doing great, making my job easy, but thought I would remind you of that. The next speaker is Angela Bridgeman.

MS. BRIDGEMAN: Good morning. My name is Angela Bridgeman. I'm here representing my own self, a transgender person, and a respected member of the North Carolina business community, who moved a successful business to this state from the State of Pennsylvania.

I bring money from out of the state into the state, and I am asked to pay taxes to finance the discrimination which I face every day as a transgender person. Now, I am post-operative. My birth certificate says female, my license says female, this is not going to affect me. But that's not what I'm here to talk about today.

What I'm here to talk about today, is in 1998, I was denied a college education because I am a transgender person. Five days after Matthew Shepard was killed in Wyoming, I was told by my then-college, Sullivan College [sic] in Louisville, Kentucky, that I would only be allowed to use male
restrooms. What would you all do? I did the only thing I could. I chose my safety. At five days after Matt Shepard is killed, I'm told that I have to put myself in a position where I'm probably going to be beat up, or worse. I dropped out of college, and I never went back. I was denied a college education just because I'm transgender.

I don't mean to be insensitive to some people that maybe have suffered sexual assaults and are fearful, but I have a right to be safe, too. I have a right to be safe, too, and I have a right to get a college education, which was denied to me. I have a right. And the bore for the point -- this isn't going to affect me now, because I am in every way legally female. But nobody else should have to go through what I did. Nobody should have to make the kind of choice I had to make. Thank you.

REP. BLACKWELL: Our next speaker is John Amanchukwu.

MR. AMANCHUKWU: I'm John Amanchukwu, Executive Director for the Upper Room Christian Academy. When there's no such thing as right or wrong, man is left with flawed ideologies and philosophies. When virtues are smothered through party platforms, man becomes confident in
legalizing anarchy. This ordinance is the corrupt fruit of treason. It is an inside job from the hearts of traitors.

Marcus Cicero said, a nation can survive its fools and even the ambitious, but it cannot survive treason from within. An enemy at the gates is less formidable where he is known and carries his banner openly. But the traitor moves amongst those within the gate freely, his sly whispers rustling through all the alleys, heard in the very halls of government itself. He rots the soul of a nation.

How do you spell traitor? How do you spell treason? Today you spell it R-O-Y C-O-O-P-E-R. Once again, our Attorney General is failing to stand up for the people of this great state. So today, we reject and push back against neutrality for the voices of thousands of boys and girls in our public or private schools, and the countless teachers and administrators.

It's common sense that boys should go to the boys room, and girls should go to the girls room. I believe that God got it right in Genesis 5 and 2, when He said that He created them male and female. If God didn't give you access to a male or
female bathroom via your anatomy, neither should we give you access via ordinance or legislation. According to the American Psychiatric Association, as many as 98 percent of gender-confused boys and 88 percent of gender-confused girls eventually accept their biological sex, after naturally passing through puberty.

In my closing, allowing men to use women's bathrooms, showers, and locker rooms puts both women and children in situations of grave danger. Evidence shows that bathrooms are one of the most prevalent places in which sexual assault and rape take place. This ordinance is a passive form of child abuse. So we ask the General Assembly to send a clear message today to any other municipality that this kind of government overreach will not be tolerated.

REP. BLACKWELL: Our next speaker will be Madeline L. Goss.

MS. GOSS: Thank you. My name is Madeline Goss, and I'm transgender. I'm a mother, and a partner, and I'm a software engineer here in Research Triangle Park. I grew up in Hickory, North Carolina, and I loved Hickory. But I was bullied and tortured mercilessly there. And where
did it happen? It happened in the men's room.

This place is a place of danger for me. And what this bill would do is send me back there. I left Hickory for places that are safe, like Charlotte and Raleigh. I now live in Raleigh, and I am happy there. I'm happy with my partner and I'm happy with my nine-year-old daughter, Sophia.

I can't use the men's room. I won't go back to the men's room. It is unsafe for me there. People like me die there every day. Not -- not the least to say, it freaks people out when I go to the men's room. Would you like to go to the men's room with me? I don't think so. The point is this. These LGBT protections are common sense protections. They make places like Raleigh and Charlotte safe and welcome for people like me. They're not new, they're not unique, and they're not radical.

This -- they've already been passed in over 200 cities in the United States. People aren't getting thrown in jail. People aren't getting raped and murdered. People are just going to the bathroom. That's all I'm asking, is a safe place for me, and people like me, to go to the bathroom. Please, vote no on this bill.
REP. BLACKWELL: Our next speaker is
Tammy Fitzgerald.

MS. FITZGERALD: Good afternoon, members
of the committee. Charlotte's bathroom ordinance
is unconstitutional. And this is the first domino.
Other cities will follow if we don't stop what
happened in Charlotte. Under North Carolina's
Constitution, cities only have those powered
explicitly delegated to them by the state.
Charlotte exceeded its delegated powers by passing
an ordinance that jeopardizes both the health and
the safety of its citizens.

It creates laws that are not uniform
across the state, making it harder to do business
in Charlotte than other parts of the state. This
hurts business. It violates the right to earn a
livelihood free of government interference, because
of the business regulations it imposes. The
Charlotte ordinance unfairly allows the government
to overreach into the private businesses and
churches, by forcing them to provide service,
promote ideas, participate in events, that conflict
with their beliefs. This violates the First
Amendment, as well as our own state constitution.
If the General Assembly does not stand firm, a
precedent will be set for municipalities to usurp power on any number of issues.

Now, because Roy Cooper has failed to do his job, we are looking to you and the Governor to call this law unjust, and to overturn it. The Charlotte bathroom ordinance was heavily promoted by a convicted sex offender, and we've said quite a bit about that. But there are -- this has actually happened in states where these laws are already in place. Sex offenders are using these laws to their advantage.

In 2011, transvestite Thomas Lee Benson, a convicted sex offender for having sexual contact with a minor girl, dressed as a woman so he could go into the women's locker room at a swimming pool in Oregon. There were young girls present in the locker room, changing into their swimsuits, while Benson was inside. Previously, he had dressed as a woman to enter another locker room in Portland, Oregon. Young girls were changing into their swimsuits in that dressing room, too.

We have presented over 35,000 petitions to you, and to the City of Charlotte, to stop this ordinance, and we would appreciate your action today. Sixty-six percent of the people in this...
state think the ordinance should be overturned, and so we are looking to your leadership. Thank you so much for your time.

REP. BLACKWELL: Our next speaker is Tracy Hollister.

MS. HOLLISTER: Hello. My name is Tracy Hollister, and I'm with several organizations today, proudly: Equality North Carolina, ACLU of North Carolina, and the Human Rights Campaign. And I'm here specifically to talk about Provision 1, and to take a stand for my transgender brothers and sisters.

Paul Stam earlier talked about consistency in this bill, consistency across the state, but I want to argue to you that this bill is inherently inconsistent. What is it inconsistent with? North Carolina values and common sense. Treating people with respect, as we'd want to be treated. Respecting local democratic processes. And being champions of safety and protection.

We hear, on the one hand, fears of what happens when transgender people go to restrooms. And we hear, on the other hand, a mountain of evidence of how dangerous it is, and how unsafe transgender people feel. I want to ask the
legislators here today, by show of hands, how many
of you personally know a transgender person?

REP. BLACKWELL: We can't allow a show of
hands on that, but you can continue with your
remarks, please.

MS. HOLLISTER: I would submit to you,
that if you do not know a transgender person
personally in your life; if you have not heard
their story, like you've heard Maddy's story, and
other stories; that you need to do your homework,
and be transparent about what you understand and
don't understand.

Fortunately, Bobbie Richardson gave us
five minutes. We need far more than five minutes
to talk about a bill like this. And this is not an
emergency. Nothing really bad is going to happen
when people who feel like they are -- like --
people who are women go to women's restrooms, and
people who are men go to men's restrooms. I have a
cousin who is transgender. He writes that he came
out at age 19. He asked me to share this with you,
after experiencing gender dysphoria for years. And
when he came out, he had a fear of public
bathrooms. A lot of transgender people avoid
bathrooms. The last thing they want to do in a
bathroom is to create any trouble. They just want
to relieve themselves, like he would like to
relieve me right now.

    REP. BLACKWELL: Thank you. I want to
remind you to state your name as you start, and if
you are with an agency, business or a group, if
you'll identify the group that you may be
representing. The next speaker is John Rustin.

    MR. RUSTIN: Thank you, Mr. Chairman,
Members of the Committee. I'm John Rustin,
President of the North Carolina Family Policy
Council. As you've heard, on February 22nd, the
Charlotte City Council approved a set of highly
controversial and hazardous ordinance changes, and
we have three primary concerns.

    First, these changes mean that men can
enter women's restrooms, shower rooms, bathhouses
and similar facilities in any public accommodation
in the City of Charlotte, placing the privacy,
safety, and dignity of women, children, the
elderly, and others at great risk. The City's
extremely broad definition of public accommodation
means this new ordinance would apply to essentially
any business or organization in the City that
provides any goods or services. And please keep in
my mind, there is no exception. There is no exception for churches, church schools, and church-related ministries.

Secondly, many citizens have sincere religious beliefs that inform the way they live their lives and operate their businesses. Similar ordinances in other states have been used to force small business owners, such as florists, bakers, photographers, bed and breakfast owners, and others, to either conform to a government-dictated viewpoint in violation of those sincerely-held religious beliefs, or to face legal challenges, fines, and other penalties that have ultimately caused some to go out of business. The City of Charlotte should not be authorized to impose such an unconstitutional mandate as a condition of doing business.

And thirdly, Charlotte far exceeded its authority when it passed these ordinance changes. Cities and counties in North Carolina derive the full extent of their authority only from the state Constitution and acts that are passed by this General Assembly. The North Carolina General Assembly has granted neither the City of Charlotte, nor any other city or county in the state, the
authority to do what Charlotte has done. If these ordinance changes are allowed to stand, they will serve as a precedent for other city and county governments to undermine proper governmental authority in North Carolina, and to create a patchwork of disparate ordinances across the state.

For these reasons, we applaud you for considering the legislation that you are today, and we ask that you support it. Thank you.

REP. BLACKWELL: We have now consumed about 25 to 26 minutes of the allotted public comment time, so we're going to take two more speakers from -- one from each side. The next speaker will be Vivian Taylor.

MS. TAYLOR: Hello. My name is Vivian Taylor. I am here today representing the organization, Believe Out Loud. It's a Christian organization. But I'm also here representing myself. I am an eleventh-generation North Carolinian. My family has been here since our ancestor Kinchin Pennington was given a piece of land as a payment for his service in the Revolution. I graduated from North Carolina public schools. I served in the War in Iraq with the North Carolina National Guard. I'm a transgender
woman.

These protections that Charlotte passed are common sense. Transgender folks face incredible amounts of violence, and these protections just do the basic moral job of looking out for people and keeping them safe. You can look at all the other cities that have passed similar protections, and you can see there have not been issues. There has not been violence. We are North Carolina, we are one of the greatest states -- we are the greatest state in this union, and we can do better than -- than giving into fears. We can protect everyone. I love this state, and I -- and because of that, I call on you to reject this bill. Thank you very much.

REP. BLACKWELL: Our next and final speaker is Heather Garofalo, I believe.

MS. GAROFALO: Good afternoon. My name is Heather Garofalo. I'm a small business owner servicing Charlotte. I'm a mom of three children. I have many friends and family in the LGBT community, and I love them. Every American private business owner in North Carolina should be free to live and work according to their views, without fear of being punished, unjustly, by the
government. In 2015 the Pew Charitable Trust organization identified the top 10 states for job growth. Eight out of 10 of these states do not contain state nondiscrimination ordinances with language of sexual orientation and gender identity.

Charlotte is a beautiful city because of its diversity. There are many different world views and world religions. There is strength in diversity. True equality means everyone is free to speak their piece, without fear of being silenced and punished. I'm pleased to report today, that not one single case has been filed by the ACLU alleging that an individual or organization has discriminated against our friends in the LGBT community here in Charlotte.

As a business owner, I fear the unintended consequences of this ordinance, the negative impact on labor, trade and commerce, as I service many cities in the state. There would be inconsistency, lack of uniformity. For small and large business owners like myself, we would be forced to check our deepest-held beliefs at the door, or suffer fines of $500, jail time, lawsuits. I am asking for a right to provide for my family.

Also, business owners across the state
will be forced to cancel their contracts. The city will cancel contracts in just nine days. Cancelled contracts means a loss of revenue. A loss of revenue could mean tens of thousands of jobs laid off in North Carolina. This could mean -- this could mean trouble, financially, for many families in this 2016 election year.

I am equally concerned as a mom of three, that this ordinance violates the safety and privacy of every child in North Carolina. I am not fearful of my transgender friends. I am fearful of all the sexual offenders that are here. If you put a sweet transgender child, and you move them from one restroom to the next, that's not going to take care of their fears and concerns and desire to be accepted. That's actually going to subject them to being -- oops, sorry.

REP. BLACKWELL: Okay. Thank you for all the comments. I now will go back to the committee. Are there further comments or questions from members of the committee? Representative Hamilton. Are there members of the committee that have questions or wish to speak on the bill?

REP. HAMILTON: Thank you, Mr. Chairman.
If I may, I have a -- several questions. I have a series of questions, if -- if I can just get started.

REP. BLACKWELL: To whom do you want -- do want to address these, or are these rhetorical?

REP. HAMILTON: No, they're -- I would like some answers to them.

REP. BLACKWELL: Representative Stam and Representative Bishop, you all want to step up to the podium, and we'll let you handle these?

REP. HAMILTON: Thank you, gentlemen.

Thank you, Mr. Chairman. And it may involve staff as well. Okay. My first question is related to the change in the third section, from just a simple reference to sex, changing it as biological sex. The question is, if a -- if a gender-change operation has taken place, the new sex -- say you've -- a female has -- has had a sex-change operation to become a male. Is that considered his biological sex?

REP. BISHOP: It is according to the definition in the statute. It says biological sex is sex according to the birth certificate.

REP. HAMILTON: According to the birth certificate.
REP. BISHOP: And they can have the birth certificate changed.

REP. HAMILTON: And their birth certificates can be changed.

REP. BISHOP: That's correct.

REP. HAMILTON: Thank you. My -- my second question is really related to the contract portions of the bill, Sections 2 and 3. I -- the focus has been, from the media standpoint and from the public standpoint, just on the bathrooms, as it relates to the Charlotte ordinance. But what concerns me about this bill is that we have -- we have expanded the conversation, and now we are delving into the cities' and counties' ability to contract with private vendors. So my first question is, how will minority, women, and business-owned entities be impacted by the changes in this statute, or will they be affected in any way?

REP. STAM: May I, Mr. Chairman?

REP. BLACKWELL: Yes.

REP. STAM: I think there are three parts to that. I -- it I -- I would not agree with your premise that it affects their ability to contract; they certainly can contract. What your question
goes to is, frankly, one of the more egregious aspects of the overreach that -- that is involved here, which is this -- in this -- in a particular locality, this -- that has imposed -- purported to impose employment or -- or selling practices on a business with whom they -- they will contract, whoever's going to bid for their jobs, they reach well beyond the limits of their city to impose this -- whatever their notions are, on folks across the state, and even out of the state. So it illustrates one way in which is particularly problematic.

However, to the other point that you've asked, or to the rest of it, if you will look in Chapter 143 -- and I'd get you a reference, but there are already -- there already is a -- a comprehensive set of rules concerning nondiscrimination in contracting on -- on the -- all the suspect and quasi-suspect classes and requirements for program-setting goals for the utilization of minority and -- and -- and women business enterprises.

REP. HAMILTON: Thank you, Representative.

REP. BLACKWELL: Did that answer the
question, Representative Hamilton?

REP. HAMILTON: Another question. Yeah.

Yes, thank you very much. As it relates to private corporations, it is my understanding there are a number of private corporations inside and outside of North Carolina that already have -- have rules and regulations that address the use of bathrooms in their -- in their corporate buildings. Does this, in any way, deny a private corporation from being able to enforce rules that are, quite honestly, very similar to the rules that Charlotte hopes to impose on April the 1st?

REP. BISHOP: Mr. Chairman, may I respond?

REP. BLACKWELL: Yes.

REP. BISHOP: Thank you for the question, Representative, and it gives an opportunity to -- to emphasizes, again, that our legislation does not impair, in any respect, private business's ability to -- or to accommodate issues like that in the manner they see fit.

REP. HAMILTON: Follow-up, Mr. Chairman? So, it only restricts a government's ability from having laws or rules in place that are similar to rules that many of our nation's corporations are
adopting across the country?

REP. BISHOP: Well, it -- it prohibits -- it -- it preempts the ability of localities to adopt laws in this area.

REP. HAMILTON: And if a state were contracting -- follow-up, last follow-up --

REP. BLACKWELL: Last follow-up, and then I need --

REP. HAMILTON: -- and then I have --

REP. BLACKWELL: -- to let some others so -- we can come back to you --

REP. HAMILTON: I understand.

REP. BLACKWELL: -- if we have time.

REP. HAMILTON: Thank you, Representative Blackwell. They -- so if, in that scenario, a -- say, the City of Wilmington wants to contract with a -- with a private entity that has these rules and regulations in place, will not be precluded from doing so?

REP. BISHOP: That's correct.

REP. HAMILTON: Okay.

REP. STAM: It would be -- the only -- the only restriction is imposing mandates on -- or requirements on business. It wouldn't, in any way, prevent a business from having those -- those
requirements if they choose.

REP. HAMILTON: Thank you, Mr. Chairman.

Final question, and it's probably a staff question, it's very short. I'd like to request a fiscal note on this issue, based on the comments that were made a few minutes ago by one of our presenters, that there will be certain contracts that the City of Charlotte, and maybe others, would have to break, if you will. This could cost jobs, it could cost public money, and I'd like to ask staff to -- to put that together for us.

REP. BLACKWELL: Representative Bishop.

REP. BISHOP: One thing to say about that -- that -- is -- the premise of that's not accurate. That is to say, the bill doesn't require anybody to break any contract. It takes effect only with respect to contracts entered into in the future.

REP. BLACKWELL: Representative Richardson, we've got your name next.

REP. RICHARDSON: Thank you, Mr. Chairman. I am concerned about Page 5, where the investigation is going to be done by the Department of Administration. If I recall correctly, we defunded that Human Resources Department in our
budget last year. Do we plan to go back and fund that department so that we will have staff there?

REP. STAM: I -- I think the premise of the question's inaccurate, but I'll defer it to Representative Dollar. That is to say, I think there -- there may have been some discussion about that, but I don't think it occurred, and it wasn't last session.

REP. DOLLAR: The budget is sufficient to accommodate the bill. And I would also note, with respect to a fiscal note, I believe fiscal notes are restricted to things that impact the state's budget, and I see nothing in this bill, as the Senior Budget Chair, that in any way impacts the finances of the state.

REP. RICHARDSON: Follow-up, Mr. Chair?

REP. BLACKWELL: Representative Richardson.

REP. RICHARDSON: Following Representative Dollar's comment, when we advertise for federal money, we have to put a disclosure there that we do not discriminate. So does that mean we may lose federal dollars if that clause is not there, based on the -- the information that you're putting here?
REP. BLACKWELL: Representative Bishop, you want -- or Stam, you want to respond to that?

REP. STAM: I'll do it, Mr. Chairman.

There's no change at all, with respect to state policy of nondiscrimination. That is to say, and I made reference to the sections in Chapter 143 that -- that specify a nondiscrimination policy in contracting. So -- and -- and we've always had the 1976 statement with respect to employment discrimination. That's been there for quite a long time. There's no change at all with respect to that, so I can't imagine that it would have the effect that you asked about.

REP. RICHARDSON: Thank you. One last question, please.

REP. BLACKWELL: Representative Richardson.

REP. RICHARDSON: Yes. Thank you, Mr. Chairman. When we stated that, what is it, Chapter 160.8.A covers handicap?

REP. BISHOP: Yes, ma'am.

REP. RICHARDSON: Can we not add that to this bill so that there will be total clarity here and we would not have to flip-flop from different documents?
REP. BISHOP: Well, let -- let me say

two -- two things, if I might, to that. Or --

for -- in the -- in the first instance, that the
Chapter 168A that furnishes protections from
disability discrimination, is actually referenced
here. The public accommodations definition is --
comes from that chapter. And let -- let me try to
explain what the Court of Appeals held in the -- in
the parallel situation, and why I say that would
possibly foment confusion, possibly cause
plaintiffs in the future to forfeit rights that
they otherwise would have under law.

Under the parallel statement of public

policy concerning employment discrimination

practices, it merely says the State of North

Carolina declares to be against public policy to --

for there to be employment discrimination based on

race, color, age, national origin, sex, I -- and --

and handicap. But the other statute is much more

comprehensive. There was a case in 2015 in which

the Court of Appeals considered a claim that

someone brought under that general public policy

statement. And because they brought it under that,

and they did not bring it under the disability

statute, the court said, there are no -- there's no
private claim for relief created here, they have no right to reasonable accommodation under that statute.

So I suggest to you that having handicapped mentioned here is a trap for the unwary if a lawyer doesn't happen to know the difference between the two statutes, and inadvertently brings it to the wrong place. The protection is comprehensive under the disability chapter. And to mention it here, merely for the sake of window dressing, if you will, would actually hurt people, rather than help them.

REP. RICHARDSON: I thank you for your comment, but it was confusing because in one sense, you said an attorney, if he wasn't aware of 168A, would probably lose his case. But then, you're saying it would be put here for window dressing. But thank you, anyway, for your comment.

REP. BLACKWELL: Are there further questions or comments from members of the committee? I am not seeing any. In the absence of any further comments or questions from the committee, is --

REP. RICHARDSON: Mr. Chairman, excuse me. Mr. Chairman, excuse me. There is one more
comment. May I make that?

REP. BLACKWELL: Okay. We'll go come --
go back to Representative Richardson.

REP. RICHARDSON: I'm sorry. And this is
a reference to a statement Representative Stam
made. I live in Franklin County, and I certainly
hope that my elected officials would be able to set
policies and procedures and practices that would be
unique to Franklin County, and anybody coming in
that county from other counties would not feel that
they cannot live here. I just can't see us having
uniform practices and policies for 100 counties,
when we don't have similar resources, we don't have
similar needs, we don't have similar economic
development. And I just wanted to comment on that
statement.

REP. BLACKWELL: Thank you,
Representative Richardson. Representative Warren,
you're recognized for a motion.

REP. WARREN: Thank you, Mr. Chair. I'd
like to make a motion for a favorable report for
House Bill 2, the referral to the floor.

REP. BLACKWELL: Okay. All those in
favor will signify by saying aye.

(Voice vote.)
REP. BLACKWELL: Opposed, no. The ayes have it, and the motion is adopted. The House will reconvene at 12:15, and the committee is adjourned.

(End of proceedings.)
STATE OF NORTH CAROLINA
COUNTY OF WAKE

CERTIFICATION OF TRANSCRIPT

This is to certify that the foregoing transcript of proceedings held on March 23, 2016, is a true and accurate transcript of the proceedings as transcribed by me or under my supervision. I further certify that I am not related to any party or attorney, nor do I have any interest whatsoever in the outcome of this action.

This 16th day of April, 2016.

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