NORTH CAROLINA GENERAL ASSEMBLY HOUSE JUDICIARY IV COMMITTEE

TRANSCRIPT OF THE PROCEEDINGS MARCH 23, 2016

In Raleigh, North Carolina Wednesday, March 23, 2016 Transcribed by Brad Worley

Worley Reporting
P.O. Box 99169
Raleigh, NC 27624
919-870-8070

2 1 REP. BLACKWELL: If you would, try to find a seat. I've got some preliminary matters 3 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. 6 I want to start by saying to the members 7 of the committee, to help us judge the time that we 8 need to dispose of the bill by 11:45, which is my 9 intention, I would like you to indicate to the 10 staff behind me, as soon as you possibly can, if 11 you intend to offer an amendment. I don't have to 12 know what the amendment is, but I'd just like to 13 have an idea of how many we might possibly be dealing with, if you could accommodate that. 14 15 If you're interested in speaking for or 16 against the bill, or if you simply want to speak on 17 the bill, if you will, register in the back; I 18 think there's a sign-up sheet back there. If you 19 don't consider yourself for or against, you might 20 want to sign up on the shortest list. You can 21 explain that you signed up on that side, but that 22 you're not really for or against. 23 My intention at this point, subject to 24 getting us out of here by about 11:45, 11:50, is to 25 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

5 1 that city, even if their -- even if their other place of business is in, say, Wake County. 3 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 6 Wake County, Catawba County should not be able to 7 tell my business in Wake County what to do. 8 need to put a stop to that. This is important at 9 the intrastate level. It's important at the 10 interstate level, and even in world trade, but 11 especially intrastate and interstate. I'd like to 12 ask the Chair to recognize Representative Bishop, 13 who will go through it paragraph by paragraph. 14 REP. BLACKWELL: Representative Bishop, 15 you're recognized. 16 REP. BISHOP: Thank you, Mr. Chairman. 17 hail from Charlotte, and -- and as Representative 18 Stam said today, I think what we're doing is 19 preserving sense of privacy that people have long 20 expected in private facilities. And we are 21 restoring and clarifying -- clarifying the existing 22 authority and limits of authority of local 23 governments. The recitals at the beginning of the 24 bill say that. They point out that the power of 25 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

3

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

7

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

13 1 discrimination measure enacted in a county, the Supreme Court said that county didn't have 3 authority to do that. But the matter appears to remain unclear, and therefore we're proposing to clarify it. 6 In both of these statements of public 7 policy -- the one on employment discrimination, the 8 other on public accommodations discrimination --9 the Human Resources Commission within the 10 Department of Administration is empowered to 11 receive complaints, to investigate, and to 12 conciliate complaints that arise concerning either 13 of those. 14 At the end, there's a severability 15 provision; you all know what that's for. And as --16 and -- and the final provision, Part 5, makes 17 clear, to the extent the field preemption 18 statements made elsewhere in the legislation 19 doesn't seem to cover it, or leaves any doubt at 20 all, makes clear that ordinances, regulations, 21 policies adopted that are inconsistent with this 22 law, are superseded and preempted. And that's from 23 front to back. Mr. Chairman. 24 REP. BLACKWELL: Thank you, 25 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,

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

24

25

1 no limitation, is completely frightening. Charlotte's bathroom ordinance allows men complete 3 access to private places reserved for women. this access, there's no stopping what people may do. How can my parents possibly send me into a 6 bathroom -- public bathroom, knowing that a man 7 could possibly be waiting for me. This ordinance 8 will be used as a way to have access to unarmed 9 girls in what should be a private setting. 10 Charlotte is only the first city, and if 11 Governor McCrory and the General Assembly do not 12 fix what Charlotte has done, I think others will 13 follow. I am not the only girl scared, if 14 Charlotte's ordinance is not changed. Everyone 15 should be aware that it would be girls like me who 16 are affected by ordinances like Charlotte and we 17 deserve protection. Thank you. 18 REP. BLACKWELL: Thank you. The next 19 speaker on our list is Sarah Preston. 20 MS. PRESTON: Good morning. My name is 21 Sarah Preston. I'm the acting Executive Director 22 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

3

6

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

21

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.

1 If this body truly wants to consider a nondiscrimination ordinance, they must include 3 gender identity and sexual orientation. It is important that we protect all of the vulnerable communities in our state and not pick and choose 6 which we want to provide full accommodations to. 7 Thank you. 8 REP. BLACKWELL: Our next speaker is, if 9 I'm -- again, Eleana Smith. 10 MS. FEDORUK: Good morning, Mr. Chairman, 11 members of the committee. I'm Kelly Fedoruk, and 12 I'm here to read the statement from Eliana Smith, 13 because she's unable to come here today. She's in 14 Charlotte, and asked that I read her statement to 15 all of you this morning. "I'm Eliana Smith, and 16 I've lived here in Charlotte for eight years. 17 write to you today because I truly believe this 18 Charlotte ordinance creates dangerous and 19 vulnerable situations for women, children, and men. 20 I'm going to share something today that I never 21 thought I would share publicly, but I feel is 22 really necessary due to the direction that our city 23 is going in. 24 I was sexually assaulted as a young girl, 25 and in the years that followed, I had a real fear

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

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? Ι 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."

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.

1 REP. BLACKWELL: Our next speaker is 2 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.

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

| 1 | |
|---|-----------|
| 1 | woman. |
| | WOLLIGIT. |

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? Representative Hamilton.

REP. HAMILTON: Thank you, Mr. Chairman.

| | 40 |
|----|---|
| 1 | If I may, I have a several questions. I have a |
| 2 | series of questions, if if I can just get |
| 3 | started. |
| 4 | REP. BLACKWELL: To whom do you want |
| 5 | do want to address these, or are these rhetorical? |
| 6 | REP. HAMILTON: No, they're I would |
| 7 | like some answers to them. |
| 8 | REP. BLACKWELL: Representative Stam and |
| 9 | Representative Bishop, you all want to step up to |
| 10 | the podium, and we'll let you handle these? |
| 11 | REP. HAMILTON: Thank you, gentlemen. |
| 12 | Thank you, Mr. Chairman. And it may involve staff |
| 13 | as well. Okay. My first question is related to |
| 14 | the change in the third section, from just a simple |
| 15 | reference to sex, changing it as biological sex. |
| 16 | The question is, if a if a gender-change |
| 17 | operation has taken place, the new sex say |
| 18 | you've a female has has had a sex-change |
| 19 | operation to become a male. Is that considered his |
| 20 | biological sex? |
| 21 | REP. BISHOP: It is according to the |
| 22 | definition in the statute. It says biological sex |
| 23 | is sex according to the birth certificate. |
| 24 | REP. HAMILTON: According to the birth |
| 25 | certificate. |
| | |

41 1 REP. BISHOP: And they can have the birth certificate changed. 3 REP. HAMILTON: And their birth certificates can be changed. REP. BISHOP: That's correct. 6 REP. HAMILTON: Thank you. My -- my 7 second question is really related to the contract 8 portions of the bill, Sections 2 and 3. I -- the 9 focus has been, from the media standpoint and from 10 the public standpoint, just on the bathrooms, as it relates to the Charlotte ordinance. But what 11 12 concerns me about this bill is that we have -- we 13 have expanded the conversation, and now we are 14 delving into the cities' and counties' ability to 15 contract with private vendors. So my first question is, how will minority, women, and 16 17 business-owned entities be impacted by the changes 18 in this statute, or will they be affected in any 19 way? 20 May I, Mr. Chairman? REP. STAM: 21 REP. BLACKWELL: Yes. 22 REP. STAM: I think there are three parts 23 to that. I -- it I -- I would not agree with your 24 premise that it affects their ability to contract; 25 they certainly can contract. What your question

| | 42 |
|----|---|
| 1 | goes to is, frankly, one of the more egregious |
| 2 | aspects of the overreach that that is involved |
| 3 | here, which is this in this in a particular |
| 4 | locality, this that has imposed purported to |
| 5 | impose employment or or selling practices on a |
| 6 | business with whom they they will contract, |
| 7 | whoever's going to bid for their jobs, they reach |
| 8 | well beyond the limits of their city to impose |
| 9 | this whatever their notions are, on folks across |
| 10 | the state, and even out of the state. So it |
| 11 | illustrates one way in which is particularly |
| 12 | problematic. |
| 13 | However, to the other point that you've |
| 14 | asked, or to the rest of it, if you will look in |
| 15 | Chapter 143 and I'd get you a reference, but |
| 16 | there are already there already is a a |
| 17 | comprehensive set of rules concerning |
| 18 | nondiscrimination in contracting on on the |
| 19 | all the suspect and quasi-suspect classes and |
| 20 | requirements for program-setting goals for the |
| 21 | utilization of minority and and and women |
| 22 | business enterprises. |
| 23 | REP. HAMILTON: Thank you, |
| 24 | Representative. |
| 25 | REP. BLACKWELL: Did that answer the |
| | |

```
44
1
            adopting across the country?
                       REP. BISHOP: Well, it -- it prohibits --
3
            it -- it preempts the ability of localities to
            adopt laws in this area.
                       REP. HAMILTON: And if a state were
6
            contracting -- follow-up, last follow-up --
7
                       REP. BLACKWELL: Last follow-up, and then
8
            I need --
9
                       REP. HAMILTON: -- and then I have --
10
                       REP. BLACKWELL: -- to let some others
11
            so -- we can come back to you --
12
                       REP. HAMILTON: I understand.
13
                       REP. BLACKWELL: -- if we have time.
14
                       REP. HAMILTON: Thank you, Representative
15
            Blackwell. They -- so if, in that scenario, a --
16
            say, the City of Wilmington wants to contract with
17
            a -- with a private entity that has these rules and
18
            regulations in place, will not be precluded from
19
            doing so?
20
                       REP. BISHOP: That's correct.
21
                       REP. HAMILTON: Okay.
22
                       REP. STAM: It would be -- the only --
23
            the only restriction is imposing mandates on -- or
24
            requirements on business. It wouldn't, in any way,
25
            prevent a business from having those -- those
```

| | 47 |
|----|--|
| 1 | REP. BLACKWELL: Representative Bishop, |
| 2 | you want or Stam, you want to respond to that? |
| 3 | REP. STAM: I'll do it, Mr. Chairman. |
| 4 | There's no change at all, with respect to state |
| 5 | policy of nondiscrimination. That is to say, and I |
| 6 | made reference to the sections in Chapter 143 |
| 7 | that that specify a nondiscrimination policy in |
| 8 | contracting. So and and we've always had the |
| 9 | 1976 statement with respect to employment |
| 10 | discrimination. That's been there for quite a long |
| 11 | time. There's no change at all with respect to |
| 12 | that, so I can't imagine that it would have the |
| 13 | effect that you asked about. |
| 14 | REP. RICHARDSON: Thank you. One last |
| 15 | question, please. |
| 16 | REP. BLACKWELL: Representative |
| 17 | Richardson. |
| 18 | REP. RICHARDSON: Yes. Thank you, Mr. |
| 19 | Chairman. When we stated that, what is it, Chapter |
| 20 | 160.8.A covers handicap? |
| 21 | REP. BISHOP: Yes, ma'am. |
| 22 | REP. RICHARDSON: Can we not add that to |
| 23 | this bill so that there will be total clarity here |
| 24 | and we would not have to flip-flop from different |
| 25 | 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

| | 50 |
|----|---|
| 1 | comment. May I make that? |
| 2 | REP. BLACKWELL: Okay. We'll go come |
| 3 | go back to Representative Richardson. |
| 4 | REP. RICHARDSON: I'm sorry. And this is |
| 5 | a reference to a statement Representative Stam |
| 6 | made. I live in Franklin County, and I certainly |
| 7 | hope that my elected officials would be able to set |
| 8 | policies and procedures and practices that would be |
| 9 | unique to Franklin County, and anybody coming in |
| 10 | that county from other counties would not feel that |
| 11 | they cannot live here. I just can't see us having |
| 12 | uniform practices and policies for 100 counties, |
| 13 | when we don't have similar resources, we don't have |
| 14 | similar needs, we don't have similar economic |
| 15 | development. And I just wanted to comment on that |
| 16 | statement. |
| 17 | REP. BLACKWELL: Thank you, |
| 18 | Representative Richardson. Representative Warren, |
| 19 | you're recognized for a motion. |
| 20 | REP. WARREN: Thank you, Mr. Chair. I'd |
| 21 | like to make a motion for a favorable report for |
| 22 | House Bill 2, the referral to the floor. |
| 23 | REP. BLACKWELL: Okay. All those in |
| 24 | favor will signify by saying aye. |
| 25 | (Voice vote.) |
| | |

```
51
1
                        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.)
 6
 8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
```

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.

Brad Worley

Brad Worley, transcriptionist

Worley Reporting

P.O. Box 99169

Raleigh, NC 27624

919-870-8070

brad@worleyreporting.com