

NORTH CAROLINA GENERAL ASSEMBLY
1969 SESSION

CHAPTER 546
SENATE BILL 339

1 AN ACT TO RE-CODIFY AND CLARIFY CHAPTER 108 OF THE GENERAL STATUTES
2 OF NORTH CAROLINA ENTITLED "BOARD OF PUBLIC WELFARE."

3
4 The General Assembly of North Carolina do enact:
5

6 **Section 1.** Chapter 108 of the General Statutes of North Carolina entitled "Board of
7 Public Welfare" (G.S. 108-1 to 108-86) is hereby repealed, and Chapter 108 is rewritten as
8 follows:
9

10 **"CHAPTER 108.**
11 **SOCIAL SERVICES**

12 Article 1.

13 Administration

14 Part 1. The State Board of Social Services.

15 **G.S. 108-1. Creation and change of name.** The State Board of Social Services is hereby
16 created as a policy board for the State Department of Social Services and for the county boards
17 of social services as set out in this Chapter. Wherever any duty, power or authority is granted to
18 the State Board of Public Welfare (or to the State Board of Charities and Public Welfare) by the
19 General Statutes of North Carolina or by any act of the General Assembly, the same shall be
20 construed as referring to the State Board of Social Services.

21 **G.S. 108-2. Appointment, term of office, and compensation.** (a) The State Board of Social
22 Services shall have seven members who shall be appointed by the Governor to serve terms of
23 six years. They shall serve staggered terms commencing in odd numbered years, so that two
24 shall be appointed to serve a term beginning on April 1, 1969, and every six years thereafter;
25 two shall be appointed to serve a term beginning on April 1, 1971, and every six years
26 thereafter, and three shall be appointed to serve a term beginning on April 1, 1973, and every
27 six years thereafter. Members of the State Board of Public Welfare in office when this section
28 shall become effective shall serve until the expiration of the term for which they were
29 appointed.

30 (b) Any vacancy in the Board which may arise shall be filled for the remainder of the
31 term by appointment of the Governor.

32 (c) Each Governor shall designate one member of the Board to serve as chairman of the
33 Board for so long as the Governor may deem to be desirable. The chairman shall serve during
34 his term until a new chairman is appointed.

35 (d) The Board shall elect one member to be vice-chairman who shall serve as chairman
36 in the absence of the chairman or if the chairman's position is vacant.

37 (e) The members of the Board shall receive the per diem allowances, travel expenses
38 and subsistence that is customary for members of State boards and commissions as provided by
39 G.S. 138-5.

40 **G.S. 108-3. Meetings of Board.** The Board of Social Services shall meet at least quarterly and
41 whenever called in session by the chairman, or when requested by four or more members. It
42 shall make such rules for the regulation of its own proceedings as it may deem proper.

43 **G.S. 108-4. Powers and duties.** The Board of Social Services shall have the following powers
and duties:

- (1) To appoint, with the approval of the Governor, a qualified person to be the administrative head of the social service programs of the Board and who shall be known as the Commissioner of Social Services.
- (2) To authorize the making of arrangements and contracts with other State agencies or private organizations or units of local governments, whereby such agencies, organizations or units provide services or act as the agents of the Board in providing any of the services authorized by this Chapter.
- (3) To authorize investigations of social problems, with authority to subpoena witnesses, administer oaths, and compel the production of necessary documents.
- (4) To adopt policies that may be necessary or desirable for the administration of the programs of public assistance established by federal legislation and by Article 2 of this Chapter.
- (5) To ratify reciprocal agreements with agencies in other states that are responsible for the administration of public assistance and child welfare programs to provide assistance and services to residents and nonresidents of this State.
- (6) To adopt policies to achieve maximum cooperation with other agencies of this State and with agencies of other states and of the federal government in rendering services to strengthen and maintain family life and to help recipients of public assistance attain self-support or self-care.
- (7) To adopt policies for the placement and supervision of dependent and delinquent children, and the payment of the necessary costs of foster home care for needy and homeless children as provided by G.S. 108-66.
- (8) To adopt standards for the inspection and licensing of foster homes for children and persons or organizations which receive and place children for adoption.
- (9) To adopt standards for the inspection and licensing of maternity homes as provided by G.S. 108-76.
- (10) To adopt standards for the inspection and licensing of all boarding homes, rest homes, and convalescent homes for aged or infirm persons as provided by G.S. 108-77.
- (11) To adopt standards for the inspection and licensing of private child-care institutions as provided by G.S. 108-78.
- (12) To approve standards for the inspection and operation of jails or local confinement facilities as provided by G.S. 153-51 and Part 3 of Article 3 of this Chapter.
- (13) To adopt standards for the payment of the costs of necessary day care for minor children of needy families.
- (14) To adopt standards for the inspection and licensing of non-medical, privately operated homes and institutions, as provided by G.S. 122-72.
- (15) To adopt standards for the regulation and licensing of public solicitors as provided by Article 3 of this Chapter.

Part 2. The Department of Social Services

G.S. 108-5. Created. There is hereby created the State Department of Social Services which shall administer the programs and services created by this article according to federal and State law and under the policies established by the rules and regulations of the State Board of Social Services.

G.S. 108-6. Commissioner. (a) The position of the Commissioner of Social Services is hereby created. The Commissioner shall be appointed by the State Board of Social Services with the

approval of the Governor. The Commissioner's salary shall be fixed by the Governor, subject to the approval of the Advisory Budget Commission.

(b) The Commissioner of Social Services shall have the following duties and responsibilities:

- (1) To be the executive officer of the State Board of Social Services.
- (2) To act as chief administrator of the State Department of Social Services and provide for the proper and efficient organization and operation of the Department, including the employment of necessary personnel.
- (3) To formulate for the approval of said Board the agreements, rules, regulations, provisions and standards which the Board is authorized to ratify or adopt by G.S. 108-4.
- (4) To administer for said Board those programs for which the Board is authorized by G.S. 108-4 to ratify or adopt agreements, rules, regulations, provisions and standards.
- (5) To study social problems and other matters affecting the well-being of the citizens of North Carolina and to report on such matters to the State Board, including recommendations for action by the Board.
- (6) To prepare and submit, with the approval of the State Board, a biennial report to the Governor, containing a complete description of the activities of the State Department of Social Services during the preceding two years with recommendations for improving the programs administered or supervised by the Department.
- (7) To keep informed concerning new federal programs and changes in existing ones which might benefit the citizens of the State, and to report on such developments to the Board with recommendations for appropriate action by the Board.
- (8) To serve in such other capacities as he may be appointed to serve by virtue of his office.
- (9) To execute contracts and agreements on behalf of the State Board pursuant to the authority of the Board under G.S. 108-4(2).

Part 3. County Boards of Social Services.

G.S. 108-7. Creation. Every county shall have a board of social services which shall establish county policies for the programs established by this Chapter in conformity with the rules and regulations of the State Board of Social Services and under the supervision of the State Department of Social Services.

G.S. 108-8. Size. The county board of social services in each county shall consist of three members, except that the board of commissioners of any county may increase such number to five members. The decision to increase the size to five members or to reduce a five-member board to three shall be reported immediately in writing by the chairman of the board of commissioners to the State Department of Social Services.

G.S. 108-9. Method of appointment. (a) Three-member board: The board of commissioners shall appoint one member who may be a county commissioner or a citizen selected by the board; the State Board of Social Services shall appoint one member; and the two members so appointed shall select the third member. In the event the two members so appointed are unable to agree upon selection of the third member, the senior regular resident Superior Court judge of the county shall make the selection.

(b) Five-member board: The procedure set forth in subsection (a) shall be followed, except that both the board of commissioners and the State Board of Social Services shall appoint two members each, and the four so appointed shall select the fifth member. If the four are unable to agree upon the fifth member, the senior regular resident Superior Court judge of the county shall make the selection.

G.S. 108-10. Term of appointment. Each member of a county board of social services shall serve for a term of three years. No member may serve more than two consecutive terms.

G.S. 108-11. Order of appointment. (a) Three-member board: The term of the member appointed by the State Board of Social Services shall expire on June 30, 1969, and every three years thereafter; the term of the member appointed by the board of commissioners shall expire on June 30, 1971, and every three years thereafter; and the term of the third member shall expire on June 30, 1970, and every three years thereafter.

(b) Five-member board: Whenever a board of commissioners of any county decides to expand a three-member board to a five-member board of social services, the State Board of Social Services shall appoint an additional member for a term expiring at the same time as the term of the existing member appointed by the board of commissioners, and the board of commissioners shall appoint an additional member for a term expiring at the same time as the term of the existing member appointed by the State Board. Thereafter all appointments shall be for three-year terms.

(c) Change from five-member to three-member board: The change shall become effective on the first day of July following the decision to change by the board of commissioners. On that day, the following two seats on the board of social services shall cease to exist:

- (1) The seat held by the member appointed by the State Board whose term would have expired on June 30, 1971, or triennially thereafter; and
- (2) The seat held by the member appointed by the board of commissioners whose term would have expired on June 30, 1972, or triennially thereafter.

G.S. 108-12. Vacancies. Appointments to fill vacancies shall be made in the manner set out in G.S. 108-9. All such appointments shall be for the remainder of the former member's term of office and shall not constitute a term for the purposes of G.S. 108-10.

G.S. 108-13. Meetings. The board of social services of each county shall meet at least once per month or more often if a meeting is called by the chairman. Such board shall elect a chairman from its members at its July meeting each year, and the chairman shall serve a term of one year or until a new chairman is elected by the board.

G.S. 108-14. Compensation of members. Members of the county board of social services may receive a per diem not to exceed ten dollars (\$10.00) and travel expenses not to exceed the amounts provided by G.S. 138-5 for attendance at official meetings and conferences, provided such per diem or travel is authorized by the board of commissioners.

G.S. 108-15. Duties and responsibilities. The county board of social services shall have the following duties and responsibilities:

- (1) To select the county director of social services according to the merit system rules of the State Personnel Board.
- (2) To advise county and municipal authorities in developing policies and plans to improve the social conditions of the community.
- (3) To consult with the director of social services about problems relating to his office, and to assist him in planning budgets for the county department of social services.
- (4) To transmit or present the budgets of the county department of social services for public assistance and administration to the board of county commissioners.
- (5) To have such other duties and responsibilities as the General Assembly or the State Board of Social Services or the board of county commissioners may assign to it.

G.S. 108-16. Inspection of records by members. Every member of the county board of social services may inspect and examine any record on file in the office of the director relating in any manner to applications for and payments of public assistance authorized by this Chapter. No

member shall disclose or make public any information which he may acquire by examining such records.

Part 4. County Director of Social Services.

G.S. 108-17. Appointment. (a) The board of social services of every county shall appoint a director of social services in accordance with the merit system rules of the State Personnel Board. Any director dismissed by such board shall have the right of appeal under the same rules.

(b) Two or more boards of social services may jointly employ a director of social services to serve the appointing boards and such boards may also combine any other functions or activities as authorized by G.S. 153-246. The boards shall agree on the portion of the director's salary and the portion of expenses for other joint functions and activities that each participating county shall pay.

G.S. 108-18. Salary. The board of social services of every county shall determine the salary of the director in accordance with the classification plan of the State Personnel Board, and such salary shall be paid by the county from the federal, State and county funds available for this purpose.

G.S. 108-19. Duties and responsibilities. The director of social services shall have the following duties and responsibilities:

- (1) To serve as executive officer of the board of social services and act as its secretary.
- (2) To appoint necessary personnel of the county department of social services in accordance with the merit system rules of the State Personnel Board.
- (3) To administer the programs of public assistance established by this Chapter.
- (4) To administer funds provided by the board of commissioners for the care of indigent persons in the county under policies approved by the county board of social services.
- (5) To act as agent of the State Board of Social Services in relation to work required by the State Board in the county.
- (6) To investigate cases for adoption and to supervise adoptive placements.
- (7) To issue employment certificates to children under the regulations of the State Department of Labor.
- (8) To serve as chief probation officer for judges exercising juvenile jurisdiction in the county if the court does not have personnel available to provide juvenile probation services.
- (9) To supervise children conditionally released from state institutions for juvenile delinquents where courts exercising juvenile jurisdiction do not have personnel for this purpose.
- (10) To supervise boarding homes, rest homes and convalescent homes for aged or infirm persons, under the rules and regulations of the State Board.
- (11) To investigate, prepare, and submit petitions for the sterilization of eligible county residents to the Eugenics Board of North Carolina and to arrange for operations authorized by said Board.
- (12) To assist and cooperate with the Board of Paroles and the Probation Commission and their representatives.
- (13) To keep informed of the condition of persons discharged from hospitals for the mentally ill.
- (14) To investigate reports of child abuse, neglect, injury and illness as authorized by G. S. 14-318.3 and to take appropriate action to protect such children.
- (15) To accept children for placement in foster homes and to supervise placements for so long as such children require foster home care.

Part 5. Special County Attorneys for Social Service Matters.

G.S. 108-20. Appointment. With the approval of the board of social services, the board of commissioners of any county may appoint a licensed attorney to serve as a special county attorney for social service matters, or designate the county attorney as special county attorney for social service matters.

G.S. 108-21. Compensation. The special county attorney for social service matters shall receive compensation for the performance of his duties and for his expenses in such amount as the board of commissioners may provide. His compensation shall be a proper item in the annual budget of the county department of social services.

G.S. 108-22. Duties and responsibilities. (a) The special county attorney shall have the following duties and responsibilities:

- (1) To serve as legal advisor to the county director, the county board of social services, and the board of county commissioners on social service matters.
- (2) To represent the county, the plaintiff, or the obligee in all proceedings brought under the Uniform Reciprocal Enforcement of Support Act and to exercise continuous supervision of compliance with any order entered in any proceeding under that Act.
- (3) To represent the county board of social services in appeal proceedings and in any litigation relating to appeals.
- (4) To discharge the duties of the county attorney in respect to the lien created by G. S. 108-29, if such duties be assigned to him by the board of county commissioners with the consent and approval of the county attorney.
- (5) To assist the district court prosecutor or superior court solicitor with the preparation and prosecution of criminal cases under Article 40 of Chapter 14 of the General Statutes, entitled "Protection of the Family".
- (6) To assist the district court prosecutor or superior court solicitor with the preparation and prosecution of proceedings authorized by Chapter 49 of the General Statutes, entitled "Bastardy".
- (7) To perform such other duties as may be assigned to him by the board of county commissioners, the board of social services, or the director of social services.

(b) In performing any of the duties and responsibilities set out in this section, the special county attorney is authorized to call upon any director of social services or the State Department of Social Services for any information as he may require to perform his duties, and such director and Department are directed to assist him in performing such duties.

Article 2.

Programs of Public Assistance

G.S. 108-23. Creation of programs. The following programs of public assistance are hereby established, and shall be administered by the county departments of social services under policies adopted by the State Board of Social Services and under the supervision of the State Department of Social Services: (1) aid to the aged and disabled; (2) aid to families with dependent children; (3) general assistance; (4) medical assistance, and (5) foster home fund.

G.S. 108-24. Definitions. As used in Article 2:

- (1) "Applicant" is any person who requests assistance or on whose behalf assistance is requested.
- (2) "Assistance" is money payments, medical care, remedial care, and goods or services, to or for eligible persons.
- (3) "Medical assistance" is any program of medical, dental, optometric or other health-related services approved by the State Board of Social Services.
- (4) "Dependent child" is a person under twenty-one years of age who is living with a natural parent, adoptive parent, step-parent, or any other person

related by blood, marriage, or legal adoption, in a place of residence maintained by one or more of such persons as his or their own home, and who is deprived of parental support; it shall also include a minor living in a foster-care facility or child-caring institution.

(5) "Permanently and totally disabled" is a person who has a physical or mental impairment which substantially precludes him from obtaining gainful employment, and such impairment appears reasonably certain to continue without substantial improvement throughout his lifetime.

(6) "Recipient" is a person to whom, or on whose behalf, assistance is granted under this Article.

(7) "Resident" is a person who has resided continuously within the State of North Carolina for at least one year prior to the date on which application for assistance to him is made with a county department of social services.

Part 1. Aid to the Aged and Disabled.

G.S. 108-25. Eligibility requirements. Assistance shall be granted to any person who:

- (1) Is sixty-five (65) years of age and older, or is between the ages of eighteen and sixty-five and is permanently and totally disabled;
- (2) Has insufficient income or other resources to provide a reasonable subsistence compatible with decency and health as determined by the rules and regulations of the State Board of Social Services;
- (3) Is a resident of North Carolina;
- (4) Shall agree in writing that the amount of assistance granted him under this Article shall constitute a lien against his real property or a claim against his estate.

G.S. 108-26. Determination of disability. (a) An applicant between the ages of 18 and 65 seeking assistance under this part must be found to be permanently and totally disabled as denned in G.S. 108-24 by a physician or by a medical review board in his county of residence; such physician or board must submit any findings of disability to the county department of social services for transmittal to the State Department of Social Services.

(b) All applications for assistance as a permanently and totally disabled person shall be reviewed by medical consultants employed by the State Department of Social Services. The final decision on the disability factor shall be made by such medical consultants under rules and regulations adopted by the State Board of Social Services.

G.S. 108-27. Direct payments for nursing and custodial care. (a) The State Department is authorized and empowered to make payments to duly licensed nursing homes or extended care facilities for persons eligible to receive assistance to the aged and disabled when nursing care is found to be essential for such persons by the State Department under the rules and regulations of the State Board of Social Services.

(b) The State Department is authorized and empowered to make payments to family care homes, homes for the aged arid intermediate care homes for persons eligible to receive assistance to the aged and disabled when such facilities are found to be essential for such persons by a county department of social services under the rules and regulations of the State Board of Social Services.

G.S. 108-28. Limitations on payments. No payment of public assistance derived from federal, State or local sources shall be made for the care of any person in a nursing home, home for the aged, family care home, or intermediate care home which is owned or operated in whole or in part by any of the following:

- (1) A member of the State Board of Social Services, of any county board of social services, or of any board of county commissioners;
- (2) An official or employee of the State Department of Social Services or of any county department of social services;

1 (3) A spouse of a person designated in subsections (1) and (2).

2 **G.S. 108-29. Creation of lien on property.** A general lien shall be created against the real
3 property of any person who receives assistance to the aged and disabled. The lien shall be to the
4 extent of the total amount of assistance paid from and after (a) October 1, 1951, if the recipient
5 receives assistance as an aged person, or (b) October 1, 1963, if the recipient receives
6 assistance as a permanently and totally disabled person.

7 **G.S. 108-30. Procedure for filing lien.** After the approval of assistance to an applicant under
8 this part, the county director of social services shall file a statement showing the name of the
9 applicant and the date he received his first payment of public assistance in the office of the
10 clerk of the Superior Court in the county of the recipient's residence and in each county where
11 he owns or subsequently owns real property. Such statement shall be filed in the regular lien
12 docket, showing the name of the county filing the statement as claimant or lienor, and the name
13 of the recipient as owner or lienee, and it shall be indexed in the name of the lienee in the
14 defendant's, or reverse alphabetical, side of the cross index to civil judgments. The county shall
15 appear as plaintiff, or lienor, in such index. No cross index in the name of the county, or lienor,
16 shall be required.

17 **G.S. 108-31. Effect of filing.** From the date on which the statement required by G.S. 108-30 is
18 filed, the statement shall be and constitute due notice of a lien against the real property owned
19 by the recipient and lying in the county to the extent of the total amount of assistance given the
20 recipient after the proper date shown in G.S. 108-29.

21 **G.S. 108-32. Priority of lien.** (a) The lien created on the real property of the recipient shall
22 have equal priority in order of payment with the sixth class under G.S. 28-105 and shall be
23 subordinate to the debts, expenses, taxes, dues and judgments of the first five classes as
24 provided by G.S. 28-105.

25 (b) The board of county commissioners and the county board of social services of the
26 county in which the recipient resides may subordinate such lien to a mortgage or lien created
27 against the property of such recipient for necessary repairs or improvements on the property,
28 whether title to the property is held by the recipient alone or by the entirety with the recipient's
29 spouse.

30 **G.S. 108-33. Statute of limitations on lien.** The lien created by G.S. 108-29 shall continue
31 from the date of filing until satisfied, except that no action to enforce it may be brought more
32 than ten years after the last day on which assistance was paid nor more than three years after
33 the date of the recipient's death. Failure to bring action within such times shall be a complete
34 bar against any recovery and shall extinguish the lien.

35 **G.S. 108-34. Limitations on enforcement.** No action to enforce the lien created by G.S.
36 108-29 may be brought upon any real property as long as the property is being occupied as a
37 homesite by the former recipient or, in the event of his death, by the surviving spouse, by a
38 dependent minor child of the recipient, or by a dependent adult child of the recipient who is
39 incapable of self-support because of a mental or physical disability.

40 **G.S. 108-35. Notification of lien on termination of assistance.** (a) The county department of
41 social services shall, within one month after the termination of an aid to the aged and disabled
42 grant, notify the former recipient or, in the event of his death, his personal representative of the
43 lien against the former recipient's real property and the amount of assistance provided to him
44 since the appropriate date specified by G.S. 108-29.

45 (b) The county department shall also inform the clerk of superior court of the total
46 amount of assistance and the clerk shall thereafter be authorized to accept full or partial
47 payment of such sum as may be tendered to him by the former recipient or on his behalf. When
48 the total sum has been so collected, the lien of record shall be cancelled. Upon receipt of the
49 total sum, the clerk shall disburse the funds as provided by G.S. 108-37.

50 **G.S. 108-36. Enforcement of lien after notification.** When the former recipient or someone
51 on his behalf fails to satisfy the lien of which he is notified under G.S. 108-35, the county

director of social services shall examine the case records of the former recipient, the tax records of the county, and (if termination was caused by the recipient's death) the records relating to executors, administrators, or other personal representatives within six months after the termination of assistance. If it appears from such examinations or from any other information available to the director that (1) the former recipient does own or did own since the date on which the lien was filed any real property, or (2) that he owns or owned personal property of more than one hundred dollars (\$100.00) in value, or (3) that a personal representative has been appointed over his estate, the director shall notify the county attorney or the special county attorney for social service matters of such findings and provide him with such information as may be required to obtain satisfaction of the lien.

G.S. 108-37. Distribution of collected funds. (a) The United States, the State of North Carolina, and the counties which provided assistance to a former recipient shall share in any sum collected under the lien created by G.S. 108-29, and their proportionate shares of such sum shall be determined in accordance with the matching formulas in use during the period in which assistance was provided the recipient. All sums collected shall be deposited with the clerk of superior court in the county enforcing the lien and, when such lien is satisfied, the clerk shall report to the State Department of Social Services, which shall inform the clerk of the correct distribution of the deposited funds. All sums to which the United States and North Carolina may become entitled under this Section shall be promptly paid or credited. All sums to which the State may be entitled shall be deposited in the State Fund for Aid to the Aged and Disabled and shall become a part of such fund.

(b) All necessary costs incurred in the collection of a lien shall be paid by the United States, the State of North Carolina, and the counties in proportion to the share of the sum collected to which each may be entitled. Neither the United States nor North Carolina shall be charged for costs in excess of the sum they would have received from the payment of the lien. Necessary costs of collecting any lien shall include all costs of services in the filing, processing, investigation and collection of such lien.

Part 2. Aid to Families with Dependent Children.

G.S. 108-38. Eligibility requirements. Assistance shall be granted to any dependent child, as defined in G.S. 108-24, who:

- (1) Is a resident of the State or whose mother was a resident when the child was born;
- (2) Has been deprived of parental support or care by reason of a parent's death, physical or mental incapacity, or continued absence from the home;
- (3) Has no adequate means of support.

G.S. 108-39. Limitations on eligibility. (a) No assistance shall be granted to any dependent child who:

- (1) Has passed his sixteenth birthday and has the ability and capacity for gainful employment, unless he is regularly enrolled and attending school or unless no gain fill employment is available, except that a dependent child over sixteen years of age and attending school is not eligible for assistance during the summer months unless no gainful employment is available;
- (2) Has passed his eighteenth birthday unless he is regularly attending and successfully pursuing (i) a course of study leading to a high school diploma or its equivalent, (ii) a course of study at the college level, or (iii) a course of vocational or technical training designed to fit him for gainful employment.

(b) No parent shall be made the payee of assistance granted under this part who has the ability and capacity for gainful employment but who is not employed either on a part or full-time basis unless the parent is needed in the home to provide continuous care for or supervision over the child in the home or an incapacitated member in the household, or unless no gainful employment is available.

(c) Any child or parent required to engage in gainful employment but who cannot obtain such employment shall register with an employment service and make reasonable and continuous efforts to find gainful employment and provide such proof of his registration and efforts as the county department of social services may require.

Part 3. The Administration of AAD and AFDC.

G.S. 108-40. Application for assistance. Any person who believes that he or another person is eligible to receive aid to the aged and disabled or aid to families with dependent children may submit an application for assistance to the county department of social services. It shall be made in such form and shall contain such information as the State Board of Social Services may require.

G.S. 108-41. Investigation of applicant. Upon receipt of an application for public assistance, the county department shall make a prompt evaluation or investigation of the facts alleged in the application in order to determine the applicant's eligibility for assistance and to obtain such other information as the State Department of Social Services may require.

G.S. 108-42. The granting or denial of assistance. (a) The county director of social services shall submit his findings and recommendations on each application for aid to the aged and disabled and aid to families with dependent children to the county board of social services at its next meeting for its approval of assistance in each case, except that the disability factor of applications for aid to the disabled shall be finally determined by the State Department of Social Services as provided in G.S. 108-26.

(b) The county board of social services may delegate authority to the director to consider and process applications for assistance in all cases that require immediate action to prevent undue hardship; in such cases, the director shall report on his actions to the board at its next meeting, and the board shall approve, reject or modify such decisions.

(c) The board of county commissioners may review any grant approved by the county board of social services. The recipient of a disputed grant shall receive notice of the time and place of such review. If the board of commissioners deems that a grant was improperly allowed under the policies of the State Board of Social Services, it may order that proper action be taken. The board of commissioners shall notify the recipient, the county director of social services, and the State Department of Social Services of any changes it may make in reviewing assistance grants.

(d) All rules and regulations of the State Board of Social Services which govern eligibility for public assistance from state appropriations or the amount of public assistance grants shall be subject to the approval of the Director of the Budget and the Advisory Budget Commission.

G.S. 108-43. Reconsideration of grants. All grants of public assistance shall be reconsidered as frequently as required by the rules of the State Board. Whenever the condition of any recipient has changed to the extent that his award must be modified or terminated, the county director may make the appropriate termination or change in payment and submit it to the county board of social services for approval at its next meeting. Prompt notice of all changes shall be given to the recipient, to the State Board, and to the board of county commissioners.

G.S. 108-44. Appeals. (a) A public assistance applicant or recipient shall have a right to appeal the decision of the county board of social services or the board of county commissioners granting or denying assistance, or modifying the amount of assistance, or the failure of the county board of social services to act within a reasonable time under the rules and regulations of the State Board of Social Services, to the Commissioner of Social Services. Each applicant or recipient shall be notified of this right to appeal when applying for assistance and upon any subsequent action of the county board on his case. An applicant or recipient may give notice of appeal by written notice to the county department of social services or through verbal notice to personnel employed by said county department.

(b) If there is such an appeal, the county director shall notify the State Department of Social Services according to the rules and regulations of the State Board of Social Services, and the State Department shall designate a hearing officer who shall promptly hold an appeal hearing in the county after giving reasonable notice of the time and place of such hearing to the appellant and the county department of social services.

(c) At the appeal hearing before the hearing officer, the appellant and personnel of the county department of social services shall present such facts as may bear upon the case. After such hearing, the hearing officer shall forward a transcript of the hearing to the State Department of Social Services, to the county department of social services, and to the appellant or his attorney, which transcript or other documents considered at the appeal hearing shall serve as the basis for the Commissioner's decision on such appeal.

(d) The Commissioner of Social Services shall make a decision on such appeal in conformity with federal and state law and the rules and regulations of the State Board of Social Services. The Commissioner shall notify the appellant and the county board of social services of his decision in writing by mail. The decision of the Commissioner on such an appeal shall be binding upon the county board of social services and the board of county commissioners unless there is a petition for court review as provided in (e) herein.

(e) Any appellant or county board of social services who is dissatisfied with the decision of the Commissioner may file a petition within thirty days after receipt of written notice of such decision for a hearing in the superior court of Wake County or of the county from which the case arose. Such court shall set the matter for a hearing within thirty days after receipt of such petition and after reasonable written notice to the State Department of Social Services, the county board of social services, the board of county commissioners, and the appellant. The court may take testimony and examine into the facts of the case to determine whether the appellant is entitled to public assistance under federal and state law, and under the rules and regulations of the State Board of Social Services. The court may affirm, reverse or modify the order of the Commissioner.

G.S. 108-45. Confidentiality of records. (a) Except as provided in (b) below, it shall be unlawful for any person to obtain, disclose or use, or to authorize, permit, or acquiesce in the use of any list of names or other information concerning persons applying for or receiving public assistance that may be directly or indirectly derived from the records, files or communications of the State Board or the county boards of social services, or acquired in the course of performing official duties except for purposes directly connected with the administration of the programs of public assistance in accordance with the rules and regulations of the State Board.

(b) The Department of Social Services shall furnish a complete list of names, addresses, and amounts of monthly grants of all persons receiving payments under all programs of public assistance administered under the supervision of the Department to the auditor of each county at least semi-annually. This list shall be a public record open to public inspection during the regular office hours of the county auditor. The list, or any part of it, may not be published in any newspaper or periodical nor used for any commercial or political purpose. Any person so using it or using it for any other purpose not directly connected with the administration of public assistance shall be guilty of a misdemeanor.

G.S. 108-46. Removal to another county. Any recipient who moves from one county to another county of this State shall continue to receive public assistance if eligible. The county director in the county from which he has moved shall transfer all necessary records relating to the recipient to the county director of the county to which the recipient has moved. The county from which the recipient moves shall pay the amount of assistance to which the recipient is entitled for a period of three months following his move, and thereafter the county to which the recipient has moved shall pay such assistance.

1 **G.S. 108-47. Assistance not assignable.** The assistance granted by this Article shall not be
2 transferable or assignable at law or in equity; and none of the money paid or payable as
3 assistance shall be subject to execution, levy, attachment, garnishment, or other legal processes,
4 or to the operation of any bankruptcy or insolvency law.

5 **G.S. 108-48. Fraudulent misrepresentation.** Any person who wilfully and knowingly, with
6 the intent to deceive, makes a false statement or representation or fails to disclose a material
7 fact in order to enable himself or another person to obtain or to continue to receive assistance to
8 which he is not entitled, is guilty of a misdemeanor, and upon conviction or plea of guilty shall
9 be fined or imprisoned or both at the discretion of the court.

10 **G.S. 108-49. Personal representative for mismanaged grants.** (a) Whenever a county
11 director of social services shall determine that a recipient of assistance is unwilling or unable to
12 manage assistance grants to the extent that deprivation or hazard to himself or others results,
13 the director shall file a petition before a district court or the clerk of superior court in the county
14 alleging such facts and requesting the appointment of a personal representative to be
15 responsible for receiving such grants and to use them for the benefit of the recipient.

16 (b) Upon receipt of such petition, the court shall promptly hold a hearing, provided the
17 recipient shall receive five days notice in writing of the time and place of such hearing. If the
18 court, sitting without a jury, shall find at the hearing that the facts alleged in the petition are
19 true, it may appoint some responsible person as personal representative. The personal
20 representative shall serve without compensation and be responsible to the court for the faithful
21 performance of his duties. He shall serve until the director of social services or the recipient
22 shows to the court that the personal representative is no longer required or is unsuitable. All
23 costs of court relating to proceedings under this Section shall be waived.

24 (c) Any recipient for whom a personal representative is appointed may appeal such
25 appointment to Superior Court for a hearing de novo without a jury.

26 (d) All findings of fact made under the proceedings authorized by this Section shall not
27 be competent as evidence in any case or proceeding which concerns any subject matter other
28 than that of appointing a personal representative.

29 **G.S. 108-50. Protective payments.** The State Board of Social Services shall adopt rules and
30 regulations providing for the use of protective payments to the extent authorized by the federal
31 Social Security Act to be available in cases where payees or recipients of public assistance
32 grants fail to use such grants for the purposes for which they are intended.

33 Part 4. Financing AAD and AFDC.

34 **G.S. 108-51. Acceptance of grants-in-aid.** The State Department of Social Services is hereby
35 authorized to accept all grants-in-aid for the programs of public assistance established under
36 this Article which may be available to the State by the federal government under the Social
37 Security Act. The provisions of this Article shall be liberally construed in order that the State
38 and its citizens may benefit fully from such grants-in-aid.

39 **G.S. 108-52. Transfer of funds to counties.** (a) A State fund for each program of public
40 assistance established under this Article is hereby created from the federal and state
41 appropriations to such program. Each state fund shall be drawn out on the warrant of the State
42 Treasurer and issued upon order of the Commissioner of Social Services. Quarterly, or more
43 often if the State Board directs, the Commissioner shall transfer to each county that part of the
44 county's allotment from each state fund that the county is required to disburse for its public
45 assistance programs during the appropriate period. Before transferring such funds, the
46 Commissioner may require that the county certify, through its auditor or fiscal agent, that
47 sufficient county funds are available to pay the county's share of the public assistance
48 expenditures corresponding to the amount of state money to be transferred.

49 (b) The Commissioner may transfer to any county an amount sufficient to pay in full
50 the grants approved in that county for the first quarter in any fiscal year. One-fourth of this

1 amount shall be advanced in anticipation of the collection of taxes and shall be deducted from
2 future allotments within the same fiscal year to that county.

3 (c) When the Commissioner finds that the disbursement of funds by a county to
4 qualified recipients is being unduly delayed, or that payments to recipients are jeopardized, he
5 may require that grants be promptly paid as a condition for the allotment or transmission of
6 state monies to the county. State monies may be withheld until the Commissioner is satisfied
7 that the county is paying the grants promptly.

8 (d) When the State Board of Social Services finds it to be in the public interest to
9 require more adequate protection of funds collected in the county for disbursement to
10 recipients, or the more prompt, efficient and certain payment of grants to recipients, the
11 Commissioner may demand and require that the funds raised by taxation in any county be
12 transmitted to the State Treasurer. The Commissioner shall, in such cases, give notice to the
13 board of county commissioners and to the county officials having such funds in their custody.
14 The board of county commissioners and responsible officials shall immediately transfer all
15 such funds to the State Treasurer for disbursement under rules and regulations established by
16 the State Board of Social Services.

17 **G.S. 108-53. Allocation of non-federal shares.** (a) The non-federal share of the annual cost of
18 each public assistance program may be divided between the State and the counties in a manner
19 consistent with the provisions of the federal Social Security Act, except that the share required
20 from the counties may not exceed the share required from the State.

21 (b) The non-federal share of the annual cost of public assistance provided to Indians
22 living on federal reservations held in trust by the United States on their behalf shall be borne
23 entirely by the State. The Commissioner shall reserve from state appropriations for public
24 assistance an amount sufficient to pay the county's share of the cost of public assistance to
25 eligible Indian residents of federal reservations, plus related administrative costs incidental to
26 providing such assistance, and shall pay same to counties containing such a federal reservation.

27 **G.S. 108-54. Determination of county expenditures.** Before March 15 of each year, the
28 director of social services of every county shall compile and submit to the county board of
29 social services an estimate of total funds required to finance each program of public assistance
30 within the county in the next fiscal year on forms furnished by the State Department of Social
31 Services. The county board shall review, modify, and approve such estimate and transmit it
32 before April 1 to the board of county commissioners, which shall review, modify and approve
33 it before April 15 for transmittal to the Commissioner of Social Services. The Commissioner,
34 as agent of the State Board, shall review the estimate submitted by each county and notify the
35 board of county commissioners by June 1 of the adequacy of the county's estimate and of the
36 amount of county funds necessary to support an adequate public assistance budget in the next
37 fiscal year. Upon receipt of such notice, the board of county commissioners shall levy taxes
38 sufficient to provide for the payment of the county's part of such budget. If the board of
39 commissioners disputes the budget recommended by the Commissioner, the State Board of
40 Social Services shall make a final determination that shall be binding upon the county.

41 **G.S. 108-55. Determination of administrative expenses.** The director of social services of
42 each county shall annually compile and submit to the county board of social services an
43 estimate of total funds required to finance the administrative expenses of the social service
44 programs in the next fiscal year. This estimate shall be prepared before March 15 on forms
45 furnished by the State Department of Social Services. The county board of social services shall
46 review, modify and approve the estimate and transmit it to the board of county commissioners
47 before April 1 for its review, modification and approval. The estimate shall then be forwarded
48 to the Commissioner of Social Services on or before April 15. The Commissioner, as agent of
49 the State Board, shall review the estimate submitted by the county and notify the board of
50 commissioners by June 1 of the adequacy of its estimate and of the amount of county funds
51 necessary to support the social service administrative budget in the subsequent fiscal year.

1 Upon receipt of such notice, the board of commissioners shall levy taxes sufficient to provide
2 for the payment of the county's part of the budget. If the board of commissioners disputes the
3 budget recommended by the Commissioner, the State Board of Social Services shall make a
4 final determination that shall be binding upon the county.

5 **G.S. 108-56. Counties to levy taxes.** (a) Whenever the Commissioner assigns a portion of the
6 non-federal share of public assistance expenses to the counties under the rules and regulations
7 of the State Board, the board of commissioners of each county shall levy and collect the taxes
8 required to meet the county's share of such expenses.

9 (b) The board of county commissioners may combine any or all of the separate special
10 taxes for each program of public assistance and for the administrative expenses of such
11 programs in place of levying separate special taxes for each item. This consolidated public
12 assistance tax shall be sufficient, when combined with other funds available for use for public
13 assistance expenses from any other source of county income and revenue (including borrowing
14 in anticipation of collection of taxes), to meet the financial requirements of public assistance.
15 The appropriations and expenditures for each of the several programs and for administrative
16 expenses shall be separately stated and accounted for.

17 **G.S. 108-57. Appropriations not to revert.** County appropriations for public assistance
18 expenses or administration shall not lapse or revert, and the unexpended balances may be
19 considered in making further public assistance or administrative appropriations. At any time
20 during the fiscal year, any county may transfer county funds from one public assistance
21 program to another if such action appears to be both necessary and feasible, provided the
22 county secures the approval of the Commissioner of Social Services.

23 **G.S. 108-58. Equalizing Fund.** The Commissioner of Social Services is authorized and
24 directed to reserve from State appropriations for the programs of public assistance an amount
25 that he finds to be necessary to equalize the burden of taxation in the counties of the State, and
26 to equalize the benefits received by the recipients of public assistance. This amount shall be
27 expended and disbursed solely for the use and benefit of persons eligible for assistance. The
28 amount reserved, to be known as the Equalizing Fund, shall be distributed among the counties
29 according to their needs under a formula approved by the State Board of Social Services so as
30 to produce a fair and just distribution.

31 Part 5. Medical Assistance.

32 **G.S. 108-59. State Fund created.** To provide for an effective medical assistance program and
33 its administration in North Carolina, the State Board of Social Services is authorized and
34 empowered to establish from federal, State and county appropriations a fund to be known as the
35 State Fund for Medical Assistance, and to adopt rules and regulations under which payments
36 are to be made out of such Fund in accordance with the provisions of this part. The non-federal
37 share may be divided between the State and the counties, in a manner consistent with the
38 provisions of the federal Social Security Act, except that the share required from the counties
39 may not exceed the share required from the State. If a portion of the non-federal share is
40 required from the counties, the boards of county commissioners of the several counties shall
41 levy, impose and collect the taxes required for the special purpose of medical assistance as
42 provided in this part, in an amount sufficient to cover each county's share of such assistance.

43 **G.S. 108-60. Payments from Fund.** From the Fund established in G.S. 108-59, the State
44 Board of Social Services may authorize, within appropriations made for this purpose, payments
45 of all or part of the cost of medical and other remedial care for any eligible person, when it is
46 essential to the health and welfare of such person that such care be provided, and when the total
47 resources of such person are not sufficient to provide the necessary care. Payments from the
48 Fund shall be made only to hospitals licensed and approved under the laws of the State of
49 North Carolina or under the laws of another state, or to pharmacies, physicians, dentists,
50 optometrists or other personnel authorized by the State Board of Social Services.

1 **G.S. 108-61. Acceptance of federal grants.** All of the provisions of the federal Social
2 Security Act providing grants to the states for medical assistance are accepted and adopted, and
3 the provisions of this part shall be liberally construed in relation to such Act so that the intent to
4 comply with it shall be made effectual. Nothing in this part or the regulations made under its
5 authority shall be construed to deprive a recipient of assistance of the right to choose the
6 licensed provider of the care or service made available under this part within the provisions of
7 the federal Social Security Act.

8 Part 6. General Assistance.

9 **G.S. 108-62. Eligibility.** Assistance may be granted under this part to any person who is
10 unable to earn a sufficient income and is without sufficient resources to provide a subsistence
11 compatible with decency and health.

12 **G.S. 108-63. Application procedure.** (a) Applications under this part shall be made to the
13 county director of social services who, with the approval of the county board of social services
14 and in conformity with the rules and regulations of the State Board of Social Services, shall
15 determine whether assistance shall be granted and the amount of such assistance.

16 (b) The amount of assistance which any eligible person may receive shall be determined
17 with regard to the resources and necessary expenditures of the applicant, in accordance with the
18 appropriate rules and regulations of the State Board.

19 (c) Insofar as available funds permit, assistance under this part shall be sufficient, when
20 added to all other income and resources of the applicant, to provide him a reasonable
21 subsistence compatible with health and decency, in conformity with the principle of equitable
22 treatment among counties set forth in the rules and regulations of the State Board.

23 **G.S. 108-64. State funds to counties.** (a) A fund, to be known as the "State General
24 Assistance Fund", shall be created from appropriations made by the General Assembly and
25 from grants of the federal government (when such grants are made available to the State). This
26 fund shall be used exclusively for assistance to needy persons eligible under this part.

27 (b) Allotments shall be made annually by the Commissioner of Social Services, as
28 prescribed by G.S. 108-52, to the counties participating in the program established by this part.

29 (c) The allotments provided by this Section shall be used by the counties entitled to
30 them solely as supplementary funds to increase the general assistance being granted. No
31 allotment shall be used, either directly or indirectly, to replace county appropriations or
32 expenditures.

33 **G.S. 108-65. Participation permissive.** The general assistance program established by this
34 part shall be administered as required by the rules and regulations of the State Board of Social
35 Services, except that no county shall be granted any allotment from the State General
36 Assistance Fund nor be subject to the provisions of this part unless its consent be given in the
37 manner prescribed by the rules and regulations of the State Board In the event that federal
38 general assistance grants be made available to the State on the condition that all counties
39 participate in such program, however, all of the provisions of this part shall become mandatory
40 upon every county.

41 Part 7. Foster Home Fund.

42 **G.S. 108-66. State Foster Home Fund.** (a) The General Assembly shall appropriate funds to
43 the State Department of Social Services for the purpose of providing assistance to needy
44 children who are placed in foster homes by county departments of social services in accordance
45 with the rules and regulations of the State Board. Such appropriations shall be known and
46 designated as the State Foster Home Fund and, together with county contributions for this
47 purpose, shall be expended to provide for the costs of keeping needy children in foster homes.

48 (b) No needy child shall be eligible for the benefits provided by this Section if he be
49 eligible for foster home care benefits provided by Part 2 of this Article entitled "Aid to Families
50 with Dependent Children".

51 Article 3.

Inspection and Licensing Authority

Part 1. Licensing of Public Solicitation.

G.S. 108-67. Definitions. As used in this part, certain words and phrases shall be defined as follows:

- (1) "Charitable organization" is any person, organization, corporation, institution, association, agency or co-partnership which is or purports to be a charitable, benevolent, health, educational, religious, patriotic or other similar public cause or an organization to alleviate cruelty toward animals.
- (2) "Solicitation" is any act of seeking or obtaining, whether by mail, through solicitors, or other means, any of the following benefits: a grant of money or property, including a promise to give any such grant; a gift of goods, wares, merchandise or other items of value; the sale or distribution, or offer for sale or distribution to the public of any item to raise money; the sale of memberships, periodicals, books or advertising space; and the promotion of any public bazaar, sale, entertainment, exhibition or other event to secure money, goods, or property.
- (3) "Solicitor" is any person, organization, corporation, institution, association, agency or co-partnership that agrees, for whatever reason, to solicit or collect contributions or other benefits for any charitable organization.
- (4) "Verified financial report" is a report of an audit conducted in accordance with generally accepted auditing standards and containing the expression of an unqualified opinion by an independent certified public accountant

G.S. 108-68. Licenses required. No charitable organization, nor any other organization nor person on its behalf, intra-state or foreign, unless exempted by G.S. 108-73, shall solicit benefits from residents of North Carolina unless it has filed a request with the Commissioner of Social Services for a license and is so licensed as provided by this part.

G.S. 108-69. Licensing procedure. (a) Every charitable organization required under this part to secure a license in order to solicit benefits or to authorize solicitations in its behalf shall file a written application with the Commissioner on a form furnished by him. The application shall require proof of the following subjects: the worthiness of the charitable organization's cause or causes; its chartered responsibility; the existence of an adequate, responsible and functioning governing board; its need for public solicitation, and the proposed uses of solicited funds. The applicant shall also file a report summarizing its accomplishments during the preceding fiscal period; a verified financial report for the preceding fiscal period; and a report of the proposed program and objectives, including a budget, for the fiscal period for which the application is filed.

(b) Newly created charitable organizations with no financial history' may be granted a non-renewable license for one year if, in the judgment of the Commissioner, all requirements for licensing except that of the verified financial report are satisfied.

(c) The State Board of Social Services may adopt standards for the regulation and licensing of certain charitable organizations whose solicitation goals and total contributions received are below specified limits to provide for simplified financial reporting as a prerequisite for licensing.

(d) In considering applications for licensing, the Commissioner shall seek the counsel of any State agency in any cause in which an agency may have an interest or responsibility.

(e) A license shall not be issued to any applicant that pays or agrees to pay an unreasonable or exorbitant amount of the funds collected, as determined by regulations of the State Board of Social Services, for the compensation of solicitors and for expenses incurred in promoting and conducting its fund raising activities and solicitation campaign.

(f) The Commissioner shall issue a license to solicit for a period not to exceed one year, subject to annual renewal, if he finds after full investigation and consideration of the completed

1 application that the causes of the applicant are not harmful to the public interest and that the
2 proposed solicitations are truly for the causes set forth in the application.

3 (g) The Commissioner may revoke any license before its expiration date if such action
4 would be in the public interest.

5 **G.S. 108-70. Appeal procedure.** An applicant who is refused a license or whose license has
6 been revoked by the Commissioner shall be entitled to a hearing before the Commissioner if a
7 written request for such hearing be made to the Commissioner within fifteen days after notice
8 of refusal or revocation is delivered or mailed to the applicant or licensee. All hearings shall be
9 open to the public. The final decision of the Commissioner on the matter appealed from shall
10 be mailed to the interested parties within ten days after such hearing.

11 **G.S. 108-71. Annual financial reports.** (a) Every licensee under this part shall file a verified
12 financial report with the State Department of Social Services within one hundred and twenty
13 (120) days after the end of each fiscal year. Such verified financial report shall show the
14 licensee's receipts and expenditures on an itemized basis so as to disclose the various purposes
15 for which the licensee solicited and expended funds. Such report shall contain, but not be
16 limited to, details on the costs of raising or securing contributions; the costs of administration,
17 including the organization and operation of new member groups and affiliates within the State;
18 the costs of research pursued by the licensee; and the portion of funds raised in the State and
19 expended inside and outside the State.

20 (b) No license shall be renewed for any licensee that fails to comply with the provisions
21 of this section.

22 **G.S. 108-72. Authorization of individual solicitors.** Every person who shall solicit or collect
23 any contribution in money or other property or who shall sell any item for which the proceeds
24 are reserved for and given to a licensee under this part shall have in his possession a written
25 authorization, pledge card, receipt form, or other evidence of authority provided to him by the
26 licensee, and he shall show such authorization upon request.

27 **G.S. 108-73. Exemptions from licensing requirement.** (a) The provisions of this part shall
28 not apply to any solicitation or appeal made by the following organizations:

- 29 (1) Any civic, religious, educational, fraternal, or patriotic organization which
30 confines its solicitation or appeal to its own membership and which does not
31 grant membership to persons who make a contribution as a result of a
32 solicitation or appeal;
- 33 (2) Any church that seeks funds for the construction, upkeep, or maintenance of
34 the church building, clergy's residence or for the support of its clergy;
- 35 (3) Any college holding membership in the North Carolina College Conference
36 and whose governing board makes the solicitation and receives the
37 contributions;
- 38 (4) Any non-public high school which is accredited by the State Department of
39 Public Instruction and which offers at least the minimum course of study
40 prescribed by the State Board of Education;
- 41 (5) Any locally indigenous charitable organization which confines its
42 solicitations and operations to the county in which its executive office is
43 located and its governing board resides.

44 (b) Any charitable organization or other organization that desires to solicit or does
45 solicit the public and claims exemption from the licensing requirements of this part shall file a
46 statement with the Commissioner on forms prescribed by him which shall show proof of its
47 exempted status under this section. The exemption shall be authorized by the Commissioner
48 before such organization may begin or continue to solicit from the public. The claimed
49 exemption shall be subject to annual renewal on forms prescribed by the Commissioner.

50 **G.S. 108-74. Solicitation for individual livelihood.** (a) It shall be unlawful for any person to
51 engage in the business of soliciting contributions for his own or another person's livelihood,

1 either upon the streets and highways of this State, through door to door solicitation, or through
2 the mails unless he obtains a license for this purpose from the Commissioner of Social
3 Services.

4 (b) Any person who desires to engage in the business of soliciting contributions under
5 this section shall file a written application for a license on a form furnished by the
6 Commissioner which shall contain his name, his addresses for the past five years, his purpose
7 in seeking to solicit contributions, his reasons for not pursuing another means of livelihood or
8 for not seeking public assistance grants, and such other information as the Commissioner may
9 require. Before issuing a license, the Commissioner shall seek counsel from other interested
10 State agencies. Persons soliciting contributions while carrying merchandise for sale shall not be
11 exempted from the provisions of this section.

12 (c) A licensee under this section shall carry a copy of his license with him while
13 soliciting contributions and shall show it on request.

14 **G.S. 108-75. Penalties for violations.** (a) Any solicitor or charitable organization that violates
15 any of the provisions of this part shall be guilty of a misdemeanor. Upon conviction, the court
16 shall commit an individual violator to prison for a term not to exceed six months; corporate
17 violators shall be fined not more than five hundred dollars (\$500).

18 (b) Any licensee under this part that, after conducting a solicitation campaign and
19 obtaining funds from such solicitation, shall wilfully convert or misapply any of such funds in a
20 manner contrary to the purposes set forth in its application for licensing shall be guilty of a
21 felony and be punished in the discretion of the court.

22 Part 2. Licensing of Private Institutions.

23 **G.S. 108-76. Licensing of maternity homes.** (a) The State Department of Social Services
24 shall inspect and license all maternity homes established in the State under such rules and
25 regulations as the State Board of Social Services may adopt.

26 (b) Facilities subject to the provisions of this section shall include:

- 27 (1) Institutions or homes maintained for the purpose of receiving pregnant
28 women for care before, during, and after delivery, and
29 (2) Institutions or lying-in homes maintained for the purpose of receiving
30 pregnant women for care before and after delivery, when delivery takes
31 place in a licensed hospital.

32 **G.S. 108-77. Licensing of homes for the aged and infirm.** (a) The State Department of
33 Social Services shall inspect and license, under the rules and regulations adopted by the State
34 Board of Social Services, all boarding homes, rest homes, and convalescent homes for persons
35 who are aged or are mentally or physically infirm, except those exempted in subsection (c)
36 below. Licenses issued under the authority of this section shall be valid for one year from the
37 date of issuance unless revoked for cause earlier by the Commissioner.

38 (b) Any individual or corporation that shall operate a facility subject to license under
39 this section without such license shall be guilty of a misdemeanor.

40 (c) Facilities which are exempt from the provisions of this section are as follows:

- 41 (1) Those which care for one person only;
42 (2) Those which care for two or more persons, all of whom are related or
43 connected by blood or marriage to the operator of the facility;
44 (3) Those which make no charges for care, either directly or indirectly;
45 (4) Those which care for no more than four persons, all of whom are under the
46 supervision of the United States Veterans Administration.

47 (d) This section shall not apply to any institution which is established, maintained or
48 operated by any unit of government; any commercial inn or hotel; or any facility licensed by
49 the State Board of Health under the provisions of G.S. 130-9(e), entitled "Nursing Homes".

50 **G.S. 108-78. Licensing of private child-caring institutions.** (a) The State Department of
51 Social Services shall inspect and license private child-caring institutions in the State under rules

and regulations adopted by the State Board of Social Services, except those child-caring institutions which are exempt under (c) herein.

(b) Licenses granted to private child-caring institutions under this section shall be valid for one year after the date of issuance and may be revoked sooner if the Commissioner finds that the public good or the welfare of the children within any institution is not being properly served.

(c) This section shall not apply to any child-caring institution chartered by the laws of the State of North Carolina (or operating under charters of other states which have complied with the corporation laws of North Carolina) which has a plant and assets worth sixty thousand dollars (\$60,000.00) or more and which is owned or operated by a religious denomination or fraternal order.

Part 3. Local Confinement Facilities.

G.S. 108-79. Inspection. The State Department of Social Services shall, as authorized by G.S. 153-51, inspect regularly all local confinement facilities as defined by G.S. 153-50(4) to determine compliance with the minimum standards for local confinement facilities adopted by the State Board of Social Services.

G.S. 108-80. Approval of new facilities. The State Department of Social Services shall, as authorized by G.S. 153-51, approve the plans for the construction or major modification of any local confinement facility.

G.S. 108-81. Failure to provide information. If the board of commissioners of any county, the chief of police of any municipality, or any officer or employee of any local confinement facility shall fail or refuse to furnish to the State Department of Social Services any information about any local confinement facility which is required by law to be furnished, or shall fail to allow the inspection of any such facility, such board or individual shall be guilty of a misdemeanor."

Sec. 2. All laws and clauses of laws in conflict with this Act are hereby repealed.

Sec. 3. This Act shall become effective on July 1, 1969.

In the General Assembly read three times and ratified, this the 21st day of May, 1969.