

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

SESSION LAW 2015-294  
HOUSE BILL 318

AN ACT TO REQUIRE E-VERIFY COMPLIANCE IN CERTAIN GOVERNMENTAL CONTRACTS, TO PROVIDE THAT CERTAIN CONSULATE OR EMBASSY DOCUMENTS MAY NOT BE USED TO DETERMINE A PERSON'S IDENTIFICATION OR RESIDENCE FOR GOVERNMENTAL AND LAW ENFORCEMENT PURPOSES, TO PROHIBIT ADOPTION OF SANCTUARY CITY ORDINANCES, AND TO PROHIBIT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES FROM SEEKING CERTAIN WAIVERS.

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** Article 8 of Chapter 143 of the General Statutes is amended by adding a new section to read:

**"§ 143-133.3. E-verify compliance.**

(a) No board or governing body of the State, or of any institution of the State government, or of any political subdivision of the State, may enter into a contract unless the contractor, and the contractor's subcontractors under the contract, comply with the requirements of Article 2 of Chapter 64 of the General Statutes.

(b) A board or governing body of the State, or of any institution of the State government, or of any political subdivision of the State, shall be deemed in compliance with this section if the contract includes a term requiring the contractor, and the contractor's subcontractors, to comply with the requirements of Article 2 of Chapter 64 of the General Statutes.

(c) This section shall not apply to any of the following:

- (1) Expenses related to travel, including transportation and lodging, for employees, officers, agents, or members of State or local boards, commissions, committees, or councils.
- (2) Contracts solely for the purchase of goods, apparatus, supplies, materials, or equipment.
- (3) Contracts let under G.S. 143-129(e)(1), (9), or (9a).
- (4) Contracts let under G.S. 143-129(g)."

**SECTION 1.(b)** G.S. 160A-20.1(b) is repealed.

**SECTION 1.(c)** G.S. 153A-449(b) is repealed.

**SECTION 2.** G.S. 159-28(e) reads as rewritten:

"(e) Penalties. – If an officer or employee of a local government or public authority incurs an obligation or pays out or causes to be paid out any funds in violation of this section, he and the sureties on his official bond are liable for any sums so committed or disbursed. If the finance officer or any properly designated deputy finance officer gives a false certificate to any contract, agreement, purchase order, check, draft, or other document, he and the sureties on his official bond are liable for any sums illegally committed or disbursed thereby. Inclusion of the contract term in accordance with G.S. 143-133.3(b) shall be deemed in compliance with G.S. 143-133.3(a)."

**SECTION 3.** G.S. 64-27 reads as rewritten:

**"§ 64-27. Commissioner of Labor to prepare complaint form.**

(a) Preparation of Form. – The Commissioner shall prescribe a complaint form for a person to allege a violation of ~~G.S. 64-26~~. ~~G.S. 64-26~~ or G.S. 143-133.3. The form shall clearly state that completed forms may be sent to the Commissioner.



(b) Certain Information Not Required. – The complainant shall not be required to list the complainant's social security number on the complaint form or to have the complaint notarized."

**SECTION 4.** G.S. 64-28 reads as rewritten:

**"§ 64-28. Reporting of complaints.**

(a) Filing of Complaint. – Any person with a good faith belief that ~~an employer is violating or has violated a violation of G.S. 64-26 or G.S. 143-133.3 has occurred~~ may file a complaint with the Commissioner setting forth the basis for that belief. The complaint may be on a form prescribed by the Commissioner pursuant to G.S. 64-27 or may be made in any other form that gives the Commissioner information that is sufficient to proceed with an investigation pursuant to G.S. 64-29. Nothing in this section shall be construed to prohibit the filing of anonymous complaints that are not submitted on a prescribed complaint form.

(b) False Statements a Misdemeanor. – A person who knowingly files a false ~~and or~~ frivolous complaint under this section is guilty of a Class 2 misdemeanor."

**SECTION 5.** G.S. 64-29 reads as rewritten:

**"§ 64-29. Investigation of complaints.**

(a) Investigation. – Upon receipt of a complaint ~~pursuant to G.S. 64-28 that an employer is allegedly violating or has allegedly violated G.S. 64-26, filed in accordance with G.S. 64-28,~~ the Commissioner shall investigate whether ~~the employer has in fact violated G.S. 64-26,~~ a violation of G.S. 64-26 or G.S. 143-133.3 has in fact occurred.

(b) Certain Complaints Shall Not Be Investigated. – The Commissioner shall not investigate complaints that are based solely on race, religion, gender, ethnicity, or national origin.

(c) Assistance by Law Enforcement. – The Commissioner may request that the State Bureau of Investigation assist in investigating a complaint under this section.

(d) Subpoena for Production of Documents. – The Commissioner may issue a subpoena for production of employment records that relate to the recruitment, hiring, employment, or termination policies, practices, or acts of employment as part of the investigation of a valid complaint under this section."

**SECTION 6.** G.S. 64-30 reads as rewritten:

**"§ 64-30. Actions to be taken; hearing.**

If, after an investigation, the Commissioner determines that the complaint is not false ~~and or~~ frivolous:

(1) If the alleged violation is of G.S. 64-26:

~~(1)a.~~ The Commissioner shall hold a hearing to determine if a violation of G.S. 64-26 has occurred and, if appropriate, impose civil penalties in accordance with the provisions of this Article.

~~(2)b.~~ If, during the course of the hearing required by ~~subdivision (1)~~ sub-subdivision a. of this subdivision of this section, the Commissioner concludes that there is a reasonable likelihood that an employee is an unauthorized alien, the Commissioner shall notify the following entities of the possible presence of an unauthorized alien:

~~a.1.~~ United States Immigration and Customs Enforcement.

~~b.2.~~ Local law enforcement agencies.

(2) If the alleged violation is of G.S. 143-133.3, the Commissioner shall hold a hearing to determine if a violation of the applicable statute has occurred and, if appropriate, shall take action under G.S. 64-33.1."

**SECTION 7.** The catch line for G.S. 64-31 reads as rewritten:

**"§ 64-31. Consequences of first ~~violation.~~ violation of G.S. 64-26."**

**SECTION 8.** The catch line for G.S. 64-32 reads as rewritten:

**"§ 64-32. Consequences of second ~~violation.~~ violation of G.S. 64-26."**

**SECTION 9.** The catch line for G.S. 64-33 reads as rewritten:

**"§ 64-33. Consequences of third or subsequent ~~violation.~~ violation of G.S. 64-26."**

**SECTION 10.** Article 2 of Chapter 64 of the General Statutes is amended by adding a new section to read:

**"§ 64-33.1. Consequences of violation of G.S. 143-133.3.**

For violation of G.S. 143-133.3, the Commissioner shall notify the board or governing body of the State, or of any institution of the State government, or of any political subdivision of the State, found to have committed the violation that the board or governing body of the State, or

of any institution of the State government, or of any political subdivision of the State, is in violation of the applicable statute. The Department of Labor shall maintain a list of any boards or governing bodies of the State, or of any institutions of the State government, or of any political subdivisions of the State, issued notices pursuant to this section and shall make that list available on its Web site."

**SECTION 11.** Chapter 15A of the General Statutes is amended by adding a new Article to read:

"Article 18.

"Identification Documents.

**"§ 15A-306. Consulate documents not acceptable as identification.**

(a) The following documents are not acceptable for use in determining a person's actual identity or residency by a justice, judge, clerk, magistrate, law enforcement officer, or other government official:

- (1) A matricula consular or other similar document, other than a valid passport, issued by a consulate or embassy of another country.
- (2) An identity document issued or created by any person, organization, county, city, or other local authority, except where expressly authorized to be used for this purpose by the General Assembly.

(b) No local government or law enforcement agency may establish, by policy or ordinance, the acceptability of any of the documents described in subsection (a) of this section as a form of identification to be used to determine the identity or residency of any person. Any local government policy or ordinance that contradicts this section is hereby repealed."

**SECTION 11A.** G.S. 15A-306, as enacted by Section 11 of this act, shall not apply to verification of the information provided by an applicant pursuant to G.S. 58-2-164 until Section 13 of this act becomes effective, at which point it shall apply only with respect to insurance policies entered into on or after that date.

**SECTION 12.** G.S. 20-7(b4) reads as rewritten:

"(b4) Examples of documents that are reasonably reliable indicators of residency include, but are not limited to, any of the following:

- (1) A pay stub with the payee's address.
- (2) A utility bill showing the address of the applicant-payor.
- (3) A contract for an apartment, house, modular unit, or manufactured home with a North Carolina address signed by the applicant.
- (4) A receipt for personal property taxes paid.
- (5) A receipt for real property taxes paid to a North Carolina locality.
- (6) A current automobile insurance policy issued to the applicant and showing the applicant's address.
- (7) A monthly or quarterly financial statement from a North Carolina regulated financial institution.
- ~~(8) A matricula consular or substantially similar document issued by the Mexican Consulate for North Carolina.~~
- ~~(9) A document similar to that described in subsection (8) of this section, issued by the consulate or embassy of another country. This subdivision only applies if the Division has consulted with the United State Department of State and is satisfied with the reliability of such document."~~

**SECTION 13.** G.S. 58-2-164(c) reads as rewritten:

"(c) The insurer and its agent shall also take reasonable steps to verify that the information provided by an applicant regarding the applicant's address and the place the motor vehicle is garaged is correct. The insurer may take its own reasonable steps to verify residency or eligible risk status or may rely upon the agent verification of residency or eligible risk status to meet the insurer's verification obligations under this section. The agent shall retain copies of any items obtained under this section as required under the record retention rules adopted by the Commissioner and in accordance with G.S. 58-2-185. The agent may satisfy the requirements of this section by obtaining reliable proof of North Carolina residency from the applicant or the applicant's status as an eligible risk. Reliable proof of residency or eligible risk includes but is not limited to:

- (1) A pay stub with the payee's address.
- (2) A utility bill showing the address of the applicant-payor.

- (3) A lease for an apartment, house, modular unit, or manufactured home with a North Carolina address signed by the applicant.
- (4) A receipt for personal property taxes paid.
- (5) A receipt for real property taxes paid to a North Carolina locality.
- (6) A monthly or quarterly financial statement from a North Carolina regulated financial institution.
- (7) A valid unexpired North Carolina driver's license.
- ~~(8) A matricula consular or substantially similar document issued by the Mexican Consulate for North Carolina.~~
- ~~(9) A document similar to that described in subdivision (8) of this section, issued by the consulate or embassy of another country that would be accepted by the North Carolina Division of Motor Vehicles as set forth in G.S. 20-7(b4)(9).~~
- (10) A valid North Carolina vehicle registration.
- (11) A valid military ID.
- (12) A valid student ID for a North Carolina school or university."

**SECTION 14.** G.S. 108A-55.3(b) reads as rewritten:

"(b) An applicant may meet the requirements of subsection (a) of this section by providing at least two of the following documents:

- (1) A valid North Carolina drivers license or other identification card issued by the North Carolina Division of Motor Vehicles.
- (2) A current North Carolina rent or mortgage payment receipt, or current utility bill in the name of the applicant or the applicant's legal spouse showing a North Carolina address.
- (3) A valid North Carolina motor vehicle registration in the applicant's name and showing the applicant's current address.
- (4) A document showing that the applicant is employed in this State.
- (5) One or more documents proving that the applicant's domicile in the applicant's prior state of domicile has ended, such as closing of a bank account, termination of employment, or sale of a home.
- (6) The tax records of the applicant or the applicant's legal spouse, showing a current North Carolina address.
- (7) A document showing that the applicant has registered with a public or private employment service in this State.
- (8) A document showing that the applicant has enrolled the applicant's children in a public or private school or child care facility located in this State.
- (9) A document showing that the applicant is receiving public assistance or other services requiring proof of domicile, other than medical assistance, in this State.
- (10) Records from a health department or other health care provider located in this State showing the applicant's current North Carolina address.
- (11) A written declaration made under penalty of perjury from a person who has a social, family, or economic relationship with the applicant and who has personal knowledge of the applicant's intent to live in North Carolina permanently or for an indefinite period of time or that the applicant is residing in North Carolina to seek employment or with a job commitment.
- (12) Current North Carolina voter registration card.
- (13) A document from the U.S. Department of Veterans Affairs, U.S. Department of Defense, or the U.S. Department of Homeland Security verifying the applicant's intent to live in North Carolina permanently or for an indefinite period of time or that the applicant is residing in North Carolina to seek employment or with a job commitment.
- (14) Official North Carolina school records, signed by school officials, or diplomas issued by North Carolina schools, including secondary schools, community colleges, colleges, and universities verifying the applicant's intent to live in North Carolina permanently or for an indefinite period of time or that the applicant is residing in North Carolina to seek employment or with a job commitment.

- (15) ~~A document issued by the Mexican consular or other foreign consulate verifying the applicant's intent to live in North Carolina permanently or for an indefinite period of time or that the applicant is residing in North Carolina to seek employment or with a job commitment."~~

**SECTION 15.(a)** Article 6 of Chapter 153A of the General Statutes is amended by adding a new section to read:

**"§ 153A-145.5. Adoption of sanctuary ordinance prohibited.**

(a) No county may have in effect any policy, ordinance, or procedure that limits or restricts the enforcement of federal immigration laws to less than the full extent permitted by federal law.

(b) No county shall do any of the following related to information regarding the citizenship or immigration status, lawful or unlawful, of any individual:

- (1) Prohibit law enforcement officials or agencies from gathering such information.
- (2) Direct law enforcement officials or agencies not to gather such information.
- (3) Prohibit the communication of such information to federal law enforcement agencies."

**SECTION 15.(b)** Article 8 of Chapter 160A of the General Statutes is amended by adding a new section to read:

**"§ 160A-499.4. Adoption of sanctuary ordinances prohibited.**

(a) No city may have in effect any policy, ordinance, or procedure that limits or restricts the enforcement of federal immigration laws to less than the full extent permitted by federal law.

(b) No city shall do any of the following related to information regarding the citizenship or immigration status, lawful or unlawful, of any individual:

- (1) Prohibit law enforcement officials or agencies from gathering such information.
- (2) Direct law enforcement officials or agencies not to gather such information.
- (3) Prohibit the communication of such information to federal law enforcement agencies."

**SECTION 16.(a)** Article 2 of Chapter 108A of the General Statutes is amended by adding a new section to read:

**"§ 108A-51.1. Prohibition on certain waivers.**

Except for waivers for the Disaster Supplemental Nutrition Assistance Program sought for an area that has received a Presidential disaster declaration of Individual Assistance from the Federal Emergency Management Agency, the Department shall not seek waivers to time limits established by federal law for food and nutrition benefits for able-bodied adults without dependents required to fulfill work requirements to qualify for those benefits."

**SECTION 16.(b)** The Department of Health and Human Services shall withdraw any pending request for waivers to time limits established by federal law for food and nutrition benefits for able-bodied adults without dependents required to fulfill work requirements to qualify for those benefits submitted but not granted prior to the effective date of this section unless the request can be amended so that the period covered by the waiver will not extend beyond March 1, 2016. If a pending waiver request is granted prior to the effective date of this section, the Department shall discontinue the waiver as of that effective date unless the waiver can be amended so that the period covered by the waiver will not extend beyond March 1, 2016. The Department shall not submit a new request for a waiver unless the period covered by the waiver will not extend beyond March 1, 2016. Nothing in this section shall be construed to require termination of a waiver in place as of September 1, 2015.

**SECTION 17.** Sections 1 through 12 and Section 14 of this act become effective October 1, 2015, and apply to contracts entered into on or after that date. Section 13 of this act becomes effective January 1, 2016, and applies to insurance policies entered into on or after that date. Section 16 of this act becomes effective October 1, 2015. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29<sup>th</sup> day of September, 2015.

s/ Daniel J. Forest  
President of the Senate

s/ D. Craig Horn  
Presiding Officer of the House of Representatives

s/ Pat McCrory  
Governor

Approved 2:35 p.m. this 29<sup>th</sup> day of October, 2015