STATE OF NORTH CAROLINA

SESSION LAWS AND RESOLUTIONS

PASSED BY THE

2015 GENERAL ASSEMBLY

AT ITS

REGULAR SESSION 2015

BEGINNING ON

WEDNESDAY, THE FOURTEENTH DAY OF JANUARY, A.D. 2015

HELD IN THE CITY OF RALEIGH

ISSUED BY
SECRETARY OF STATE ELAINE F. MARSHALL

PUBLISHED BY AUTHORITY

This publication is printed on permanent, acid-free paper in compliance with the General Statutes of North Carolina.

597 copies of this two-volume public document were printed at a cost of $38.35 each.

TABLE OF CONTENTS

Presiding Officers of the 2015 General Assembly v
Executive Branch v
Officers and Members of the Senate vi
Officers and Members of the House vii
Legislative Services Commission ix
Legislative Services Staff Directors ix
Constitution of North Carolina xi
Session Laws of the 2015 Regular Session 1
Vetoes of Governor Pat McCrory 1489
Resolutions of the 2015 Regular Session 1492
Executive Orders of Governor Pat McCrory 1506
Certification 1547
Joint Conference Committee Report on the Continuation,
Expansion, and Capital Budgets 1548
Numerical Index 1740
2015 Regular Session Index
Session Laws 1743
Resolutions 1932

STATE OF NORTH CAROLINA

PRESIDING OFFICERS OF THE 2015 GENERAL ASSEMBLY

DANIEL J. FOREST (R) .....President of the Senate..... Wake

TIM MOORE (R).....Speaker of the House .....Cleveland

EXECUTIVE BRANCH

(Offices established by the Constitution, filled by election, and comprising the Council of State)

PAT MCCRORY (R).....Governor ..... Mecklenburg

DANIEL J. FOREST (R) .....Lieutenant Governor ..... Wake

ELAINE F. MARSHALL (D).....Secretary of State .....Harnett

BETH A. WOOD (D). .....Auditor ..... Wake

JANET COWELL (D) .....Treasurer ..... Wake

JUNE S. ATKINSON (D) .....Superintendent of Public Instruction ..... Wake

ROY A. COOPER, III (D) .....Attorney General.....Nash

STEVEN W. TROXLER (R).....Commissioner of Agriculture .....Guilford

CHERIE K. BERRY (R).....Commissioner of Labor .....Catawba

WAYNE GOODWIN (D) .....Commissioner of Insurance ..... Richmond

The political affiliation of each legislator and member of the Council of State listed on this and the following pages is designated Democrat by the abbreviation "D" and designated Republican by the abbreviation "R".

G.S. 147-16.1 authorizes publication of Executive Orders of the Governor in the Session Laws of North Carolina. Executive Orders from Governor McCrory are carried in this volume.

SENATE OFFICERS

Name	*Position*	*Address*
DANIEL J. FOREST	President	Raleigh, Wake County
PHILIP E. BERGER	President *Pro Tempore*	Eden, Rockingham County
LOUIS M. PATE, JR.	Deputy President *Pro Tempore*	Mount Olive, Wayne County
SARAH LANG	Principal Clerk	Raleigh, Wake County
LEE SETTLE	Reading Clerk	Pinehurst, Moore County
PHILIP KING	Sergeant-at-Arms	Southport, Brunswick County

SENATORS

District		Name	Party	County	Address
1		BILL COOK	R	Beaufort	Chocowinity
2		NORMAN W. SANDERSON	R	Pamlico	Arapahoe
3		ERICA SMITH-INGRAM	D	Northampton	Gaston
4		ANGELA R. BRYANT	D	Nash	Rocky Mount
5		DON DAVIS	D	Greene	Snow Hill
6		HARRY BROWN	R	Onslow	Jacksonville
7		LOUIS M. PATE, JR.	R	Wayne	Mount Olive
8		WILLIAM P. RABON	R	Brunswick	Southport
9		MICHAEL V. LEE	R	New Hanover	Wilmington
10		BRENT JACKSON	R	Sampson	Autryville
11		E.S. (BUCK) NEWTON	R	Wilson	Wilson
12		RONALD J. RABIN	R	Harnett	Spring Lake
13		JANE W. SMITH	D	Robeson	Lumberton
14		DANIEL T. BLUE, JR.	D	Wake	Raleigh
15		JOHN M. ALEXANDER JR.	R	Wake	Raleigh
16		JOSHUA H. STEIN	D	Wake	Raleigh
17		TAMARA BARRINGER	R	Wake	Cary
18		CHAD BAREFOOT	R	Wake	Wake Forest
19		WESLEY A. MEREDITH	R	Cumberland	Fayetteville
20		FLOYD B. MCKISSICK, JR.	D	Durham	Durham
21		ROBERT B. CLARK III	D	Hoke	Raeford
22		MIKE WOODARD	D	Durham	Durham
23		VALERIE P. FOUSHEE	D	Orange	Hillsborough
24		RICK GUNN	R	Alamance	Burlington
25		TOM MCINNIS	R	Richmond	Ellerbe
26		PHILIP E. BERGER	R	Rockingham	Eden
27		TRUDY WADE	R	Guilford	Greensboro
28		GLADYS A. ROBINSON	D	Guilford	Greensboro
29		JERRY W. TILLMAN	R	Randolph	Archdale
30		SHIRLEY B. RANDLEMAN	R	Wilkes	Wilkesboro
31		JOYCE KRAWIEC	R	Forsyth	Kernersville
32	*	EARLINE W. PARMON	D	Forsyth	Winston-Salem
32	+	PAUL A. LOWE, JR.	D	Forsyth	Winston-Salem
33		STAN BINGHAM	R	Davidson	Denton
34		ANDREW C. BROCK	R	Davie	Mocksville
35		TOMMY TUCKER	R	Union	Waxhaw
36		FLETCHER L. HARTSELL, JR.	R	Cabarrus	Concord
37		JEFF JACKSON	D	Mecklenburg	Charlotte
38		JOEL D. M. FORD	D	Mecklenburg	Charlotte
39		ROBERT A. RUCHO	R	Mecklenburg	Matthews
40		JOYCE WADDELL	D	Mecklenburg	Charlotte
41		JEFF TARTE	R	Mecklenburg	Cornelius
42		ANDY WELLS	R	Catawba	Hickory
43		KATHY HARRINGTON	R	Gaston	Gastonia
44		DAVID L. CURTIS	R	Lincoln	Lincolnton
45		DANIEL F. SOUCEK	R	Watauga	Boone
46		WARREN DANIEL	R	Burke	Morganton
47		RALPH E. HISE, JR.	R	Mitchell	Spruce Pine
48		TOM APODACA	R	Henderson	Hendersonville
49		TERRY VAN DUYN	D	Buncombe	Asheville
50		JIM DAVIS	R	Macon	Franklin

* Resigned January 28, 2015

\+ Appointed January 30, 2015

HOUSE OFFICERS

Name	*Position*	*Address*
TIM MOORE	Speaker	Kings Mountain, Cleveland County
PAUL STAM	Speaker Pro Tempore	Apex, Wake County
DENISE G. WEEKS	Principal Clerk	Raleigh, Wake County
GARLAND SHEPHEARD.	Sergeant-at-Arms	Tarboro, Edgecombe County

REPRESENTATIVES

District		Name	Party	County	Address
1		BOB STEINBURG.	R	Chowan	Edenton
2		LARRY YARBOROUGH	R	Person	Roxboro
3		MICHAEL SPECIALE	R	Craven	New Bern
4		JIMMY DIXON	R	Duplin	Warsaw
5		HOWARD J. HUNTER, III	D	Hertford	Ahoskie
6		PAUL TINE	U	Dare	Kitty Hawk
7		BOBBIE RICHARDSON	D	Franklin	Louisburg
8		SUSAN MARTIN	R	Wilson	Wilson
9	*	BRIAN BROWN	R	Pitt	Greenville
9	+	GREGORY F. MURPHY	R	Pitt	Greenville
10		JOHN R. BELL, IV	R	Wayne	Goldsboro
11		DUANE HALL	D	Wake	Raleigh
12		GEORGE GRAHAM	D	Lenoir	Kinston
13		PAT MCELRAFT	R	Carteret	Emerald Isle
14		GEORGE G. CLEVELAND	R	Onslow	Jacksonville
15		PHIL SHEPARD	R	Onslow	Jacksonville
16		CHRIS MILLIS	R	Pender	Hampstead
17		FRANK ILER	R	Brunswick	Oak Island
18		SUSI H. HAMILTON	D	New Hanover	Wilmington
19		TED DAVIS, JR.	R	New Hanover	Wilmington
20		RICK CATLIN	R	New Hanover	Wilmington
21		LARRY M. BELL	D	Sampson	Clinton
22		WILLIAM D. BRISSON	D	Bladen	Dublin
23		SHELLY WILLINGHAM	D	Edgecombe	Rocky Mount
24		JEAN FARMER-BUTTERFIELD	D	Wilson	Wilson
25		JEFF COLLINS	R	Nash	Rocky Mount
26		N. LEO DAUGHTRY	R	Johnston	Smithfield
27		MICHAEL H. WRAY	D	Northampton	Gaston
28		JAMES H. LANGDON, JR.	R	Johnston	Angier
29		LARRY D. HALL	D	Durham	Durham
30		PAUL LUEBKE	D	Durham	Durham
31		HENRY M. MICHAUX, JR.	D	Durham	Durham
32		NATHAN BASKERVILLE	D	Vance	Henderson
33		ROSA U. GILL	D	Wake	Raleigh
34		GRIER MARTIN	D	Wake	Raleigh
35		CHRIS MALONE	R	Wake	Wake Forest
36		NELSON DOLLAR	R	Wake	Cary
37		PAUL STAM	R	Wake	Apex
38		YVONNE LEWIS HOLLEY	D	Wake	Raleigh
39		DARREN G. JACKSON	D	Wake	Raleigh
40		MARILYN AVILA	R	Wake	Raleigh
41		GALE ADCOCK	D	Wake	Cary
42		MARVIN W. LUCAS	D	Cumberland	Spring Lake
43		ELMER FLOYD	D	Cumberland	Fayetteville
44	**	RICK GLAZIER	D	Cumberland	Fayetteville
44	++	WILLIAM O. RICHARDSON	D	Cumberland	Fayetteville
45		JOHN SZOKA	R	Cumberland	Fayetteville
46		KEN WADDELL	D	Columbus	Chadbourn
47		CHARLES GRAHAM	D	Robeson	Lumberton
48		GARLAND E. PIERCE	D	Scotland	Wagram
49		BRIG GEN (R) GARY PENDLETON	R	Wake	Raleigh
50		GRAIG R. MEYER	D	Orange	Hillsborough
51		BRAD SALMON	D	Harnett	Mamers
52		JAMES L. BOLES, JR.	R	Moore	Southern Pines
53		DAVID R. LEWIS	R	Harnett	Dunn
54		ROBERT T. REIVES, II	D	Lee	Sanford
55		MARK BRODY	R	Union	Monroe
56		VERLA INSKO	D	Orange	Chapel Hill
57		PRICEY HARRISON	D	Guilford	Greensboro

58		RALPH C. JOHNSON	D	Guilford	Greensboro
59		JON HARDISTER	R	Guilford	Greensboro
60		CECIL BROCKMAN	D	Guilford	High Point
61		JOHN FAIRCLOTH	R	Guilford	High Point
62		JOHN M. BLUST	R	Guilford	Greensboro
63		STEPHEN M. ROSS	R	Alamance	Burlington
64		DENNIS RIDDELL	R	Alamance	Snow Camp
65		BERT JONES	R	Rockingham	Reidsville
66		KEN GOODMAN	D	Richmond	Rockingham
67		JUSTIN P. BURR	R	Stanly	Albemarle
68		D. CRAIG HORN	R	Union	Weddington
69		DEAN ARP	R	Union	Monroe
70		PAT B. HURLEY	R	Randolph	Asheboro
71		EVELYN TERRY	D	Forsyth	Winston-Salem
72		EDWARD HANES, JR.	D	Forsyth	Winston-Salem
73		LEE ZACHARY	R	Yadkin	Yadkinville
74		DEBRA CONRAD	R	Forsyth	Winston-Salem
75		DONNY C. LAMBETH	R	Forsyth	Winston-Salem
76		CARL FORD	R	Rowan	China Grove
77		HARRY WARREN	R	Rowan	Salisbury
78		ALLEN MCNEILL.	R	Randolph	Asheboro
79		JULIA C. HOWARD	R	Davie	Mocksville
80		SAM WATFORD	R	Davidson	Thomasville
81		RAYNE BROWN	R	Davidson	Lexington
82		LARRY G. PITTMAN	R	Cabarrus	Concord
83		LINDA P. JOHNSON	R	Cabarrus	Kannapolis
84		RENA W. TURNER	R	Iredell	Olin
85		JOSH DOBSON	R	McDowell	Nebo
86		HUGH BLACKWELL	R	Burke	Valdese
87	***	EDGAR V. STARNES	R	Caldwell	Hickory
87	+++	GEORGE S. ROBINSON	R	Caldwell	Lenoir
88		ROB BRYAN	R	Mecklenburg	Charlotte
89		MITCHELL S. SETZER	R	Catawba	Catawba
90		SARAH STEVENS	R	Surry	Mount Airy
91	****	BRYAN R. HOLLOWAY	R	Stokes	King
92		CHARLES JETER	R	Mecklenburg	Huntersville
93		JONATHAN C. JORDAN	R	Ashe	West Jefferson
94		JEFFREY ELMORE	R	Wilkes	North Wilkesboro
95		JOHN A. FRALEY	R	Iredell	Mooresville
96		JAY ADAMS	R	Catawba	Hickory
97		JASON SAINE	R	Lincoln	Lincolnton
98		JOHN R. BRADFORD, III	R	Mecklenburg	Cornelius
99		RODNEY W. MOORE	D	Mecklenburg	Charlotte
100		TRICIA ANN COTHAM	D	Mecklenburg	Matthews
101		BEVERLY M. EARLE	D	Mecklenburg	Charlotte
102		BECKY CARNEY	D	Mecklenburg	Charlotte
103		WILLIAM BRAWLEY	R	Mecklenburg	Matthews
104		DAN BISHOP	R	Mecklenburg	Charlotte
105		JACQUELINE MICHELLE SCHAFFER	R	Mecklenburg	Charlotte
106		CARLA D. CUNNINGHAM	D	Mecklenburg	Charlotte
107		KELLY M. ALEXANDER, JR.	D	Mecklenburg	Charlotte
108		JOHN A. TORBETT	R	Gaston	Stanley
109		DANA BUMGARDNER	R	Gaston	Gastonia
110		KELLY E. HASTINGS	R	Gaston	Cherryville
111		TIM MOORE	R	Cleveland	Kings Mountain
112		MIKE HAGER	R	Rutherford	Rutherfordton
113		CHRIS WHITMIRE	R	Transylvania	Rosman
114		SUSAN C. FISHER	D	Buncombe	Asheville
115		JOHN AGER	D	Buncombe	Fairview
116		BRIAN TURNER	D	Buncombe	Asheville
117		CHUCK MCGRADY	R	Henderson	Hendersonville
118		MICHELE D. PRESNELL	R	Yancey	Burnsville
119		JOE SAM QUEEN	D	Haywood	Waynesville
120		ROGER WEST	R	Cherokee	Marble

* Resigned October 6, 2015
** Resigned August 28, 2015
*** Resigned January 13, 2015
**** Resigned October 23, 2015

\+ Appointed October 19, 2015
++ Appointed September 1, 2015
+++ Appointed February 2, 2015

LEGISLATIVE SERVICES COMMISSION

SENATE PRESIDENT PRO TEMPORE PHILIP E. BERGER *CHAIR*

REPRESENTATIVE TIMOTHY KEITH MOORE *EX OFFICIO*

SEN. THOMAS M. APODACA
SEN. HARRY BROWN
SEN. ROBERT ANTHONY RUCHO

REP. NELSON DOLLAR
REP. LARRY HALL
REP. DAVID R. LEWIS
REP. LINDA JOHNSON

LEGISLATIVE SERVICES STAFF DIRECTORS

PAUL Y. COBLE..... Legislative Services Officer
KORY J. GOLDSMITH..... Director of the Bill Drafting Division
MARK TROGDON..... Director of the Fiscal Research Division
DENNIS W. MCCARTY ..... Director of the Information Systems Division
JOHN W. TURCOTTE..... Director of the Program Evaluation Division
O. WALKER REAGAN ..... Director of the Research Division

PREAMBLE

We, the people of the State of North Carolina, grateful to Almighty God, the Sovereign Ruler of Nations, for the preservation of the American Union and the existence of our civil, political and religious liberties, and acknowledging our dependence upon Him for the continuance of those blessings to us and our posterity, do, for the more certain security thereof and for the better government of this State, ordain and establish this Constitution.

ARTICLE I
DECLARATION OF RIGHTS

That the great, general, and essential principles of liberty and free government may be recognized and established, and that the relations of this State to the Union and government of the United States and those of the people of this State to the rest of the American people may be defined and affirmed, we do declare that:

Section 1. The equality and rights of persons.

We hold it to be self-evident that all persons are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, the enjoyment of the fruits of their own labor, and the pursuit of happiness.

Sec. 2. Sovereignty of the people.

All political power is vested in and derived from the people; all government of right originates from the people, is founded upon their will only, and is instituted solely for the good of the whole.

Sec. 3. Internal government of the State.

The people of this State have the inherent, sole, and exclusive right of regulating the internal government and police thereof, and of altering or abolishing their Constitution and form of government whenever it may be necessary to their safety and happiness; but every such right shall be exercised in pursuance of law and consistently with the Constitution of the United States.

Sec. 4. Secession prohibited.

This State shall ever remain a member of the American Union; the people thereof are part of the American nation; there is no right on the part of this State to secede; and all attempts, from whatever source or upon whatever pretext, to dissolve this Union or to sever this Nation, shall be resisted with the whole power of the State.

Sec. 5. Allegiance to the United States.

Every citizen of this State owes paramount allegiance to the Constitution and government of the United States, and no law or ordinance of the State in contravention or subversion thereof can have any binding force.

Sec. 6. Separation of powers.

The legislative, executive, and supreme judicial powers of the State government shall be forever separate and distinct from each other.

Sec. 7. Suspending laws.

All power of suspending laws or the execution of laws by any authority, without the consent of the representatives of the people, is injurious to their rights and shall not be exercised.

Sec. 8. Representation and taxation.

The people of this State shall not be taxed or made subject to the payment of any impost or duty without the consent of themselves or their representatives in the General Assembly, freely given.

Sec. 9. Frequent elections.

For redress of grievances and for amending and strengthening the laws, elections shall be often held.

Sec. 10. Free elections.

All elections shall be free.

Sec. 11. Property qualifications.

As political rights and privileges are not dependent upon or modified by property, no property qualification shall affect the right to vote or hold office.

Sec. 12. Right of assembly and petition.

The people have a right to assemble together to consult for their common good, to instruct their representatives, and to apply to the General Assembly for redress of grievances; but secret political societies are dangerous to the liberties of a free people and shall not be tolerated.

Sec. 13. Religious liberty.

All persons have a natural and inalienable right to worship Almighty God according to the dictates of their own consciences, and no human authority shall, in any case whatever, control or interfere with the rights of conscience.

Sec. 14. Freedom of speech and press.

Freedom of speech and of the press are two of the great bulwarks of liberty and therefore shall never be restrained, but every person shall be held responsible for their abuse.

Sec. 15. Education.

The people have a right to the privilege of education, and it is the duty of the State to guard and maintain that right.

Sec. 16. Ex post facto laws.

Retrospective laws, punishing acts committed before the existence of such laws and by them only declared criminal, are oppressive, unjust, and incompatible with liberty, and therefore no ex post facto law shall be enacted. No law taxing retrospectively sales, purchases, or other acts previously done shall be enacted.

Sec. 17. Slavery and involuntary servitude.

Slavery is forever prohibited. Involuntary servitude, except as a punishment for crime whereof the parties have been adjudged guilty, is forever prohibited.

Sec. 18. Court shall be open.

All courts shall be open; every person for an injury done him in his lands, goods, person, or reputation shall have remedy by due course of law; and right and justice shall be administered without favor, denial, or delay.

Sec. 19. Law of the land; equal protection of the laws.

No person shall be taken, imprisoned, or disseized of his freehold, liberties, or privileges, or outlawed, or exiled, or in any manner deprived of his life, liberty, or property, but by the law of

the land. No person shall be denied the equal protection of the laws; nor shall any person be subjected to discrimination by the State because of race, color, religion, or national origin.

Sec. 20. General warrants.

General warrants, whereby any officer or other person may be commanded to search suspected places without evidence of the act committed, or to seize any person or persons not named, whose offense is not particularly described and supported by evidence, are dangerous to liberty and shall not be granted.

Sec. 21. Inquiry into restraints on liberty.

Every person restrained of his liberty is entitled to a remedy to inquire into the lawfulness thereof, and to remove the restraint if unlawful, and that remedy shall not be denied or delayed. The privilege of the writ of habeas corpus shall not be suspended.

Sec. 22. Modes of prosecution.

Except in misdemeanor cases initiated in the District Court Division, no person shall be put to answer any criminal charge but by indictment, presentment, or impeachment. But any person, when represented by counsel, may, under such regulations as the General Assembly shall prescribe, waive indictment in noncapital cases.

Sec. 23. Rights of accused.

In all criminal prosecutions, every person charged with crime has the right to be informed of the accusation and to confront the accusers and witnesses with other testimony, and to have counsel for defense, and not be compelled to give self-incriminating evidence, or to pay costs, jail fees, or necessary witness fees of the defense, unless found guilty.

Sec. 24. Right of jury trial in criminal cases.

No person shall be convicted of any crime but by the unanimous verdict of a jury in open court, except that a person accused of any criminal offense for which the State is not seeking a sentence of death in superior court may, in writing or on the record in the court and with the consent of the trial judge, waive jury trial, subject to procedures prescribed by the General Assembly. The General Assembly may, however, provide for other means of trial for misdemeanors, with the right of appeal for trial de novo.

Sec. 25. Right of jury trial in civil cases.

In all controversies at law respecting property, the ancient mode of trial by jury is one of the best securities of the rights of the people, and shall remain sacred and inviolable.

Sec. 26. Jury service.

No person shall be excluded from jury service on account of sex, race, color, religion, or national origin.

Sec. 27. Bail, fines, and punishments.

Excessive bail shall not be required, nor excessive fines imposed, nor cruel or unusual punishments inflicted.

Sec. 28. Imprisonment for debt.

There shall be no imprisonment for debt in this State, except in cases of fraud.

Sec. 29. Treason against the State.

Treason against the State shall consist only of levying war against it or adhering to its enemies by giving them aid and comfort. No person shall be convicted of treason unless on the

testimony of two witnesses to the same overt act, or on confession in open court. No conviction of treason or attainder shall work corruption of blood or forfeiture.

Sec. 30. Militia and the right to bear arms.

A well regulated militia being necessary to the security of a free State, the right of the people to keep and bear arms shall not be infringed; and, as standing armies in time of peace are dangerous to liberty, they shall not be maintained, and the military shall be kept under strict subordination to, and governed by, the civil power. Nothing herein shall justify the practice of carrying concealed weapons, or prevent the General Assembly from enacting penal statutes against that practice.

Sec. 31. Quartering of soldiers.

No soldier shall in time of peace be quartered in any house without the consent of the owner, nor in time of war but in a manner prescribed by law.

Sec. 32. Exclusive emoluments.

No person or set of persons is entitled to exclusive or separate emoluments or privileges from the community but in consideration of public services.

Sec. 33. Hereditary emoluments and honors.

No hereditary emoluments, privileges, or honors shall be granted or conferred in this State.

Sec. 34. Perpetuities and monopolies.

Perpetuities and monopolies are contrary to the genius of a free state and shall not be allowed.

Sec. 35. Recurrence to fundamental principles.

A frequent recurrence to fundamental principles is absolutely necessary to preserve the blessings of liberty.

Sec. 36. Other rights of the people.

The enumeration of rights in this Article shall not be construed to impair or deny others retained by the people.

Sec. 37. Rights of victims of crime.

(1) Basic rights. Victims of crime, as prescribed by law, shall be entitled to the following basic rights:

(a) The right as prescribed by law to be informed of and to be present at court proceedings of the accused.

(b) The right to be heard at sentencing of the accused in a manner prescribed by law, and at other times as prescribed by law or deemed appropriate by the court.

(c) The right as prescribed by law to receive restitution.

(d) The right as prescribed by law to be given information about the crime, how the criminal justice system works, the rights of victims, and the availability of services for victims.

(e) The right as prescribed by law to receive information about the conviction or final disposition and sentence of the accused.

(f) The right as prescribed by law to receive notification of escape, release, proposed parole or pardon of the accused, or notice of a reprieve or commutation of the accused's sentence.

(g) The right as prescribed by law to present their views and concerns to the Governor or agency considering any action that could result in the release of the accused, prior to such action becoming effective.

(h) The right as prescribed by law to confer with the prosecution.

(2) No money damages; other enforcement. Nothing in this section shall be construed as creating a claim for money damages against the State, a county, a municipality, or any of the agencies, instrumentalities, or employees thereof. The General Assembly may provide for other remedies to ensure adequate enforcement of this section.

(3) No ground for relief in criminal case. The failure or inability of any person to provide a right or service provided under this section may not be used by a defendant in a criminal case, an inmate, or any other accused as a ground for relief in any trial, appeal, postconviction litigation, habeas corpus, civil action, or any similar criminal or civil proceeding.

ARTICLE II
LEGISLATIVE

Section 1. Legislative power.

The legislative power of the State shall be vested in the General Assembly, which shall consist of a Senate and a House of Representatives.

Sec. 2. Number of Senators.

The Senate shall be composed of 50 Senators, biennially chosen by ballot.

Sec. 3. Senate districts; apportionment of Senators.

The Senators shall be elected from districts. The General Assembly, at the first regular session convening after the return of every decennial census of population taken by order of Congress, shall revise the senate districts and the apportionment of Senators among those districts, subject to the following requirements:

(1) Each Senator shall represent, as nearly as may be, an equal number of inhabitants, the number of inhabitants that each Senator represents being determined for this purpose by dividing the population of the district that he represents by the number of Senators apportioned to that district;

(2) Each senate district shall at all times consist of contiguous territory;

(3) No county shall be divided in the formation of a senate district;

(4) When established, the senate districts and the apportionment of Senators shall remain unaltered until the return of another decennial census of population taken by order of Congress.

Sec. 4. Number of Representatives.

The House of Representatives shall be composed of 120 Representatives, biennially chosen by ballot.

Sec. 5. Representative districts; apportionment of Representatives.

The Representatives shall be elected from districts. The General Assembly, at the first regular session convening after the return of every decennial census of population taken by order of Congress, shall revise the representative districts and the apportionment of Representatives among those districts, subject to the following requirements:

(1) Each Representative shall represent, as nearly as may be, an equal number of inhabitants, the number of inhabitants that each Representative represents being determined for this purpose by dividing the population of the district that he represents by the number of Representatives apportioned to that district;

(2) Each representative district shall at all times consist of contiguous territory;

(3) No county shall be divided in the formation of a representative district;

(4) When established, the representative districts and the apportionment of Representatives shall remain unaltered until the return of another decennial census of population taken by order of Congress.

Sec. 6. Qualifications for Senator.

Each Senator, at the time of his election, shall be not less than 25 years of age, shall be a qualified voter of the State, and shall have resided in the State as a citizen for two years and in the district for which he is chosen for one year immediately preceding his election.

Sec. 7. Qualifications for Representative.

Each Representative, at the time of his election, shall be a qualified voter of the State, and shall have resided in the district for which he is chosen for one year immediately preceding his election.

Sec. 8. Elections.

The election for members of the General Assembly shall be held for the respective districts in 1972 and every two years thereafter, at the places and on the day prescribed by law.

Sec. 9. Term of office.

The term of office of Senators and Representatives shall commence on the first day of January next after their election.

Sec. 10. Vacancies.

Every vacancy occurring in the membership of the General Assembly by reason of death, resignation, or other cause shall be filled in the manner prescribed by law.

Sec. 11. Sessions.

(1) Regular Sessions. The General Assembly shall meet in regular session in 1973 and every two years thereafter on the day prescribed by law. Neither house shall proceed upon public business unless a majority of all of its members are actually present.

(2) Extra sessions on legislative call. The President of the Senate and the Speaker of the House of Representatives shall convene the General Assembly in extra session by their joint proclamation upon receipt by the President of the Senate of written requests therefor signed by three-fifths of all the members of the Senate and upon receipt by the Speaker of the House of Representatives of written requests therefor signed by three-fifths of all the members of the House of Representatives.

Sec. 12. Oath of members.

Each member of the General Assembly, before taking his seat, shall take an oath or affirmation that he will support the Constitution and laws of the United States and the Constitution of the State of North Carolina, and will faithfully discharge his duty as a member of the Senate or House of Representatives.

Sec. 13. President of the Senate.

The Lieutenant Governor shall be President of the Senate and shall preside over the Senate, but shall have no vote unless the Senate is equally divided.

Sec. 14. Other officers of the Senate.

(1) President Pro Tempore - succession to presidency. The Senate shall elect from its membership a President Pro Tempore, who shall become President of the Senate upon the failure of the Lieutenant Governor-elect to qualify, or upon succession by the Lieutenant

Governor to the office of Governor, or upon the death, resignation, or removal from office of the President of the Senate, and who shall serve until the expiration of his term of office as Senator.

(2) President Pro Tempore - temporary succession. During the physical or mental incapacity of the President of the Senate to perform the duties of his office, or during the absence of the President of the Senate, the President Pro Tempore shall preside over the Senate.

(3) Other officers. The Senate shall elect its other officers.

Sec. 15. Officers of the House of Representatives.

The House of Representatives shall elect its Speaker and other officers.

Sec. 16. Compensation and allowances.

The members and officers of the General Assembly shall receive for their services the compensation and allowances prescribed by law. An increase in the compensation or allowances of members shall become effective at the beginning of the next regular session of the General Assembly following the session at which it was enacted.

Sec. 17. Journals.

Each house shall keep a journal of its proceedings, which shall be printed and made public immediately after the adjournment of the General Assembly.

Sec. 18. Protests.

Any member of either house may dissent from and protest against any act or resolve which he may think injurious to the public or to any individual, and have the reasons of his dissent entered on the journal.

Sec. 19. Record votes.

Upon motion made in either house and seconded by one fifth of the members present, the yeas and nays upon any question shall be taken and entered upon the journal.

Sec. 20. Powers of the General Assembly.

Each house shall be judge of the qualifications and elections of its own members, shall sit upon its own adjournment from day to day, and shall prepare bills to be enacted into laws. The two houses may jointly adjourn to any future day or other place. Either house may, of its own motion, adjourn for a period not in excess of three days.

Sec. 21. Style of the acts.

The style of the acts shall be: "The General Assembly of North Carolina enacts:".

Sec. 22. Action on bills.

(1) Bills subject to veto by Governor; override of veto. Except as provided by subsections (2) through (6) of this section, all bills shall be read three times in each house and shall be signed by the presiding officer of each house before being presented to the Governor. If the Governor approves, the Governor shall sign it and it shall become a law; but if not, the Governor shall return it with objections, together with a veto message stating the reasons for such objections, to that house in which it shall have originated, which shall enter the objections and veto message at large on its journal, and proceed to reconsider it. If after such reconsideration three-fifths of the members of that house present and voting shall agree to pass the bill, it shall be sent, together with the objections and veto message, to the other house, by which it shall likewise be reconsidered; and if approved by three-fifths of the members of that house present and voting, it shall become a law notwithstanding the objections of the Governor. In all such cases the votes of both houses shall be determined by yeas and nays, and the names of the members voting shall be entered on the journal of each house respectively.

(2) Amendments to Constitution of North Carolina. Every bill proposing a new or revised Constitution or an amendment or amendments to this Constitution or calling a convention of the people of this State, and containing no other matter, shall be submitted to the qualified voters of this State after it shall have been read three times in each house and signed by the presiding officers of both houses.

(3) Amendments to Constitution of the United States. Every bill approving an amendment to the Constitution of the United States, or applying for a convention to propose amendments to the Constitution of the United States, and containing no other matter, shall be read three times in each house before it becomes law, and shall be signed by the presiding officers of both houses.

(4) Joint resolutions. Every joint resolution shall be read three times in each house before it becomes effective and shall be signed by the presiding officers of both houses.

(5) Other exceptions. Every bill:

(a) In which the General Assembly makes an appointment or appointments to public office and which contains no other matter;

(b) Revising the senate districts and the apportionment of Senators among those districts and containing no other matter;

(c) Revising the representative districts and the apportionment of Representatives among those districts and containing no other matter; or

(d) Revising the districts for the election of members of the House of Representatives of the Congress of the United States and the apportionment of Representatives among those districts and containing no other matter,

shall be read three times in each house before it becomes law and shall be signed by the presiding officers of both houses.

(6) Local bills. Every bill that applies in fewer than 15 counties shall be read three times in each house before it becomes law and shall be signed by the presiding officers of both houses. The exemption from veto by the Governor provided in this subsection does not apply if the bill, at the time it is signed by the presiding officers:

(a) Would extend the application of a law signed by the presiding officers during that two year term of the General Assembly so that the law would apply in more than half the counties in the State, or

(b) Would enact a law identical in effect to another law or laws signed by the presiding officers during that two year term of the General Assembly that the result of those laws taken together would be a law applying in more than half the counties in the State.

Notwithstanding any other language in this subsection, the exemption from veto provided by this subsection does not apply to any bill to enact a general law classified by population or other criteria, or to any bill that contains an appropriation from the State treasury.

(7) Time for action by Governor; reconvening of session. If any bill shall not be returned by the Governor within 10 days after it shall have been presented to him, the same shall be a law in like manner as if he had signed it, unless the General Assembly shall have adjourned:

(a) For more than 30 days jointly as provided under Section 20 of Article II of this Constitution; or

(b) Sine die

in which case it shall become a law unless, within 30 days after such adjournment, it is returned by the Governor with objections and veto message to that house in which it shall have originated. When the General Assembly has adjourned sine die or for more than 30 days jointly as provided under Section 20 of Article II of this Constitution, the Governor shall reconvene that session as provided by Section 5(11) of Article III of this Constitution for reconsideration of the bill, and if the Governor does not reconvene the session, the bill shall become law on the fortieth day after such adjournment. Notwithstanding the previous sentence, if the Governor prior to reconvening the session receives written requests dated no earlier than 30 days after

such adjournment, signed by a majority of the members of each house that a reconvened session to reconsider vetoed legislation is unnecessary, the Governor shall not reconvene the session for that purpose and any legislation vetoed in accordance with this section after adjournment shall not become law.

(8) Return of bills after adjournment. For purposes of return of bills not approved by the Governor, each house shall designate an officer to receive returned bills during its adjournment.

Sec. 23. Revenue bills.

No law shall be enacted to raise money on the credit of the State, or to pledge the faith of the State directly or indirectly for the payment of any debt, or to impose any tax upon the people of the State, or to allow the counties, cities, or towns to do so, unless the bill for the purpose shall have been read three several times in each house of the General Assembly and passed three several readings, which readings shall have been on three different days, and shall have been agreed to by each house respectively, and unless the yeas and nays on the second and third readings of the bill shall have been entered on the journal.

Sec. 24. Limitations on local, private, and special legislation.

(1) Prohibited subjects. The General Assembly shall not enact any local, private, or special act or resolution:

(a) Relating to health, sanitation, and the abatement of nuisances;
(b) Changing the names of cities, towns, and townships;
(c) Authorizing the laying out, opening, altering, maintaining, or discontinuing of highways, streets, or alleys;
(d) Relating to ferries or bridges;
(e) Relating to non-navigable streams;
(f) Relating to cemeteries;
(g) Relating to the pay of jurors;
(h) Erecting new townships, or changing township lines, or establishing or changing the lines of school districts;
(i) Remitting fines, penalties, and forfeitures, or refunding moneys legally paid into the public treasury;
(j) Regulating labor, trade, mining, or manufacturing;
(k) Extending the time for the levy or collection of taxes or otherwise relieving any collector of taxes from the due performance of his official duties or his sureties from liability;
(l) Giving effect to informal wills and deeds;
(m) Granting a divorce or securing alimony in any individual case;
(n) Altering the name of any person, or legitimating any person not born in lawful wedlock, or restoring to the rights of citizenship any person convicted of a felony.

(2) Repeals. Nor shall the General Assembly enact any such local, private, or special act by the partial repeal of a general law; but the General Assembly may at any time repeal local, private, or special laws enacted by it.

(3) Prohibited acts void. Any local, private, or special act or resolution enacted in violation of the provisions of this Section shall be void.

(4) General laws. The General Assembly may enact general laws regulating the matters set out in this Section.

ARTICLE III
EXECUTIVE

Section 1. Executive power.

The executive power of the State shall be vested in the Governor.

Sec. 2. Governor and Lieutenant Governor: election, term, and qualifications.

(1) Election and term. The Governor and Lieutenant Governor shall be elected by the qualified voters of the State in 1972 and every four years thereafter, at the same time and places as members of the General Assembly are elected. Their term of office shall be four years and shall commence on the first day of January next after their election and continue until their successors are elected and qualified.

(2) Qualifications. No person shall be eligible for election to the office of Governor or Lieutenant Governor unless, at the time of his election, he shall have attained the age of 30 years and shall have been a citizen of the United States for five years and a resident of this State for two years immediately preceding his election. No person elected to the office of Governor or Lieutenant Governor shall be eligible for election to more than two consecutive terms of the same office.

Sec. 3. Succession to office of Governor.

(1) Succession as Governor. The Lieutenant Governor-elect shall become Governor upon the failure of the Governor-elect to qualify. The Lieutenant Governor shall become Governor upon the death, resignation, or removal from office of the Governor. The further order of succession to the office of Governor shall be prescribed by law. A successor shall serve for the remainder of the term of the Governor whom he succeeds and until a new Governor is elected and qualified.

(2) Succession as Acting Governor. During the absence of the Governor from the State, or during the physical or mental incapacity of the Governor to perform the duties of his office, the Lieutenant Governor shall be Acting Governor. The further order of succession as Acting Governor shall be prescribed by law.

(3) Physical incapacity. The Governor may, by a written statement filed with the Attorney General, declare that he is physically incapable of performing the duties of his office, and may thereafter in the same manner declare that he is physically capable of performing the duties of his office.

(4) Mental incapacity. The mental incapacity of the Governor to perform the duties of his office shall be determined only by joint resolution adopted by a vote of two-thirds of all the members of each house of the General Assembly. Thereafter, the mental capacity of the Governor to perform the duties of his office shall be determined only by joint resolution adopted by a vote of a majority of all the members of each house of the General Assembly. In all cases, the General Assembly shall give the Governor such notice as it may deem proper and shall allow him an opportunity to be heard before a joint session of the General Assembly before it takes final action. When the General Assembly is not in session, the Council of State, a majority of its members concurring, may convene it in extra session for the purpose of proceeding under this paragraph.

(5) Impeachment. Removal of the Governor from office for any other cause shall be by impeachment.

Sec. 4. Oath of office for Governor.

The Governor, before entering upon the duties of his office, shall, before any Justice of the Supreme Court, take an oath or affirmation that he will support the Constitution and laws of the United States and of the State of North Carolina, and that he will faithfully perform the duties pertaining to the office of governor.

Sec. 5. Duties of Governor.

(1) Residence. The Governor shall reside at the seat of government of this State.

(2) Information to General Assembly. The Governor shall from time to time give the General Assembly information of the affairs of the State and recommend to their consideration such measures as he shall deem expedient.

(3) Budget. The Governor shall prepare and recommend to the General Assembly a comprehensive budget of the anticipated revenue and proposed expenditures of the State for the ensuing fiscal period. The budget as enacted by the General Assembly shall be administered by the Governor.

The total expenditures of the State for the fiscal period covered by the budget shall not exceed the total of receipts during that fiscal period and the surplus remaining in the State Treasury at the beginning of the period. To insure that the State does not incur a deficit for any fiscal period, the Governor shall continually survey the collection of the revenue and shall effect the necessary economies in State expenditures, after first making adequate provision for the prompt payment of the principal of and interest on bonds and notes of the State according to their terms, whenever he determines that receipts during the fiscal period, when added to any surplus remaining in the State Treasury at the beginning of the period, will not be sufficient to meet budgeted expenditures. This section shall not be construed to impair the power of the State to issue its bonds and notes within the limitations imposed in Article V of this Constitution, nor to impair the obligation of bonds and notes of the State now outstanding or issued hereafter.

(4) Execution of laws. The Governor shall take care that the laws be faithfully executed.

(5) Commander in Chief. The Governor shall be Commander in Chief of the military forces of the State except when they shall be called into the service of the United States.

(6) Clemency. The Governor may grant reprieves, commutations, and pardons, after conviction, for all offenses (except in cases of impeachment), upon such conditions as he may think proper, subject to regulations prescribed by law relative to the manner of applying for pardons. The terms reprieves, commutations, and pardons shall not include paroles.

(7) Extra sessions. The Governor may, on extraordinary occasions, by and with the advice of the Council of State, convene the General Assembly in extra session by his proclamation, stating therein the purpose or purposes for which they are thus convened.

(8) Appointments. The Governor shall nominate and by and with the advice and consent of a majority of the Senators appoint all officers whose appointments are not otherwise provided for.

(9) Information. The Governor may at any time require information in writing from the head of any administrative department or agency upon any subject relating to the duties of his office.

(10) Administrative reorganization. The General Assembly shall prescribe the functions, powers, and duties of the administrative departments and agencies of the State and may alter them from time to time, but the Governor may make such changes in the allocation of offices and agencies and in the allocation of those functions, powers, and duties as he considers necessary for efficient administration. If those changes affect existing law, they shall be set forth in executive orders, which shall be submitted to the General Assembly not later than the sixtieth calendar day of its session, and shall become effective and shall have the force of law upon adjournment sine die of the session, unless specifically disapproved by resolution of either house of the General Assembly or specifically modified by joint resolution of both houses of the General Assembly.

(11) Reconvened sessions. The Governor shall, when required by Section 22 of Article II of this Constitution, reconvene a session of the General Assembly. At such reconvened session, the General Assembly may only consider such bills as were returned by the Governor to that reconvened session for reconsideration. Such reconvened session shall begin on a date set by the Governor, but no later than 40 days after the General Assembly adjourned:

(a) For more than 30 days jointly as provided under Section 20 of Article II of this Constitution; or

(b) Sine die. If the date of reconvening the session occurs after the expiration of the terms of office of the members of the General Assembly, then the members serving for the reconvened session shall be the members for the succeeding term.

Sec. 6. Duties of the Lieutenant Governor.

The Lieutenant Governor shall be President of the Senate, but shall have no vote unless the Senate is equally divided. He shall perform such additional duties as the General Assembly or the Governor may assign to him. He shall receive the compensation and allowances prescribed by law.

Sec. 7. Other elective officers.

(1) Officers. A Secretary of State, an Auditor, a Treasurer, a Superintendent of Public Instruction, an Attorney General, a Commissioner of Agriculture, a Commissioner of Labor, and a Commissioner of Insurance shall be elected by the qualified voters of the State in 1972 and every four years thereafter, at the same time and places as members of the General Assembly are elected. Their term of office shall be four years and shall commence on the first day of January next after their election and continue until their successors are elected and qualified.

(2) Duties. Their respective duties shall be prescribed by law.

(3) Vacancies. If the office of any of these officers is vacated by death, resignation, or otherwise, it shall be the duty of the Governor to appoint another to serve until his successor is elected and qualified. Every such vacancy shall be filled by election at the first election for members of the General Assembly that occurs more than 60 days after the vacancy has taken place, and the person chosen shall hold the office for the remainder of the unexpired term fixed in this Section. When a vacancy occurs in the office of any of the officers named in this Section and the term expires on the first day of January succeeding the next election for members of the General Assembly, the Governor shall appoint to fill the vacancy for the unexpired term of the office.

(4) Interim officers. Upon the occurrence of a vacancy in the office of any one of these officers for any of the causes stated in the preceding paragraph, the Governor may appoint an interim officer to perform the duties of that office until a person is appointed or elected pursuant to this Section to fill the vacancy and is qualified.

(5) Acting officers. During the physical or mental incapacity of any one of these officers to perform the duties of his office, as determined pursuant to this Section, the duties of his office shall be performed by an acting officer who shall be appointed by the Governor.

(6) Determination of incapacity. The General Assembly shall by law prescribe with respect to those officers, other than the Governor, whose offices are created by this Article, procedures for determining the physical or mental incapacity of any officer to perform the duties of his office, and for determining whether an officer who has been temporarily incapacitated has sufficiently recovered his physical or mental capacity to perform the duties of his office. Removal of those officers from office for any other cause shall be by impeachment.

(7) Special Qualifications for Attorney General. Only persons duly authorized to practice law in the courts of this State shall be eligible for appointment or election as Attorney General.

Sec. 8. Council of State.

The Council of State shall consist of the officers whose offices are established by this Article.

Sec. 9. Compensation and allowances.

The officers whose offices are established by this Article shall at stated periods receive the compensation and allowances prescribed by law, which shall not be diminished during the time for which they have been chosen.

Sec. 10. Seal of State.

There shall be a seal of the State, which shall be kept by the Governor and used by him as occasion may require, and shall be called "The Great Seal of the State of North Carolina". All grants or commissions shall be issued in the name and by the authority of the State of North Carolina, sealed with "The Great Seal of the State of North Carolina", and signed by the Governor.

Sec. 11. Administrative departments.

Not later than July 1, 1975, all administrative departments, agencies, and offices of the State and their respective functions, powers, and duties shall be allocated by law among and within not more than 25 principal administrative departments so as to group them as far as practicable according to major purposes. Regulatory, quasi-judicial, and temporary agencies may, but need not, be allocated within a principal department.

ARTICLE IV
JUDICIAL

Section 1. Judicial power.

The judicial power of the State shall, except as provided in Section 3 of this Article, be vested in a Court for the Trial of Impeachments and in a General Court of Justice. The General Assembly shall have no power to deprive the judicial department of any power or jurisdiction that rightfully pertains to it as a co-ordinate department of the government, nor shall it establish or authorize any courts other than as permitted by this Article.

Sec. 2. General Court of Justice.

The General Court of Justice shall constitute a unified judicial system for purposes of jurisdiction, operation, and administration, and shall consist of an Appellate Division, a Superior Court Division, and a District Court Division.

Sec. 3. Judicial powers of administrative agencies.

The General Assembly may vest in administrative agencies established pursuant to law such judicial powers as may be reasonably necessary as an incident to the accomplishment of the purposes for which the agencies were created. Appeals from administrative agencies shall be to the General Court of Justice.

Sec. 4. Court for the Trial of Impeachments.

The House of Representatives solely shall have the power of impeaching. The Court for the Trial of Impeachments shall be the Senate. When the Governor or Lieutenant Governor is impeached, the Chief Justice shall preside over the Court. A majority of the members shall be necessary to a quorum, and no person shall be convicted without the concurrence of two-thirds of the Senators present. Judgment upon conviction shall not extend beyond removal from and disqualification to hold office in this State, but the party shall be liable to indictment and punishment according to law.

Sec. 5. Appellate division.

The Appellate Division of the General Court of Justice shall consist of the Supreme Court and the Court of Appeals.

Sec. 6. Supreme Court.

(1) Membership. The Supreme Court shall consist of a Chief Justice and six Associate Justices, but the General Assembly may increase the number of Associate Justices to not more than eight. In the event the Chief Justice is unable, on account of absence or temporary incapacity, to perform any of the duties placed upon him, the senior Associate Justice available may discharge those duties.

(2) Sessions of the Supreme Court. The sessions of the Supreme Court shall be held in the City of Raleigh unless otherwise provided by the General Assembly.

Sec. 7. Court of Appeals.

The structure, organization, and composition of the Court of Appeals shall be determined by the General Assembly. The Court shall have not less than five members, and may be authorized to sit in divisions, or other than en banc. Sessions of the Court shall be held at such times and places as the General Assembly may prescribe.

Sec. 8. Retirement of Justices and Judges.

The General Assembly shall provide by general law for the retirement of Justices and Judges of the General Court of Justice, and may provide for the temporary recall of any retired Justice or Judge to serve on the court or courts of the division from which he was retired. The General Assembly shall also prescribe maximum age limits for service as a Justice or Judge.

Sec. 9. Superior Courts.

(1) Superior Court districts. The General Assembly shall, from time to time, divide the State into a convenient number of Superior Court judicial districts and shall provide for the election of one or more Superior Court Judges for each district. Each regular Superior Court Judge shall reside in the district for which he is elected. The General Assembly may provide by general law for the selection or appointment of special or emergency Superior Court Judges not selected for a particular judicial district.

(2) Open at all times; sessions for trial of cases. The Superior Courts shall be open at all times for the transaction of all business except the trial of issues of fact requiring a jury. Regular trial sessions of the Superior Court shall be held at times fixed pursuant to a calendar of courts promulgated by the Supreme Court. At least two sessions for the trial of jury cases shall be held annually in each county.

(3) Clerks. A Clerk of the Superior Court for each county shall be elected for a term of four years by the qualified voters thereof, at the same time and places as members of the General Assembly are elected. If the office of Clerk of the Superior Court becomes vacant otherwise than by the expiration of the term, or if the people fail to elect, the senior regular resident Judge of the Superior Court serving the county shall appoint to fill the vacancy until an election can be regularly held.

Sec. 10. District Courts.

The General Assembly shall, from time to time, divide the State into a convenient number of local court districts and shall prescribe where the District Courts shall sit, but a District Court must sit in at least one place in each county. District Judges shall be elected for each district for a term of four years, in a manner prescribed by law. When more than one District Judge is authorized and elected for a district, the Chief Justice of the Supreme Court shall designate one of the judges as Chief District Judge. Every District Judge shall reside in the district for which he is elected. For each county, the senior regular resident Judge of the Superior Court serving the county shall appoint from nominations submitted by the Clerk of the Superior Court of the county, one or more Magistrates who shall be officers of the District Court. The initial term of appointment for a magistrate shall be for two years and subsequent terms shall be for four years. The number of District Judges and Magistrates shall, from time to time, be determined by the General Assembly. Vacancies in the office of District Judge shall be

filled for the unexpired term in a manner prescribed by law. Vacancies in the office of Magistrate shall be filled for the unexpired term in the manner provided for original appointment to the office, unless otherwise provided by the General Assembly.

Sec. 11. Assignment of Judges.

The Chief Justice of the Supreme Court, acting in accordance with rules of the Supreme Court, shall make assignments of Judges of the Superior Court and may transfer District Judges from one district to another for temporary or specialized duty. The principle of rotating Superior Court Judges among the various districts of a division is a salutary one and shall be observed. For this purpose the General Assembly may divide the State into a number of judicial divisions. Subject to the general supervision of the Chief Justice of the Supreme Court, assignment of District Judges within each local court district shall be made by the Chief District Judge.

Sec. 12. Jurisdiction of the General Court of Justice.

(1) Supreme Court. The Supreme Court shall have jurisdiction to review upon appeal any decision of the courts below, upon any matter of law or legal inference. The jurisdiction of the Supreme Court over "issues of fact" and "questions of fact" shall be the same exercised by it prior to the adoption of this Article, and the Court may issue any remedial writs necessary to give it general supervision and control over the proceedings of the other courts. The Supreme Court also has jurisdiction to review, when authorized by law, direct appeals from a final order or decision of the North Carolina Utilities Commission.

(2) Court of Appeals. The Court of Appeals shall have such appellate jurisdiction as the General Assembly may prescribe.

(3) Superior Court. Except as otherwise provided by the General Assembly, the Superior Court shall have original general jurisdiction throughout the State. The Clerks of the Superior Court shall have such jurisdiction and powers as the General Assembly shall prescribe by general law uniformly applicable in every county of the State.

(4) District Courts; Magistrates. The General Assembly shall, by general law uniformly applicable in every local court district of the State, prescribe the jurisdiction and powers of the District Courts and Magistrates.

(5) Waiver. The General Assembly may by general law provide that the jurisdictional limits may be waived in civil cases.

(6) Appeals. The General Assembly shall by general law provide a proper system of appeals. Appeals from Magistrates shall be heard de novo, with the right of trial by jury as defined in this Constitution and the laws of this State.

Sec. 13. Forms of action; rules of procedure.

(1) Forms of action. There shall be in this State but one form of action for the enforcement or protection of private rights or the redress of private wrongs, which shall be denominated a civil action, and in which there shall be a right to have issues of fact tried before a jury. Every action prosecuted by the people of the State as a party against a person charged with a public offense, for the punishment thereof, shall be termed a criminal action.

(2) Rules of procedure. The Supreme Court shall have exclusive authority to make rules of procedure and practice for the Appellate Division. The General Assembly may make rules of procedure and practice for the Superior Court and District Court Divisions, and the General Assembly may delegate this authority to the Supreme Court. No rule of procedure or practice shall abridge substantive rights or abrogate or limit the right of trial by jury. If the General Assembly should delegate to the Supreme Court the rule-making power, the General Assembly may, nevertheless, alter, amend, or repeal any rule of procedure or practice adopted by the Supreme Court for the Superior Court or District Court Divisions.

Sec. 14. Waiver of jury trial.

In all issues of fact joined in any court, the parties in any civil case may waive the right to have the issues determined by a jury, in which case the finding of the judge upon the facts shall have the force and effect of a verdict by a jury.

Sec. 15. Administration.

The General Assembly shall provide for an administrative office of the courts to carry out the provisions of this Article.

Sec. 16. Terms of office and election of Justices of the Supreme Court, Judges of the Court of Appeals, and Judges of the Superior Court.

Justices of the Supreme Court, Judges of the Court of Appeals, and regular Judges of the Superior Court shall be elected by the qualified voters and shall hold office for terms of eight years and until their successors are elected and qualified. Justices of the Supreme Court and Judges of the Court of Appeals shall be elected by the qualified voters of the State. Regular Judges of the Superior Court may be elected by the qualified voters of the State or by the voters of their respective districts, as the General Assembly may prescribe.

Sec. 17. Removal of Judges, Magistrates and Clerks.

(1) Removal of Judges by the General Assembly. Any Justice or Judge of the General Court of Justice may be removed from office for mental or physical incapacity by joint resolution of two-thirds of all the members of each house of the General Assembly. Any Justice or Judge against whom the General Assembly may be about to proceed shall receive notice thereof, accompanied by a copy of the causes alleged for his removal, at least 20 days before the day on which either house of the General Assembly shall act thereon. Removal from office by the General Assembly for any other cause shall be by impeachment.

(2) Additional method of removal of Judges. The General Assembly shall prescribe a procedure, in addition to impeachment and address set forth in this Section, for the removal of a Justice or Judge of the General Court of Justice for mental or physical incapacity interfering with the performance of his duties which is, or is likely to become, permanent, and for the censure and removal of a Justice or Judge of the General Court of Justice for wilful misconduct in office, wilful and persistent failure to perform his duties, habitual intemperance, conviction of a crime involving moral turpitude, or conduct prejudicial to the administration of justice that brings the judicial office into disrepute.

(3) Removal of Magistrates. The General Assembly shall provide by general law for the removal of Magistrates for misconduct or mental or physical incapacity.

(4) Removal of Clerks. Any Clerk of the Superior Court may be removed from office for misconduct or mental or physical incapacity by the senior regular resident Superior Court Judge serving the county. Any Clerk against whom proceedings are instituted shall receive written notice of the charges against him at least 10 days before the hearing upon the charges. Any Clerk so removed from office shall be entitled to an appeal as provided by law.

Sec. 18. District Attorney and Prosecutorial Districts.

(1) District Attorneys. The General Assembly shall, from time to time, divide the State into a convenient number of prosecutorial districts, for each of which a District Attorney shall be chosen for a term of four years by the qualified voters thereof, at the same time and places as members of the General Assembly are elected. Only persons duly authorized to practice law in the courts of this State shall be eligible for election or appointment as a District Attorney. The District Attorney shall advise the officers of justice in his district, be responsible for the prosecution on behalf of the State of all criminal actions in the Superior Courts of his district, perform such duties related to appeals therefrom as the Attorney General may require, and perform such other duties as the General Assembly may prescribe.

(2) Prosecution in District Court Division. Criminal actions in the District Court Division shall be prosecuted in such manner as the General Assembly may prescribe by general law uniformly applicable in every local court district of the State.

Sec. 19. Vacancies.

Unless otherwise provided in this Article, all vacancies occurring in the offices provided for by this Article shall be filled by appointment of the Governor, and the appointees shall hold their places until the next election for members of the General Assembly that is held more than 60 days after the vacancy occurs, when elections shall be held to fill the offices. When the unexpired term of any of the offices named in this Article of the Constitution in which a vacancy has occurred, and in which it is herein provided that the Governor shall fill the vacancy, expires on the first day of January succeeding the next election for members of the General Assembly, the Governor shall appoint to fill that vacancy for the unexpired term of the office. If any person elected or appointed to any of these offices shall fail to qualify, the office shall be appointed to, held and filled as provided in case of vacancies occurring therein. All incumbents of these offices shall hold until their successors are qualified.

Sec. 20. Revenues and expenses of the judicial department.

The General Assembly shall provide for the establishment of a schedule of court fees and costs which shall be uniform throughout the State within each division of the General Court of Justice. The operating expenses of the judicial department, other than compensation to process servers and other locally paid non-judicial officers, shall be paid from State funds.

Sec. 21. Fees, salaries, and emoluments.

The General Assembly shall prescribe and regulate the fees, salaries, and emoluments of all officers provided for in this Article, but the salaries of Judges shall not be diminished during their continuance in office. In no case shall the compensation of any Judge or Magistrate be dependent upon his decision or upon the collection of costs.

Sec. 22. Qualification of Justices and Judges.

Only persons duly authorized to practice law in the courts of this State shall be eligible for election or appointment as a Justice of the Supreme Court, Judge of the Court of Appeals, Judge of the Superior Court, or Judge of District Court. This section shall not apply to persons elected to or serving in such capacities on or before January 1, 1981.

ARTICLE V
FINANCE

Section 1. No capitation tax to be levied.

No poll or capitation tax shall be levied by the General Assembly or by any county, city or town, or other taxing unit.

Sec. 2. State and local taxation.

(1) Power of taxation. The power of taxation shall be exercised in a just and equitable manner, for public purposes only, and shall never be surrendered, suspended, or contracted away.

(2) Classification. Only the General Assembly shall have the power to classify property for taxation, which power shall be exercised only on a State-wide basis and shall not be delegated. No class of property shall be taxed except by uniform rule, and every classification shall be made by general law uniformly applicable in every county, city and town, and other unit of local government.

(3) Exemptions. Property belonging to the State, counties, and municipal corporations shall be exempt from taxation. The General Assembly may exempt cemeteries and property held for educational, scientific, literary, cultural, charitable, or religious purposes, and, to a value not exceeding $300, any personal property. The General Assembly may exempt from taxation not exceeding $1,000 in value of property held and used as the place of residence of the owner. Every exemption shall be on a State-wide basis and shall be made by general law uniformly applicable in every county, city and town, and other unit of local government. No taxing authority other than the General Assembly may grant exemptions, and the General Assembly shall not delegate the powers accorded to it by this subsection.

(4) Special tax areas. Subject to the limitations imposed by Section 4, the General Assembly may enact general laws authorizing the governing body of any county, city, or town to define territorial areas and to levy taxes within those areas, in addition to those levied throughout the county, city, or town, in order to finance, provide, or maintain services, facilities, and functions in addition to or to a greater extent than those financed, provided, or maintained for the entire county, city, or town.

(5) Purposes of property tax. The General Assembly shall not authorize any county, city or town, special district, or other unit of local government to levy taxes on property, except for purposes authorized by general law uniformly applicable throughout the State, unless the tax is approved by a majority of the qualified voters of the unit who vote thereon.

(6) Income tax. The rate of tax on incomes shall not in any case exceed ten percent, and there shall be allowed personal exemptions and deductions so that only net incomes are taxed.

(7) Contracts. The General Assembly may enact laws whereby the State, any county, city or town, and any other public corporation may contract with and appropriate money to any person, association, or corporation for the accomplishment of public purposes only.

Sec. 3. Limitations upon the increase of State debt.

(1) Authorized purposes; two-thirds limitation. The General Assembly shall have no power to contract debts secured by a pledge of the faith and credit of the State, unless approved by a majority of the qualified voters of the State who vote thereon, except for the following purposes:

(a) to fund or refund a valid existing debt;

(b) to supply an unforeseen deficiency in the revenue;

(c) to borrow in anticipation of the collection of taxes due and payable within the current fiscal year to an amount not exceeding 50 per cent of such taxes;

(d) to suppress riots or insurrections, or to repel invasions;

(e) to meet emergencies immediately threatening the public health or safety, as conclusively determined in writing by the Governor;

(f) for any other lawful purpose, to the extent of two-thirds of the amount by which the State's outstanding indebtedness shall have been reduced during the next preceding biennium.

(2) Gift or loan of credit regulated. The General Assembly shall have no power to give or lend the credit of the State in aid of any person, association, or corporation, except a corporation in which the State has a controlling interest, unless the subject is submitted to a direct vote of the people of the State, and is approved by a majority of the qualified voters who vote thereon.

(3) Definitions. A debt is incurred within the meaning of this Section when the State borrows money. A pledge of the faith and credit within the meaning of this Section is a pledge of the taxing power. A loan of credit within the meaning of this Section occurs when the State exchanges its obligations with or in any way guarantees the debts of an individual, association, or private corporation.

(4) Certain debts barred. The General Assembly shall never assume or pay any debt or obligation, express or implied, incurred in aid of insurrection or rebellion against the United States. Neither shall the General Assembly assume or pay any debt or bond incurred or issued

by authority of the Convention of 1868, the special session of the General Assembly of 1868, or the General Assemblies of 1868-69 and 1869-70, unless the subject is submitted to the people of the State and is approved by a majority of all the qualified voters at a referendum held for that sole purpose.

(5) Outstanding debt. Except as provided in subsection (4), nothing in this Section shall be construed to invalidate or impair the obligation of any bond, note, or other evidence of indebtedness outstanding or authorized for issue as of July 1, 1973.

Sec. 4. Limitations upon the increase of local government debt.

(1) Regulation of borrowing and debt. The General Assembly shall enact general laws relating to the borrowing of money secured by a pledge of the faith and credit and the contracting of other debts by counties, cities and towns, special districts, and other units, authorities, and agencies of local government.

(2) Authorized purposes; two-thirds limitation. The General Assembly shall have no power to authorize any county, city or town, special district, or other unit of local government to contract debts secured by a pledge of its faith and credit unless approved by a majority of the qualified voters of the unit who vote thereon, except for the following purposes:

(a) to fund or refund a valid existing debt;

(b) to supply an unforseen deficiency in the revenue;

(c) to borrow in anticipation of the collection of taxes due and payable within the current fiscal year to an amount not exceeding 50 per cent of such taxes;

(d) to suppress riots or insurrections;

(e) to meet emergencies immediately threatening the public health or safety, as conclusively determined in writing by the Governor;

(f) for purposes authorized by general laws uniformly applicable throughout the State, to the extent of two-thirds of the amount by which the unit's outstanding indebtedness shall have been reduced during the next preceding fiscal year.

(3) Gift or loan of credit regulated. No county, city or town, special district, or other unit of local government shall give or lend its credit in aid of any person, association, or corporation, except for public purposes as authorized by general law, and unless approved by a majority of the qualified voters of the unit who vote thereon.

(4) Certain debts barred. No county, city or town, or other unit of local government shall assume or pay any debt or the interest thereon contracted directly or indirectly in aid or support of rebellion or insurrection against the United States.

(5) Definitions. A debt is incurred within the meaning of this Section when a county, city or town, special district, or other unit, authority, or agency of local government borrows money. A pledge of faith and credit within the meaning of this Section is a pledge of the taxing power. A loan of credit within the meaning of this Section occurs when a county, city or town, special district, or other unit, authority, or agency of local government exchanges its obligations with or in any way guarantees the debts of an individual, association, or private corporation.

(6) Outstanding debt. Except as provided in subsection (4), nothing in this Section shall be construed to invalidate or impair the obligation of any bond, note, or other evidence of indebtedness outstanding or authorized for issue as of July 1, 1973.

Sec. 5. Acts levying taxes to state objects.

Every act of the General Assembly levying a tax shall state the special object to which it is to be applied, and it shall be applied to no other purpose.

Sec. 6. Inviolability of sinking funds and retirement funds.

(1) Sinking funds. The General Assembly shall not use or authorize to be used any part of the amount of any sinking fund for any purpose other than the retirement of the bonds for

which the sinking fund has been created, except that these funds may be invested as authorized by law.

(2) Retirement funds. Neither the General Assembly nor any public officer, employee, or agency shall use or authorize to be used any part of the funds of the Teachers' and State Employees' Retirement System or the Local Governmental Employees' Retirement System for any purpose other than retirement system benefits and purposes, administrative expenses, and refunds; except that retirement system funds may be invested as authorized by law, subject to the investment limitation that the funds of the Teachers' and State Employees' Retirement System and the Local Governmental Employees' Retirement System shall not be applied, diverted, loaned to, or used by the State, any State agency, State officer, public officer, or public employee.

Sec. 7. Drawing public money.

(1) State treasury. No money shall be drawn from the State treasury but in consequence of appropriations made by law, and an accurate account of the receipts and expenditures of State funds shall be published annually.

(2) Local treasury. No money shall be drawn from the treasury of any county, city or town, or other unit of local government except by authority of law.

Sec. 8. Health care facilities.

Notwithstanding any other provisions of this Constitution, the General Assembly may enact general laws to authorize the State, counties, cities or towns, and other State and local governmental entities to issue revenue bonds to finance or refinance for any such governmental entity or any nonprofit private corporation, regardless of any church or religious relationship, the cost of acquiring, constructing, and financing health care facility projects to be operated to serve and benefit the public; provided, no cost incurred earlier than two years prior to the effective date of this section shall be refinanced. Such bonds shall be payable from the revenues, gross or net, of any such projects and any other health care facilities of any such governmental entity or nonprofit private corporation pledged therefor; shall not be secured by a pledge of the full faith and credit, or deemed to create an indebtedness requiring voter approval of any governmental entity; and may be secured by an agreement which may provide for the conveyance of title of, with or without consideration, any such project or facilities to the governmental entity or nonprofit private corporation. The power of eminent domain shall not be used pursuant hereto for nonprofit private corporations.

Sec. 9. Capital projects for industry.

Nothwithstanding any other provision of this Constitution, the General Assembly may enact general laws to authorize counties to create authorities to issue revenue bonds to finance, but not to refinance, the cost of capital projects consisting of industrial, manufacturing and pollution control facilities for industry and pollution control facilities for public utilities, and to refund such bonds.

In no event shall such revenue bonds be secured by or payable from any public moneys whatsoever, but such revenue bonds shall be secured by and payable only from revenues or property derived from private parties. All such capital projects and all transactions therefor shall be subject to taxation to the extent such projects and transactions would be subject to taxation if no public body were involved therewith; provided, however, that the General Assembly may provide that the interest on such revenue bonds shall be exempt from income taxes within the State.

The power of eminent domain shall not be exercised to provide any property for any such capital project.

Sec. 10. Joint ownership of generation and transmission facilities.

In addition to other powers conferred upon them by law, municipalities owning or operating facilities for the generation, transmission or distribution of electric power and energy and joint agencies formed by such municipalities for the purpose of owning or operating facilities for the generation and transmission of electric power and energy (each, respectively, "a unit of municipal government") may jointly or severally own, operate and maintain works, plants and facilities, within or without the State, for the generation and transmission of electric power and energy, or both, with any person, firm, association or corporation, public or private, engaged in the generation, transmission or distribution of electric power and energy for resale (each, respectively, "a co-owner") within this State or any state contiguous to this State, and may enter into and carry out agreements with respect to such jointly owned facilities. For the purpose of financing its share of the cost of any such jointly owned electric generation or transmission facilities, a unit of municipal government may issue its revenue bonds in the manner prescribed by the General Assembly, payable as to both principal and interest solely from and secured by a lien and charge on all or any part of the revenue derived, or to be derived, by such unit of municipal government from the ownership and operation of its electric facilities; provided, however, that no unit of municipal government shall be liable, either jointly or severally, for any acts, omissions or obligations of any co-owner, nor shall any money or property of any unit of municipal government be credited or otherwise applied to the account of any co-owner or be charged with any debt, lien or mortgage as a result of any debt or obligation of any co-owner.

Sec. 11. Capital projects for agriculture.

Notwithstanding any other provision of the Constitution the General Assembly may enact general laws to authorize the creation of an agency to issue revenue bonds to finance the cost of capital projects consisting of agricultural facilities, and to refund such bonds.

In no event shall such revenue bonds be secured by or payable from any public moneys whatsoever, but such revenue bonds shall be secured by and payable only from revenues or property derived from private parties. All such capital projects and all transactions therefor shall be subject to taxation to the extent such projects and transactions would be subject to taxation if no public body were involved therewith; provided, however, that the General Assembly may provide that the interest on such revenue bonds shall be exempt from income taxes within the State.

The power of eminent domain shall not be exercised to provide any property for any such capital project.

Sec. 12. Higher education facilities.

Notwithstanding any other provisions of this Constitution, the General Assembly may enact general laws to authorize the State or any State entity to issue revenue bonds to finance and refinance the cost of acquiring, constructing, and financing higher education facilities to be operated to serve and benefit the public for any nonprofit private corporation, regardless of any church or religious relationship provided no cost incurred earlier than five years prior to the effective date of this section shall be refinanced. Such bonds shall be payable from any revenues or assets of any such nonprofit private corporation pledged therefor, shall not be secured by a pledge of the full faith and credit of the State or such State entity or deemed to create an indebtedness requiring voter approval of the State or such entity, and, where the title to such facilities is vested in the State or any State entity, may be secured by an agreement which may provide for the conveyance of title to, with or without consideration, such facilities to the nonprofit private corporation. The power of eminent domain shall not be used pursuant hereto.

Sec. 13. Seaport and airport facilities.

(1) Notwithstanding any other provision of this Constitution, the General Assembly may enact general laws to grant to the State, counties, municipalities, and other State and local

governmental entities all powers useful in connection with the development of new and existing seaports and airports, and to authorize such public bodies:

(a) to acquire, construct, own, own jointly with public and private parties, lease as lessee, mortgage, sell, lease as lessor, or otherwise dispose of lands and facilities and improvements, including undivided interest therein;

(b) to finance and refinance for public and private parties seaport and airport facilities and improvements which relate to, develop or further waterborne or airborne commerce and cargo and passenger traffic, including commercial, industrial, manufacturing, processing, mining, transportation, distribution, storage, marine, aviation and environmental facilities and improvements; and

(c) to secure any such financing or refinancing by all or any portion of their revenues, income or assets or other available monies associated with any of their seaport or airport facilities and with the facilities and improvements to be financed or refinanced, and by foreclosable liens on all or any part of their properties associated with any of their seaport or airport facilities and with the facilities and improvements to be financed or refinanced, but in no event to create a debt secured by a pledge of the faith and credit of the State or any other public body in the State.

Sec. 14. Project development financing.

Notwithstanding Section 4 of this Article, the General Assembly may enact general laws authorizing any county, city, or town to define territorial areas in the county, city, or town and borrow money to be used to finance public improvements associated with private development projects within the territorial areas, as provided in this section. The General Assembly shall set forth by statute the method for determining the size of the territorial area and the issuing unit. This method is conclusive. When a territorial area is defined pursuant to this section, the county shall determine the current assessed value of taxable real and personal property in the territorial area. Thereafter, property in the territorial area continues to be subject to taxation to the same extent and in like manner as property not in the territorial area, but the net proceeds of taxes levied on the excess, if any, of the assessed value of taxable real and personal property in the territorial area at the time the taxes are levied over the assessed value of taxable real and personal property in the territorial area at the time the territorial area was defined may be set aside. The instruments of indebtedness authorized by this section shall be secured by these set-aside proceeds. The General Assembly may authorize a county, city, or town issuing these instruments of indebtedness to pledge, as additional security, revenues available to the issuing unit from sources other than the issuing unit's exercise of its taxing power. As long as no revenues are pledged other than the set-aside proceeds authorized by this section and the revenues authorized in the preceding sentence, these instruments of indebtedness may be issued without approval by referendum. The county, city, or town may not pledge as security for these instruments of indebtedness any property tax revenues other than the set-aside proceeds authorized in this section, or in any other manner pledge its full faith and credit as security for these instruments of indebtedness unless a vote of the people is held as required by and in compliance with the requirements of Section 4 of this Article.

Notwithstanding the provisions of Section 2 of this Article, the General Assembly may enact general laws authorizing a county, city, or town that has defined a territorial area pursuant to this section to assess property within the territorial area at a minimum value if agreed to by the owner of the property, which agreed minimum value shall be binding on the current owner and any future owners as long as the defined territorial area is in effect.

ARTICLE VI
SUFFRAGE AND ELIGIBILITY TO OFFICE

Section 1. Who may vote.

Every person born in the United States and every person who has been naturalized, 18 years of age, and possessing the qualifications set out in this Article, shall be entitled to vote at any election by the people of the State, except as herein otherwise provided.

Sec. 2. Qualifications of voter.

(1) Residence period for State elections. Any person who has resided in the State of North Carolina for one year and in the precinct, ward, or other election district for 30 days next preceding an election, and possesses the other qualifications set out in this Article, shall be entitled to vote at any election held in this State. Removal from one precinct, ward, or other election district to another in this State shall not operate to deprive any person of the right to vote in the precinct, ward, or other election district from which that person has removed until 30 days after the removal.

(2) Residence period for presidential elections. The General Assembly may reduce the time of residence for persons voting in presidential elections. A person made eligible by reason of a reduction in time of residence shall possess the other qualifications set out in this Article, shall only be entitled to vote for President and Vice President of the United States or for electors for President and Vice President, and shall not thereby become eligible to hold office in this State.

(3) Disqualification of felon. No person adjudged guilty of a felony against this State or the United States, or adjudged guilty of a felony in another state that also would be a felony if it had been committed in this State, shall be permitted to vote unless that person shall be first restored to the rights of citizenship in the manner prescribed by law.

Sec. 3. Registration.

Every person offering to vote shall be at the time legally registered as a voter as herein prescribed and in the manner provided by law. The General Assembly shall enact general laws governing the registration of voters.

Sec. 4. Qualification for registration.

Every person presenting himself for registration shall be able to read and write any section of the Constitution in the English language.

Sec. 5. Elections by people and General Assembly.

All elections by the people shall be by ballot, and all elections by the General Assembly shall be viva voce. A contested election for any office established by Article III of this Constitution shall be determined by joint ballot of both houses of the General Assembly in the manner prescribed by law.

Sec. 6. Eligibility to elective office.

Every qualified voter in North Carolina who is 21 years of age, except as in this Constitution disqualified, shall be eligible for election by the people to office.

Sec. 7. Oath.

Before entering upon the duties of an office, a person elected or appointed to the office shall take and subscribe the following oath:

"I, _____, do solemnly swear (or affirm) that I will support and maintain the Constitution and laws of the United States, and the Constitution and laws of North Carolina not

inconsistent therewith, and that I will faithfully discharge the duties of my office as _____, so help me God."

Sec. 8. Disqualifications for office.

The following persons shall be disqualified for office:

First, any person who shall deny the being of Almighty God.

Second, with respect to any office that is filled by election by the people, any person who is not qualified to vote in an election for that office.

Third, any person who has been adjudged guilty of treason or any other felony against this State or the United States, or any person who has been adjudged guilty of a felony in another state that also would be a felony if it had been committed in this State, or any person who has been adjudged guilty of corruption or malpractice in any office, or any person who has been removed by impeachment from any office, and who has not been restored to the rights of citizenship in the manner prescribed by law.

Sec. 9. Dual office holding.

(1) Prohibitions. It is salutary that the responsibilities of self-government be widely shared among the citizens of the State and that the potential abuse of authority inherent in the holding of multiple offices by an individual be avoided. Therefore, no person who holds any office or place of trust or profit under the United States or any department thereof, or under any other state or government, shall be eligible to hold any office in this State that is filled by election by the people. No person shall hold concurrently any two offices in this State that are filled by election of the people. No person shall hold concurrently any two or more appointive offices or places of trust or profit, or any combination of elective and appointive offices or places of trust or profit, except as the General Assembly shall provide by general law.

(2) Exceptions. The provisions of this Section shall not prohibit any officer of the military forces of the State or of the United States not on active duty for an extensive period of time, any notary public, or any delegate to a Convention of the People from holding concurrently another office or place of trust or profit under this State or the United States or any department thereof.

Sec. 10. Continuation in office.

In the absence of any contrary provision, all officers in this State, whether appointed or elected, shall hold their positions until other appointments are made or, if the offices are elective, until their successors are chosen and qualified.

ARTICLE VII
LOCAL GOVERNMENT

Section 1. General Assembly to provide for local government.

The General Assembly shall provide for the organization and government and the fixing of boundaries of counties, cities and towns, and other governmental subdivisions, and, except as otherwise prohibited by this Constitution, may give such powers and duties to counties, cities and towns, and other governmental subdivisions as it may deem advisable.

The General Assembly shall not incorporate as a city or town, nor shall it authorize to be incorporated as a city or town, any territory lying within one mile of the corporate limits of any other city or town having a population of 5,000 or more according to the most recent decennial census of population taken by order of Congress, or lying within three miles of the corporate limits of any other city or town having a population of 10,000 or more according to the most recent decennial census of population taken by order of Congress, or lying within four miles of the corporate limits of any other city or town having a population of 25,000 or more according to the most recent decennial census of population taken by order of Congress, or lying within

five miles of the corporate limits of any other city or town having a population of 50,000 or more according to the most recent decennial census of population taken by order of Congress. Notwithstanding the foregoing limitations, the General Assembly may incorporate a city or town by an act adopted by vote of three-fifths of all the members of each house.

Sec. 2. Sheriffs.

In each county a Sheriff shall be elected by the qualified voters thereof at the same time and places as members of the General Assembly are elected and shall hold his office for a period of four years, subject to removal for cause as provided by law. No person is eligible to serve as Sheriff if that person has been convicted of a felony against this State, the United States, or another state, whether or not that person has been restored to the rights of citizenship in the manner prescribed by law. Convicted of a felony includes the entry of a plea of guilty; a verdict or finding of guilt by a jury, judge, magistrate, or other adjudicating body, tribunal, or official, either civilian or military; or a plea of no contest, nolo contendere, or the equivalent.

Sec. 3. Merged or consolidated counties.

Any unit of local government formed by the merger or consolidation of a county or counties and the cities and towns therein shall be deemed both a county and a city for the purposes of this Constitution, and may exercise any authority conferred by law on counties, or on cities and towns, or both, as the General Assembly may provide.

ARTICLE VIII
CORPORATIONS

Section 1. Corporate charters.

No corporation shall be created, nor shall its charter be extended, altered, or amended by special act, except corporations for charitable, educational, penal, or reformatory purposes that are to be and remain under the patronage and control of the State; but the General Assembly shall provide by general laws for the chartering, organization, and powers of all corporations, and for the amending, extending, and forfeiture of all charters, except those above permitted by special act. All such general acts may be altered from time to time or repealed. The General Assembly may at any time by special act repeal the charter of any corporation.

Sec. 2. Corporations defined.

The term "corporation" as used in this Section shall be construed to include all associations and joint-stock companies having any of the powers and privileges of corporations not possessed by individuals or partnerships. All corporations shall have the right to sue and shall be subject to be sued in all courts, in like cases as natural persons.

ARTICLE IX
EDUCATION

Section 1. Education encouraged.

Religion, morality, and knowledge being necessary to good government and the happiness of mankind, schools, libraries, and the means of education shall forever be encouraged.

Sec. 2. Uniform system of schools.

(1) General and uniform system: term. The General Assembly shall provide by taxation and otherwise for a general and uniform system of free public schools, which shall be maintained at least nine months in every year, and wherein equal opportunities shall be provided for all students.

(2) Local responsibility. The General Assembly may assign to units of local government such responsibility for the financial support of the free public schools as it may deem appropriate. The governing boards of units of local government with financial responsibility for public education may use local revenues to add to or supplement any public school or post-secondary school program.

Sec. 3. School attendance.

The General Assembly shall provide that every child of appropriate age and of sufficient mental and physical ability shall attend the public schools, unless educated by other means.

Sec. 4. State Board of Education.

(1) Board. The State Board of Education shall consist of the Lieutenant Governor, the Treasurer, and eleven members appointed by the Governor, subject to confirmation by the General Assembly in joint session. The General Assembly shall divide the State into eight educational districts. Of the appointive members of the Board, one shall be appointed from each of the eight educational districts and three shall be appointed from the State at large. Appointments shall be for overlapping terms of eight years. Appointments to fill vacancies shall be made by the Governor for the unexpired terms and shall not be subject to confirmation.

(2) Superintendent of Public Instruction. The Superintendent of Public Instruction shall be the secretary and chief administrative officer of the State Board of Education.

Sec. 5. Powers and duties of Board.

The State Board of Education shall supervise and administer the free public school system and the educational funds provided for its support, except the funds mentioned in Section 7 of this Article, and shall make all needed rules and regulations in relation thereto, subject to laws enacted by the General Assembly.

Sec. 6. State school fund.

The proceeds of all lands that have been or hereafter may be granted by the United States to this State, and not otherwise appropriated by this State or the United States; all moneys, stocks, bonds, and other property belonging to the State for purposes of public education; the net proceeds of all sales of the swamp lands belonging to the State; and all other grants, gifts, and devises that have been or hereafter may be made to the State, and not otherwise appropriated by the State or by the terms of the grant, gift, or devise, shall be paid into the State Treasury and, together with so much of the revenue of the State as may be set apart for that purpose, shall be faithfully appropriated and used exclusively for establishing and maintaining a uniform system of free public schools.

Sec. 7. County school fund; State fund for certain moneys.

(a) Except as provided in subsection (b) of this section, all moneys, stocks, bonds, and other property belonging to a county school fund, and the clear proceeds of all penalties and forfeitures and of all fines collected in the several counties for any breach of the penal laws of the State, shall belong to and remain in the several counties, and shall be faithfully appropriated and used exclusively for maintaining free public schools.

(b) The General Assembly may place in a State fund the clear proceeds of all civil penalties, forfeitures, and fines which are collected by State agencies and which belong to the public schools pursuant to subsection (a) of this section. Moneys in such State fund shall be faithfully appropriated by the General Assembly, on a per pupil basis, to the counties, to be used exclusively for maintaining free public schools.

Sec. 8. Higher education.

The General Assembly shall maintain a public system of higher education, comprising The University of North Carolina and such other institutions of higher education as the General

Assembly may deem wise. The General Assembly shall provide for the selection of trustees of The University of North Carolina and of the other institutions of higher education, in whom shall be vested all the privileges, rights, franchises, and endowments heretofore granted to or conferred upon the trustees of these institutions. The General Assembly may enact laws necessary and expedient for the maintenance and management of The University of North Carolina and the other public institutions of higher education.

Sec. 9. Benefits of public institutions of higher education.

The General Assembly shall provide that the benefits of The University of North Carolina and other public institutions of higher education, as far as practicable, be extended to the people of the State free of expense.

Sec. 10. Escheats.

(1) Escheats prior to July 1, 1971. All property that prior to July 1, 1971, accrued to the State from escheats, unclaimed dividends, or distributive shares of the estates of deceased persons shall be appropriated to the use of The University of North Carolina.

(2) Escheats after June 30, 1971. All property that, after June 30, 1971, shall accrue to the State from escheats, unclaimed dividends, or distributive shares of the estates of deceased persons shall be used to aid worthy and needy students who are residents of this State and are enrolled in public institutions of higher education in this State. The method, amount, and type of distribution shall be prescribed by law.

ARTICLE X
HOMESTEADS AND EXEMPTIONS

Section 1. Personal property exemptions.

The personal property of any resident of this State, to a value fixed by the General Assembly but not less than $500, to be selected by the resident, is exempted from sale under execution or other final process of any court, issued for the collection of any debt.

Sec. 2. Homestead exemptions.

(1) Exemption from sale; exceptions. Every homestead and the dwellings and buildings used therewith, to a value fixed by the General Assembly but not less than $1,000, to be selected by the owner thereof, or in lieu thereof, at the option of the owner, any lot in a city or town with the dwellings and buildings used thereon, and to the same value, owned and occupied by a resident of the State, shall be exempt from sale under execution or other final process obtained on any debt. But no property shall be exempt from sale for taxes, or for payment of obligations contracted for its purchase.

(2) Exemption for benefit of children. The homestead, after the death of the owner thereof, shall be exempt from the payment of any debt during the minority of the owner's children, or any of them.

(3) Exemption for benefit of surviving spouse. If the owner of a homestead dies, leaving a surviving spouse but no minor children, the homestead shall be exempt from the debts of the owner, and the rents and profits thereof shall inure to the benefit of the surviving spouse until he or she remarries, unless the surviving spouse is the owner of a separate homestead.

(4) Conveyance of homestead. Nothing contained in this Article shall operate to prevent the owner of a homestead from disposing of it by deed, but no deed made by a married owner of a homestead shall be valid without the signature and acknowledgement of his or her spouse.

Sec. 3. Mechanics' and laborers' liens.

The General Assembly shall provide by proper legislation for giving to mechanics and laborers an adequate lien on the subject-matter of their labor. The provisions of Sections 1 and 2 of this Article shall not be so construed as to prevent a laborer's lien for work done and performed for the person claiming the exemption or a mechanic's lien for work done on the premises.

Sec. 4. Property of married women secured to them.

The real and personal property of any female in this State acquired before marriage, and all property, real and personal, to which she may, after marriage, become in any manner entitled, shall be and remain the sole and separate estate and property of such female, and shall not be liable for any debts, obligations, or engagements of her husband, and may be devised and bequeathed and conveyed by her, subject to such regulations and limitations as the General Assembly may prescribe. Every married woman may exercise powers of attorney conferred upon her by her husband, including the power to execute and acknowledge deeds to property owned by herself and her husband or by her husband.

Sec. 5. Insurance.

A person may insure his or her own life for the sole use and benefit of his or her spouse or children or both, and upon his or her death the proceeds from the insurance shall be paid to or for the benefit of the spouse or children or both, or to a guardian, free from all claims of the representatives or creditors of the insured or his or her estate. Any insurance policy which insures the life of a person for the sole use and benefit of that person's spouse or children or both shall not be subject to the claims of creditors of the insured during his or her lifetime, whether or not the policy reserves to the insured during his or her lifetime any or all rights provided for by the policy and whether or not the policy proceeds are payable to the estate of the insured in the event the beneficiary or beneficiaries predecease the insured.

ARTICLE XI
PUNISHMENTS, CORRECTIONS, AND CHARITIES

Section 1. Punishments.

The following punishments only shall be known to the laws of this State: death, imprisonment, fines, suspension of a jail or prison term with or without conditions, restitution, community service, restraints on liberty, work programs, removal from office, and disqualification to hold and enjoy any office of honor, trust, or profit under this State.

Sec. 2. Death punishment.

The object of punishments being not only to satisfy justice, but also to reform the offender and thus prevent crime, murder, arson, burglary, and rape, and these only, may be punishable with death, if the General Assembly shall so enact.

Sec. 3. Charitable and correctional institutions and agencies.

Such charitable, benevolent, penal, and correctional institutions and agencies as the needs of humanity and the public good may require shall be established and operated by the State under such organization and in such manner as the General Assembly may prescribe.

Sec. 4. Welfare policy; board of public welfare.

Beneficent provision for the poor, the unfortunate, and the orphan is one of the first duties of a civilized and a Christian state. Therefore the General Assembly shall provide for and define the duties of a board of public welfare.

ARTICLE XII
MILITARY FORCES

Section 1. Governor is Commander in Chief.

The Governor shall be Commander in Chief of the military forces of the State and may call out those forces to execute the law, suppress riots and insurrections, and repel invasion.

ARTICLE XIII
CONVENTIONS; CONSTITUTIONAL AMENDMENT AND REVISION

Section 1. Convention of the People.

No Convention of the People of this State shall ever be called unless by the concurrence of two-thirds of all the members of each house of the General Assembly, and unless the proposition "Convention or No Convention" is first submitted to the qualified voters of the State at the time and in the manner prescribed by the General Assembly. If a majority of the votes cast upon the proposition are in favor of a Convention, it shall assemble on the day prescribed by the General Assembly. The General Assembly shall, in the act submitting the convention proposition, propose limitations upon the authority of the Convention; and if a majority of the votes cast upon the proposition are in favor of a Convention, those limitations shall become binding upon the Convention. Delegates to the Convention shall be elected by the qualified voters at the time and in the manner prescribed in the act of submission. The Convention shall consist of a number of delegates equal to the membership of the House of Representatives of the General Assembly that submits the convention proposition and the delegates shall be apportioned as is the House of Representatives. A Convention shall adopt no ordinance not necessary to the purpose for which the Convention has been called.

Sec. 2. Power to revise or amend Constitution reserved to people.

The people of this State reserve the power to amend this Constitution and to adopt a new or revised Constitution. This power may be exercised by either of the methods set out hereinafter in this Article, but in no other way.

Sec. 3. Revision or amendment by Convention of the People.

A Convention of the People of this State may be called pursuant to Section 1 of this Article to propose a new or revised Constitution or to propose amendments to this Constitution. Every new or revised Constitution and every constitutional amendment adopted by a Convention shall be submitted to the qualified voters of the State at the time and in the manner prescribed by the Convention. If a majority of the votes cast thereon are in favor of ratification of the new or revised Constitution or the constitutional amendment or amendments, it or they shall become effective January first next after ratification by the qualified voters unless a different effective date is prescribed by the Convention.

Sec. 4. Revision or amendment by legislative initiation.

A proposal of a new or revised Constitution or an amendment or amendments to this Constitution may be initiated by the General Assembly, but only if three-fifths of all the members of each house shall adopt an act submitting the proposal to the qualified voters of the State for their ratification or rejection. The proposal shall be submitted at the time and in the manner prescribed by the General Assembly. If a majority of the votes cast thereon are in favor of the proposed new or revised Constitution or constitutional amendment or amendments, it or they shall become effective January first next after ratification by the voters unless a different effective date is prescribed in the act submitting the proposal or proposals to the qualified voters.

ARTICLE XIV
MISCELLANEOUS

Section 1. Seat of government.

The permanent seat of government of this State shall be at the City of Raleigh.

Sec. 2. State boundaries.

The limits and boundaries of the State shall be and remain as they now are.

Sec. 3. General laws defined.

Whenever the General Assembly is directed or authorized by this Constitution to enact general laws, or general laws uniformly applicable throughout the State, or general laws uniformly applicable in every county, city and town, and other unit of local government, or in every local court district, no special or local act shall be enacted concerning the subject matter directed or authorized to be accomplished by general or uniformly applicable laws, and every amendment or repeal of any law relating to such subject matter shall also be general and uniform in its effect throughout the State. General laws may be enacted for classes defined by population or other criteria. General laws uniformly applicable throughout the State shall be made applicable without classification or exception in every unit of local government of like kind, such as every county, or every city and town, but need not be made applicable in every unit of local government in the State. General laws uniformly applicable in every county, city and town, and other unit of local government, or in every local court district, shall be made applicable without classification or exception in every unit of local government, or in every local court district, as the case may be. The General Assembly may at any time repeal any special, local, or private act.

Sec. 4. Continuity of laws; protection of office holders.

The laws of North Carolina not in conflict with this Constitution shall continue in force until lawfully altered. Except as otherwise specifically provided, the adoption of this Constitution shall not have the effect of vacating any office or term of office now filled or held by virtue of any election or appointment made under the prior Constitution of North Carolina and the laws of the State enacted pursuant thereto.

Sec. 5. Conservation of natural resources.

It shall be the policy of this State to conserve and protect its lands and waters for the benefit of all its citizenry, and to this end it shall be a proper function of the State of North Carolina and its political subdivisions to acquire and preserve park, recreational, and scenic areas, to control and limit the pollution of our air and water, to control excessive noise, and in every other appropriate way to preserve as a part of the common heritage of this State its forests, wetlands, estuaries, beaches, historical sites, openlands, and places of beauty.

To accomplish the aforementioned public purposes, the State and its counties, cities and towns, and other units of local government may acquire by purchase or gift properties or interests in properties which shall, upon their special dedication to and acceptance by a law enacted by a vote of three-fifths of the members of each house of the General Assembly for those public purposes, constitute part of the 'State Nature and Historic Preserve,' and which shall not be used for other purposes except as authorized by law enacted by a vote of three-fifths of the members of each house of the General Assembly. The General Assembly shall prescribe by general law the conditions and procedures under which such properties or interests therein shall be dedicated for the aforementioned public purposes.

Sec. 6. Marriage.

Marriage between one man and one woman is the only domestic legal union that shall be valid or recognized in this State. This section does not prohibit a private party from entering into contracts with another private party; nor does this section prohibit courts from adjudicating the rights of private parties pursuant to such contracts.

SESSION LAWS

OF THE

STATE OF NORTH CAROLINA

REGULAR SESSION 2015

Session Law 2015-1 **H.B. 157**

AN ACT TO AMEND VARIOUS ENVIRONMENTAL LAWS.

The General Assembly of North Carolina enacts:

PART I. INTERSTATE MINING COMPACT CLARIFICATION

SECTION 1. G.S. 74-37 reads as rewritten:

"§ **74-37. Compact enacted into law.**

The Interstate Mining Compact is hereby enacted into law and entered into by this State with all other jurisdictions legally joining therein in the form substantially as follows:

INTERSTATE MINING COMPACT

…

Article V. The Commission

(a) There is hereby created an agency of the party states to be known as the "Interstate Mining Commission," hereinafter called "the Commission." The Commission shall be composed of one commissioner from each party state who shall be Governor thereof. Pursuant to the laws of his party state, each Governor shall have the assistance of an advisory body (including membership from mining industries, conservation interests, and such other public and private interests as may be appropriate) in considering problems relating to mining and in discharging his responsibilities as the commissioner of his state on the Commission. In any instance where a Governor is unable to attend a meeting of the Commission or perform any other function in connection with the business of the Commission, he shall designate an alternate, from among the members of the advisory body required by this ~~paragraph,~~paragraph or an official of the state environmental protection agency with responsibility for protecting and restoring lands affected by mining, who shall represent him and act in his place and stead. The designation of an alternate shall be communicated by the Governor to the Commission in such manner as its bylaws may provide.

(b) The commissioners shall be entitled to one vote each on the Commission. No action of the Commission making a recommendation pursuant to Article IV-3, IV-7, and IV-8 or requesting, accepting or disposing of funds, services, or other property pursuant to this paragraph, Articles V (g), V (h), or VII shall be valid unless taken at a meeting at which a majority of the total number of votes on the Commission is cast in favor thereof. All other action shall be by a majority of those present and voting: Provided that action of the Commission shall be only at a meeting at which a majority of the commissioners, or their alternates, is present. The Commission may establish and maintain such facilities as may be necessary for the transacting of its business. The Commission may acquire, hold, and convey real and personal property and any interest therein.

(c) The Commission shall have a seal.

(d) The Commission shall elect annually, from among its members, a chairman, a vice-chairman, and a treasurer. The Commission shall appoint an executive director and fix his duties and compensation. Such executive director shall serve at the pleasure of the Commission. The executive director, the treasurer, and such other personnel as the Commission shall designate shall be bonded. The amount or amounts of such bond or bonds shall be determined by the Commission.

(e) Irrespective of the civil service, personnel or other merit system laws of any of the party states, the executive director with the approval of the Commission, shall appoint, remove or discharge such personnel as may be necessary for the performance of the Commission's functions, and shall fix the duties and compensation of such personnel.

(f) The Commission may establish and maintain independently or in conjunction with a party state, a suitable retirement system for its employees. Employees of the Commission shall be eligible for social security coverage in respect of old age and survivor's insurance provided that the Commission takes such steps as may be necessary pursuant to the laws of the United States, to participate in such program of insurance as a governmental agency or unit. The Commission may establish and maintain or participate in such additional programs of employee benefits as it may deem appropriate.

(g) The Commission may borrow, accept or contract for the services of personnel from any state, the United States, or any other governmental agency, or from any person, firm, association or corporation.

(h) The Commission may accept for any of its purposes and functions under this Compact any and all donations, and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any state, the United States, or any other governmental agency, or from any person, firm, association or corporation, and may receive, utilize and dispose of the same. Any donation or grant accepted by the Commission pursuant to this paragraph or services borrowed pursuant to paragraph (g) of this Article shall be reported in the annual report of the Commission. Such report shall include the nature, amount and conditions, if any, of the donation, grant or services borrowed and the identity of the donor or lender.

(i) The Commission shall adopt bylaws for the conduct of its business and shall have the power to amend and rescind these bylaws. The Commission shall publish its bylaws in convenient form and shall file a copy thereof and a copy of any amendment thereto, with the appropriate agency or officer in each of the party states.

(j) The Commission annually shall make to the Governor, legislature and advisory body required by Article V (a) of each party state a report covering the activities of the Commission for the preceding year, and embodying such recommendations as may have been made by the Commission. The Commission may make such additional reports as it may deem desirable.

…."

PART II. RECYCLED AND RECOVERED MATERIALS

SECTION 2.(a) G.S. 130A-290(a) reads as rewritten:

"§ **130A-290. Definitions.**

(a) Unless a different meaning is required by the context, the following definitions shall apply throughout this Article:

…

(35) "Solid waste" means any hazardous or nonhazardous garbage, refuse or sludge from a waste treatment plant, water supply treatment plant or air pollution control facility, domestic sewage and sludges generated by the treatment thereof in sanitary sewage collection, treatment and disposal systems, and other material that is either discarded or is being accumulated, stored or treated prior to being discarded, or has served its original intended use and is generally discarded, including solid, liquid, semisolid or contained gaseous material resulting from industrial, institutional, commercial and

agricultural operations, and from community activities. Notwithstanding sub-sub-subdivision b.3. of this subdivision, the term includes coal combustion residuals. The term does not include:

a. Fecal waste from fowls and animals other than humans.

b. Solid or dissolved material in:

1. Domestic sewage and sludges generated by treatment thereof in sanitary sewage collection, treatment and disposal systems which are designed to discharge effluents to the surface waters.

2. Irrigation return flows.

3. Wastewater discharges and the sludges incidental to and generated by treatment which are point sources subject to permits granted under Section 402 of the Water Pollution Control Act, as amended (P.L. 92-500), and permits granted under G.S. 143-215.1 by the Commission, including coal combustion products. However, any sludges that meet the criteria for hazardous waste under RCRA shall also be a solid waste for the purposes of this Article.

c. Oils and other liquid hydrocarbons controlled under Article 21A of Chapter 143 of the General Statutes. However, any oils or other liquid hydrocarbons that meet the criteria for hazardous waste under RCRA shall also be a solid waste for the purposes of this Article.

d. Any source, special nuclear or byproduct material as defined by the Atomic Energy Act of 1954, as amended (42 U.S.C. § 2011).

e. **(Effective until August 1, 2015)** Mining refuse covered by the North Carolina Mining Act, G.S. 74-46 through 74-68 and regulated by the North Carolina Mining and Energy Commission (as defined under G.S. 143B-293.1). However, any specific mining waste that meets the criteria for hazardous waste under RCRA shall also be a solid waste for the purposes of this Article.

e. **(Effective August 1, 2015)** Mining refuse covered by the North Carolina Mining Act, G.S. 74-46 through 74-68 and regulated by the North Carolina Mining Commission (as defined under G.S. 143B-293.1). However, any specific mining waste that meets the criteria for hazardous waste under RCRA shall also be a solid waste for the purposes of this Article.

f. Recovered material.

g. Steel slag that is a product of the electric arc furnace steelmaking process; provided, that such steel slag is sold and distributed in the stream of commerce for consumption, use, or further processing into another desired commodity and is managed as an item of commercial value in a controlled manner and not as a discarded material or in a manner constituting disposal.

…."

SECTION 2.(b) G.S. 130A-309.05 reads as rewritten:

"§ **130A-309.05. Regulated wastes; certain exclusions.**

(a) Notwithstanding other provisions of this Article, the following waste shall be regulated pursuant to this Part:

(1) Medical waste; and

(2) Ash generated by a solid waste management facility from the burning of solid waste.

(b) Ash generated by a solid waste management facility from the burning of solid waste shall be disposed of in a properly designed solid waste disposal area that complies with

standards developed by the Department for the disposal of the ash. The Department shall work with solid waste management facilities that burn solid waste to identify and develop methods for recycling and reusing incinerator ash or treated ash.

(c) Recovered material is not subject to regulation as solid waste under this Article. In order for a material that would otherwise be regulated as solid waste to qualify as a recovered material, the Department may require any person who owns or has control over the material to demonstrate that the material meets the requirements of this subsection. In order to protect public health and the environment, the Commission may adopt rules to implement this subsection. Materials that are accumulated speculatively, as that term is defined under 40 Code of Federal Regulations § 261 (July 1, 2014 Edition), shall not qualify as a recovered material, and shall be subject to regulation as solid waste. In order to qualify as a recovered ~~material:~~material, the material shall be managed as a valuable commodity in a manner consistent with the desired use or end use, and all of the following conditions shall be met:

(1) ~~A majority~~ Seventy-five percent (75%), by weight or volume, of the recovered material stored at a facility at the beginning of a calendar year commencing January 1, shall be ~~sold, used, or reused within one year;~~removed from the facility through sale, use, or reuse by December 31 of the same year.

(2) The recovered material or the products or by-products of operations that process recovered material shall not be discharged, deposited, injected, dumped, spilled, leaked, or placed into or upon any land or water so that the products or by-products or any constituent thereof may enter other lands or be emitted into the air or discharged into any waters including groundwaters, or otherwise enter the environment or pose a threat to public health and ~~safety; and~~safety. Facilities that process recovered material shall be operated in a manner to ensure compliance with this subdivision.

(3) The recovered material shall not be a hazardous waste or have been recovered from a hazardous waste.

(4) The recovered material shall not contain significant concentrations of foreign constituents that render it unserviceable or inadequate for sale, or its intended use or reuse."

SECTION 2.(c) G.S. 130A-294 is amended by adding two new subsections to read:

"§ **130A-294. Solid waste management program.**

…

(t) Construction and demolition debris diverted from the waste stream or collected as source separated material is subject to a solid waste permit for transfer, treatment, and processing in a permitted solid waste management facility. The Department may adopt rules to implement this subsection.

(u) Garbage diverted from the waste stream or collected as source separated material is subject to a solid waste permit for transfer, treatment, and processing in a permitted solid waste management facility. The Department may adopt rules to implement this subsection."

SECTION 2.(d) G.S. 130A-309.131 reads as rewritten:

"§ **130A-309.131. Definitions.**

As used in this Part, the following definitions apply:

(1) Business entity. – Defined in G.S. 55-1-40(2a).

(2) Computer equipment. – Any ~~desktop~~ computer, ~~notebook computer,~~ monitor or video display unit for a computer system, and the ~~keyboard, mice, other~~ peripheral ~~equipment,~~ equipment except keyboards and mice, and a printing device such as a printer, a scanner, a combination print-scanner-fax machine, or other device designed to produce hard paper copies from a computer. Computer equipment does not include an automated typewriter, professional workstation, server, ICI device, ICI system, mobile telephone, portable

handheld calculator, portable digital assistant (PDA), MP3 player, or other similar device; an automobile; a television; a household appliance; a large piece of commercial or industrial equipment, such as commercial medical equipment, that contains a cathode ray tube, a cathode ray tube device, a flat panel display, or similar video display device that is contained within, and is not separate from, the larger piece of equipment, or other medical devices as that term is defined under the federal Food, Drug, and Cosmetic Act.

…

(6) ~~Desktop computer. –~~ Computer. – An electronic, magnetic, optical, electrochemical, or other high-speed data processing device that has all of the following features:

a. Performs logical, arithmetic, and storage functions for general purpose needs that are met through interaction with a number of software programs contained in the computer.

b. Is not designed to exclusively perform a specific type of limited or specialized application.

c. Achieves human interface through a ~~stand-alone~~ keyboard, ~~stand-alone monitor or other~~ display unit, and ~~a stand-alone~~ mouse or other pointing device.

d. Is designed for a single user.

~~e. Has a main unit that is intended to be persistently located in a single location, often on a desk or on the floor.~~

…

(9a) Electronic device. – Machinery that is powered by a battery or an electrical cord.

…

~~(11) Notebook computer. – An electronic, magnetic, optical, electrochemical, or other high-speed data processing device that has all of the following features:~~

~~a. Performs logical, arithmetic, or storage functions for general purpose needs that are met through interaction with a number of software programs contained in the computer.~~

~~b. Is not designed to exclusively perform a specific type of limited or specialized application.~~

~~c. Achieves human interface through a keyboard, video display greater than four inches in size, and mouse or other pointing device, all of which are contained within the construction of the unit that comprises the computer.~~

~~d. Is able to be carried as one unit by an individual.~~

~~e. Is able to use external power, internal power, or batteries for a power source.~~

~~Notebook computer includes those that have a supplemental stand-alone interface device attached to the notebook computer. Notebook computer does not include a portable handheld calculator, a PDA, or similar specialized device. A notebook computer may also be referred to as a laptop computer.~~

…."

SECTION 2.(e) Part 2H of Article 9 of Chapter 130A of the General Statutes is amended by adding a new section to read:

"**§ 130A-309.142. Registration of facilities recovering or recycling electronics required.**

Facilities that recover or recycle covered devices or other electronic devices diverted from the waste stream for transfer, treatment, or processing shall register annually with the

Department on or before August 1 of each year upon such form as the Department may prescribe."

PART III. COAL ASH MANAGEMENT TECHNICAL CORRECTIONS AND AMENDMENTS

SECTION 3.1.(a) G.S. 130A-309.201 reads as rewritten:

"§ **130A-309.201. Definitions.**

Unless a different meaning is required by the context, the definitions of G.S. 130A-290 and the following definitions apply throughout this Part:

…

(7) "Commission" means the ~~Environmental~~ Coal Ash Management Commission.

…."

SECTION 3.1.(b) G.S. 130A-309.205 is amended by adding a new subsection to read:

"§ **130A-309.205. Local ordinances regulating management of coal combustion residuals and coal combustion products invalid; petition to preempt local ordinance.**

…

(a1) As used in this section, "Commission" means the Environmental Management Commission.

…."

SECTION 3.1.(c) G.S. 130A-309.220 reads as rewritten:

"§ **130A-309.220. Design, construction, and siting requirements for projects using coal combustion products for structural fill.**

(a) Design, Construction, and Operation of Structural Fill Sites. –

…

(6) The coal combustion product structural fill project shall be effectively maintained and operated to ensure no violations of groundwater standards adopted by the Environmental Management Commission pursuant to Article 21 of Chapter 143 of the General Statutes due to the project.

…."

SECTION 3.2. Section 3(c) of S.L. 2014-122 reads as rewritten:

"**SECTION 3.(c)** The impoundments identified in subsection (b) of this section shall be closed as follows:

…

(3) If restoration of groundwater quality is degraded as a result of the impoundment, corrective action to restore groundwater quality shall be implemented by the owner or operator as provided in ~~G.S. 130A-309.204.~~ G.S. 130A-309.211."

SECTION 3.3. Section 3(f) of S.L. 2014-122 reads as rewritten:

"**SECTION 3.(f)** This section is effective when it becomes law. G.S. 130A-309.202, as enacted by Section 3(a) of this act, is repealed June 30, 2030. Subpart 3 of Part 2I of Article 9 of the General Statutes, as enacted by Section 3(a) of this act, applies to the use of coal combustion products as structural fill contracted for on or after that date. ~~The first report due under G.S. 130A-309.210, as enacted by Section 3(a) of this act, is due November 1, 2014.~~ Members to be appointed pursuant to G.S. 130A-309.202(b), as enacted by Section 3(a) of this act, shall be appointed no later than October 1, 2014."

SECTION 3.4.(a) Section 4(b) of S.L. 2014-122 reads as rewritten:

"**SECTION 4.(b)** Coal combustion products may be used as structural fill for any of the following types of projects:

(1) A project where the structural fill is used with a base liner, leachate collection system, cap liner, ~~or~~ groundwater monitoring ~~system~~ system, and

where the constructor or operator establishes financial assurance, as required by G.S. 130A–309.217.

(2) As the base or sub-base of a concrete or asphalt paved road constructed under the authority of a public entity."

SECTION 3.4.(b) Section 4(f) of S.L. 2014-122 reads as rewritten:

"**SECTION 4.(f)** This section is effective when it becomes law and applies to the use of coal combustion ~~residuals~~ products as structural fill contracted for on or after that date."

SECTION 3.4.(c) This section is effective retroactively to September 20, 2014, and applies to the use of coal combustion products as structural fill contracted for on or after that date.

SECTION 3.5. G.S. 143-215.1(k) reads as rewritten:

"(k) Where operation of a disposal system permitted under this section results in exceedances of the groundwater quality standards at or beyond the compliance boundary, the Commission shall require the permittee to undertake corrective action, without regard to the date that the system was first permitted, to restore the groundwater quality by assessing the cause, significance, and extent of the violation of standards and submit the results of the investigation and a plan and proposed schedule for corrective action to the ~~Director or the Director's designee.~~Secretary. The permittee shall implement the plan as approved by, and in accordance with, a schedule established by the ~~Director or the Director's designee.~~Secretary. In establishing a schedule the ~~Director or the Director's designee~~Secretary shall consider any reasonable schedule proposed by the permittee."

SECTION 3.6. G.S. 62-302.1 reads as rewritten:

"§ **62-302.1. Regulatory fee for combustion residuals surface impoundments.**

…

(c) When Due. – The fee shall be paid in quarterly installments. The fee is payable to the Coal Ash Management Commission on or before the 15th of the second month following the end of each quarter. Each public utility subject to this fee shall, on or before the date the fee is due for each quarter, prepare and render a report on a form prescribed by the Coal Ash Management Commission. The report shall state the public utility's total North Carolina jurisdictional revenues for the preceding quarter and shall be accompanied by any supporting documentation that the Coal Ash Management Commission may by rule require. Receipts shall be reported on an accrual basis.

(d) Use of Proceeds. – A special fund in the Office of State Treasurer and the Coal Ash Management Commission is created. The fees collected pursuant to this section and all other funds received by the Coal Ash Management Commission shall be deposited in the Coal Combustion Residuals Management Fund. The Fund shall be placed in an interest-bearing account, and any interest or other income derived from the Fund shall be credited to the Fund. Moneys in the Fund shall only be spent pursuant to appropriation by the General Assembly. The Coal Ash Management Commission shall be subject to the provisions of the State Budget Act, except that no unexpended surplus of the Coal Combustion Residuals Management Fund shall revert to the General Fund. All funds credited to the Fund shall be used only to pay the expenses of the Coal Ash Management Commission and the Department of Environment and Natural Resources in providing oversight of coal combustion residuals.

(e) Recovery of Fee. – The North Carolina Utilities Commission shall not allow an electric public utility to recover this fee from the retail electric customers of the State."

SECTION 3.7. G.S. 113-415 reads as rewritten:

"§ **113-415. Conflicting laws.**

No provision of this Article shall be construed to repeal, amend, abridge or otherwise affect the authority and responsibility (i) vested in the Environmental Management Commission by Article 7 of Chapter 87 of the General Statutes, pertaining to the location, construction, repair, operation and abandonment of wells; (ii) vested in the Environmental Management Commission related to the control of water and air pollution as provided in Articles 21 and 21A of Chapter 143 of the General Statutes; (iii) vested in the Department and the ~~Environmental~~

~~Management~~ Commission for Public Health by Article 10 of Chapter 130A of the General Statutes pertaining to public water-supply requirements; or (iv) vested in the Environmental Management Commission related to the management of solid and hazardous waste as provided in Article 9 of Chapter 130A of the General Statutes."

PART IV. CHANGE NAME OF ECOSYSTEM ENHANCEMENT PROGRAM TO DIVISION OF MITIGATION SERVICES

SECTION 4.1. G.S. 143-214.8 reads as rewritten:

"§ **143-214.8. ~~Ecosystem Enhancement Program:~~Division of Mitigation Services: established.**

The ~~Ecosystem Enhancement Program~~Division of Mitigation Services is established within the Department of Environment and Natural Resources. The ~~Ecosystem Enhancement Program~~Division of Mitigation Services shall be developed by the Department as a nonregulatory statewide ~~ecosystem enhancement~~mitigation services program for the acquisition, maintenance, restoration, enhancement, and creation of wetland and riparian resources that contribute to the protection and improvement of water quality, flood prevention, fisheries, wildlife habitat, and recreational opportunities. The ~~Ecosystem Enhancement Program~~Division of Mitigation Services shall consist of the following components:

(1) Restoration and perpetual maintenance of wetlands.
(2) Development of restoration plans.
(3) Landowner contact and land acquisition.
(4) Evaluation of site plans and engineering studies.
(5) Oversight of construction and monitoring of restoration sites.
(6) Land ownership and management.
(7) Mapping, site identification, and assessment of wetlands functions.
(8) Oversight of private wetland mitigation banks to facilitate the components of the ~~Ecosystem Enhancement Program.~~Division of Mitigation Services."

SECTION 4.2. G.S. 143-214.9 reads as rewritten:

"§ **143-214.9. ~~Ecosystem Enhancement Program:~~Division of Mitigation Services: purposes.**

The purposes of the ~~program~~ Division of Mitigation Services are as follows:

(1) To restore wetlands functions and values across the State to replace critical functions lost through historic wetlands conversion and through current and future permitted impacts. It is not the policy of the State to destroy upland habitats unless it would further the purposes of the ~~Wetlands Restoration Program.~~Division of Mitigation Services.
(2) To provide a consistent and simplified approach to address mitigation requirements associated with permits or authorizations issued by the United States Army Corps of Engineers under 33 U.S.C. § 1344.
(3) To streamline the wetlands permitting process, minimize delays in permit decisions, and decrease the burden of permit applicants of planning and performing compensatory mitigation for wetlands losses.
(4) To increase the ecological effectiveness of compensatory mitigation.
(5) To achieve a net increase in wetland acres, functions, and values in each major river basin.
(6) To foster a comprehensive approach to environmental protection."

SECTION 4.3. G.S. 143-214.10 reads as rewritten:

"§ **143-214.10. ~~Ecosystem Enhancement Program:~~Division of Mitigation Services: development and implementation of basinwide restoration plans.**

Develop Basinwide Restoration Plans. – The Department shall develop basinwide plans for wetlands and riparian area restoration with the goal of protecting and enhancing water quality, flood prevention, fisheries, wildlife habitat, and recreational opportunities within each of the 17 major river basins in the State. The Department shall develop and implement a basinwide

restoration plan for each of the 17 river basins in the State in accordance with the basinwide schedule currently established by the Division of Water Resources."

SECTION 4.4. G.S. 143-214.11 reads as rewritten:

"§ **143-214.11. ~~Ecosystem Enhancement Program:~~Division of Mitigation Services: compensatory mitigation.**

(a) Definitions. – The following definitions apply to this section:

(1) Compensatory mitigation. – The restoration, creation, enhancement, or preservation of jurisdictional waters required as a condition of a permit issued by the Department or by the United States Army Corps of Engineers.

(1a) Compensatory mitigation bank. – A private compensatory mitigation bank or an existing local compensatory mitigation bank.

(1b) Existing local compensatory mitigation bank. – A mitigation bank operated by a unit of local government that is a party to a mitigation banking instrument executed on or before July 1, 2011, notwithstanding subsequent amendments to such instrument executed after July 1, 2011.

(2) Government entity. – The State and its agencies and subdivisions, or the federal government. "Government entity" does not include a unit of local government unless the unit of local government was a party to a mitigation banking instrument executed on or before July 1, 2011, notwithstanding subsequent amendments to such instrument executed after July 1, 2011.

(3) Hydrologic area. – An eight-digit Cataloging Unit designated by the United States Geological Survey.

(4) Jurisdictional waters. – Wetlands, streams, or other waters of the State or of the United States.

(4a) Mitigation banking instrument. – The legal document for the establishment, operation, and use of a mitigation bank.

(4b) Private compensatory mitigation bank. – A site created by a private compensatory mitigation provider and approved for mitigation credit by State and federal regulatory authorities through execution of a mitigation banking instrument. No site owned by a government entity or unit of local government shall be considered a "private compensatory mitigation bank."

(5) Unit of local government. – A "local government," "public authority," or "special district" as defined in G.S. 159-7.

(b) Department to Coordinate Compensatory Mitigation. – All compensatory mitigation required by permits or authorizations issued by the Department or by the United States Army Corps of Engineers shall be coordinated by the Department consistent with the basinwide restoration plans and rules developed by the Environmental Management Commission. All compensatory mitigation, whether performed by the Department or by permit applicants, shall be consistent with the basinwide restoration plans. All compensatory mitigation shall be consistent with rules adopted by the Commission for wetland and stream mitigation and for protection and maintenance of riparian buffers.

(c) Compensatory Mitigation Emphasis on Replacing Ecological Function Within Same River Basin. – The emphasis of compensatory mitigation is on replacing functions within the same river basin unless it is demonstrated that restoration of other areas would be more beneficial to the overall purposes of the ~~Ecosystem Enhancement Program.~~Division of Mitigation Services.

(d) Compensatory Mitigation Options Available to Government Entities. – A government entity may satisfy compensatory mitigation requirements by the following actions, if those actions are consistent with the basinwide restoration plans and also meet or exceed the requirements of the Department or of the United States Army Corps of Engineers, as applicable:

(1) Payment of a fee established by the Commission into the Ecosystem Restoration Fund established in G.S. 143-214.12.

(2) Donation of land to the ~~Ecosystem Enhancement Program~~Division of Mitigation Services or to other public or private nonprofit conservation organizations as approved by the Department.

(3) Participation in a compensatory mitigation bank that has been approved by the United States Army Corps of Engineers, provided that the Department or the United States Army Corps of Engineers, as applicable, approves the use of such bank for the required compensatory mitigation.

(4) Preparing and implementing a compensatory mitigation plan.

(d1) Compensatory Mitigation Options Available to Applicants Other than Government Entities. – An applicant other than a government entity may satisfy compensatory mitigation requirements by the following actions, if those actions meet or exceed the requirements of the United States Army Corps of Engineers:

(1) Participation in a compensatory mitigation bank that has been approved by the United States Army Corps of Engineers, provided that the Department or the United States Army Corps of Engineers, as applicable, approves the use of such bank for the required compensatory mitigation. This option is only available in a hydrologic area where there is at least one compensatory mitigation bank that has been approved by the United States Army Corps of Engineers.

(2) Payment of a fee established by the Commission into the Ecosystem Restoration Fund established in G.S. 143-214.12. – This option is only available to an applicant who demonstrates that the option under subdivision (1) of this subsection is not available.

(3) Donation of land to the ~~Ecosystem Enhancement Program~~Division of Mitigation Services or to other public or private nonprofit conservation organizations as approved by the Department.

(4) Preparing and implementing a compensatory mitigation plan.

(e) Payment Schedule. – A standardized schedule of compensatory mitigation payment amounts shall be established by the Commission. Compensatory mitigation payments shall be made by applicants to the Ecosystem Restoration Fund established in G.S. 143-214.12. The monetary payment shall be based on the ecological functions and values of wetlands and streams permitted to be lost and on the cost of restoring or creating wetlands and streams capable of performing the same or similar functions, including directly related costs of wetland and stream restoration planning, long-term monitoring, and maintenance of restored areas. Compensatory mitigation payments for wetlands shall be calculated on a per acre basis. Compensatory mitigation payments for streams shall be calculated on a per linear foot basis.

(f) Mitigation Banks. – State agencies and mitigation banks shall demonstrate that adequate, dedicated financial surety exists to provide for the perpetual land management and hydrological maintenance of lands acquired by the State as mitigation banks, or proposed to the State as privately operated and permitted mitigation banks.

(g) Payment for Taxes. – A State agency acquiring land to restore, enhance, preserve, or create wetlands must also pay a sum in lieu of ad valorem taxes lost by the county in accordance with G.S. 146-22.3.

(h) Sale of Mitigation Credits by Existing Local Compensatory Mitigation Bank. – An existing local compensatory mitigation bank shall comply with the requirements of Article 12 of Chapter 160A of the General Statutes applicable to the disposal of property whenever it transfers any mitigation credits to another person.

(i) The ~~Ecosystem Enhancement Program~~Division of Mitigation Services shall exercise its authority to provide for compensatory mitigation under the authority granted by this section to use mitigation procurement programs in the following order of preference:

(1) Full delivery/bank credit purchase program. – The ~~Ecosystem Enhancement Program~~Division of Mitigation Services shall first seek to meet compensatory mitigation procurement requirements through the ~~Program's~~

Division's full delivery program or by the purchase of credits from a private compensatory mitigation bank.

(2) Existing local compensatory mitigation bank credit purchase program. – Any compensatory mitigation procurement requirements that are not fulfillable under subdivision (1) of this subsection shall be procured from an existing local compensatory mitigation bank, provided that the credit purchase is made to mitigate the impacts of a project located within the mitigation bank service area and hydrologic area of the existing local compensatory mitigation bank.

(3) Design/build program. – Any compensatory mitigation procurement requirements that are not fulfillable under subdivision (1) or (2) of this subsection shall be procured under a program in which ~~Ecosystem Enhancement Program~~the Division of Mitigation Services contracts with one private entity to lead or implement the design, construction, and postconstruction monitoring of compensatory mitigation at sites obtained by the ~~Ecosystem Enhancement Program.~~Division of Mitigation Services. Such a program shall be considered the procurement of compensatory mitigation credits.

(4) Design-bid-build program. – Any compensatory mitigation procurement requirements that are not fulfillable under either subdivision (1) or (2) of this subsection may be procured under the ~~Ecosystem Enhancement Program's~~Division of Mitigation Services' design-bid-build program. The ~~Ecosystem Enhancement Program~~Division of Mitigation Services may utilize this program only when procurement under subdivision (1) or (2) of this subsection is not feasible. Any mitigation site design work currently being performed through contracts awarded under the design-bid-build program shall be allowed to continue as scheduled. Contracts for construction of projects with a design already approved by the ~~Ecosystem Enhancement Program~~Division of Mitigation Services shall be awarded by the ~~Ecosystem Enhancement Program~~Division of Mitigation Services by issuing a Request for Proposal (RFP). Only contractors who have prequalified under procedures established by the ~~Ecosystem Enhancement Program~~Division of Mitigation Services shall be eligible to bid on ~~Ecosystem Enhancement Program~~Division of Mitigation Services construction projects. Construction contracts issued under this subdivision shall be exempt from the requirements of Article 8B of Chapter 143 of the General Statutes.

(j) The regulatory requirements for the establishment, operation, and monitoring of a compensatory mitigation bank or full delivery project shall vest at the time of the execution of the mitigation banking instrument or the award of a full delivery contract."

SECTION 4.5. G.S. 143-214.12 reads as rewritten:

"§ **143-214.12. ~~Ecosystem Enhancement Program:~~Division of Mitigation Services: Ecosystem Restoration Fund.**

(a) Ecosystem Restoration Fund. – The Ecosystem Restoration Fund is established as a nonreverting fund within the Department. The Fund shall be treated as a special trust fund and shall be credited with interest by the State Treasurer pursuant to G.S. 147-69.2 and G.S. 147-69.3. The Ecosystem Restoration Fund shall provide a repository for monetary contributions and donations or dedications of interests in real property to promote projects for the restoration, enhancement, preservation, or creation of wetlands and riparian areas and for payments made in lieu of compensatory mitigation as described in subsection (b) of this section. No funds shall be expended from this Fund for any purpose other than those directly contributing to the acquisition, perpetual maintenance, enhancement, restoration, or creation of wetlands and riparian areas in accordance with the basinwide plan as described in

G.S. 143-214.10. The cost of acquisition includes a payment in lieu of ad valorem taxes required under G.S. 146-22.3 when the Department is the State agency making the acquisition.

(a1) The Department may distribute funds from the Ecosystem Restoration Fund directly to a federal or State agency, a local government, or a private, nonprofit conservation organization to acquire, manage, and maintain real property or an interest in real property for the purposes set out in subsection (a) of this section. A recipient of funds under this subsection shall grant a conservation easement in the real property or interest in real property acquired with the funds to the Department in a form that is acceptable to the Department. The Department may convey real property or an interest in real property that has been acquired under the ~~Ecosystem Enhancement Program~~ Division of Mitigation Services to a federal or State agency, a local government, or a private, nonprofit conservation organization to acquire, manage, and maintain real property or an interest in real property for the purposes set out in subsection (a) of this section. A grantee of real property or an interest in real property under this subsection shall grant a conservation easement in the real property or interest in real property to the Department in a form that is acceptable to the Department.

(b) Authorized Methods of Payment. – A person subject to a permit or authorization issued by the United States Army Corps of Engineers under 33 U.S.C. § 1344 may contribute to the ~~Ecosystem Enhancement Program~~Division of Mitigation Services in order to comply with conditions to, or terms of, the permit or authorization if participation in the ~~Ecosystem Enhancement Program~~Division of Mitigation Services will meet the mitigation requirements of the United States Army Corps of Engineers. The Department shall, at the discretion of the applicant, accept payment into the Ecosystem Restoration Fund in lieu of other compensatory mitigation requirements of any authorizations issued by the United States Army Corps of Engineers under 33 U.S.C. § 1344 if the contributions will meet the mitigation requirements of the United States Army Corps of Engineers. Payment may be made in the form of monetary contributions according to a fee schedule established by the Environmental Management Commission or in the form of donations of real property provided that the property is approved by the Department as a suitable site consistent with the basinwide wetlands restoration plan.

(c) Accounting of Payments. – The Department shall provide an itemized statement that accounts for each payment into the Fund. The statement shall include the expenses and activities financed by the payment."

SECTION 4.6. G.S. 143-214.13 reads as rewritten:

"§ **143-214.13. ~~Ecosystem Enhancement Program:~~Division of Mitigation Services: reporting requirement.**

(a) The Department of Environment and Natural Resources shall report each year by November 1 to the Environmental Review Commission and to the Joint Legislative Commission on Governmental Operations regarding its progress in implementing the ~~Ecosystem Enhancement Program~~Division of Mitigation Services and its use of the funds in the Ecosystem Restoration Fund. The report shall document statewide wetlands losses and gains and compensatory mitigation performed under G.S. 143-214.8 through G.S. 143-214.12. The report shall also provide an accounting of receipts and disbursements of the Ecosystem Restoration Fund, an analysis of the per-acre cost of wetlands restoration, and a cost comparison on a per-acre basis between the State's ~~Ecosystem Enhancement Program~~Division of Mitigation Services and private mitigation banks. The Department shall also send a copy of its report to the Fiscal Research Division of the General Assembly.

(b) The Department shall maintain an inventory of all property that is held, managed, maintained, enhanced, restored, or used to create wetlands under the ~~Ecosystem Enhancement Program.~~Division of Mitigation Services. The inventory shall also list all conservation easements held by the Department. The inventory shall be included in the annual report required under subsection (a) of this section."

SECTION 4.7. G.S. 143-214.14 reads as rewritten:

"§ **143-214.14. Cooperative State-local coalition water quality protection plans.**

(a) Definitions. – The following definitions apply in this section:

(1) "Basin" means a river basin as defined in G.S. 143-215.22G or any subbasin or segment thereof.
(2) "Coalition plan" means a water quality protection plan developed by a coalition of local governments for water quality protection of a basin.
(3) "Local government" means a city, county, special district, authority, or other political subdivision of the State.
(4) "Water quality protection" means management of water use, quantity, and quality.

(b) Legislative Findings. – This section establishes a framework to encourage State-local pollutant reduction strategies for basins under the supervision and coordination of the Commission. The General Assembly finds that:

(1) Water quality conditions and sources of water contamination may vary from one basin to another.
(2) Water quality conditions and sources of water contamination may vary within a basin.
(3) Some local governments have demonstrated greater capacity than others to protect and improve water quality conditions.
(4) In some areas of the State artificial alteration of watercourses by surface water impoundments or other means may have a significant effect on water quality.
(5) Imposition of standard basinwide water quality protection requirements and strategies may not equitably address the varying conditions and needs of all areas.
(6) There is a need to develop distinct approaches to address water quality protection in basins in the State, drawing upon the resources of local governments and the State, under the supervision and coordination of the Commission.

(c) Legislative Goals and Policies. – It is the goal of the General Assembly that, to the extent practicable, the State shall adopt water quality protection plans that are developed and implemented in cooperation and coordination with local governments and that the State shall adopt water quality protection requirements that are proportional to the relative contributions of pollution from all sources in terms of both the loading and proximity of those sources. Furthermore, it is the goal of the General Assembly to encourage and support State-local partnerships for improved water quality protection through the provision of technical and financial assistance available through the Clean Water Management Trust Fund, the ~~Ecosystem Enhancement Program,~~Division of Mitigation Services, the Ecosystem Restoration Fund, water quality planning and project grant programs, the State's revolving loan and grant programs for water and wastewater facilities, other funding sources, and future appropriations. The Commission shall implement these goals in accordance with the standards, procedures, and requirements set out in this section.

(d) The Commission may, as an alternative method of attaining water quality standards in a basin, approve a coalition plan proposed by a coalition of local governments whose territorial area collectively includes the affected basin in the manner provided by this section. The Commission may approve a coalition plan proposed by a coalition of local governments whose territorial area or water quality protection plan does not include all of an affected basin if the Commission determines that the omission will not adversely affect water quality.

(e) A coalition of local governments choosing to propose a coalition plan to the Commission shall do so through a nonprofit corporation the coalition of local governments incorporates with the Secretary of State.

(f) The Commission may approve a coalition plan only if the Commission first determines that:

(1) The basin under consideration is an appropriate unit for water quality planning.

(2) The coalition plan meets the requirements of subsection (g) of this section.

(3) The coalition of local governments has formed a nonprofit corporation pursuant to subsection (e) of this section.

(4) The coalition plan has been approved by the governing board of each local government that is a member of the coalition of local governments proposing the coalition plan.

(5) The coalition plan will provide a viable alternative method of attaining equivalent compliance with federal and State water quality standards, classifications, and management practices in the affected basin.

(g) A coalition plan shall include all of the following:

(1) An assessment of water quality and related water quantity management in the affected basin.

(2) A description of the goals and objectives for protection and improvement of water quality and related water quantity management in the affected basin.

(3) A workplan that describes proposed water quality protection strategies, including point and nonpoint source programs, for achieving the specified goals and objectives; an implementation strategy including specified tasks, timetables for action, implementation responsibilities of State and local agencies; and sources of funding, where applicable.

(4) A description of the performance indicators and benchmarks that will be used to measure progress in achieving the specified goals and objectives, and an associated monitoring framework.

(5) A timetable for reporting to the Commission on progress in implementing the coalition plan.

(h) A coalition plan shall cover a specified period. The coalition plan may provide for the phasing in of specific strategies, tasks, or mechanisms by specified dates within the period covered by the plan. The Commission may approve one or more successive coalition plan periods. The coalition plan may include strategies that vary among the subareas or jurisdictions of the geographic area covered by the coalition plan.

(i) If a local government chooses to withdraw from a coalition of local governments or fails to implement a coalition plan, the remaining members of a coalition of local governments may prepare and submit a revised coalition plan for approval by the Commission. If the Commission determines that an approved coalition plan no longer provides a viable alternative method of attaining equivalent compliance with federal and State water quality standards, classifications, and management practices, the Commission may suspend or revoke its approval of the coalition plan.

(j) The Commission may approve one or more amendments to a coalition plan proposed by a coalition of local governments through its nonprofit corporation with the approval of the governing board of each local government that is a member of the coalition of local governments that proposed the coalition plan.

(k) With the approval of the Commission, any coalition of local governments with an approved coalition plan may establish and implement a pollutant trading program for specific pollutants between and among point source dischargers and nonpoint pollution sources.

(l) The Commission shall submit an annual progress report on the implementation of this section to the Environmental Review Commission on or before 1 October of each year."

PART V. ENERGY POLICY COUNCIL AMENDMENTS

SECTION 5. G.S. 113B-3 reads as rewritten:

"§ **113B-3. Composition of Council; appointments; terms of members; <u>removal;</u> qualifications.**

(a) The Energy Policy Council shall consist of 13 members to be appointed as follows:

(1), (2) Repealed by Session Laws 2013-365, s. 8(c), effective July 29, 2013.

(2a) The Secretary of Environment and Natural ~~Resources.~~Resources, or the Secretary's designee.

(2b) The Secretary of ~~Commerce.~~Commerce, or the Secretary's designee.

(2c) The Lieutenant ~~Governor.~~Governor, or the Lieutenant Governor's designee.

(3) Ten public members who are citizens of the State of North Carolina and who are appointed in accordance with subsection (c) of this section.

(4) Repealed by Session Laws 2009-446, s. 4, effective August 7, 2009.

…

(d) A Council member shall be automatically removed from the Council if he or she fails to attend three successive Council meetings without just cause as determined by the remainder of the Council.

(e) The Governor shall have the power to remove any member of the Council from office for misfeasance, malfeasance, or nonfeasance in accordance with the provisions of G.S. 143B-13 of the Executive Organization Act of 1973."

PART VI. CLARIFY RULEMAKING DIRECTIVE

SECTION 6.(a) G.S. 113-391(a3) reads as rewritten:

"(a3) The Environmental Management Commission shall adopt rules, after consideration of recommendations from the Mining and Energy Commission, for all of the following purposes:

(1) Stormwater control for sites on which oil and gas exploration and development activities are conducted.

(2) Regulation of toxic air emissions from drilling ~~operations.~~ operations, if it determines that the State's current air toxics program and any federal regulations governing toxic air emissions from drilling operations to be adopted by the State by reference are inadequate to protect public health, safety, welfare, and the environment. In formulating appropriate standards, the Department shall assess emissions from oil and gas exploration and development activities that use horizontal drilling and hydraulic fracturing technologies, including emissions from associated truck traffic, in order to (i) determine the adequacy of the State's current air toxics program to protect landowners who lease their property to drilling operations and (ii) determine the impact on ozone levels in the area in order to determine measures needed to maintain compliance with federal ozone standards."

SECTION 6.(b) This section is effective retroactively to July 2, 2012.

PART VII. SEVERABILITY CLAUSE AND EFFECTIVE DATE

SECTION 7.1. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end the provisions of this act are severable.

SECTION 7.2. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 16th day of March, 2015.

Became law upon approval of the Governor at 8:56 p.m. on the 16th day of March, 2015.

Session Law 2015-2 **S.B. 20**

AN ACT TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE, TO DECOUPLE FROM CERTAIN PROVISIONS OF THE FEDERAL TAX INCREASE PREVENTION ACT OF 2014, TO MODIFY THE MOTOR FUELS TAX RATE, AND

TO MAKE CERTAIN REDUCTIONS WITHIN THE DEPARTMENT OF TRANSPORTATION FOR THE 2014-2015 FISCAL YEAR.

The General Assembly of North Carolina enacts:

PART I. IRC UPDATE

SECTION 1.1 G.S. 105-228.90(b)(1b) reads as rewritten:

"(1b) Code. – The Internal Revenue Code as enacted as of ~~December 31, 2013,~~ January 1, 2015, including any provisions enacted as of that date that become effective either before or after that date."

SECTION 1.2.(a) G.S. 105-130.5B(c) reads as rewritten:

"§ **105-130.5B. Adjustments when State decouples from federal accelerated depreciation and expensing.**

…

(c) Section 179 Expense. – For purposes of this subdivision, the definition of section 179 property has the same meaning as under section 179 of the Code as of ~~January 2, 2013.~~ January 1, 2015. A taxpayer who places section 179 property in service during a taxable year listed in the table below must add to the taxpayer's federal taxable income eighty-five percent (85%) of the amount by which the taxpayer's expense deduction under section 179 of the Code exceeds the dollar and investment limitation listed in the table below for the taxable year.

A taxpayer is allowed to deduct twenty percent (20%) of the add-back in each of the first five taxable years following the year the taxpayer is required to include the add-back in income.

Taxable Year of 85% Add-Back	**Dollar Limitation**	**Investment Limitation**
2010	$250,000	$800,000
2011	$250,000	$800,000
2012	$250,000	$800,000
2013	$25,000	$200,000
2014	$25,000	$200,000"

SECTION 1.2.(b) G.S. 105-153.6(c) reads as rewritten:

"§ **105-153.6. Adjustments when State decouples from federal accelerated depreciation and expensing.**

…

(c) Section 179 Expense. – For purposes of this subdivision, the definition of section 179 property has the same meaning as under section 179 of the Code as of ~~January 2, 2013.~~ January 1, 2015. A taxpayer who places section 179 property in service during a taxable year listed in the table below must add to the taxpayer's federal taxable income or adjusted gross income, as appropriate, eighty-five percent (85%) of the amount by which the taxpayer's expense deduction under section 179 of the Code exceeds the dollar and investment limitation listed in the table below for that taxable year. For taxable years before 2012, the taxpayer must add the amount to the taxpayer's federal taxable income. For taxable year 2012 and after, the taxpayer must add the amount to the taxpayer's adjusted gross income.

A taxpayer is allowed to deduct twenty percent (20%) of the add-back in each of the first five taxable years following the year the taxpayer is required to include the add-back in income.

Taxable Year of 85% Add-Back	**Dollar Limitation**	**Investment Limitation**
2010	$250,000	$800,000
2011	$250,000	$800,000
2012	$250,000	$800,000
2013	$25,000	$200,000
2014	$25,000	$200,000"

SECTION 1.3. G.S. 105-153.5 reads as rewritten:

"§ **105-153.5. Modifications to adjusted gross income.**

(a) Deduction Amount. – In calculating North Carolina taxable income, a taxpayer may deduct from adjusted gross income either the standard deduction amount provided in subdivision (1) of this subsection or the itemized deduction amount provided in subdivision (2) of this subsection that the taxpayer claimed under the Code. The deduction amounts are as follows:

(1) Standard deduction amount. – The standard deduction amount is zero for a person who is not eligible for a standard deduction under section 63 of the Code. For all other taxpayers, the standard deduction amount is equal to the amount listed in the table below based on the taxpayer's filing status:

Filing Status	**Standard Deduction**
Married, filing jointly	$15,000
Head of Household	12,000
Single	7,500
Married, filing separately	7,500.

(2) Itemized deduction amount. – An amount equal to the sum of the items listed in this subdivision. The amounts allowed under this subdivision are not subject to the overall limitation on itemized deductions under section 68 of the Code:

a. The amount allowed as a deduction for charitable contributions under section 170 of the Code for that taxable year. For taxable year 2014, a taxpayer who elected to take the income exclusion under section 408(d)(8) of the Code for a qualified charitable distribution from an individual retirement plan by a person who has attained the age of 70 1/2 may deduct the amount that would have been allowed as a charitable deduction under section 170 of the Code had the taxpayer not elected to take the income exclusion.

b. The amount allowed as a deduction for interest paid or accrued during the taxable year under section 163(h) of the Code with respect to any qualified residence plus the amount claimed by the taxpayer as a deduction for property taxes paid or accrued on real estate under section 164 of the Code for that taxable year. For taxable year 2014, the amount allowed as a deduction for interest paid or accrued during the taxable year under section 163(h) of the Code with respect to any qualified residence shall not include the amount for mortgage insurance premiums treated as qualified residence interest. The amount allowed under this sub-subdivision may not exceed twenty thousand dollars ($20,000). For spouses filing as married filing separately or married filing jointly, the total mortgage interest and real estate taxes claimed by both spouses combined may not exceed twenty thousand dollars ($20,000). For spouses filing as married filing separately with a joint obligation for mortgage interest and real estate taxes, the deduction for these items is allowable to the spouse who actually paid them. If the amount of the mortgage interest and real estate taxes paid by both spouses exceeds twenty thousand dollars ($20,000), these deductions must be prorated based on the percentage paid by each spouse. For joint obligations paid from joint accounts, the proration is based on the income reported by each spouse for that taxable year.

…

(d) Decoupling Adjustments. – In calculating North Carolina taxable income, a taxpayer must add to the taxpayer's adjusted gross income any of the following items that are not included in the taxpayer's adjusted gross income:

(1) For taxable year 2014, the amount excluded from the taxpayer's gross income for the discharge of qualified principal residence indebtedness under section 108 of the Code. The purpose of this subdivision is to decouple from the extension of the income exclusion under section 102 of the Tax Increase Prevention Act of 2014.

(2) For taxable year 2014, the amount of the taxpayer's deduction for qualified tuition and related expenses under section 222 of the Code. The purpose of this subdivision is to decouple from the extension of the federal above-the-line deduction under section 107 of the Tax Increase Prevention Act of 2014.

(3) For taxable year 2014, the amount excluded from the taxpayer's gross income for a qualified charitable distribution from an individual retirement plan by a person who has attained age 70 1/2 under section 408(d)(8) of the Code. The purpose of this subdivision is to decouple from the extension of the income exclusion under section 108 of the Tax Increase Prevention Act of 2014.

~~(d)~~(e) S Corporations. – Each shareholder's pro rata share of an S Corporation's income is subject to the adjustments provided in this section and in G.S. 105-153.6."

S**ECTION 1.4.** This Part is effective when the act becomes law. Notwithstanding Section 1.1 of this act, any amendments to the Internal Revenue Code enacted after December 31, 2013, that increase North Carolina taxable income for the 2014 taxable year are effective for taxable years beginning on or after January 1, 2015.

PART II. MOTOR FUEL TAX CHANGES

SECTION 2.1. Effective April 1, 2015, and notwithstanding G.S. 105-449.80, the motor fuel excise tax rate is thirty-six cents (36¢) a gallon.

SECTION 2.2.(a) G.S. 105-449.80 reads as rewritten:

"§ **105-449.80. Tax rate.**

(a) Rate. – ~~The motor fuel excise tax rate is a flat rate of seventeen and one-half cents (17 1/2¢) a gallon plus a variable wholesale component. The variable wholesale component is either three and one-half cents (3 1/2¢) a gallon or seven percent (7%) of the average wholesale price of motor fuel for the applicable base period, whichever is greater.~~

~~The two base periods are six-month periods; one ends on September 30 and one ends on March 31. The Secretary must set the tax rate twice a year based on the wholesale price for each base period. A tax rate set by the Secretary using information for the base period that ends on September 30 applies to the six-month period that begins the following January 1. A tax rate set by the Secretary using information for the base period that ends on March 31 applies to the six-month period that begins the following July 1.~~For the period that begins on January 1, 2016, and ends on June 30, 2016, the motor fuel excise tax rate is a flat rate of thirty-five cents (35¢) per gallon. For the period that begins on July 1, 2016, and ends on December 31, 2016, the motor fuel excise tax rate is a flat rate of thirty-four cents (34¢) per gallon. For the calendar years beginning on January 1, 2017, the motor fuel excise tax rate is a flat rate of thirty-four cents (34¢) per gallon, multiplied by a percentage. For calendar years beginning on or after January 1, 2018, the motor fuel excise tax rate is the amount for the preceding calendar year, multiplied by a percentage. The percentage is one hundred percent (100%) plus or minus the sum of the following:

(1) The percentage change in population for the applicable calendar year, as estimated under G.S. 143C-2-2, multiplied by seventy-five percent (75%).

(2) The annual percentage change in the Consumer Price Index for All Urban Consumers, multiplied by twenty-five percent (25%). For purposes of this

subdivision, "Consumer Price Index for All Urban Consumers" means the United States city average for energy index contained in the detailed report released in the October prior to the applicable calendar year by the Bureau of Labor Statistics of the United States Department of Labor.

~~(b) Wholesale Price. – The Secretary must determine the average wholesale price of motor fuel for each base period. To do this, the Secretary must use information on refiner and gas plant operator sales prices of finished motor gasoline and No. 2 diesel fuel for resale, published by the United States Department of Energy in the "Monthly Energy Review", or equivalent data.~~

~~The Secretary must compute the average sales price of finished motor gasoline for the base period, compute the average sales price for No. 2 diesel fuel for the base period, and then compute a weighted average of the results of the first two computations based on the proportion of tax collected on each under this Article for the base period. The Secretary must then convert the weighted average price to a cents-per-gallon rate and round the rate to the nearest one-tenth of a cent (1/10¢). If the converted cents-per-gallon rate is exactly between two-tenths of a cent (2/10¢) the Secretary must round the rate up to the higher of the two.~~

(c) Notification. – The Secretary must notify affected taxpayers of the tax rate to be in effect for each ~~six-month period~~ calendar year beginning January ~~1 and July~~ 1."

SECTION 2.2.(b) G.S. 105-449.107(c) reads as rewritten:

"(c) Sales Tax Amount. – Article 5 of Subchapter I of this Chapter determines the amount of State sales and use tax to be deducted under this section from a motor fuel excise tax refund. Articles 39, 40, and 42 of Subchapter VIII of this Chapter and the Mecklenburg First 1% Sales Tax Act determine the amount of local sales and use tax to be deducted under this section from a motor fuel excise tax refund. ~~The sales price and the cost price of motor fuel to be used in determining the amount to deduct is the average of the wholesale prices used under G.S. 105-449.80 to determine the excise tax rates in effect for the two six-month periods of the year for which the refund is claimed.~~"

SECTION 2.2.(c) G.S. 150B-2(8a) reads as rewritten:

"(8a) "Rule" means any agency regulation, standard, or statement of general applicability that implements or interprets an enactment of the General Assembly or Congress or a regulation adopted by a federal agency or that describes the procedure or practice requirements of an agency. The term includes the establishment of a fee and the amendment or repeal of a prior rule. The term does not include the following:

…

j. Establishment of the interest rate that applies to tax assessments under ~~G.S. 105-241.21 and the variable component of the excise tax on motor fuel under G.S. 105-449.80.~~G.S. 105-241.21.

…."

SECTION 2.3. G.S. 105-449.107(c) reads as rewritten:

"(c) Sales Tax Amount. – Article 5 of Subchapter I of this Chapter determines the amount of State sales and use tax to be deducted under this section from a motor fuel excise tax refund. Articles 39, 40, and 42 of Subchapter VIII of this Chapter and the Mecklenburg First 1% Sales Tax Act determine the amount of local sales and use tax to be deducted under this section from a motor fuel excise tax refund. The sales price and the cost price of motor fuel to be used in determining the amount to deduct is the average of the wholesale prices used under G.S. 105-449.80 to determine the excise tax ~~rates~~ rate in effect for the ~~two six-month periods of the~~ calendar year for which the refund is claimed."

SECTION 2.4.(a) Section 4.1 of S.L. 2014-100 reads as rewritten:

"**SECTION 4.1.** Appropriations from the State Highway Trust Fund for the maintenance and operation of the Department of Transportation and for other purposes as enumerated are adjusted for the fiscal year ending June 30, 2015, according to the following schedule.

Amounts set out in parentheses are reductions from Highway Trust Fund Appropriations for the 2014-2015 fiscal year.

Current Operations – Highway Trust Fund	**2014-2015**
Program Administration	($11,000,000)
Aid to Municipalities	0
Intrastate	0
Secondary Roads	0
Urban Loops	0
Mobility Fund	0
Turnpike Authority	0
Transfer to General Fund	0
Transfer to Highway Fund	0
Debt Service	0
Strategic Prioritization Funding Plan for Transportation Investments	~~67,993,140~~64,643,140
Total Highway Trust Fund Appropriations	**$ ~~1,162,393,140~~1,159,043,140**"

SECTION 2.4.(b) Section 4.2 of S.L. 2014-100 reads as rewritten:

"**SECTION 4.2.** Section 4.2 of S.L. 2013-360 is repealed. The Highway Trust Fund availability used in developing the 2014-2015 fiscal year budget is shown below:

Highway Trust Fund Availability Statement	**2014-2015**
Unreserved Fund Balance	$ 0
Estimated Revenue	~~1,162,370,000~~1,159,020,000
Adjustment to Revenue Availability:	
Motor Fuel Tax Refund Repeal (Taxi Cabs)	23,140
Total Highway Trust Fund Availability	**$ ~~1,162,393,140~~1,159,043,140**
Unappropriated Balance	$ 0"

SECTION 2.4.(c) Section 3.1 of S.L. 2014-100 reads as rewritten:

"**SECTION 3.1.** Appropriations from the State Highway Fund for the maintenance and operation of the Department of Transportation and for other purposes as enumerated are adjusted for the fiscal year ending June 30, 2015, according to the following schedule. Amounts set out in parentheses are reductions from Highway Fund Appropriations for the 2014-2015 fiscal year.

Current Operations – Highway Fund	**2014-2015**
Department of Transportation	
Administration	$ 1,949,344
Division of Highways	
Administration	0
Construction	0
Maintenance	53,407,586
Planning and Research	0
OSHA Program	(7,307)
Ferry Operations	(1,542,317)

State Aid to Municipalities	9,453,990
Intermodal Divisions	
Public Transportation	0
Aviation	(800,000)
Rail	(960,325)
Bicycle and Pedestrian	(30,043)
Governor's Highway Safety	(5,699)
Division of Motor Vehicles	(988,255)
Other State Agencies, Reserves, Transfers	7,354,812
Capital Improvements	0
Reductions Made Pursuant to Senate Bill 20: "IRC Update/Motor Fuel Tax Changes," 2015 Regular Session	(10,050,000)
Total Highway Fund Appropriations	**~~$1,984,142,286~~$1,974,092,286**"

SECTION 2.4.(d) Section 3.2 of S.L. 2014-100 reads as rewritten:

"**SECTION 3.2.** Section 3.2 of S.L. 2013-360 is repealed. The Highway Fund availability used in adjusting the 2014-2015 fiscal year budget is shown below:

Highway Fund Availability Statement	**2014-2015**
Unreserved Fund Balance	$ 12,000,000
Estimated Revenue	1,973,750,000
Adjustment to Revenue Availability:	
Motor Fuel Tax (Shallow Draft Navigation Channel Dredging Fund)	(1,677,134)
Motor Fuel Tax Refund Repeal (Taxi Cabs)	69,420
Reductions Made Pursuant to Senate Bill 20: "IRC Update/Motor Fuel Tax Changes," 2015 Regular Session	(10,050,000)
Revised Total Highway Fund Availability	**~~$1,984,142,286~~$1,974,092,286**
Unappropriated Balance	**$ 0**"

SECTION 2.4.(e) For the 2014-2015 fiscal year, appropriations to each certified fund code within the Highway Fund are hereby reduced by one and two-fifths percent (1 2/5%), which shall amount to a total reduction of five million nine hundred eight thousand one hundred twenty-one dollars ($5,908,121). In making the reductions required by this subsection, the following fund codes shall not be reduced:

(1) 84210-0852
(2) 84210-0862
(3) 84210-0864
(4) 84210-0865
(5) 84210-0867
(6) 84210-0868
(7) 84210-0871
(8) 84210-0873
(9) 84210-0877
(10) 84210-0878
(11) 84210-0881
(12) 84210-0882

(13) 84210-0885
(14) 84210-0889
(15) 84210-0892
(16) 84210-0893
(17) 84210-0933
(18) 84210-0934
(19) 84210-0935
(20) 84210-0937
(21) 84210-1165
(22) 84210-1260
(23) 84210-7040
(24) 84210-7615
(25) 84210-7818
(26) 84210-7821
(27) 84210-7822
(28) 84210-7824
(29) 84210-7825
(30) 84210-7826
(31) 84210-7827
(32) 84210-7828
(33) 84210-7834
(34) 84210-7836
(35) 84210-7839
(36) 84210-7841

SECTION 2.4.(f) For the 2014-2015 fiscal year, appropriations to each of the following certified fund codes within the Highway Fund are hereby reduced by one-half percent (1/2%), which shall amount to a total reduction of two million three hundred seventy-nine thousand nine hundred ninety-four dollars ($2,379,994):

(1) 84210-7821
(2) 84210-7822
(3) 84210-7841

SECTION 2.4.(g) For the 2014-2015 fiscal year, and notwithstanding any provision of law to the contrary, the Director of the Budget and the Secretary of Revenue shall make the following reductions:

(1) One million forty-five thousand two hundred dollars ($1,045,200) to the total amount of funds appropriated pursuant to G.S. 136-41.1.
(2) Sixteen thousand seven hundred fifty dollars ($16,750) to the total amount of funds credited to the Wildlife Resources Fund pursuant to G.S. 105-449.126.
(3) Sixteen thousand seven hundred fifty dollars ($16,750) to the total amount of funds credited to the Shallow Draft Navigation Channel and Lake Dredging Fund pursuant to G.S. 105-449.126.

SECTION 2.4.(h) The Secretary of the Department of Transportation shall eliminate a minimum of 40 vacant positions within the Department of Transportation to achieve a total reduction of six hundred eighty-three thousand one hundred eighty-five dollars ($683,185). The Secretary of the Department of Transportation may use lapsed salaries to meet the reduction required under this subsection.

SECTION 2.4.(i) Notwithstanding any provision of law to the contrary, the total amount of funds generated by the reductions in this act shall be used to support the maintenance and operation of the Department of Transportation and for other purposes as enumerated for the Department of Transportation in S.L. 2014-100. To the extent any of the funds generated by the reductions in this act are deemed unappropriated, these funds are hereby appropriated. The Director of the Budget shall modify the certified budget to reflect the reductions to appropriations made in this act.

SECTION 2.5. Sections 2.2 and 2.3 of this Part become effective January 1, 2016. Except as otherwise provided, this act is effective when it becomes law. Section 2.1 of this act expires January 1, 2016.

PART III. EFFECTIVE DATE

SECTION 3.1. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 31st day of March, 2015.

Became law upon approval of the Governor at 5:14 p.m. on the 31st day of March, 2015.

Session Law 2015-3 **S.B. 305**

AN ACT TO PROVIDE COST RECOVERY FOR ACQUISITION OF JOINT MUNICIPAL POWER AGENCY OWNERSHIP INTEREST IN GENERATING FACILITIES, TO AUTHORIZE MUNICIPALITIES THAT ARE MEMBERS OF JOINT MUNICIPAL POWER AGENCIES TO ENTER INTO SUPPORT CONTRACTS, AND TO ISSUE BONDS TO PAY THE COSTS OF PROJECTS THAT ARE SOLD.

The General Assembly of North Carolina enacts:

SECTION 1. Article 7 of Chapter 62 of the General Statutes is amended by adding a new section to read:

"**§ 62-133.14. Cost recovery for acquisition of joint municipal power agency ownership interest in generating facilities.**

(a) The Commission shall, upon the petition of an electric public utility and after hearing, approve an annual rider to the electric public utility's rates to recover the North Carolina retail portion of all reasonable and prudent costs incurred to acquire, operate, and maintain the proportional interest in electric generating facilities purchased from a joint agency established under Chapter 159B of the General Statutes. For the purposes of this section, "acquisition costs" means the amount paid by an electric public utility on or before December 31, 2016, to acquire the generating facilities, including the amount paid above the net book value of the generating facilities. The Commission shall adopt rules to implement the provisions of this section.

(b) In determining the amount of the rider, the Commission shall:

(1) Allow an electric public utility to recover acquisition costs, as reasonable and prudent costs. For the benefit of the consumer, the acquisition costs shall be levelized over the useful life of the assets at the time of acquisition.

(2) Include financing costs equal to the weighted average cost of capital as authorized by the Commission in the electric public utility's most recent general rate case.

(3) Include an estimate of operating costs based on prior year's experience and the costs projected for the next 12-month period for any proportional capital investments in the acquired electric generating facilities.

(4) Include adjustments to reflect the North Carolina retail portion of financing and operating costs related to the electric public utility's other used and useful generating facilities owned at the time of the acquisition to properly account for updated jurisdictional allocation factors.

(5) Utilize the customer allocation methodology approved by the Commission in the electric public utility's most recent general rate case.

(c) The Commission shall require that an electric public utility file the following proposed annual adjustments to the rider:

(1) Any under-recovery or over-recovery resulting from the operation of the rider.

(2) Any changes necessary to recover costs as forecast for the next 12-month period.

(3) Any changes to cost of capital determined in any general rate proceeding occurring after the initial establishment of the rider, where the cost of capital applies to both the remaining acquisition costs and additional capital investment in the electric generating facilities.

(4) Any changes to the customer allocation methodology determined in any general rate proceeding occurring after the initial establishment of the rider.

(d) Any rider established under this section will expire after the end of the useful life of the acquired electric generating facilities at the time of acquisition, with any remaining unrecovered costs deferred until the electric public utility's next general rate proceeding under G.S. 62-133."

SECTION 2. G.S. 159B-2 reads as rewritten:

"§ **159B-2. Legislative findings and purposes.**

The General Assembly hereby finds and determines that:

A critical situation exists with respect to the present and future supply of electric power and energy in the State of North Carolina;

The public utilities operating in the State have sustained greatly increased capital and operating costs;

Such public utilities have found it necessary to postpone or curtail construction of planned generation and transmission facilities serving the consumers of electricity in the State, increasing the ultimate cost of such facilities to the public utilities, and that such postponements and curtailments will have an adverse effect on the provision of adequate and reliable electric service in the State;

The above conditions have occurred despite substantial increases in electric rates;

In the absence of further material increases in electric rates, additional postponements and curtailments in the construction of additional generation and transmission facilities may occur, thereby impairing those utilities' ability to continue to provide an adequate and reliable source of electric power and energy in the State;

Seventy-two municipalities in the State have for many years owned and operated systems for the distribution of electric power and energy to customers in their respective service areas and are empowered severally to engage in the generation and transmission of electric power and energy;

Such municipalities owning electric distribution systems have an obligation to provide their inhabitants and customers an adequate, reliable and economical source of electric power and energy in the future;

In order to achieve the economies and efficiencies made possible by the proper planning, financing, sizing and location of facilities for the generation and transmission of electric power and energy which are not practical for any municipality acting alone, and to insure an adequate, reliable and economical supply of electric power and energy to the people of the State, it is desirable for the State of North Carolina to authorize municipal electric systems to jointly plan, finance, develop, own and operate electric generation and transmission facilities appropriate to their needs in order to provide for their present and future power requirements for all uses without supplanting or displacing the service at retail of other electric suppliers operating in the State; and

The joint planning, financing, development, ownership and operation of electric generation and transmission facilities by municipalities which own electric distribution systems and the issuance of revenue bonds for such purposes as provided in this Chapter is for a public use and for public and municipal purposes and is a means of achieving economies, adequacy and reliability in the generation of electric power and energy and in the meeting of future needs of the State and its inhabitants.

Municipal electric systems that have jointly planned, developed, acquired, owned, and financed electric generation and transmission facilities through joint agencies in furtherance of the purposes of this Chapter also may benefit from obtaining their power and energy requirements from replacement resources, the disposition of facilities owned by joint agencies, and the issuance by joint agencies of bonds to refinance the outstanding debt incurred with respect to facilities to the extent outstanding debt cannot be completely defeased in connection with the disposition of the facilities, and it is desirable for the State of North Carolina to facilitate the foregoing. Refinancing debt, and financing any collateral posting requirements incident to replacement power and energy resources that may be acquired, by the issuance of revenue bonds secured by payments by municipal electric systems, is for a public use and for a public and municipal purpose and is an alternative means, together with the disposition of the jointly owned facilities and acquisition of replacement sources of power and energy, of achieving economies, adequacy and reliability of electric power and energy supply, and in meeting the future needs of the State and its inhabitants.

In addition to the authority granted municipalities to jointly plan, finance, develop, own and operate electric generation and transmission facilities by Article 2 of this Chapter and the other powers granted in said Article 2, and in addition and supplemental to powers otherwise conferred on municipalities by the laws of this State for interlocal cooperation, it is desirable for the State of North Carolina to authorize municipalities and joint agencies to form joint municipal assistance agencies which shall be empowered to provide aid and assistance to municipalities in the construction, ownership, maintenance, expansion and operation of their electric systems, and to empower joint agencies authorized herein to provide aid and assistance to municipalities or joint municipal assistance agencies in the development and implementation of integrated resource planning, including, but not limited to, the evaluation of resources, generating facilities, alternative energy resources, conservation and load management programs, transmission and distribution facilities, and purchase power options, and in the development, construction and operation of supply-side and demand-side resources, in addition to exercising such other powers as hereinafter provided to joint municipal assistance agencies and joint agencies. In order to provide maximum economies and efficiencies to municipalities and the consuming public in the generation and transmission of electric power and energy contemplated by Article 2 of this Chapter, it is also desirable that the joint municipal assistance agencies authorized herein be empowered to act as provided in Article 3 of this Chapter and that such agency or agencies be empowered to act for and on behalf of any one or more municipalities or joint agencies, as requested, with respect to the construction, ownership, maintenance, expansion and operation of their electric systems; and that the joint agencies authorized herein be empowered to act as provided in Article 2 of this Chapter and that such joint agencies be empowered to act for and on behalf of any one or more municipalities or joint municipal assistance agencies, in each case as requested, with respect to the integrated resource planning and development, construction, and operation of supply-side and demand-side options described above."

SECTION 3. G.S. 159B-11 reads as rewritten:

"§ **159B-11. General powers of joint agencies; prerequisites to undertaking projects.**

(a) Each joint agency shall have all of the rights and powers necessary or convenient to carry out and effectuate the purposes and provisions of this Chapter, including, but without limiting the generality of the foregoing, the rights and powers:

(1) To adopt bylaws for the regulation of the affairs and the conduct of its business, and to prescribe rules, regulations and policies in connection with the performance of its functions and ~~duties;~~duties.

(2) To adopt an official seal and alter the same at ~~pleasure;~~pleasure.

(3) To acquire and maintain an administrative office building or office at such place or places as it may determine, which building or office may be used or owned alone or together with any other joint agency or agencies, joint municipal assistance agency, municipalities, corporations, associations or

persons under such terms and provisions for sharing costs and otherwise as may be ~~determined;~~determined.

(4) To sue and be sued in its own name, and to plead and be ~~impleaded;~~impleaded.

(5) To receive, administer and comply with the conditions and requirements respecting any gift, grant or donation of any property or ~~money;~~money.

(6) To acquire by purchase, lease, gift, or otherwise, or to obtain options for the acquisition of, any property, real or personal, improved or unimproved, including an interest in land less than the fee ~~thereof;~~thereof.

(7) To sell, lease, exchange, transfer or otherwise dispose of, or to grant options for any such purposes with respect to, any real or personal property or interest ~~therein;~~therein.

(8) To pledge, assign, mortgage or otherwise grant a security interest in any real or personal property or interest therein, including the right and power to pledge, assign or otherwise grant a security interest in any money, rents, charges or other revenues and any proceeds derived by the joint agency from the sales of property, insurance or condemnation ~~awards;~~awards.

(9) To issue bonds of the joint agency for the purpose of providing funds for any of its corporate ~~purposes;~~purposes.

(10) To study, plan, finance, construct, reconstruct, acquire, improve, enlarge, extend, better, own, operate and maintain one or more projects, either individually or jointly with one or more municipalities in this State or any state contiguous to this State owning electric distribution facilities or with any political subdivisions, agencies or instrumentalities of any state contiguous to this State or with other joint agencies created pursuant to this Chapter, and to pay all or any part of the costs thereof from the proceeds of bonds of the joint agency or from any other available funds of the joint agency; no provisions of law with respect to the acquisition, construction, or operation of property by other public bodies shall be applicable to any project as defined in this Chapter and as authorized by this subdivision unless the General Assembly shall specifically so ~~state;~~state.

(11) To authorize the construction, operation or maintenance of any project or projects by any person, firm, association, or corporation, public or ~~private;~~private.

(12) To acquire by private negotiated purchase or lease or otherwise an existing project, a project under construction, or other property, either individually or jointly, with one or more municipalities or joint agencies in this State or any state contiguous to this State owning electric distribution facilities or with any political subdivisions, agencies or instrumentalities of any state contiguous to this State or with other joint agencies created pursuant to this Chapter; to acquire by private negotiated purchase or lease or otherwise any facilities for the development, production, manufacture, procurement, handling, storage, fabrication, enrichment, processing or reprocessing of fuel of any kind or any facility or rights with respect to the supply of water, and to enter into agreements by private negotiation or otherwise, for a period not exceeding fifty (50) years, for the development, production, manufacture, procurement, handling, storage, fabrication, enrichment, processing or reprocessing of fuel of any kind or any facility or rights with respect to the supply of water; no provisions of law with respect to the acquisition, construction or operation of property by other public bodies shall be applicable to any agency created pursuant to this Chapter unless the legislature shall specifically so ~~state;~~state.

(13) To dispose of by private negotiated sale or lease, or otherwise, an existing project or a project under construction, or to dispose of by private negotiated sale or lease, or otherwise any facilities for the development, production, manufacture, procurement, handling, storage, fabrication, enrichment, processing or reprocessing of fuel of any kind or any facility or rights with respect to the supply of water; no provisions of law with respect to the disposition of property by other public bodies shall be applicable to an agency created pursuant to this Chapter unless the legislature shall specifically so ~~state;~~state.

(14) To fix, charge and collect rents, rates, fees and charges for electric power or energy and other services, facilities and commodities sold, furnished or supplied through any project or activity permitted in this ~~Chapter;~~Chapter.

(14a) To fix, charge, and collect payments pursuant to support contracts authorized by G.S. 159B-12(b).

(15) To generate, produce, transmit, deliver, exchange, purchase, sell for resale only, electric power or energy, and to enter into contracts for any or all such ~~purposes;~~purposes.

(16) To negotiate and enter into contracts for the purchase, sale for resale only, exchange, interchange, wheeling, pooling, transmission or use of electric power and energy with any person, firm, association, or corporation, public or ~~private;~~private.

(17) To make and execute contracts and other instruments necessary or convenient in the exercise of the powers and functions of the joint agency under this Chapter, including contracts with persons, firms, associations, or corporations, public or ~~private;~~private.

(18) To apply to the appropriate agencies of the State, the United States or any state thereof, and to any other proper agency, for such permits, licenses, certificates or approvals as may be necessary, and to construct, maintain and operate projects and undertake other activities permitted in this Chapter in accordance with such licenses, permits, certificates or approvals, and to obtain, hold and use such licenses, permits, certificates and approvals in the same manner as any other person or operating unit of any other ~~person;~~person.

(19) To employ engineers, architects, attorneys, real estate counselors, appraisers, financial advisors and such other consultants and employees as may be required in the judgment of the joint agency and to fix and pay their compensation from funds available to the joint agency therefor and to select and retain subject to approval of the Local Government Commission the financial consultants, underwriters and bond attorneys to be associated with the issuance of any bonds and to pay for services rendered by underwriters, financial consultants or bond attorneys out of the proceeds of any such issue with regard to which the services were ~~performed;~~performed.

(19a) To purchase power and energy, and services and facilities relating to the utilization of power and energy, from any source on behalf of its members and other customers and to furnish, sell, lease, exchange, transfer, or otherwise dispose of, or to grant options for any such purposes with respect to the same, to its members and other customers in such amounts, with such characteristics, for such periods of time and under such terms and conditions as the governing board of the joint agency shall ~~determine;~~determine.

(19b) To provide aid and assistance to municipalities, and to act for or on behalf of any municipality, in any activity related to the development and implementation of integrated resource planning, including, but not limited to, the evaluation of resources, generating facilities, alternative energy

resources, conservation and load management programs, transmission and distribution facilities, and purchased power options, and related to the development, construction and operation of supply-side and demand-side resources, and to do such other acts and things as provided in Article 3 of this Chapter as if the joint agency were a joint municipal assistance agency, and to carry out the powers granted in this Chapter in relation thereto; to provide aid and assistance to any joint municipal assistance agency in the exercise of its respective powers and ~~functions; and~~functions.

(20) To do all acts and things necessary, convenient or desirable to carry out the purposes, and to exercise the powers granted to the joint agency in this Chapter.

(b) No joint agency shall undertake any project required to be financed, in whole or in part, with the proceeds of bonds without the approval of a majority of its members. Before undertaking any project, a joint agency shall, based upon engineering studies and reports, determine that such project is required to provide for the projected needs for power and energy of its members from and after the date the project is estimated to be placed in normal and continuous operation and for a reasonable period of time thereafter. Prior to or simultaneously with granting a certificate of public convenience and necessity for any such generation project the North Carolina Utilities Commission, in a proceeding instituted pursuant to G.S. 159B-24 of this Chapter, shall approve such determination. In determining the future power requirements of the members of a joint agency, there shall be taken into account the following:

(1) The economies and efficiencies to be achieved in constructing on a large scale facilities for the generation of electric power and energy;

(2) Needs of the joint agency for reserve and peaking capacity and to meet obligations under pooling and reserve-sharing agreements reasonably related to its needs for power and energy to which the joint agency is or may become a party;

(3) The estimated useful life of such project;

(4) The estimated time necessary for the planning, development, acquisition, or construction of such project and the length of time required in advance to obtain, acquire or construct additional power supply for the members of the joint agency;

(5) The reliability and availability of existing alternative power supply sources and the cost of such existing alternative power supply sources.

A determination by the joint agency approved by the North Carolina Utilities Commission based upon appropriate findings of the foregoing matters shall be conclusive as to the appropriateness of a project to provide the needs of the members of a joint agency for power and energy unless a party to the proceeding aggrieved by the determination of said Commission shall file notice of appeal pursuant to Article 5 of Chapter 62 of the General Statutes of North Carolina.

Nothing herein contained shall prevent a joint agency from undertaking studies to determine whether there is a need for a project or whether such project is feasible."

SECTION 4. G.S. 159B-12 reads as rewritten:

"§ **159B-12. Sale of capacity and output by a joint agency; support contracts; other contracts with a joint agency.**

(a) Any municipality which is a member of the joint agency may contract to buy from the joint agency power and energy for its present or future requirements, including the capacity and output of one or more specified projects. As the creation of a joint agency is an alternative method whereby a municipality may obtain the benefits and assume the responsibilities of ownership in a project, any such contract may provide that the municipality so contracting shall be obligated to make the payments required by the contract whether or not a project is completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output of a project or the power and energy

contracted for, and that such payments under the contract shall not be subject to any reduction, whether by offset or otherwise, and shall not be conditioned upon the performance or nonperformance of the joint agency or any other member of the joint agency under the contract or any other instrument. Any contract with respect to the sale or purchase of capacity or output of a project entered into between a joint agency and its member municipalities may also provide that if one or more of such municipalities shall default in the payment of its or their obligations with respect to the purchase of said capacity or output, then in that event the remaining member municipalities which are purchasing capacity and output under the contract shall be required to accept and pay for and shall be entitled proportionately to and may use or otherwise dispose of the capacity or output which was to be purchased by the defaulting municipality. Notwithstanding the provisions of any other law to the contrary, any such contract with respect to the sale or purchase of capacity, output, power, or energy from a project may extend for a period not exceeding 50 years from the date a project is estimated to be placed in normal continuous operation.

(b) If any municipality which is a member of the joint agency has contracted to buy from the joint agency the capacity and output of one or more specified projects as contemplated by and containing characteristics authorized by subsection (a) of this section, and if the joint agency has acquired one or more projects and financed the acquisition of any project by issuing bonds pursuant to the provisions of this Chapter, and if the joint agency sells or otherwise disposes of any project, and if the proceeds of the sale or other disposition of any project, together with other moneys available to the joint agency for the purpose of paying the bonds, are not sufficient to pay or provide for the payment of the principal of, premium, if any, and interest on all of such bonds issued to finance the acquisition of the existing project or projects, the municipality may enter into a support contract with the joint agency to pay a proportionate share of the principal of, premium, if any, and interest on bonds issued by the joint agency to (i) refinance the bonds issued to finance the acquisition of any existing project being sold or otherwise disposed of that are not defeased from other sources, (ii) finance any collateral posting requirements of replacement power supply arrangements entered into by the joint agency, and (iii) finance any required reserves and other costs associated with the support contracts and the issuance of the bonds authorized by G.S. 159B-14.

As a support contract authorized by this subsection is a replacement for and in lieu of the payment obligations authorized by subsection (a) of this section related to an existing project or projects, any support contract may provide that the contracting municipality is obligated to make the payments required by the support contract unconditionally and without offset, counterclaim, or otherwise, and notwithstanding the performance or nonperformance of the joint agency under the support contract, or of any other municipality entering into a similar support contract with the joint agency, or the delivery of or failure to deliver power or energy or the performance or nonperformance by any party under any related power supply contract. Any support contract entered into between a joint agency and its member municipalities may also provide that if any municipality defaults in the payment of its obligations under the support contract, the remaining member municipalities subject to the contract are required to pay a proportionate share of the defaulted payments.

Notwithstanding the provisions of any other law to the contrary, the obligations of the municipality under a support contract may extend for a period of 30 years, except for accrued obligations as of the expiration of the period for which the contract may be continued until the accrued obligations are fully satisfied, and, with respect to administrative costs only, for a reasonable period of time thereafter.

Obligations under a support contract shall not be taken into account in computing any debt or other limitation that may be imposed by law. Being on account of the refinancing of obligations incurred in connection with the acquisition of a project or projects, the obligations of the municipality under any support contract shall constitute an operating expense of its municipal electric system for all purposes of G.S. 159-47 and other purposes, save only as may have been duly contracted with bondholders of the municipality.

(c) Any municipality may contract with a joint agency, or may contract indirectly with a joint agency through a joint municipal assistance agency, to implement the provisions of G.S. 159B-11(19a) and (19b). Notwithstanding the provisions of any law to the contrary, including, but not limited to, the provisions of G.S. 159B-44(13), any contract between a joint agency and a municipality or a joint municipal assistance agency (or between a municipality and a joint municipal assistance agency) to implement the provisions of G.S. 159B-11(19b) may extend for a period not exceeding 30 years; provided, that any such contract in respect of a capital project to be used by or for the benefit of a municipality shall be subject to the prior approval of the Local Government Commission of North Carolina. In reviewing any such contract for approval, said Local Government Commission shall consider the municipality's debt management procedures and policies, whether the municipality is in default with respect to its debt service obligations and such other matters as said Local Government Commission may believe to have a bearing on whether the contract should be approved.

(d) Notwithstanding the provisions of any law to the contrary, the execution and effectiveness of any contracts authorized by this section shall not be subject to any authorizations or approvals by the State or any agency, commission or instrumentality or political subdivision thereof except as in this Chapter specifically required and provided.

Payments by a municipality under any contract authorized by this section shall be made solely from the revenues derived from the ownership and operation of the electric system of said municipality and any obligation under such contract shall not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any property of the municipality or upon any of its income, receipts, or revenues, except the revenues of its electric system, and neither the faith and credit nor the taxing power of the municipality are, or may be, pledged for the payment of any obligation under any such contract. A municipality or joint agency, pursuant to an agreement with a municipality, shall be obligated to fix, charge and collect rents, rates, fees and charges for electric power and energy and other services, activities permitted in this Chapter, facilities and commodities sold, furnished or supplied through the electric system of the municipality sufficient to provide revenues adequate to meet its obligations under any such contract and to pay any and all other amounts payable from or constituting a charge and lien upon such revenues, including amounts sufficient to pay the principal of and interest on general obligation bonds heretofore or hereafter issued by the municipality for purposes related to its electric ~~system.~~system and payments pursuant to support contracts authorized by subsection (b) of this section. The willful or negligent failure by any municipality to comply with the obligations applicable to it shall constitute a failure or refusal to comply with the provisions of this Chapter for purposes of G.S. 159-181(c), and the financial powers of the governing board of the municipality that may be vested in the Local Government Commission pursuant to G.S. 159-181(c) shall include those powers incident to carrying out the requirements and obligations specified in this section.

Payments by any joint municipal assistance agency to any joint agency under any contract or contracts authorized by this section, shall be made solely from the sources specified in such contract or contracts and no other, and any obligation under such contract shall not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any property of the joint municipal assistance agency or upon any of its income, receipts, or revenues, or upon any property of any municipality with which the joint agency or joint municipal assistance agency contracts or upon any of such municipality's income, receipts, or revenues in each case except such sources so specified. A joint municipal assistance agency shall be obligated to fix, charge and collect rents, rates, fees, and charges for providing aid and assistance sufficient to provide revenues adequate to meet its obligations under such contract.

Any municipality which is a member of a joint agency may furnish the joint agency with money derived solely from the ownership and operation of its electric system or facilities and provide the joint agency with personnel, equipment and property, both real and personal. Any municipality may also provide any services to a joint agency.

Any member of a joint agency may contract for, advance or contribute funds derived solely from the ownership and operation of its electric system or facilities to a joint agency as may be agreed upon by the joint agency and the member, and the joint agency shall repay such advances or contributions from proceeds of bonds, from operating revenues or from any other funds of the joint agency, together with interest thereon as may be agreed upon by the member and the joint agency."

SECTION 5. G.S. 159B-14 reads as rewritten:

"§ **159B-14. Bonds of a joint agency.**

(a) A joint agency may issue bonds for the purpose of paying the cost of a project and secure both the principal of and interest on the bonds by a pledge of part or all of the revenues derived or to be derived from all or any of its projects, and any additions and betterments thereto or extensions thereof, or from the sale of power and energy and services and facilities related to the utilization of power and energy, or from other activities or facilities permitted in this Chapter, or from contributions or advances from its members. A joint agency may issue bonds that are not for the purpose of paying the cost of a project and secure the bonds solely by a pledge of revenues, solely by a security interest in real or personal property, or by both a pledge of revenues and a security interest in real or personal property. Bonds of a joint agency shall be authorized by a resolution adopted by its governing board and spread upon its minutes.

(b) A joint agency may issue bonds for the purpose of refinancing bonds issued for the purpose of paying the cost of a project, including, but not limited to, paying or providing for the payment of the principal of, premium, if any, and interest on bonds theretofore issued by a joint agency for the purpose of paying the cost of a project which is being sold or otherwise disposed of by the joint agency in whole or in part, and for the purpose of financing any collateral posting requirements of replacement power supply arrangements, and secure the principal of, premium, if any, and interest on the bonds by a pledge of part or all of the revenues derived or to be derived from all or any of its projects, and any additions and betterments thereto or extensions thereof, or from the sale of power and energy and services and facilities related to the utilization of power and energy, or from other activities or facilities permitted in this Chapter, or by a pledge of payments derived from support contracts authorized by G.S. 159B-12, or from contributions or advances from its members. Bonds of a joint agency shall be authorized by a resolution adopted by its governing board and spread upon its minutes."

SECTION 6. G.S. 159B-16(1) reads as rewritten:

"(1) The pledge of all or any part of the revenues derived or to be derived from the project or projects to be financed by the bonds, or from the sale or other disposition of power and energy and services and facilities related to the utilization of power and energy, or from other services or activities permitted in this Chapter, or from payments derived from support contracts authorized by G.S. 159B-12, or from contributions and advances from members of a joint agency, or from the electric system or other facilities of a municipality or a joint agency."

SECTION 7. G.S. 159B-16.1 reads as rewritten:

"§ **159B-16.1. Revenues – NCEMPA members.**

(a) A municipality is hereby authorized to fix, charge and collect rents, rates, fees and charges for electric power and energy and other services, facilities and commodities sold, furnished or supplied through the facilities of its electric system or its interest in any joint project. Before it revises its rates, fees or charges as authorized under this subsection, a municipality shall hold a public hearing on the matter. A notice of the hearing shall be published at least once a week for two successive weeks in a newspaper having general circulation in the municipality. The notice shall state that the public hearing will be held in connection with the municipality's action to revise its rates, fees, or charges authorized in this section and state the amount of the proposed revision. At the hearing, any retail electric customer of the municipality may appear and be heard on the proposed revision to the rates,

fees, or charges. The provisions of G.S. 160A-81 shall apply to any public hearing held under this subsection. The provisions of this subsection relating to a public hearing shall not apply to action required to be taken for a municipality by the Local Government Commission, in accordance with G.S. 159-181(c), or to action required to be taken by a municipality to revise its rates, fees or charges authorized in this subsection if the revision is required to be implemented immediately as a result of a catastrophic event or to avoid impairing the ability of the municipality to comply with applicable law or its contractual obligations relating to its outstanding bonds or other indebtedness. For so long as any bonds of a municipality ~~are outstanding~~ or amounts payable or to become payable by a municipality to a joint agency are ~~and~~ unpaid, or the payment of which is not fully provided for, the rents, rates, fees and charges shall be so fixed as to provide revenues sufficient to pay all costs of and charges and expenses in connection with the proper operation and maintenance of its electric system, and its interest in any joint project, and all necessary repairs, replacements or renewals thereof, to pay when due the principal of, premium, if any, and interest on all bonds and other evidences of indebtedness payable from said revenues, to create and maintain reserves as may be required by any resolution or trust agreement authorizing and securing bonds, to pay when due the principal of, premium, if any, and interest on all general obligation bonds heretofore or hereafter issued to finance additions, improvements and betterments to its electric system, and to pay any and all amounts which the municipality may be obligated to pay from said revenues by law or ~~contract.~~contract, including, but not limited to, a support contract authorized by G.S. 159B-12.

(b) A joint agency is hereby authorized to fix, charge, and collect rents, rates, fees and charges for electric power and energy and other services, facilities and commodities sold, furnished or supplied through the facilities of its projects or otherwise as authorized by this Chapter. A joint agency may only take action to change the rates, fees, or charges authorized in this subsection in a public meeting. Notice of the public meeting shall be given to each municipality that is a member of the joint agency. A notice of the meeting shall be published at least once a week for two successive weeks in a newspaper having general circulation in each municipality that is a member of the joint agency. The notice shall state that the public meeting will be held in connection with the joint agency's action to revise its rates, fees, or charges authorized in this subsection and state the amount of the proposed revision. The provisions of this subsection relating to publication of a notice shall not apply to action required to be taken by a joint agency to revise its rates, fees or charges authorized in this subsection if the revision is required to be implemented immediately as a result of a catastrophic event or to avoid impairing the ability of the joint agency to comply with applicable law or its contractual obligations relating to its outstanding bonds or other indebtedness. For so long as any bonds of a joint agency are outstanding and unpaid, the rents, rates, fees and charges shall be so fixed as to provide revenues sufficient to pay all costs of and charges and expenses in connection with the proper operation and maintenance of its projects, and all necessary repairs, replacements or renewals thereof, to pay when due the principal of, premium, if any, and interest on all bonds and other evidences of indebtedness payable from said revenues, to create and maintain reserves as may be required by any resolution or trust agreement authorizing and securing bonds, and to pay any and all amounts which the joint agency may be obligated to pay from said revenues by law or contract.

(c) Any pledge of revenues, ~~securities~~ securities, payments derived by support contracts authorized by G.S. 159B-12, or other moneys made by a municipality, joint agency or joint municipal assistance agency pursuant to this Chapter shall be valid and binding from the date the pledge is made. The revenues, securities, support contract payments, and other moneys so pledged and then held or thereafter received by the municipality, joint agency or joint municipal assistance agency or any fiduciary or other depository shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the municipality, joint agency or joint municipal assistance agency without regard to whether such parties have notice thereof. The resolution or trust

agreement or any financing statement, continuation statement or other instrument by which a pledge of revenues, securities or other moneys is created need not be filed or recorded in any manner.

(d) This section applies only to all rates, fees, or charges for electric service provided by the North Carolina Eastern Municipal Power Agency (NCEMPA) or a member city or town of the NCEMPA on or after October 1, 2012. The following cities and towns are members of the North Carolina Eastern Municipal Power Agency: Apex, Ayden, Belhaven, Benson, Clayton, Edenton, Elizabeth City, Farmville, Fremont, Greenville, Hamilton, Hertford, Hobgood, Hookerton, Kinston, LaGrange, Laurinburg, Louisburg, Lumberton, New Bern, Pikeville, Red Springs, Robersonville, Rocky Mount, Scotland Neck, Selma, Smithfield, Southport, Tarboro, Wake Forest, Washington, and Wilson."

SECTION 8. G.S. 159B-17 reads as rewritten:

"§ **159B-17. Revenues – other municipalities.**

(a) A municipality is hereby authorized to fix, charge and collect rents, rates, fees and charges for electric power and energy and other services, facilities and commodities sold, furnished or supplied through the facilities of its electric system or its interest in any joint project. For so long as any bonds of a municipality or amounts payable or to become payable to a joint agency ~~are outstanding and~~are unpaid, or the payments of which is not fully provided for, the rents, rates, fees and charges shall be so fixed as to provide revenues sufficient to pay all costs of and charges and expenses in connection with the proper operation and maintenance of its electric system, and its interest in any joint project, and all necessary repairs, replacements or renewals thereof, to pay when due the principal of, premium, if any, and interest on all bonds and other evidences of indebtedness payable from said revenues, to create and maintain reserves as may be required by any resolution or trust agreement authorizing and securing bonds, to pay when due the principal of, premium, if any, and interest on all general obligation bonds heretofore or hereafter issued to finance additions, improvements and betterments to its electric system, and to pay any and all amounts which the municipality may be obligated to pay from said revenues by law or ~~contract.~~ contract, including, but not limited to, a support contract authorized by G.S. 159B-12.

(b) A joint agency is hereby authorized to fix, charge, and collect rents, rates, fees and charges for electric power and energy and other services, facilities and commodities sold, furnished or supplied through the facilities of its projects or otherwise as authorized by this Chapter. For so long as any bonds of a joint agency are outstanding and unpaid, the rents, rates, fees and charges shall be so fixed as to provide revenues sufficient to pay all costs of and charges and expenses in connection with the proper operation and maintenance of its projects, and all necessary repairs, replacements or renewals thereof, to pay when due the principal of, premium, if any, and interest on all bonds and other evidences of indebtedness payable from said revenues, to create and maintain reserves as may be required by any resolution or trust agreement authorizing and securing bonds, and to pay any and all amounts which the joint agency may be obligated to pay from said revenues by law or contract.

(c) Any pledge of revenues, ~~securities~~ securities, payments derived from support contracts authorized by G.S. 159B-12, or other moneys made by a municipality, joint agency or joint municipal assistance agency pursuant to this Chapter shall be valid and binding from the date the pledge is made. The revenues, securities, support contract payments, and other moneys so pledged and then held or thereafter received by the municipality, joint agency or joint municipal assistance agency or any fiduciary or other depository shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the municipality, joint agency or joint municipal assistance agency without regard to whether such parties have notice thereof. The resolution or trust agreement or any financing statement, continuation statement or other instrument by which a pledge of revenues, securities support contract payment, or other moneys is created need not be filed or recorded in any manner."

SECTION 9. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 1st day of April, 2015.

Became law upon approval of the Governor at 11:18 a.m. on the 2nd day of April, 2015.

Session Law 2015-4 **S.B. 181**

AN ACT TO INCREASE THE SIZE OF THE WAKE COUNTY BOARD OF COMMISSIONERS AND TO ALTER THE DISTRICTS TO COINCIDE WITH THE DISTRICTS OF THE WAKE COUNTY BOARD OF EDUCATION.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Notwithstanding Chapter 792 of the Session Laws of 1959, Chapter 763 of the Session Laws of 1981, and Chapter 983 of the Session Laws of 1981, and any modifications thereto by the Wake County Board of Commissioners pursuant to law, the Wake County Board of Commissioners shall consist of nine members.

SECTION 1.(b) In the 2016 election, one member each shall be elected from Districts 4, 5, and 6 of the districts used by the Wake County Board of Commissioners in the 2014 election, to serve a two-year term. The members shall reside in those 2014 districts and run at-large in the County.

SECTION 1.(c) In the 2016 election, and quadrennially thereafter, two members shall reside and run in the lettered districts established under Section 5 of S.L. 2013-110 and used by the Wake County Board of Education for electoral districts, to serve four-year terms.

SECTION 1.(d) In the 2018 election, and quadrennially thereafter, the seven of the nine members of the Wake County Board of Commissioners shall reside and run in the numbered districts established by Section 5 of S.L. 2013-110 and used by the Wake County Board of Education for electoral districts, to serve four-year terms.

SECTION 1.(e) This section is effective the first Monday in December of 2016 and shall be the basis for nominating and electing the members of the Board of Commissioners in the primary and general election for that office in 2016 and after.

SECTION 2. Notwithstanding Part 4 of Article 4 of Chapter 153A of the General Statutes and S.L. 2011-126, the structure of the Wake County Board of Commissioners shall not be altered under that Part or Session Law prior to the return of the 2020 Census.

SECTION 3. This act applies to the County of Wake only.

SECTION 4. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2nd day of April, 2015.

Became law on the date it was ratified.

Session Law 2015-5 **S.B. 78**

AN ACT TO PROVIDE THAT A STATE CORRECTIONAL OFFICER MAY CARRY A CONCEALED WEAPON WHEN OFF-DUTY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 14-269(b) is amended by adding a new subdivision to read:

"(7) State correctional officers, when off-duty, provided that an officer does not carry a concealed weapon while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in the officer's body. If the concealed weapon is a handgun, the correctional officer must meet the firearms training standards of the Division of Adult Correction of the Department of Public Safety."

SECTION 2. This act becomes effective December 1, 2015. Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions.

In the General Assembly read three times and ratified this the 2nd day of April, 2015.

Became law upon approval of the Governor at 12:30 p.m. on the 9th day of April, 2015.

Session Law 2015-6 **H.B. 41**

AN ACT TO MAKE TECHNICAL AND CLARIFYING CHANGES TO VARIOUS REVENUE LAWS, AS RECOMMENDED BY THE REVENUE LAWS STUDY COMMITTEE.

The General Assembly of North Carolina enacts:

PART II. REVENUE LAWS TECHNICAL, ADMINISTRATIVE, AND CLARIFYING CHANGES

SECTION 2.1.(a) Section 7.2(a) of S.L. 2014-3 reads as rewritten:

"**SECTION 7.2.(a)** This act shall not be construed to affect the interpretation of any statute that is the subject of a State tax audit ~~pending as of the effective date of this act~~ for taxable years beginning before January 1, 2015, or litigation that is a direct result of such audit."

SECTION 2.1.(b) Section 7.3 of S.L. 2014-3 reads as rewritten:

"**SECTION 7.3.** This Part becomes effective January 1, 2015, and applies to withdrawals of items from inventory for contracts entered into on or after that date, sales on or after that ~~date~~ date, and contracts entered into on or after that date."

SECTION 2.2.(a) Section 8.1(c) of S.L. 2014-3 reads as rewritten:

"**SECTION 8.1.(c)** With respect to the change in this section regarding the rental of a private residence, cottage, or similar accommodation that is rented for fewer than 15 days in a calendar year and that is listed with a real estate broker or agent, the following provisions apply:

(1) A retailer is ~~not~~ liable for an overcollection ~~or undercollection~~ of sales tax or occupancy tax for the rental of such an accommodation that is occupied or available to be occupied for nights beginning June 14, 2012, and ending June 30, 2014, and must remit the tax collected.

(2) A retailer is not liable for an undercollection of sales tax or occupancy tax for the rental of such an accommodation that is occupied or available to be occupied for nights beginning June 1, 2014, and ending June 30, 2014, if the retailer ~~has~~ made a good-faith effort to comply with the law and collect the proper amount of ~~tax and has, due to the change under this section, overcollected or undercollected the amount of sales tax or occupancy tax that is due. This subsection applies only to the period beginning June 14, 2012, and ending July 1, 2014.~~tax."

SECTION 2.2.(b) This section becomes effective June 1, 2014.

SECTION 2.3. Section 14.26 of S.L. 2014-3 is repealed.

SECTION 2.4.(a) The purpose of this section is to clarify the intent of the 2013 Session of the General Assembly that the Utilities Commission must adjust the rate for sales of electricity, piped natural gas, and water and wastewater services to reflect all of the tax changes as enacted in S.L. 2013-316.

SECTION 2.4.(b) Section 4.2(a) of S.L. 2013-316 reads as rewritten:

"**SECTION 4.2.(a)** ~~Pursuant to G.S. 62-31 and G.S. 62-32, the~~ The Utilities Commission must adjust the rate set for the following utilities:

(1) Electricity to reflect the repeal of G.S. 105-116 and the resulting liability of electric power companies for the tax imposed under ~~G.S. 105-122 and for~~G.S. 105-122, the increase in the rate of tax imposed on sales of electricity under ~~G.S. 105-164.4.~~G.S. 105-164.4, and the reduction in the corporate income tax rate imposed under G.S. 105-130.3.

(2) Piped natural gas to reflect the repeal of Article 5E of Chapter 105 of the General Statutes, the repeal of the credit formerly allowed under G.S. 105-122(d1), ~~and~~ the resulting liability of companies for the tax imposed on sales of piped natural gas under ~~G.S. 105-164.4.~~ G.S. 105-164.4, and the reduction in the corporate income tax rate imposed under G.S. 105-130.3.

(3) Public water and wastewater companies to reflect the repeal of G.S. 105-116 and the resulting liability of public water and wastewater companies under G.S. 105-122, and the reduction in the corporate income tax rate imposed under G.S. 105-130.3."

SECTION 2.4.(c) The Utilities Commission must order a utility to add interest to money refunded to its customers for refunds resulting from the reduction of the corporate income tax rate effective for taxable years beginning on or after January 1, 2014. Refunds subject to interest shall not include any amounts to be refunded arising from excess deferred income taxes due to the reduction in the corporate income tax rate effective for taxable years beginning on or after January 1, 2014. The interest rate applied to the refund must be set in accordance with G.S. 62-130.

SECTION 2.4.(d) Subsection (b) of this section is effective January 1, 2014. The remainder of this section is effective when it becomes law and applies to refunds issued on or after that date unless a utility has implemented rate changes on or before January 1, 2015, to effectuate the refunds.

SECTION 2.5.(a) G.S. 105-113.35(d) reads as rewritten:

"(d) Manufacturer's Option. – A manufacturer who is not a retail dealer and who ships tobacco products other than cigarettes to either a wholesale dealer or retail dealer licensed under this Part may apply to the Secretary to be relieved of paying the tax imposed by this section on the tobacco products. A manufacturer who ships vapor products to either a wholesale dealer or retail dealer licensed under this Part may apply to the Secretary to be relieved of paying the tax imposed by this section on the vapor products shipped to either a wholesale dealer or retail dealer. Once granted permission, a manufacturer may choose not to pay the tax until otherwise notified by the Secretary. To be relieved of payment of the tax imposed by this section, a manufacturer must comply with the requirements set by the Secretary.

Permission granted under this subsection to a manufacturer to be relieved of paying the tax imposed by this section applies to an integrated wholesale dealer with whom the manufacturer is an affiliate. A manufacturer must notify the Secretary of any integrated wholesale dealer with whom it is an affiliate when the manufacturer applies to the Secretary for permission to be relieved of paying the tax and when an integrated wholesale dealer becomes an affiliate of the manufacturer after the Secretary has given the manufacturer permission to be relieved of paying the tax.

If a person is both a manufacturer of cigarettes and a wholesale dealer of tobacco products other than cigarettes and the person is granted permission under G.S. 105-113.10 to be relieved of paying the cigarette excise tax, the permission applies to the tax imposed by this section on tobacco products other than cigarettes. A cigarette manufacturer who becomes a wholesale dealer after receiving permission to be relieved of the cigarette excise tax must notify the Secretary of the permission received under G.S. 105-113.10 when applying for a license as a wholesale dealer."

SECTION 2.5.(b) This section becomes effective June 1, 2015.

SECTION 2.6. G.S. 105-129.16A reads as rewritten:

"§ **105-129.16A. Credit for investing in renewable energy property.**

(a) Credit. – ~~If a taxpayer that has constructed, purchased, or leased renewable energy property places it in service in this State during the taxable year, the taxpayer is allowed a credit equal to thirty-five percent (35%) of the cost of the property.~~ A taxpayer that has constructed, purchased, or leased renewable energy property is allowed a credit equal to thirty-five percent (35%) of the cost of the property if the property is placed in service in this State during the taxable year. In the case of renewable energy property that serves a nonbusiness purpose, the credit must be taken for the taxable year in which the property is placed in service. For all other renewable energy property, the entire credit may not be taken for the taxable year in which the property is placed in service but must be taken in five equal installments beginning with the taxable year in which the property is placed in service. Upon request of a taxpayer that leases renewable energy property, the lessor of the property must give the taxpayer a statement that describes the renewable energy property and states the cost of the property. No credit is allowed under this section to the extent the cost of the renewable energy property was provided by public funds. For the purposes of this section, "public funds" does not include grants made under section 1603 of the American Recovery and Reinvestment Tax Act of 2009.

…."

SECTION 2.7. Section 1.1(a) of S.L. 2014-3 is rewritten to read:

"**SECTION 1.1.(a)** G.S. 105-130.5(b), as amended by Section 14.3 of this act, reads as rewritten:

"(b) The following deductions from federal taxable income shall be made in determining State net income:

…

(4) ~~Losses in the nature~~ Any unused portion of a net economic loss as allowed under G.S. 105-130.8A(e).~~losses sustained by the corporation in any or all of the 15 preceding years pursuant to the provisions of G.S. 105-130.8. A corporation required to allocate and apportion its net income under the provisions of G.S. 105-130.4 shall deduct its allocable and apportionable net economic loss only from total income allocable and apportionable to this State pursuant to the provisions of G.S. 105-130.8~~ This subdivision expires for taxable years beginning on or after January 1, 2030.

(4a) A State net loss as allowed under G.S. 105-130.8A. A corporation may deduct its allocable and apportionable State net loss only from total income allocable and apportionable to this State.

…."

SECTION 2.8.(a) G.S. 105-134.6A(h) reads as rewritten:

"(h) Definitions. – ~~For purposes of this section, a "transferor" is an individual, partnership, corporation, S Corporation, limited liability company, or an estate or trust that does not fully distribute income to its beneficiaries, and an "owner in a transferor"~~The following definitions apply in this section:

(1) Owner in a transferor. – One or more of the following of a transferor:

a. ~~is a~~A partner, shareholder, ~~member, or beneficiary~~or member.

b. A beneficiary subject to tax under Part 2 or 3 of Article 4 of this ~~Chapter of a transferor.~~Chapter.

(2) Transferor. – An individual, partnership, corporation, S Corporation, limited liability company, or an estate or trust that does not fully distribute income to its beneficiaries."

SECTION 2.8.(b) G.S. 105-153.6(h) reads as rewritten:

"(h) Definitions. – ~~For purposes of this section, a "transferor" is an individual, partnership, corporation, S Corporation, limited liability company, or an estate or trust that does not fully distribute income to its beneficiaries, and an "owner in a transferor" is~~ The following definitions apply in this section:

(1) Owner in a transferor. – One or more of the following of a transferor:

a. ~~a~~ A partner, shareholder, ~~member,~~or member.

b. ~~or~~ A beneficiary subject to tax under Part 2 or 3 of Article 4 of this Chapter of a transferor.

(2) Transferor. – An individual, partnership, corporation, S Corporation, limited liability company, or an estate or trust that does not fully distribute income to its beneficiaries."

SECTION 2.8.(c) Subsection (a) of this section is effective for taxable years beginning on or after January 1, 2013. Subsection (b) of this section is effective for taxable years beginning on or after January 1, 2014. The remainder of this section is effective when it becomes law.

SECTION 2.9.(a) Notwithstanding G.S. 105-163.15, the Secretary of Revenue may not impose interest with respect to an underpayment of income tax to the extent the underpayment was created or increased by the changes made in Section 2.2 of S.L. 2014-3. Notwithstanding G.S. 105-163.8, a withholding agent is not liable for the amount of tax the agent fails to withhold to the extent the amount of tax not withheld was created or increased by the changes made in Section 2.2 of S.L. 2014-3.

SECTION 2.9.(b) This section is effective when it becomes law and applies to taxable years beginning on or after January 1, 2014, and before January 1, 2015, and to payroll periods beginning on or after January 1, 2014, and before January 1, 2015.

SECTION 2.10. G.S. 105-164.3(35) reads as rewritten:

"§ **105-164.3. Definitions.**

The following definitions apply in this Article:

…

(35) Retailer. – ~~A person engaged in business of any of the following:~~Any of the following persons:

a. ~~Making~~ A person engaged in business of making sales at retail, offering to make sales at retail, or soliciting sales at retail of tangible personal property, digital property, or services for storage, use, or consumption in this State. When the Secretary finds it necessary for the efficient administration of this Article to regard any sales representatives, solicitors, representatives, consignees, peddlers, or truckers as agents of the dealers, distributors, consignors, supervisors, employers, or persons under whom they operate or from whom they obtain the items sold by them regardless of whether they are making sales on their own behalf or on behalf of these dealers, distributors, consignors, supervisors, employers, or persons, the Secretary may so regard them and may regard the dealers, distributors, consignors, supervisors, employers, or persons as "retailers" for the purpose of this Article.

b. ~~Delivering,~~ A person engaged in business of delivering, erecting, installing, or applying tangible personal property for use in this State, regardless of whether the property is permanently affixed to real property or other tangible personal property.

c. ~~Making~~ A person engaged in business of making a remote sale, if one of the conditions listed in G.S. 105-164.8(b) is met.

d. A person, other than a facilitator, required to collect the tax levied under G.S. 105-164.4(a)."

SECTION 2.11. G.S. 105-164.4G reads as rewritten:

"§ **105-164.4G. Entertainment activity.**

…

(f) Exemptions. – The sale at retail and the use, storage, or consumption in this State of the following gross receipts derived from an admission charge to an entertainment activity are specifically exempt from the tax imposed by this Article:

…

(g) Sourcing. – ~~Admission~~ An admission charge to an entertainment activity is sourced to the location where admission to the entertainment activity may be gained by a person. When the location where admission may be gained is not known at the time of the receipt of the gross receipts for an admission charge, the sourcing principles in G.S. 105-164.4B(a) apply."

SECTION 2.12. G.S. 105-164.13 reads as rewritten:

"§ **105-164.13. Retail sales and use tax.**

The sale at retail and the use, storage, or consumption in this State of the following tangible personal property, digital property, and services are specifically exempted from the tax imposed by this Article:

…

(8a) Sales to a small power production facility, as defined in 16 U.S.C. § 796(17)(A), of fuel and piped natural gas used by the facility to generate electricity.

…

(10) Sales of the following to commercial laundries or to pressing and dry cleaning establishments:

a. Articles or materials used for the identification of garments being laundered or dry cleaned, wrapping paper, bags, hangers, starch, soaps, detergents, cleaning fluids and other compounds or chemicals applied directly to the garments in the direct performance of the laundering or the pressing and cleaning service.

b. Laundry and dry-cleaning machinery, parts and accessories attached to the machinery, and lubricants applied to the machinery.

c. ~~Fuel, other than electricity,~~ Fuel and piped natural gas used in the direct performance of the laundering or the pressing and cleaning service. The exemption does not apply to electricity.

…

(57) ~~Fuel and~~Fuel, piped natural gas, and electricity sold to a manufacturer for use in connection with the operation of a manufacturing facility. The exemption does not apply to electricity used at a facility at which the primary activity is not manufacturing.

…."

SECTION 2.13.(a) G.S. 105-164.13E reads as rewritten:

"§ **105-164.13E. Exemption for farmers.**

(a) Exemption. – A qualifying farmer is a person who has an annual ~~gross~~ income from farming operations for the preceding taxable year of ten thousand dollars ($10,000) or more ~~from farming operations~~ or who has an average annual ~~gross~~ income from farming operations for the three preceding taxable years of ten thousand dollars ($10,000) or ~~more from farming operations.~~ more. For purposes of this section, the term "income from farming operations" means sales plus any other amounts treated as gross income under the Code from farming operations. A qualifying farmer includes a dairy operator, a poultry farmer, an egg producer, a livestock farmer, a farmer of crops, and a farmer of an aquatic species, as defined in G.S. 106-758. A qualifying farmer may apply to the Secretary for an exemption certificate number under G.S. 105-164.28A. The exemption certificate expires when a person fails to meet the income threshold for three consecutive taxable years or ceases to engage in farming ~~operations.~~operations, whichever comes first.

The following tangible personal property, digital property, and services are exempt from sales and use tax if purchased by a qualifying farmer and for use by the farmer in farming operations. For purposes of this section, an item is used by a farmer for farming operations if it

is used for the planting, cultivating, harvesting, or curing of farm crops or in the production of dairy products, eggs, or animals:

(1) ~~Fuel and~~Fuel, piped natural gas, and electricity that ~~is~~ are measured by a separate meter or another separate device and used for a purpose other than preparing food, heating dwellings, and other household purposes.

(2) Commercial fertilizer, lime, land plaster, plastic mulch, plant bed covers, potting soil, baler twine, and seeds.

(3) Farm machinery, attachment and repair parts for farm machinery, and lubricants applied to farm machinery. The term "machinery" includes implements that have moving parts or are operated or drawn by an animal. The term does not include implements operated wholly by hand or motor vehicles required to be registered under Chapter 20 of the General Statutes.

(4) A container used in the planting, cultivating, harvesting, or curing of farm crops or in the production of dairy products, eggs, or animals or used in packaging and transporting the farmer's product for sale.

(5) A grain, feed, or soybean storage facility and parts and accessories attached to the facility.

(6) Any of the following substances when purchased for use on animals or plants, as appropriate, held or produced for commercial purposes. This exemption does not apply to any equipment or devices used to administer, release, apply, or otherwise dispense these substances:

a. Remedies, vaccines, medications, litter materials, and feeds for animals.

b. Rodenticides, insecticides, herbicides, fungicides, and pesticides.

c. Defoliants for use on cotton or other crops.

d. Plant growth inhibitors, regulators, or stimulators, including systemic and contact or other sucker control agents for tobacco and other crops.

e. Semen.

(7) Baby chicks and poults sold for commercial poultry or egg production.

(8) Any of the following items concerning the housing, raising, or feeding of animals:

a. A commercially manufactured facility to be used for commercial purposes for housing, raising, or feeding animals or for housing equipment necessary for these commercial activities. The exemption also applies to commercially manufactured equipment, and parts and accessories for the equipment, used in the facility.

b. Building materials, supplies, fixtures, and equipment that become a part of and are used in the construction, repair, or improvement of an enclosure or a structure specifically designed, constructed, and used for housing, raising, or feeding animals or for housing equipment necessary for one of these commercial activities. The exemption also applies to commercially manufactured equipment, and parts and accessories for the equipment, used in the enclosure or a structure.

(9) A bulk tobacco barn or rack, parts and accessories attached to the tobacco barn or rack, and any similar apparatus, part, or accessory used to cure or dry tobacco or another crop.

(b) Conditional Exemption. – A person who does not meet the definition of a qualifying farmer in subsection (a) of this section may apply to the Department for a conditional exemption certificate under G.S. 105-164.28A. A person with a conditional exemption certificate is allowed to purchase items exempt from sales and use tax to the same extent as a qualifying farmer under subsection (a) of this section. To receive a conditional exemption certificate under this subsection, the person must certify that the person intends to engage in

farming operations, as that term is described in subsection (a) of this section, and that the person will timely file State and federal income tax returns that reflect income and expenses incurred from farming operations during the taxable years that the conditional exemption certificate applies.

A conditional exemption certificate issued under this subsection is valid for the taxable year in which the certificate is issued and the following two taxable years, provided the person to whom the certificate is issued is engaged in farming and provides copies of applicable State and federal income tax returns to the Department within 90 days following ~~the end of~~the due date of an income tax return for each taxable year covered by the conditional exemption ~~certificate.~~certificate, including an extension of the due date granted by the Secretary under G.S. 105-263. A conditional exemption certificate issued under this subsection may not be extended or renewed beyond the original three-year period. The Department may not issue a conditional exemption certificate to a person who has had a conditional exemption certificate issued under this subsection during the prior 15 taxable years.

A person who purchases items with a conditional exemption certificate must maintain documentation of the items purchased and copies of State and federal income tax returns that reflect activities from farming operations for the period of time covered by the conditional exemption certificate for three years following the expiration of the conditional exemption certificate. The Secretary may require a person who has a conditional exemption certificate to provide any other information requested by the Secretary to verify the person met the conditions of this subsection. A person who fails to provide the information requested by the Secretary in a timely manner or who fails to meet the requirements of this subsection becomes liable for any taxes for which an exemption under this subsection was claimed. The taxes become due and payable at the expiration of the conditional exemption certificate, and interest accrues from the date of the original purchase. Additionally, where the person does not timely provide the information requested by the Secretary, the misuse of exemption certificate penalty in G.S. 105-236(a)(5a) applies to each seller identified by the Department from which the person made a purchase.

(c) Contract with a Farmer. – A qualifying item listed in subdivisions (5), (8), and (9) of subsection (a) of this section purchased to fulfill a contract with a person who holds a qualifying farmer exemption certificate or a conditional farmer exemption certificate issued under G.S. 105-164.28A is exempt from sales and use tax to the same extent as if purchased directly by the person who holds the exemption certificate. A contractor that purchases one of the items allowed an exemption under this section must provide an exemption certificate to the retailer that includes the name of the agricultural exemption certificate holder and the agricultural exemption certificate number issued to that holder.

(d) Definition. – For purposes of this section, the term "taxable year" has the same meaning as defined in G.S. 105-153.3."

SECTION 2.13.(b) This section becomes effective July 1, 2014. A contractor who paid sales and use tax on an item exempt from sales and use tax pursuant to G.S. 105-164.13(c), as enacted by this section, may request a refund from the retailer, and the retailer may, upon issuance of the refund or credit, request a refund for the overpayment of tax under G.S. 105-164.11(a)(1).

SECTION 2.14.(a) G.S. 105-164.16A reads as rewritten:

"§ **105-164.16A. Reporting option for prepaid meal plans.**

This section provides a ~~taxpayer~~ retailer that offers ~~to sell~~ a prepaid meal ~~plan~~ plan subject to the tax imposed by G.S. 105-164.4 with an option concerning the method by which the sales tax will be remitted to the Secretary and a return filed under G.S. 105-164.16. When the retailer enters into an agreement with a food service contractor by which the food service contractor agrees to provide food or prepared food under a prepaid meal plan, and the food service contractor with whom the retailer contracts is also a retailer under this Article, the retailer may include in the agreement that the food service contractor is liable for ~~collecting~~ reporting and remitting the sales tax due on the gross receipts derived from the prepaid meal plan on behalf of

the retailer. The agreement must provide that the tax applies to the allocated sales price of the prepaid meal plan paid by or on behalf of the person entitled to the food or prepaid food under the plan and not the amount charged by the food service contractor to the retailer under the agreement for the food and prepared food for the person.

A retailer who elects this option must report to the food service contractor with whom it has an agreement the gross receipts a person pays to the retailer for a prepaid meal plan. The retailer must report the gross receipts on an accrual basis of accounting, as required under G.S. 105-164.20. The retailer must send the food service contractor the tax due on the gross receipts derived from a prepaid meal plan. Tax payments received by a food service contractor from a retailer are held in trust by the food service contractor for remittance to the Secretary. A food service contractor that receives a tax payment from a retailer must remit the amount received to the Secretary. A food service contractor is not liable for tax due but not received from a retailer. A retailer that does not send the food service contractor the tax due on the gross receipts derived from a prepaid meal plan is liable for the amount of tax the retailer fails to send to the food service contractor."

SECTION 2.14.(b) G.S. 105-164.20 reads as rewritten:

"§ **105-164.20. Cash or accrual basis of reporting.**

(a) Basis Selected. – ~~Any retailer, except a retailer who sells electricity or telecommunications service,~~ Except as provided in subsection (b) of this section, a retailer may report sales on either the cash or accrual basis of accounting upon making application to the Secretary for permission to use the basis selected. Permission granted by the Secretary to report on a selected basis continues in effect until revoked by the Secretary or the taxpayer receives permission from the Secretary to change the basis selected.

(b) Accrual Basis. – ~~A~~ For purposes of reporting and remitting sales tax under this Article, a retailer listed in this subsection must report the gross receipts it derives from the taxable transaction listed in this subsection on an accrual basis of accounting. The following retailers must report gross receipts as provided in this subsection:

(1) A retailer who sells ~~electricity or~~ electricity, piped natural gas, or telecommunications ~~service must report its sales on an accrual basis.~~ service. A sale of ~~electricity or~~electricity, piped natural gas, or telecommunications service is considered to accrue when the retailer bills its customer for the sale.

(2) A retailer who derives gross receipts from a prepaid meal plan, notwithstanding that the retailer may report tax on the cash basis for other sales at retail and notwithstanding that the revenue has not been recognized for accounting purposes.

(3) A retailer who sells or derives gross receipts from a service contract, as provided in G.S. 105-164.4I(d)."

SECTION 2.15. G.S. 105-164.29(a) reads as rewritten:

"(a) Requirement and Application. – Before a person may engage in business as a retailer or a wholesale merchant or when a facilitator is liable for tax under G.S. 105-164.4F, the person must obtain a certificate of registration. To obtain a certificate of registration, a person must register with the Department. A person who has more than one business is required to obtain only one certificate of registration for each legal entity to cover all operations of each business throughout the State. An application for registration must be signed as follows:

(1) By the owner, if the owner is an individual.

(2) By a manager, member, or company official, ~~partner,~~ if the owner is ~~an association, a partnership, or~~ a limited liability company.

(2a) By a manager, member, or partner, if the owner is a partnership.

(3) By an executive officer or some other person specifically authorized by the corporation to sign the application, if the owner is a corporation. If the application is signed by a person authorized to do so by the corporation,

written evidence of the person's authority must be attached to the application."

SECTION 2.16. G.S. 105-241.6(b)(5) reads as rewritten:

"(b) Exceptions. – The exceptions to the general statute of limitations for obtaining a refund of an overpayment are as follows:

…

(5) Contingent Event. – The period to request a refund of an overpayment may be extended as provided in this subdivision if an event or condition prevents the taxpayer from possessing the information necessary to file an accurate and definite request for a refund of an overpayment under this Chapter:

a. If a taxpayer is subject to a contingent event and files written notice with the Secretary, the period to request a refund of an overpayment is six months after the contingent event concludes.

~~b.~~ ~~For purposes of this subdivision,~~For purposes of this subdivision, a "contingent event" means litigation or a ~~State~~ state tax audit initiated prior to the expiration of the statute of limitations under subsection (a) of this section, the pendency of which prevents the taxpayer from possessing the information necessary to file an accurate and definite request for a refund of an overpayment under this Chapter.

~~c.~~ ~~For purposes of this subdivision, "notice to the Secretary" means written notice~~The written notice to the Secretary must be filed ~~with the Secretary~~prior to expiration of the statute of limitations under subsection (a) of this section for a return or payment in which a contingent event prevents a taxpayer from filing a definite request for a refund of an overpayment. The notice must identify and describe the contingent event, identify the type of tax, list the return or payment affected by the contingent event, and state in clear terms the basis for and an estimated amount of the overpayment.

~~d.~~b. ~~A~~ If a taxpayer ~~who~~ contends that an event or condition other than ~~litigation or a State tax audit~~ a contingent event, as defined in this subdivision, has occurred that prevents the taxpayer from filing an accurate and definite request for a refund of an overpayment within the period under subsection (a) of this ~~section~~section, the taxpayer may submit a written request to the Secretary seeking an extension of the statute of limitations allowed under this subdivision. The request must establish by clear, convincing proof that the event or condition is beyond the taxpayer's control and that it prevents the taxpayer's timely filing of an accurate and definite request for a refund of an overpayment. The request must be filed within the period under subsection (a) of this section. The Secretary's decision on the request is final and is not subject to administrative or judicial review."

SECTION 2.17.(a) G.S. 105-338(c) reads as rewritten:

"(c) Certain Property of Bus Line, Motor Freight Carrier, ~~Airline, and Mobile Telecommunications~~ and Airline Companies. –

…

~~(4) The appraised valuation of the tangible personal property of a mobile telecommunications company (excluding towers) that is appraised in accordance with the provisions of G.S. 105-336(c) is allocated among the local taxing units in which the property of the company is situated on January 1 in the proportion that the original cost of the property in the taxing unit bears to the original cost of all such property in this State.~~"

SECTION 2.17.(b) G.S. 105-339 reads as rewritten:

"§ **105-339. Certification of appraised valuations of nonsystem property and locally assigned rolling stock, tangible personal property of tower aggregator companies, and ~~certain~~ tangible personal property of mobile telecommunications companies.**

Having determined the appraised valuations of the nonsystem properties of public service companies in accordance with subdivisions (b)(2) and (b)(3) of G.S. 105-335 and the appraised valuations of locally assigned rolling stock in accordance with subdivision (c)(1) of G.S. 105-335, the appraised valuations of the tangible personal property of tower aggregator companies in accordance with G.S. 105-336(d) and the appraised valuations of ~~towers of~~ the tangible personal property of mobile telecommunications companies in accordance with ~~G.S. 105-336(d),~~G.S. 105-336(c) and (d), the Department of Revenue shall assign those appraised valuations to the taxing units in which such properties are situated by certifying the valuations to the appropriate counties and municipalities. Each local taxing unit receiving such certified valuations shall assess them at the figures certified and shall tax the assessed valuations at the rate of tax levied against other property subject to taxation therein."

SECTION 2.17.(c) Section 11.1(g) of S.L. 2014-3 is repealed.

SECTION 2.17.(d) Subsection (c) of this section is effective when it becomes law. The remainder of this section is effective for taxes imposed for taxable years beginning on or after July 1, 2015.

SECTION 2.18.(a) G.S. 160A-206 reads as rewritten:

"§ **160A-206. General power to impose taxes.**

(a) Authority. – A city shall have power to impose taxes only as specifically authorized by act of the General Assembly. Except when the statute authorizing a tax provides for penalties and interest, the power to impose a tax shall include the power to impose reasonable penalties for failure to declare tax liability, if required, or to impose penalties or interest for failure to pay taxes lawfully due within the time prescribed by law or ordinance. In determining the liability of any taxpayer for a tax, a city may not employ an agent who is compensated in whole or in part by the city for services rendered on a contingent basis or any other basis related to the amount of tax, interest, or penalty assessed against or collected from the taxpayer. The power to impose a tax shall also include the power to provide for its administration in a manner not inconsistent with the statute authorizing the tax.

(b) Prohibition. – A city may not impose a license, franchise, or privilege tax on a person engaged in any of the businesses listed in this subsection. These businesses are subject to sales tax at the combined general rate for which the city receives a share of the tax revenue or they are subject to the local sales tax:

(1) Supplying piped natural gas.

(2) Providing telecommunications service taxed under G.S. 105-164.4(a)(4c).

(3) Providing video programming taxed under G.S. 105-164.4(a)(6).

(4) Providing electricity."

SECTION 2.18.(b) G.S. 153A-146 reads as rewritten:

"§ **153A-146. General power to impose taxes.**

(a) Authority. – A county may impose taxes only as specifically authorized by act of the General Assembly. Except when the statute authorizing a tax provides for penalties and interest, the power to impose a tax includes the power to impose reasonable penalties for failure to declare tax liability, if required, and to impose penalties or interest for failure to pay taxes lawfully due within the time prescribed by law or ordinance. In determining the liability of any taxpayer for a tax, a county may not employ an agent who is compensated in whole or in part by the county for services rendered on a contingent basis or any other basis related to the amount of tax, interest, or penalty assessed against or collected from the taxpayer. The power to impose a tax also includes the power to provide for its administration in a manner not inconsistent with the statute authorizing the tax.

(b) Prohibition. – A county may not impose a license, franchise, or privilege tax on a person engaged in any of the businesses listed in this subsection:

(1) Supplying piped natural gas.
(2) Providing telecommunications service taxed under G.S. 105-164.4(a)(4c).
(3) Providing video programming taxed under G.S. 105-164.4(a)(6).
(4) Providing electricity."

SECTION 2.19.(a) The Department of Revenue may draw the funds needed to make the following distributions from the sales and use tax collections under Article 5 of Chapter 105 of the General Statutes:

(1) The September 15, 2014, distribution of the franchise tax to cities under G.S. 105-116.1 for the calendar quarter that begins April 1, 2014.
(2) The September 15, 2014, distribution of the excise tax to cities under G.S. 105-187.44 for the calendar quarter that begins April 1, 2014.

SECTION 2.19.(b) This section becomes effective July 1, 2014.

SECTION 2.20.(a) G.S. 105-153.3 reads as rewritten:

"§ **105-153.3. Definitions.**

The following definitions apply in this Part:

…

(18) Surviving spouse. – Defined in section 2(a) of the Code.
~~(18)~~(19) Taxable year. – Defined in section 441(b) of the Code.
~~(19)~~(20) Taxpayer. – An individual subject to the tax imposed by this Part.
~~(20)~~(21) This State. – The State of North Carolina."

SECTION 2.20.(b) G.S. 105-153.5(a)(1) reads as rewritten:

"(a) Deduction Amount. – In calculating North Carolina taxable income, a taxpayer may deduct from adjusted gross income either the standard deduction amount provided in subdivision (1) of this subsection or the itemized deduction amount provided in subdivision (2) of this subsection that the taxpayer claimed under the Code. In the case of a married couple filing separate returns, a taxpayer may not deduct the standard deduction amount if the taxpayer or the taxpayer's spouse claims the itemized deductions amount:

(1) Standard deduction amount. – An amount equal to the amount listed in the table below based on the taxpayer's filing status:

Filing Status	**Standard Deduction**
Married, filing ~~jointly~~jointly/surviving spouse	$15,000
Head of Household	12,000
Single	7,500
Married, filing separately	7,500."

SECTION 2.20.(c) G.S. 105-134.1 reads as rewritten:

"§ **105-134.1. Definitions.**

The following definitions apply in this Part:

…

(15a) Surviving spouse. – Defined in section 2(a) of the Code.
…."

SECTION 2.20.(d) G.S. 105-134.6(a2) reads as rewritten:

"(a2) Deduction Amount. – In calculating North Carolina taxable income, a taxpayer may deduct either the North Carolina standard deduction amount for that taxpayer's filing status or the itemized deductions amount claimed under the Code. The North Carolina standard deduction amount is the lesser of the amount shown in the table below or the amount allowed under the Code. In the case of a married couple filing separate returns, a taxpayer may not deduct the standard deduction amount if the taxpayer or the taxpayer's spouse claims itemized deductions for State purposes.

A taxpayer that deducts the standard deduction amount under this subsection and is entitled to an additional deduction amount under section 63(f) of the Code for the aged or blind may deduct an additional amount under this subsection. The additional amount the taxpayer may deduct is six hundred dollars ($600.00) in the case of an individual who is married and seven hundred fifty dollars ($750.00) in the case of an individual who is not married and is not a

surviving spouse. The taxpayer is allowed the same number of additional amounts that the taxpayer claimed under the Code for the taxable year.

Filing Status	**Standard Deduction**
Married, filing ~~jointly~~jointly/ surviving spouse	$6,000
Head of Household	4,400
Single	3,000
Married, filing separately	3,000."

SECTION 2.20.(e) Subsections (a) and (b) of this section are effective for taxable years beginning on or after January 1, 2014. Subsections (c) and (d) of this section are effective retroactively for taxable years beginning on or after January 1, 2012, and before January 1, 2014. The remainder of this section is effective when it becomes law.

SECTION 2.21. G.S. 105-164.13B(a)(4) reads as rewritten:

"(a) State Exemption. – Food is exempt from the taxes imposed by this Article unless the food is included in one of the subdivisions in this subsection. The following food items are subject to tax:

…

(4) Prepared food, other than bakery items sold without eating utensils by an artisan bakery. The term "bakery item" includes bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, and tortillas. An artisan bakery is a bakery that meets all of the following requirements:

a. It derives over eighty percent (80%) of its gross receipts from bakery items.

b. Its annual gross receipts, combined with the gross receipts of all related ~~persons as defined in G.S. 105-163.010,~~ persons, do not exceed one million eight hundred thousand dollars ($1,800,000). For purposes of this subdivision, the term "related person" means a person described in one of the relationships set forth in section 267(b) or 707(b) of the Code."

SECTION 2.22.(a) G.S. 105-153.4 reads as rewritten:

"§ **105-153.4. North Carolina taxable income defined.**

(a) Residents. – For an individual who is a resident of this State, the term "North Carolina taxable income" means the taxpayer's adjusted gross income as modified in G.S. 105-153.5 and ~~G.S. 105-153.6 and G.S. 105-134.6A.~~G.S. 105-153.6.

(b) Nonresidents. – For a nonresident individual, the term "North Carolina taxable income" means the taxpayer's adjusted gross income as modified in G.S. 105-153.5 and ~~G.S. 105-153.6 and G.S. 105-134.6A,~~ G.S. 105-153.6, multiplied by a fraction the denominator of which is the taxpayer's gross income as modified in G.S. 105-153.5 and ~~G.S. 105-153.6 and G.S. 105-134.6A,~~ G.S. 105-153.6, and the numerator of which is the amount of that gross income, as modified, that is derived from North Carolina sources and is attributable to the ownership of any interest in real or tangible personal property in this State, is derived from a business, trade, profession, or occupation carried on in this State, or is derived from gambling activities in this State.

(c) Part-year Residents. – If an individual was a resident of this State for only part of the taxable year, having moved into or removed from the State during the year, the term "North Carolina taxable income" has the same meaning as in subsection (b) of this section except that the numerator includes gross income, as modified under G.S. 105-153.5 and ~~G.S. 105-153.6 and G.S. 105-134.6A,~~ G.S. 105-153.6, derived from all sources during the period the individual was a resident.

(d) S Corporations and Partnerships. – In order to calculate the numerator of the fraction provided in subsection (b) of this section, the amount of a shareholder's pro rata share of S Corporation ~~income~~ income, as modified in G.S. 105-153.5 and G.S. 105-153.6, that is

includable in the numerator is the shareholder's pro rata share of the S Corporation's income attributable to the State, as defined in G.S. 105-131(b)(4). In order to calculate the numerator of the fraction provided in subsection (b) of this section for a member of a partnership or other unincorporated business that has one or more nonresident members and operates in one or more other states, the amount of the member's distributive share of the total net income of the ~~business~~ business, as modified in G.S. 105-153.5 and G.S. 105-153.6, that is includable in the numerator is determined ~~by multiplying the total net income of the business by the ratio ascertained under the~~ in accordance with the provisions of G.S. 105-130.4. As used in this subsection, total net income means the entire gross income of the business less all expenses, taxes, interest, and other deductions allowable under the Code that were incurred in the operation of the business.

(e) Tax Year. – A taxpayer must compute North Carolina taxable income on the basis of the taxable year used in computing the taxpayer's income tax liability under the Code."

SECTION 2.22.(b) G.S. 105-153.5 is amended by adding a new subsection to read:

"(c1) Other Additions. – S Corporations subject to the provisions of Part 1A of this Article, partnerships subject to the provisions of this Part, and estates and trusts subject to the provisions of Part 3 of this Article must add any amount deducted under section 164 of the Code as state, local, or foreign income tax."

SECTION 2.22.(c) This section is effective for taxable years beginning on or after January 1, 2015.

SECTION 2.23.(a) G.S. 105-164.13 reads as rewritten:

"§ **105-164.13. Retail sales and use tax.**

The sale at retail and the use, storage, or consumption in this State of the following tangible personal property, digital property, and services are specifically exempted from the tax imposed by this Article:

…

(62) An item used to maintain or repair tangible personal property or a motor vehicle pursuant to a service contract taxable under this Article if the purchaser of the contract is not charged for the item. ~~This exemption does not apply to an item used to maintain or repair tangible personal property pursuant to a service contract exempt from tax under G.S. 105-164.4I(b).~~ For purposes of this exemption, the term "item" does not include a tool, equipment, supply, or similar tangible personal property used to complete the maintenance or repair and that is not deemed to be a component or repair part of the tangible personal property or motor vehicle for which a service contract is sold to a purchaser.

…."

SECTION 2.23.(b) G.S. 105-187.52(c) reads as rewritten:

"(c) Exemption. – State agencies are exempted from the privilege taxes imposed by this Article. The exemption in G.S. 105-164.13(62) does not apply to an item used to maintain or repair tangible personal property pursuant to a service contract exempt from tax under G.S. 105-164.4I(b)(4)."

SECTION 2.23.(c) Notwithstanding G.S. 105-164.13(62), as amended by S.L. 2014-3 and by subsection (a) of this section, the sales and use tax exemption in G.S. 105-164.13(62) applies to an item used pursuant to a service contract that meets the definition of a "service contract" as defined in G.S. 105-164.3(38b), notwithstanding that the service contract was sold before January 1, 2014, and effective on, before, or after January 1, 2014.

SECTION 2.23.(d) This section becomes effective October 1, 2014.

SECTION 2.24.(a) Purpose. – The purpose of this section is to extend the statute of limitations for requesting a refund of State income taxes to conform to federal tax treatment

of the rollover of an airline payment amount by a qualified airline employee to a traditional or Roth IRA so as to prevent double taxation of the amount for State income tax purposes.

SECTION 2.24.(b) Definitions. – The following definitions apply in this section:

(1) Airline payment amount. – Defined in section 1106(c)(1) of Public Law 112-95, as amended by Public Law 113-243.

(2) Qualified airline employee. – Defined in section 1106(c)(2) of Public Law 112-95, as amended by Public Law 113-243.

SECTION 2.24.(c) Extension of Time to File Claim for Refund. – Notwithstanding the general statute of limitations for obtaining a refund of an overpayment of tax under G.S. 105-241.6(a), a qualified airline employee, or the surviving spouse of a qualified airline employee, that meets all of the following conditions may apply to the Department of Revenue for a refund of the State individual income tax paid on the airline payment amount that was transferred to a traditional IRA:

(1) Received an airline payment amount in a taxable year beginning before January 1, 2012, and included the amount in federal adjusted gross income.

(2) Transferred any portion of the airline payment amount to a traditional IRA, either directly or indirectly from a Roth IRA, by August 13, 2012.

(3) Filed a claim for refund of federal individual income tax paid on the airline payment amount by April 15, 2015, that was accepted by the Internal Revenue Service.

SECTION 2.24.(d) Late Refund Request. – A request for a refund under this section must be made to the Secretary of Revenue on or before October 15, 2015. A request for a refund received after that date is barred.

SECTION 2.25. If Senate Bill 20 of the 2015 Regular Session of the 2015 General Assembly becomes law, then Section 2.3 of Senate Bill 20 is repealed.

PART III. EFFECTIVE DATE

SECTION 3.1. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2nd day of April, 2015.

Became law upon approval of the Governor at 12:30 p.m. on the 9th day of April, 2015.

Session Law 2015-7 **S.B. 14**

AN ACT TO PROVIDE FUNDS FOR CERTAIN EXPENDITURES AND TO CLARIFY AND MODIFY OTHER LAWS.

The General Assembly of North Carolina enacts:

SECTION 1. Of the funds appropriated to the Department of Public Instruction for the 2014-2015 fiscal year, the Department shall transfer the sum of fifty thousand dollars ($50,000) to the Office of Administrative Hearings to be allocated to the Rules Review Commission, created by G.S. 143B-30.1, to pay for any litigation costs incurred in the defense of *North Carolina State Board of Education v. The State of North Carolina and The Rules Review Commission*, Wake County Superior Court, File No. 14 CVS 14791 (filed November 7, 2014). These funds shall not revert at the end of the 2014-2015 fiscal year but shall remain available during the 2015-2016 fiscal year for expenditure in accordance with this section.

SECTION 2. Of the funds appropriated to the Department of Public Instruction for the 2014-2015 fiscal year for current operations of the Department, the Department shall transfer the sum of two hundred seventy-five thousand dollars ($275,000) to the Department of Administration to support the operations of the Academic Standards Review Commission established in S.L. 2014-78. From these funds, an amount equal to the total of all costs incurred

by the Department of Administration prior to the enactment of this act to support the operations of the Commission shall be credited to the Department. Expenditure of the remainder of these funds shall be made upon authorization by the Commission, only for the following:

(1) Administrative assistance, including professional and clerical staff and any contracts for professional, clerical, and consultant services. Consultant services may include contracts with qualified experts on academic standards that may be used as an alternative to the Common Core Standards, including other state academic standards.

(2) Technical assistance, including meeting rooms, telephones, office space, equipment, and supplies provided by the Department of Administration in accordance with Section 2(f) of S.L. 2014-78.

(3) Per diem, subsistence, and travel allowances provided to Commission members in accordance with G.S. 138-5, 138-6, or 120-3.1, as appropriate.

SECTION 3. The funds transferred to the Department of Administration in Section 2 of this act shall not revert at the end of the 2014-2015 fiscal year but shall remain available for expenditure in accordance with that section until the Commission terminates on December 31, 2015, or upon the filing of its final report, whichever occurs first. Any unexpended, unencumbered balance of these funds shall revert to the General Fund on June 30, 2016.

SECTION 4. The General Assembly finds that considerable resources have already been expended to allow teachers and members of the public to make known their opinions and concerns surrounding adoption of academic standards. Specifically, the General Assembly finds that (i) on March 20, 2014, a Legislative Research Commission committee heard more than two hours of comment from stakeholders and interested members of the public on the subject; and (ii) on October 20, 2014, the Department of Public Instruction surveyed every public school teacher in the State on the subject. Accordingly, funds transferred pursuant to Section 2 of this act shall not be used by the Academic Standards Review Commission to conduct any survey related to the adoption of academic standards or to contract for the performance of such a survey by any third party.

SECTION 5. Notwithstanding any other provision of law, the Academic Standards Review Commission is subject to the Public Records Act, Chapter 132 of the General Statutes, and the Open Meetings Law, Article 33C of Chapter 143 of the General Statutes. Additionally, the Commission shall have the duty to comply with all of the following:

(1) All minutes, agendas, handouts, and presentations created during the course of the Commission's work, and any audio recordings of the Commission's meetings, shall be published on the Commission's Web site.

(2) All official meetings, as that term is defined in G.S. 143-318.10, of the Commission shall be streamed live over the Internet in a manner that allows members of the public to listen to the proceedings.

SECTION 6. In implementing Section 2 of this act, the State Board of Education shall make reductions to the operating budget of the Department of Public Instruction and shall make no reduction to funding or positions for:

(1) The North Carolina Center for Advancement of Teaching.

(2) The Eastern North Carolina School for the Deaf, the North Carolina School for the Deaf, and the Governor Morehead School.

(3) Communities in Schools of North Carolina, Inc.

(4) Teach for America, Inc.

(5) Beginnings For Parents of Children Who Are Deaf or Hard of Hearing, Inc.

SECTION 7. G.S. 62-302.1(d) reads as rewritten:

"§ **62-302.1. Regulatory fee for combustion residuals surface impoundments.**

…

(d) Use of Proceeds. – A special fund in the Office of State Treasurer and the Coal Ash Management Commission is created. The fees collected pursuant to this section and all other funds received by the Coal Ash Management Commission shall be deposited in the Coal

Combustion Residuals Management Fund. The Fund shall be placed in an interest-bearing account, and any interest or other income derived from the Fund shall be credited to the Fund. ~~Moneys in the Fund shall only be spent pursuant to appropriation by the General Assembly.~~ Subject to appropriation by the General Assembly, twenty-six and one-half percent (26.5%) of the moneys in the Fund shall be used by the Coal Ash Management Commission and the remainder shall be used by the Department of Environment and Natural Resources. The Commission shall be subject to the provisions of the State Budget Act, except that no unexpended surplus of the Coal Combustion Residuals Management Fund shall revert to the General Fund. All funds credited to the Fund shall be used only to pay the expenses of the Coal Ash Management Commission and the Department of Environment and Natural Resources in providing oversight of coal combustion residuals."

SECTION 8. Sections 15(c) through 15(e) of S.L. 2014-122 read as rewritten:

"**SECTION 15.(c)** ~~Twenty-five~~Up to twenty-five receipt-supported positions are created in the Department of Environment and Natural Resources to carry out the duties in Part 2I of Article 9 of Chapter 130A of the General Statutes. There is appropriated from the Coal Combustion Residuals Management Fund the sum of one million seven hundred fifty thousand dollars ($1,750,000) to the Department of Environment and Natural Resources to support the positions for the 2014-2015 fiscal year.

SECTION 15.(d) Five receipt-supported positions are created in the Division of Emergency Management of the Department of Public Safety to carry out the duties in G.S. 130A-309.202. ~~The funds remaining in the Coal Combustion Residuals Management Fund after the appropriation to the Department of Environment and Natural Resources are appropriated to the Department of Public Safety for the 2014-2015 fiscal year.~~ There is appropriated from the Coal Combustion Residuals Management Fund the sum of six hundred thirty thousand dollars ($630,000) to the Department of Public Safety to support the positions for the 2014-2015 fiscal year. These positions shall be used to provide assistance to the Coal Ash Management Commission established by G.S. 130A-309.202, as enacted by Section 3(a) of this act. The positions shall be assigned in the following manner: one of the positions shall be the executive director of the staff, two positions shall be assigned as analysts, one position shall be assigned as a technician, and one position shall be assigned as administrative. The Division of Emergency Management in the Department of Public Safety shall consult with the Chair of the Commission in hiring the staff for the Coal Ash Management Commission. The Division of Emergency Management in the Department of Public Safety shall provide support to the Commission until the staff of the Commission is hired, including the designation of an individual to serve as an interim executive director of the staff.

SECTION 15.(e) If the moneys in the Coal Combustion Residuals Management Fund are insufficient to support the appropriations set out in subsection 15(c) and subsection 15(d) of this section for the 2014-2015 fiscal year, then each appropriation is hereby reduced on a proportional basis.

~~**SECTION 15.(e)**~~**SECTION 15.(f)** Subsection (a) of this section becomes effective July 1, 2014, and expires April 1, 2030, and applies to jurisdictional revenues earned on or after July 1, 2014, and before April 1, 2030. The remainder of this section becomes effective July 1, 2014."

SECTION 9.(a) G.S. 143-215.31(a1) reads as rewritten:

"(a1) The owner of a dam classified by the Department as a high-hazard dam or an intermediate-hazard dam shall develop an Emergency Action Plan for the dam as provided in this subsection;

(1) The owner of the dam shall submit a proposed Emergency Action Plan for the dam within 90 days after the dam is classified as a high-hazard dam or an intermediate-hazard dam to the Department and the Department of Public Safety for their review and approval. The Department and the Department of Public Safety shall approve the Emergency Action Plan if they determine that it complies with the requirements of this subsection and will protect public health, safety, and welfare; the environment; and natural resources.

(2) The Emergency Action Plan shall include, at a minimum, all of the following:

a. A description of potential emergency conditions that could occur at the dam, including security risks.

b. A description of actions to be taken in response to an emergency condition at the dam.

c. Emergency notification procedures to aid in warning and evacuations during an emergency condition at the dam.

d. A downstream inundation map depicting areas affected by a dam failure and sudden release of the impoundment. A downstream inundation map prepared pursuant to this section does not require preparation by a licensed professional engineer or a person under the responsible charge of a licensed professional engineer unless the dam is associated with a coal combustion residuals surface impoundment, as defined by G.S. 130A-309.201."

SECTION 9.(b) Section 8(b) of S.L. 2014-122 reads as rewritten:

"**SECTION 8.(b)** Notwithstanding G.S. 143-215.31, as amended by Section 8(a) of this act, the owners of all high-hazard dams and intermediate-hazard dams associated with coal combustion residuals surface impoundments, as defined by G.S. 130A-309.201, in operation on the effective date of this act shall submit their proposed Emergency Action Plans to the Department of Environment and Natural Resources and the Department of Public Safety no later than March 1, 2015. Notwithstanding G.S. 143-215.31, as amended by Section 8(a) of this act, the owners of all high-hazard dams and intermediate-hazard dams not associated with coal combustion residuals surface impoundments, as defined by G.S. 130A-309.201, in operation on the effective date of this act shall submit their proposed Emergency Action Plans to the Department of Environment and Natural Resources and the Department of Public Safety no later than December 31, 2015."

SECTION 9.(c) The Department of Environment and Natural Resources shall study whether, under certain circumstances, downstream inundation maps prepared pursuant to G.S. 143-215.31 should be prepared by a licensed professional engineer or a person under the responsible charge of a licensed professional engineer. The Department shall consult with the State Board of Examiners for Engineers and Surveyors in the conduct of this study. The Department shall report the results of this study to the Environmental Review Commission no later than March 31, 2016.

SECTION 10. G.S. 143B-431.01(d)(2)(c) reads as rewritten:

"(d) Limitations. – Prior to contracting with a North Carolina nonprofit corporation pursuant to this section and in order for the North Carolina nonprofit corporation to receive State funds, the following conditions shall be met:

…

(2) The nonprofit corporation adheres to the following governance provisions related to its governing board:

…

c. No State ~~officer or~~ employee may serve on the board.

…."

SECTION 11.(a) Notwithstanding G.S. 143C-6-4 or any other provision of law, the sum of two million dollars ($2,000,000) appropriated to the Department of Health and Human Services, Division of Central Management and Support, for the health information exchange for the 2014-2015 fiscal year shall be nonrecurring. The Department shall not, under any circumstances, use any portion of this two million dollars ($2,000,000) in nonrecurring funds for any purpose not expressly authorized under section 12A.2 of S.L. 2014-100, as amended by this act. Any funds that are not expended or encumbered as of June 30, 2015, shall revert to the General Fund.

SECTION 11.(b) Section 12A.2 of S.L. 2014-100 reads as rewritten:

"~~**SECTION 12A.2.(a)** It is the intent of the General Assembly:~~

~~(1) To maximize receipt of federal funds for administration and support of the statewide health information exchange network (HIE Network).~~

~~(2) To allow the North Carolina Health Information Exchange (NC HIE), the nonprofit corporation responsible for overseeing and administering the HIE Network, to receive the State's share of available federal funds for administration and support of the HIE Network in order to reduce the operating costs of the HIE Network by an amount sufficient to allow for the elimination or reduction of the participation fee the NC HIE currently imposes on hospitals required to connect to the HIE Network pursuant to G.S. 90-413.3A.~~

~~(3) Beginning with the 2015-2016 fiscal year, to make the Department of Health and Human Services, Division of Central Management and Support, responsible for using State funds to draw down available matching federal funds for administration and support of the HIE Network.~~

SECTION 12A.2.(b) From the nonrecurring funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, for the health information exchange for the 2014-2015 fiscal year, the Department shall allocate to the North Carolina Health Information ~~Exchange,~~ Exchange (NC HIE), a nonprofit corporation, ~~an amount sufficient to represent the State share for the maximum amount of approved federal matching funds for allowable Medicaid administrative costs related to the HIE Network.~~the following amounts to be used to fund the following expenses incurred or encumbered by the NCHIE during the period commencing February 1, 2015, and ending June 30, 2015:

(1) Four hundred thirty-six thousand ten dollars ($436,010) to be used for software vendor maintenance, hosting, and licensing costs due under the technology vendor contract currently in effect between NCHIE and Orion.

(2) Three hundred fifty-six thousand nine hundred twenty dollars ($356,920) to be used for NCHIE payroll costs.

(3) Ninety-two thousand one hundred sixty dollars ($92,160) to be used for operational expenses.

SECTION 12A.2.(b1) The Department shall, within five days of this act becoming law, process the payment for the expenses allowed in subsection (b) of this section and incurred or encumbered between February 1, 2015, and June 30, 2015. The NC HIE shall not use any portion of the funds allocated to the NC HIE pursuant to subsection (b) of this section for expenses incurred or encumbered prior to February 1, 2015, or for any other purpose not expressly authorized under subsection (b) of this section.

SECTION 12A.2.(b2) In addition to the allocations authorized under subsection (b) of this section, of the two million dollars ($2,000,000) of nonrecurring funds appropriated to the Department of Health and Human Services, Division of Central Management and Support, for the health information exchange for the 2014-2015 fiscal year, the Department shall transfer the sum of one hundred fifty thousand dollars ($150,000) to the Office of the State Chief Information Officer (SCIO). The SCIO, in conjunction with the Department, shall use these funds to conduct an assessment of the existing functionality, structure, and operation of the HIE Network.

SECTION 12A.2.(c) By ~~March 1, 2015, the NC HIE shall report to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division~~May 1, 2015, the Department shall submit to the House Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the Joint Legislative Oversight Committees on Health and Human Services and Information Technology, and the Fiscal Research Division a report on ~~its use of (i)~~all State appropriations allocated to or on behalf of the NC HIE pursuant to this ~~section and (ii) federal matching funds received by the NC HIE for costs related to the HIE Network. The report shall include a~~

~~detailed, audited report of all State and federal funds received by the NC HIE and all expenditures from these funds.~~section.

SECTION 12A.2.(d) By June 1, 2015, the Department, in conjunction with the Office of the SCIO, shall submit to the Joint Legislative Oversight Committees on Health and Human Services and Information Technology and to the Fiscal Research Division the results of the results of the assessment conducted pursuant to subsection (b2) of this section.

SECTION 12A.2.(e) It is the intent of the General Assembly to continue efforts towards the implementation of a statewide HIE."

SECTION 11.5.(a) The State Auditor shall conduct a performance audit of county departments of social services' administration of the North Carolina Medicaid program. The audit shall examine the county departments of social services' accuracy in determining eligibility for Medicaid and their compliance with the requirements of the Centers for Medicare and Medicaid Services and State law. The audit shall also consider the impact of the Department of Health and Human Services' policy decisions related to re-enrollment eligibility determinations. In conducting the audit, the auditor shall ensure:

(1) A representative sample of counties, including both urban and rural counties, is audited.

(2) A statistically significant number of cases are audited in each county in the sample.

SECTION 11.5.(b) The audit required by Section 11.5(a) shall include the State Auditor's examination of at least all of the following:

(1) The accuracy of Medicaid application eligibility determinations.

(2) The timeliness of Medicaid application determinations.

(3) The accuracy of Medicaid re-enrollment eligibility determinations.

(4) The timeliness of Medicaid re-enrollment eligibility determinations.

(5) The accuracy of presumptive Medicaid application determinations.

(6) The timeliness of presumptive Medicaid application determinations.

(7) The controls and oversight county departments of social services have in place to ensure accurate and timely processing of Medicaid applications and re-enrollment.

SECTION 11.5.(c) The State Auditor shall submit a preliminary report on the performance audit required by this section to the Joint Legislative Oversight Committee on Health and Human Services and to the Fiscal Research Division by June 1, 2015, and shall complete the performance audit by February 1, 2016. The Department of Health and Human Services and county departments of social services shall give the State Auditor full access to all data necessary to complete the audit and the report.

SECTION 12. Sections 7 and 8 of this act become effective July 1, 2014. Section 9 of this act is effective retroactively to September 20, 2014. Section 11 of this act is effective when it becomes law or June 30, 2015, whichever is earlier. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 1st day of April, 2015.

This bill having been presented to the Governor for signature on the 1st day of April, 2015, and the Governor having failed to approve it within the time prescribed by law, the same is hereby declared to have become a law. This 13th day of April, 2015.

Session Law 2015-8 **H.B. 140**

AN ACT DESIGNATING THE EIGHTEENTH DAY OF APRIL, 2015, AND THE SECOND MONDAY IN APRIL OF EACH YEAR THEREAFTER AS LINEMAN APPRECIATION DAY.

Whereas, the profession of linemen is steeped in personal, family, and professional tradition; and

Whereas, linemen are often the first responders during storms and other catastrophic events, working to make the scene safe for other public safety heroes; and

Whereas, linemen work with thousands of volts of electricity high atop power lines 24 hours a day, 365 days a year, to keep electricity flowing; and

Whereas, linemen must often work under dangerous conditions far from their families to construct and maintain the energy infrastructure of the United States; and

Whereas, linemen put their lives on the line every day with little recognition from the community regarding the danger of their work; and

Whereas, it is appropriate to honor the brave men and women who work to keep the power on and protect public safety by designating April 18, 2015, and the second Monday in April of each year thereafter as Lineman Appreciation Day; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. The eighteenth day of April, 2015, is designated as Lineman Appreciation Day in North Carolina.

SECTION 2. Chapter 103 of the General Statutes is amended by adding a new section to read:

"**§ 103-14. Lineman Appreciation Day.**

The second Monday in April of each year is designated as Lineman Appreciation Day in North Carolina."

SECTION 3. Section 2 of this act becomes effective July 1, 2015. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 15th day of April, 2015.

Became law upon approval of the Governor at 10:06 a.m. on the 16th day of April, 2015.

Session Law 2015-9 **H.B. 364**

AN ACT TO CLARIFY THE CONFLICT OF INTEREST PROVISIONS FOR CERTAIN COMMISSIONS AND TO MODIFY APPOINTMENTS TO SEVERAL STATE BOARDS AND COMMISSIONS.

Whereas, the Environmental Management Commission was established by Section 19 of S.L. 1973-1262, effective July 1, 1974; and

Whereas, as provided in G.S. 143B-282(a), the Environmental Management Commission was established with the power and duty to promulgate rules for the protection, preservation, and enhancement of the water and air resources of the State; and

Whereas, the membership of the Environmental Management Commission was established by Section 20 of S.L. 1973-1262; and

Whereas, subdivision (9) of subsection (a) of Section 20 of S.L. 1973-1262 provided, "The Governor, by executive order, shall promulgate criteria for determining the eligibility of persons under this section and for this purpose, may promulgate the rules, regulations or guidelines established by any federal agency interpreting and applying equivalent provisions of law."; and

Whereas, Section 5 of S.L. 1979-1158 amended the provision enacted by subdivision (9) of subsection (a) of Section 20 of S.L. 1973-1262 to also provide, "The Governor shall require adequate disclosure of potential conflicts of interest by members. The Governor, by executive order, shall promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons under this section, giving due regard to the requirements of federal legislation, and for this purpose may promulgate rules, regulations or guidelines in conformance with those established by any federal agency interpreting and applying provisions of federal law."; and

Whereas, the provision enacted by subdivision (9) of subsection (a) of Section 20 of S.L. 1973-1262, as subsequently amended, currently provides in G.S. 143B-283(c), "The Governor shall require adequate disclosure of potential conflicts of interest by members. The Governor, by executive order, shall promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons under this subsection, giving due regard to the requirements of federal legislation, and for this purpose may promulgate rules, regulations or guidelines in conformance with those established by any federal agency interpreting and applying provisions of federal law."; and

Whereas, the Coastal Resources Commission was established by Section 1 of S.L. 1973-1284, effective July 1, 1974; and

Whereas, the Coastal Resources Commission was established to implement the Coastal Area Management Act of 1974; and

Whereas, as provided in G.S. 113A-102(b), the goals of the Coastal Area Management Act include management of the natural coastal systems in order to protect and maintain their natural productivity and their biological, economic, and esthetic values and management of development and preservation of the land and water resources of the coastal area in a manner consistent with the capability of the land and water for development, use, or preservation based on ecological considerations; and

Whereas, the membership of the Coastal Resources Commission was established by Section 1 of S.L. 1973-1284; and

Whereas, Section 1 of S.L. 1989-505 amended the membership provisions established by Section 1 of S.L. 1973-1284 to provide, "The Governor shall require adequate disclosure of potential conflicts of interest by members. The Governor, by executive order, shall promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons under this section."; and

Whereas, the provision enacted by Section 1 of S.L. 1973-1284, as subsequently amended, currently provides, "The Governor shall require adequate disclosure of potential conflicts of interest by these members. The Governor, by executive order, shall promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons under this subsection."; and

Whereas, the Coal Ash Management Commission was established by Section 3.(a) of S.L. 2014-122, effective September 20, 2014; and

Whereas, as provided in G.S. 130A-309.202(a), the Coal Ash Management Commission was established in recognition of the complexity and magnitude of the issues associated with the management of coal combustion residuals and the proper closure and remediation of coal combustion residuals surface impoundments; and

Whereas, as provided in G.S. 130A-309.213(c), the Coal Ash Management Commission must evaluate all information submitted in accordance with the Coal Ash Management Act related to the proposed classifications of coal combustion residuals surface impoundments and may only approve a proposed classification if it determines that the classification was developed in accordance with the Coal Ash Management Act and that the classification accurately reflects the level of risk posed by the coal combustion residuals surface impoundment; and

Whereas, as provided in G.S. 130A-309.214(d), the Coal Ash Management Commission must approve a Closure Plan if it determines that the Closure Plan was developed in accordance with the Coal Ash Management Act, that implementation of the Closure Plan according to the Closure Plan's schedule is technologically and economically feasible, and the Closure Plan is protective of the public health, safety, and welfare; the environment; and natural resources. In addition, the Commission may consider any impact on electricity costs and reliability, but this factor may not be dispositive of the Commission's determination; and

Whereas, like the Environmental Management Commission and the Coastal Resources Commission, the Coal Ash Management Commission was established to evaluate complex issues related to the risks posed by environmental contaminants and ensure that the

actions taken to manage environmental contaminants are protective of the public health, safety, and welfare; the environment; and natural resources; and

Whereas, due to the similar powers and duties shared by the Coal Ash Management Commission with the Environmental Management Commission and the Coastal Resources Commission, the General Assembly modelled many of the provisions establishing the Coal Ash Management Commission on provisions establishing the Environmental Management Commission and the Coastal Resources Commission; and

Whereas, the General Assembly modelled the conflict of interest and disclosure provision of the Coal Ash Management Commission found in G.S. 130A-309.202(j) on the long-standing and unchallenged conflict of interest and disclosure provisions of the Environmental Management Commission and the Coastal Resources Commission; and

Whereas, although the General Assembly finds that measures to prevent conflicts of interest for public servants and to provide abundant disclosure to prevent the appearance of conflicts of interest are of the utmost public good, the General Assembly finds that implementing such measures through issuance of an Executive Order by the Governor is unnecessary and that the Governor may determine that such additional measures are not necessary given the protections provided under Chapter 138A of the General Statutes, the State Government Ethics Act; and

Whereas, the holding of the North Carolina Supreme Court in Wallace v. Bone, 304 N.C. 591 (1982), prohibits legislators from serving on certain boards; and

Whereas, since Wallace v. Bone, the General Assembly has periodically enacted legislation removing legislators from serving in such capacities when those instances arise; and

Whereas, the General Assembly has determined that legislators are not eligible to serve on certain existing boards and commissions; Now, therefore,

The General Assembly of North Carolina enacts:

PART I. CLARIFY CONFLICT OF INTEREST PROVISIONS

SECTION 1.1. G.S. 130A-309.202 reads as rewritten:

"§ **130A-309.202. (Repealed effective June 30, 2030) Coal Ash Management Commission.**

…

~~(j) Conflicts of Interest; Disclosure. The Governor shall require adequate disclosure of potential conflicts of interest by members. The Governor, by executive order, shall promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons under this subsection, giving due regard to the requirements of federal legislation and, for this purpose, may promulgate rules, regulations, or guidelines in conformance with those established by any federal agency interpreting and applying provisions of federal law.~~

(k) Covered ~~Persons.~~Persons; Conflicts of Interest; Disclosure. – All members of the Commission are covered persons for the purposes of Chapter 138A of the General Statutes, the State Government Ethics Act. As covered persons, members of the Commission shall comply with the applicable requirements of the State Government Ethics Act, including mandatory training, the public disclosure of economic interests, and ethical standards for covered persons. Members of the Commission shall comply with the provisions of the State Government Ethics Act to avoid conflicts of interest. The Governor may require additional disclosure of potential conflicts of interest by members. The Governor may promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons under this subsection, giving due regard to the requirements of federal legislation, and, for this purpose, may promulgate rules, regulations, or guidelines in conformance with those established by any federal agency interpreting and applying provisions of federal law.

…."

SECTION 1.2. G.S. 143B-283 reads as rewritten:

"§ **143B-283. Environmental Management Commission – members; selection; removal; compensation; quorum; services.**

…

~~(c) The Governor shall require adequate disclosure of potential conflicts of interest by members. The Governor, by executive order, shall promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons under this subsection, giving due regard to the requirements of federal legislation, and for this purpose may promulgate rules, regulations or guidelines in conformance with those established by any federal agency interpreting and applying provisions of federal law.~~

(c1) All members of the Commission are covered persons for the purposes of Chapter 138A of the General Statutes, the State Government Ethics Act. As covered persons, members of the Commission shall comply with the applicable requirements of the State Government Ethics Act, including mandatory training, the public disclosure of economic interests, and ethical standards for covered persons. Members of the Commission shall comply with the provisions of the State Government Ethics Act to avoid conflicts of interest. The Governor may require additional disclosure of potential conflicts of interest by members. The Governor may promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons under this subsection, giving due regard to the requirements of federal legislation, and, for this purpose, may promulgate rules, regulations, or guidelines in conformance with those established by any federal agency interpreting and applying provisions of federal law.

…."

SECTION 1.3. G.S. 113A-104 reads as rewritten:

"§ **113A-104. Coastal Resources Commission.**

…

(c1) The members of the Commission whose qualifications are described in subdivisions (3), (6), (7), (8), (9), (11), and (12) of subsection (b1) of this section shall be persons who do not derive any significant portion of their income from land development, construction, real estate sales, or lobbying and do not otherwise serve as agents for development-related business activities. ~~The Governor shall require adequate disclosure of potential conflicts of interest by these members. The Governor, by executive order, shall promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons under this subsection.~~

(c2) All members of the Commission are covered persons for the purposes of Chapter 138A of the General Statutes, the State Government Ethics Act. As covered persons, members of the Commission shall comply with the applicable requirements of the State Government Ethics Act, including mandatory training, the public disclosure of economic interests, and ethical standards for covered persons. Members of the Commission shall comply with the provisions of the State Government Ethics Act to avoid conflicts of interest. The Governor may require additional disclosure of potential conflicts of interest by the members described in subsection (c1) of this section. The Governor may promulgate criteria regarding conflicts of interest and disclosure thereof for determining the eligibility of persons described in subsection (c1) of this section.

…."

PART II. BRING VARIOUS BOARDS INTO WALLACE V. BONE COMPLIANCE

SECTION 2.1. G.S. 116E-3 reads as rewritten:

"§ **116E-3. North Carolina Longitudinal Data System Board.**

(a) There is established the North Carolina Longitudinal Data System Board which shall consist of the following 18 members:

(1) The Superintendent of Public Instruction, or the Superintendent's designee.

(2) The President of The University of North Carolina, or the President's designee.

(3) The President of the North Carolina Community College System, or the President's designee.
(4) The Secretary of the Department of Health and Human Services, or the Secretary's designee.
(5) The Assistant Secretary of the Department of Commerce, Division of Employment Security, or the Assistant Secretary's designee.
(6) The Secretary of the Department of Revenue, or the Secretary's designee.
(7) The Commissioner of Labor, or the Commissioner's designee.
(8) The President of the North Carolina Independent Colleges and Universities, Inc., or the President's designee.
(9) The Commissioner of Motor Vehicles, Department of Transportation, or the Commissioner's designee.
(10) The State Chief Information Officer.
(11) The State Controller, or the Controller's designee.
(12) Three public members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate.
(13) Three public members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives.
(14) One public member appointed by the Governor, to serve at the Governor's pleasure."

SECTION 2.2. G.S. 143B-394.15(c) reads as rewritten:

"(c) Membership. – The Commission shall consist of 39 members, who reflect the geographic and cultural regions of the State, as follows:

(1) Nine persons appointed by the Governor, one of whom is a clerk of superior court; one of whom is an academician who is knowledgeable about domestic violence trends and treatment; one of whom is a member of the medical community; one of whom is a United States Attorney for the State of North Carolina or that person's designee; one of whom is a member of the North Carolina Bar Association who has studied domestic violence issues; one of whom is a representative of a victims' service program eligible for funding by the Governor's Crime Commission or the North Carolina Council for Women; one of whom is a member of the North Carolina Coalition Against Domestic Violence; one of whom is a former victim of domestic violence; and one of whom is a member of the public at large.
(2) Nine persons appointed by the General Assembly, upon recommendation of the President Pro Tempore of the Senate, ~~one of whom is a member of the Senate;~~ one of whom is a district court judge; one of whom is a district attorney or assistant district attorney; one of whom is a representative of the law enforcement community with specialized knowledge of domestic violence issues; one of whom is a county manager; one of whom is a representative of a community legal services agency who works with domestic violence victims; one of whom is a representative of the linguistic and cultural minority communities; one of whom is a representative of a victims' service program eligible for funding by the Governor's Crime Commission or the North Carolina Council for Women; and ~~one~~ two of whom ~~is a member~~are members of the public at large.
(3) Nine persons appointed by the General Assembly, upon recommendation of the Speaker of the House of Representatives, ~~one of whom is a member of the House of Representatives;~~ one of whom is a magistrate; one of whom is a member of the business community; one of whom is a district court judge; one of whom is a representative of a victims' service program eligible for funding by the Governor's Crime Commission or the North Carolina Council for Women; one of whom is a representative of the law enforcement

community with specialized knowledge of domestic violence issues; one of whom provides offender treatment and is approved by the North Carolina Council for Women; one of whom is a representative of the linguistic and cultural minority communities; and ~~one~~ two of whom ~~is a public member.~~are members of the public at large.

…."

SECTION 2.3(a) G.S. 143B-1100(a)(1) reads as rewritten:

"(a) There is hereby created the Governor's Crime Commission of the Department of Public Safety. The Commission shall consist of 37 voting members and five nonvoting members. The composition of the Commission shall be as follows:

(1) The voting members shall be:

…

d. ~~Two members of the North Carolina House of Representatives and two members of the North Carolina Senate.~~Four public members."

SECTION 2.3(b) G.S. 143B-1100(b)(4) reads as rewritten:

"(4) ~~The two members of the House of Representatives~~ Two public members provided by subdivision (a)(1)d. of this section shall be appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives and ~~the two members of the Senate~~two public members provided by subdivision (a)(1)d. of this section shall be appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate. ~~These members shall perform the advisory review of the State plan for the General Assembly as permitted by section 206 of the Crime Control Act of 1976 (Public Law 94-503).~~"

SECTION 2.4. G.S. 120-123 reads as rewritten:

"§ **120-123. Service by members of the General Assembly on certain boards and commissions.**

No member of the General Assembly may serve on any of the following boards or commissions:

…

(81) The North Carolina Longitudinal Data System Board, as established in G.S. 116E-3.

(82) The Domestic Violence Commission, as established in Part 10C of Article 9 of Chapter 143B of the General Statutes.

(83) The Governor's Crime Commission of the Department of Public Safety, as established in G.S. 143B-1100."

PART III. EFFECTIVE DATE

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 16th day of April, 2015.

This bill having been presented to the Governor for signature on the 16th day of April, 2015 and the Governor having failed to approve it within the time prescribed by law, the same is hereby declared to have become a law. This 27th day of April, 2015.

Session Law 2015-10 **S.B. 5**

AN ACT TO REPEAL S.L. 2014-8, AS AMENDED BY S.L. 2014-9, AS IT APPLIES TO UNION COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1. Section 1(a) of S.L. 2014-8, as amended by S.L. 2014-9, is repealed.

SECTION 2. G.S. 115C-429(b)(2), as enacted by S.L. 2014-8, as amended by S.L. 2014-9, is repealed.

SECTION 3. This act applies only to Union County.

SECTION 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27th day of April, 2015.

Became law on the date it was ratified.

Session Law 2015-11 **S.B. 372**

AN ACT TO PROVIDE A SAFE HARBOR FOR RENEWABLE ENERGY PROJECTS THAT ARE SUBSTANTIALLY COMPLETED BY JANUARY 1, 2016, BY EXTENDING THE TAX CREDIT FOR RENEWABLE ENERGY PROPERTY ONE YEAR FOR THOSE PROJECTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-129.16A reads as rewritten:

"§ **105-129.16A. Credit for investing in renewable energy property.**

…

(e) Sunset. – ~~This~~ Except for taxpayers covered by subsection (f) of this section, this section is repealed effective for renewable energy property placed into service on or after January 1, 2016.

(f) Delayed Sunset. – This section is repealed effective for renewable energy property placed in service on or after January 1, 2017.

A taxpayer is eligible for the delayed sunset provided by this subsection if the taxpayer makes a timely application for the extension, pays the application fee, and meets both of the following conditions on or before January 1, 2016: (i) incurred at least the minimum percentage of costs of the project and (ii) completed at least the minimum percentage of the physical construction of the project. For a project with a total size of less than 65 megawatts of direct current capacity, the minimum percentage of incurred costs and partial construction is at least eighty percent (80%). For a project with a total size of 65 megawatts or more of direct current capacity, the minimum percentage of incurred costs and partial construction is at least fifty percent (50%).

An application and payment must be filed with the Secretary on or before October 1, 2015. The application must include the location of the project, an estimate of the total cost of the project, the total anticipated credit to be claimed, and the total size in megawatt capacity of each project proposed or under construction. The nonrefundable fee to be paid with the application is one thousand dollars ($1,000) per megawatt of capacity, with a minimum fee of five thousand dollars ($5,000).

A taxpayer must provide the documentation required under this subsection to the Department on or before March 1, 2016, to verify that the taxpayer meets the minimum percentage of incurred costs and partial construction required to be eligible for the sunset extension:

(1) A written certification signed by the taxpayer that, prior to January 1, 2016, at least the minimum percentage of the physical construction of the project was completed and that at least the minimum percentage of the total cost of the project was incurred.

(2) A notarized copy of a written report prepared by an independent engineer duly licensed in the State of North Carolina with expertise in the design and construction of installations of renewable energy property stating that at least the minimum percentage of the project was constructed and installed prior to January 1, 2016.

(3) A notarized copy of a written report prepared by a certified public accountant duly licensed to practice in the State of North Carolina with expertise in accounting for and taxation of renewable energy property and that was prepared in accordance with AT Section 201 of the American Institute of Certified Public Accountants Standards for Agreed-Upon Procedures Engagements stating that the minimum percentage of the total cost of the project was paid or incurred as determined under Section 461 and other relevant sections of the Code prior to January 1, 2016."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22nd day of April, 2015.

Became law upon approval of the Governor at 10:58 a.m. on the 30th day of April, 2015.

Session Law 2015-12 **H.B. 393**

AN ACT TO CHANGE THE MANNER OF SELECTION OF MEMBERS OF THE TRI-COUNTY COMMUNITY COLLEGE BOARD OF TRUSTEES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115D-12 reads as rewritten:

"§ **115D-12. Each institution to have board of trustees; selection of trustees.**

(a) Each community college established or operated pursuant to this Chapter shall be governed by a board of trustees consisting of 13 members, or of additional members if selected according to the special procedure prescribed by the ~~third~~second paragraph of this subsection, who shall be selected by the following agencies. No member of the General Assembly may be appointed to a local board of trustees for a community college.

~~Group One – four trustees, elected by the board of education of the public school administrative unit located in the administrative area of the institution. If there are two or more public school administrative units, whether city or county units, or both, located within the administrative area, the trustees shall be elected jointly by all of the boards of education of those units, each board having one vote in the election of each trustee, except as provided in G.S. 115D-59. No board of education shall elect a member of the board of education or any person employed by the board of education to serve as a trustee, however, any such person currently serving on a board of trustees shall be permitted to fulfill the unexpired portion of the trustee's current term.~~

Group ~~Two~~One – ~~four~~eight trustees, elected by the board of commissioners of the county in which the main campus of the institution is located. ~~Provided, however, if the administrative area of the institution is composed of two or more counties, the trustees shall be elected jointly by the boards of commissioners of all those counties, each board having one vote in the election of each trustee. Provided, also, the county commissioners of the county in which the community college has established a satellite campus may elect an additional two members if the board of trustees of the community college agrees.~~ No more than one trustee from Group ~~Two~~One may be a member of a board of county commissioners. Should ~~the boards of education or~~ the ~~boards~~ board of commissioners ~~involved~~ be unable to agree on one or more trustees the senior resident superior court judge in the superior court district or set of districts as defined in G.S. 7A-41.1 where the institution is located shall fill the position or positions by appointment.

Group ~~Three~~Two – four trustees, appointed by the Governor.

Group ~~Four~~Three – the president of the student government or the chairman of the executive board of the student body of each community college established pursuant to this Chapter shall be an ex officio nonvoting member of the board of trustees of each said institution.

(b) All trustees shall be residents of the administrative area of the institution for which they are selected or of counties contiguous thereto with the exception of members provided for in subsection (a) of this section, Group ~~Four.~~Three.

…."

SECTION 2. This act applies only to Tri-County Community College.

SECTION 3. This act is effective when it becomes law and applies to appointments made on or after that date.

In the General Assembly read three times and ratified this the 11th day of May, 2015.

Became law on the date it was ratified.

Session Law 2015-13 **H.B. 65**

AN ACT TO ESTABLISH A SEASON FOR TRAPPING FOXES IN WILKES COUNTY, CHEROKEE COUNTY, AND NEW HANOVER COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding any other provision of law, there is an open season for taking foxes by trapping during the trapping season set by the Wildlife Resources Commission each year, with no tagging requirements prior to or after sale.

SECTION 2. No bag limit applies to foxes taken under this act.

SECTION 3. The Wildlife Resources Commission shall provide for the sale of foxes taken lawfully pursuant to this act.

SECTION 4. This act applies only to the Counties of Wilkes, Cherokee, and New Hanover.

SECTION 5. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 14th day of May, 2015.

Became law on the date it was ratified.

Session Law 2015-14 **H.B. 204**

AN ACT TO AUTHORIZE THE TOWN OF CASWELL BEACH TO TAKE IMMEDIATE POSSESSION OF PROPERTY CONDEMNED FOR A PUBLIC SERVICES FACILITY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 40A-42(a)(2) reads as rewritten:

"(2) Modified Provision for Certain Localities. – When a local public condemnor is acquiring property by condemnation for a purpose set out in G.S. 40A-3(b1)(1), (4), (6), (7), (10), or (11), or when a city is acquiring property for a purpose set out in G.S. 160A-311(1), (2), (3), (4), (6), or (7), or when a county is acquiring property for a purpose set out in G.S. 153A-274(1), (2) or (3), or when a local board of education or any combination of local boards of education is acquiring property for any purpose set forth in G.S. 115C-517, or when a condemnor is acquiring property by condemnation as authorized by G.S. 40A-3(c)(8), (9), (10), (12), or (13) title to the property and the right to immediate possession shall vest pursuant to this subsection. Unless an action for injunctive relief has been initiated, title to the property specified in the complaint, together with the right to immediate possession thereof, shall vest in the condemnor upon the filing of the complaint and the making of the deposit in accordance with G.S. 40A-41.

This subdivision applies only to Carteret and Dare Counties, the Towns of Atlantic Beach, Carolina Beach, Caswell Beach, Duck, Emerald Isle, Holden Beach, Indian Beach, Kill Devil Hills, Kitty Hawk, Kure Beach, Nags Head, North Topsail Beach, Oak Island, Ocean Isle Beach, Pine Knoll Shores, Sunset Beach, Surf City, Topsail Beach, and Wrightsville Beach, and the Village of Bald Head Island."

SECTION 2. This act applies only to the Town of Caswell Beach, for the taking of property for a public services facility where a fire department and other emergency services providers will be located.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 14th day of May, 2015.

Became law on the date it was ratified.

Session Law 2015-15 **H.B. 243**

AN ACT TO MODIFY THE COMPOSITION OF THE ECONOMIC DEVELOPMENT COMMISSION FOR MACON COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 158-8 reads as rewritten:

"§ **158-8. Creation of municipal, county or regional commissions authorized; composition; joining or withdrawing from regional commissions.**

The governing body of any municipality or the board of county commissioners of any county may by resolution create an economic development commission for said municipality or county. The governing bodies of any two or more municipalities and/or counties may by joint resolution, adopted by separate vote of each governing body concerned, create a regional economic development commission. A municipal or county economic development commission shall consist of from three to ~~nine~~ 12 members, named for terms and compensation (if any) fixed by its respective governing body. The membership, compensation (if any), and terms of a regional economic development commission, and the formula for its financial support, shall be fixed by the joint resolution creating the commission. Additional governmental units may join a regional commission with the consent of all existing members. Any governmental unit may withdraw from a regional commission on two years' notice to the other members. The resolution creating a municipal, county, or regional economic development commission may be modified, amended, or repealed in the same manner as it was originally adopted."

SECTION 2. This act applies to the economic development commission for Macon County only.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 14th day of May, 2015.

Became law on the date it was ratified.

Session Law 2015-16 **H.B. 91**

AN ACT TO DIRECT THE DIVISION OF MOTOR VEHICLES TO STUDY WAYS TO DECREASE THE MISUSE OF WINDSHIELD PLACARDS ISSUED TO HANDICAPPED PERSONS.

The General Assembly of North Carolina enacts:

SECTION 1. The Division of Motor Vehicles shall study ways to decrease the misuse of windshield placards issued to handicapped persons. Included within this study shall

be the cost, feasibility, and advisability of (i) requiring the inclusion of more personally identifying information on the windshield placard, including a picture of the handicapped person who was issued the placard, (ii) linking the windshield placard to the handicapped person's drivers license or special identification card, and (iii) linking the windshield placard to the license plate issued to the handicapped person or the owner of the vehicle in which the handicapped person is or will be transported. The Division shall report its findings and recommendations, including any legislative proposals, to the Joint Legislative Transportation Oversight Committee on or before January 15, 2016.

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 7th day of May, 2015.

Became law upon approval of the Governor at 3:30 p.m. on the 14th day of May, 2015.

Session Law 2015-17 **H.B. 358**

AN ACT TO EXTEND THE USE OF THE FIFTEEN-POINT SCALE FOR ASSIGNMENT OF SCHOOL PERFORMANCE GRADES FOR THE 2014-2015 AND 2015-2016 SCHOOL YEARS ONLY.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding G.S. 115C-83.15(d), for the 2014-2015 school year and the 2015-2016 school year only, for all schools the total school performance score shall be converted to a 100-point scale and used to determine a school performance grade based on the following scale:

(1) A school performance score of at least 85 is equivalent to an overall school performance grade of A.

(2) A school performance score of at least 70 is equivalent to an overall school performance grade of B.

(3) A school performance score of at least 55 is equivalent to an overall school performance grade of C.

(4) A school performance score of at least 40 is equivalent to an overall school performance grade of D.

(5) A school performance score of less than 40 is equivalent to an overall school performance grade of F.

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 11th day of May, 2015.

Became law upon approval of the Governor at 3:30 p.m. on the 14th day of May, 2015.

Session Law 2015-18 **H.B. 601**

AN ACT TO PROVIDE FOR THE LAWFUL SALE OF DEER SKINS SUBJECT TO TAGGING AND REPORTING REQUIREMENTS AND SEASON LIMITS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 113-291.3(b) reads as rewritten:

"(b) With respect to dead wildlife:

...

(5) Lawfully taken fur-bearing animals and their parts, including furs and pelts, may, subject to any tagging and reporting requirements, be possessed, transported, bought, sold, given or received as a gift, or otherwise disposed of without restriction. <u>The skin of deer lawfully taken by hunting may be possessed, transported, bought, or sold, subject to tagging and reporting requirements and any season limits set by the Wildlife Resources</u>

Commission. The Wildlife Resources Commission may regulate the importation of wildlife from without the State by fur dealers, and may regulate the sale of fox fur and other wildlife hides taken within the State if sale of them is authorized. Fox furs lawfully taken without the State may be imported, possessed, transported, bought, sold, and exported in accordance with reasonable rules of the Wildlife Resources Commission. Processed furs acquired through lawful channels within or without the State by persons other than fur dealers are not subject to rule.

...."

SECTION 2. This act becomes effective October 1, 2015, and applies to deer lawfully taken on or after that date.

In the General Assembly read three times and ratified this the 7th day of May, 2015.

Became law upon approval of the Governor at 3:30 p.m. on the 14th day of May, 2015.

Session Law 2015-19 **H.B. 706**

AN ACT TO REQUIRE THE BUILDING CODE COUNCIL TO AMEND THE NORTH CAROLINA BUILDING CODE TO EXEMPT OPEN AIR CAMP CABINS FROM CERTAIN REQUIREMENTS OF THE CODE.

The General Assembly of North Carolina enacts:

SECTION 1. Definitions. – As used in this act, "Council" means the Building Code Council, "Code" means the current North Carolina Building Code as adopted by the Council, and "open air camp cabin" means a single-story structure that (i) has three walls consisting of at least twenty percent (20%) screened openings no more than 44 inches above the floor; (ii) has no heating or cooling system; (iii) is occupied for no more than 150 days within any rolling 365-day time span; and (iv) accommodates 36 or fewer persons.

SECTION 2. New Code amendment. – Until the effective date of the Code amendment that the Council is required to adopt pursuant to Section 4 of this act, the Council and local governments enforcing the Code shall follow the provisions of Section 3 of this act with respect to open air camp cabins.

SECTION 3. Implementation. – Notwithstanding any provision of the Code to the contrary, the Council shall not enforce any requirements more stringent than the following for open air camp cabins:

(1) The open air camp cabin shall have at least two remote unimpeded exits, but lighted exit signs shall not be required.

(2) The open air camp cabin shall not be required to have plumbing or electrical systems, but if the cabin has these systems, then the provisions of the Code otherwise applicable to those systems shall apply.

(3) Smoke detectors and handheld fire extinguishers may be required as otherwise provided in the Code, but no requirement for a sprinkler system shall be imposed.

SECTION 4. Rule-making authority. – Notwithstanding G.S. 150B-19(4), the Commission shall adopt rules establishing a new residential occupancy category under Section 310 of the Code for open air camp cabins that are substantively identical to the provisions of Section 3 of this act.

SECTION 5. Sunset. – Section 3 of this act expires on the date that rules adopted pursuant to Section 4 of this act become effective.

SECTION 6. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 7th day of May, 2015.

Became law upon approval of the Governor at 3:30 p.m. on the 14th day of May, 2015.

Session Law 2015-20 **H.B. 130**

AN ACT AUTHORIZING DAVIE COUNTY TO CONTRACT WITH THE LOCAL BOARD OF EDUCATION FOR THE PROVISION OF MEALS TO INMATES IN THE COUNTY DETENTION FACILITY.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding G.S. 66-58 or any other provision of law, the County and the Sheriff may enter into a contract with the local board of education to provide meals for inmates in the County's detention facility. Meals provided under the contract shall meet the minimum standards established by the Secretary of Health and Human Services as provided in G.S. 153A-221 and Subchapter 14J of Title 10A of the North Carolina Administrative Code. Any contract authorized under this section shall not be subject to the provisions of Article 8 of Chapter 143 of the General Statutes.

SECTION 2. This act applies to Davie County only.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 18th day of May, 2015.

Became law on the date it was ratified.

Session Law 2015-21 **H.B. 158**

AN ACT PROHIBITING PERSONS UNDER EIGHTEEN YEARS OF AGE FROM USING TANNING EQUIPMENT.

The General Assembly of North Carolina enacts:

SECTION 1. This act shall be known as the Jim Fulghum Teen Skin Cancer Prevention Act.

SECTION 2. G.S. 104E-9.1(a) reads as rewritten:

"(a) Operators of tanning equipment and owners of tanning facilities subject to rules adopted pursuant to this Chapter shall comply with or ensure compliance with the following:

(1) The operator shall provide to each consumer a warning statement that defines the potential hazards and consequences of exposure to ultraviolet radiation. Before allowing the consumer's initial use of the tanning equipment, the operator shall obtain the signature of the consumer on the warning statement acknowledging receipt of the warning.

(2) The operator shall not allow a person ~~13 years and younger~~under 18 years of age to use tanning ~~equipment without a written prescription from the person's medical physician specifying the nature of the medical condition requiring the treatment, the number of visits, and the time of exposure for each visit.~~equipment.

(3) Neither an operator nor an owner shall claim or distribute promotional materials that claim that using tanning equipment is safe or free from risk or that using tanning equipment will result in medical or health benefits."

SECTION 3. This act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 14th day of May, 2015.

Became law upon approval of the Governor at 11:27 a.m. on the 21st day of May, 2015.

Session Law 2015-22 **S.B. 116**

AN ACT TO PROVIDE THAT A HANDICAPPED VEHICLE OWNER WHO QUALIFIES FOR A DISTINGUISHING LICENSE PLATE SHALL ALSO RECEIVE ONE REMOVABLE WINDSHIELD PLACARD.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-37.6(b) reads as rewritten:

"(b) Handicapped Car Owners; Distinguishing License Plates. – If the handicapped person is a registered owner of a vehicle, the owner may apply for and display a distinguishing license plate. This license plate shall be issued for the normal fee applicable to standard license plates. Any vehicle owner who qualifies for a distinguishing license plate ~~may also receive~~ shall be notified by the Division at the time the plate is issued that the applicant is also eligible to receive one removable windshield ~~placard.~~placard and, upon request, shall be issued a placard at that time."

SECTION 2. This act becomes effective July 1, 2015, and applies to applications for a distinguishing license plate received on or after that date.

In the General Assembly read three times and ratified this the 14th day of May, 2015.

Became law upon approval of the Governor at 11:50 a.m. on the 21st day of May, 2015.

Session Law 2015-23 **S.B. 123**

AN ACT TO AMEND THE UNIFORM FRAUDULENT TRANSFER ACT TO ADOPT THE AMENDMENTS APPROVED BY THE UNIFORM LAW COMMISSION IN 2014 AND TO MAKE RELATED CONFORMING AND TECHNICAL AMENDMENTS, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION.

The General Assembly of North Carolina enacts:

PART I. AMENDMENTS TO THE UNIFORM FRAUDULENT TRANSFER ACT

SECTION 1. Article 3A of Chapter 39 of the General Statutes reads as rewritten:

"Article 3A.

"Uniform ~~Fraudulent Transfer~~ Voidable Transactions Act.

"§ **39-23.1. Definitions.**

~~As used in this Article:~~In this Article, the following definitions apply:

(1) ~~"Affiliate" means:~~Affiliate. – Any of the following:

a. A person ~~who~~ that directly or indirectly owns, controls, or holds with power to vote, twenty percent (20%) or more of the outstanding voting securities of the debtor, other than a person ~~who~~ that holds the ~~securities,~~securities:

1. As a fiduciary or agent without sole discretionary power to vote the securities; or
2. Solely to secure a debt, if the person has not in fact exercised the power to ~~vote;~~vote.

b. A corporation twenty percent (20%) or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by the debtor or a person ~~who~~ that directly or indirectly owns, controls, or holds, with power to vote, twenty percent (20%) or more of the outstanding voting securities of the debtor, other than a person ~~who~~ that holds the ~~securities,~~securities:

1. As a fiduciary or agent without sole discretionary power to vote the securities; or

2. Solely to secure a debt, if the person has not in fact exercised the power to ~~vote;~~vote.

c. A person whose business is operated by the debtor under a lease or other agreement, or a person substantially all of whose assets are controlled by the ~~debtor; or~~debtor.

d. A person ~~who~~ that operates the debtor's business under a lease or other agreement or controls substantially all of the debtor's assets.

(2) ~~"Asset" means property~~ Asset. – Property of a debtor, but the term does not ~~include:~~include any of the following:

a. Property to the extent it is encumbered by a valid ~~lien;~~lien.

b. Property to the extent it is generally exempt under nonbankruptcy ~~law; or~~law.

c. An interest in property held in tenancy by the entireties to the extent it is not subject to process by a creditor holding a claim against only one tenant.

(3) ~~"Claim" means~~ Claim. – Except as used in "claim for relief," a right to payment, whether or not the right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured.

(4) ~~"Creditor" means a~~ Creditor. – A person ~~who~~ that has a claim.

(5) ~~"Debt" means liability~~ Debt. – Liability on a claim.

(6) ~~"Debtor" means a~~ Debtor. – A person ~~who~~ that is liable on a claim.

(6a) Electronic. – Relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(7) ~~"Insider" includes:~~Insider. – Includes any of the following:

a. If the debtor is an ~~individual,~~individual:

1. A relative of the debtor or of a general partner of the debtor;
2. A partnership in which the debtor is a general partner;
3. A general partner in a partnership in which the debtor is a general partner; or
4. A corporation of which the debtor is a director, officer, or person in ~~control;~~control.

b. If the debtor is a ~~corporation,~~corporation:

1. A director of the debtor;
2. An officer of the debtor;
3. A person in control of the debtor;
4. A partnership in which the debtor is a general partner;
5. A general partner in a partnership in which the debtor is a general partner; or
6. A relative of a general partner, director, officer, or person in control of the ~~debtor;~~debtor.

c. If the debtor is a ~~partnership,~~partnership:

1. A general partner in the debtor;
2. A relative of a general partner in, a general partner of, or a person in control of the debtor;
3. Another partnership in which the debtor is a general partner;
4. A general partner in a partnership in which the debtor is a general partner; or
5. A person in control of the ~~debtor;~~debtor.

d. An affiliate, or an insider of an affiliate as if the affiliate were the ~~debtor; and~~debtor.

e. A managing agent of the debtor.

(8) ~~"Lien" means a~~ Lien. – A charge against or an interest in property to secure payment of a debt or performance of an obligation and includes a security interest created by agreement, a judicial lien obtained by legal or equitable process or proceedings, a common-law lien, or a statutory lien.

(8a) Organization. – A person other than an individual.

(9) ~~"Person" means an~~ Person. – An individual, partnership, corporation, association, organization, government or governmental subdivision or agency, business trust, estate, trust, or any other legal or commercial entity.

(10) ~~"Property" means anything~~ Property. – Anything that may be the subject of ownership.

(10a) Record. – Information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(11) ~~"Relative" means an~~ Relative. – An individual related by consanguinity within the third degree as determined in accordance with G.S. 104A-1, a spouse, or an individual related to a spouse within the third degree as so determined, and includes an individual in an adoptive relationship within the third degree.

(11a) Sign. – With present intent to authenticate or adopt a record, to do any of the following:

a. Execute or adopt a tangible symbol.

b. Attach to or logically associate with the record an electronic symbol, sound, or process.

(12) ~~"Transfer" means every~~ Transfer. – Every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with an asset or an interest in an asset and includes payment of money, release, lease, license, and creation of a lien or other encumbrance.

(13) ~~"Valid lien" means a~~ Valid lien. – A lien that is effective against the holder of a judicial lien subsequently obtained by legal or equitable process or proceedings.

"§ **39-23.2. Insolvency.**

(a) A debtor is insolvent ~~if~~ if, at a fair valuation, the sum of the debtor's debts is greater than ~~all~~ the sum of the debtor's ~~assets at a fair valuation.~~assets.

(b) A debtor ~~who~~ that is generally not paying the debtor's debts as they become due other than as a result of a bona fide dispute is presumed to be insolvent. The presumption imposes on the party against which the presumption is directed the burden of proving that the nonexistence of insolvency is more probable than its existence.

~~(c) A partnership is insolvent under subsection (a) of this section if the sum of the partnership's debts is greater than the aggregate, at a fair valuation, of all of the partnership's assets and the sum of the excess of the value of each general partner's nonpartnership assets over the partner's nonpartnership debts.~~

(d) Assets under this section do not include property that has been transferred, concealed, or removed with intent to hinder, delay, or defraud creditors or that has been transferred in a manner making transfer voidable under this Article.

(e) Debts under this section do not include an obligation to the extent it is secured by a valid lien on property of the debtor not included as an asset.

"§ **39-23.3. Value.**

(a) Value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or an antecedent debt is secured or satisfied, but value does not include an unperformed promise made otherwise than in the ordinary course of the promisor's business to furnish support to the debtor or another person.

(b) For the purposes of G.S. 39-23.4(a)(2) and G.S. 39-23.5, a person gives a reasonably equivalent value if the person acquires an interest of the debtor in an asset pursuant to a regularly conducted, noncollusive foreclosure sale or execution of a power of sale for the

acquisition or disposition of the interest of the debtor upon default under a mortgage, deed of trust, or security agreement.

(c) A transfer is made for present value if the exchange between the debtor and the transferee is intended by them to be contemporaneous and is in fact substantially contemporaneous.

"§ **39-23.4.** ~~**Transfers fraudulent as to present and future creditors.**~~**Transfer or obligation voidable as to present or future creditor.**

(a) A transfer made or obligation incurred by a debtor is ~~fraudulent~~ voidable as to a creditor, whether the creditor's claim arose before or after the transfer was made or the obligation was incurred, if the debtor made the transfer or incurred the obligation:

(1) With intent to hinder, delay, or defraud any creditor of the debtor; or

(2) Without receiving a reasonably equivalent value in exchange for the transfer or obligation, and the debtor:

a. Was engaged or was about to engage in a business or a transaction for which the remaining assets of the debtor were unreasonably small in relation to the business or transaction; or

b. Intended to incur, or believed that the debtor would incur, debts beyond the debtor's ability to pay as they became due.

(b) In determining intent under subdivision (a)(1) of this section, consideration may be given, among other factors, to whether:

(1) The transfer or obligation was to an insider;

(2) The debtor retained possession or control of the property transferred after the transfer;

(3) The transfer or obligation was disclosed or concealed;

(4) Before the transfer was made or obligation was incurred, the debtor had been sued or threatened with suit;

(5) The transfer was of substantially all the debtor's assets;

(6) The debtor absconded;

(7) The debtor removed or concealed assets;

(8) The value of the consideration received by the debtor was reasonably equivalent to the value of the asset transferred or the amount of the obligation incurred;

(9) The debtor was insolvent or became insolvent shortly after the transfer was made or the obligation was incurred;

(10) The transfer occurred shortly before or shortly after a substantial debt was incurred;

(11) The debtor transferred the essential assets of the business to a lienor ~~who~~ that transferred the assets to an insider of the debtor;

(12) The debtor made the transfer or incurred the obligation without receiving a reasonably equivalent value in exchange for the transfer or obligation, and the debtor reasonably should have believed that the debtor would incur debts beyond the debtor's ability to pay as they became due; and

(13) The debtor transferred the assets in the course of legitimate estate or tax planning.

(c) A creditor making a claim for relief under subsection (a) of this section has the burden of proving the elements of the claim for relief by a preponderance of the evidence.

"§ **39-23.5.** ~~**Transfers fraudulent as to present creditors.**~~**Transfer or obligation voidable as to present creditor.**

(a) A transfer made or obligation incurred by a debtor is ~~fraudulent~~ voidable as to a creditor whose claim arose before the transfer was made or the obligation was incurred if the debtor made the transfer or incurred the obligation without receiving a reasonably equivalent value in exchange for the transfer or obligation, and the debtor was insolvent at that time or the debtor became insolvent as a result of the transfer or obligation.

(b) A transfer made by a debtor is voidable as to a creditor whose claim arose before the transfer was made if the transfer was made to an insider for an antecedent debt, the debtor was insolvent at that time, and the insider had reasonable cause to believe that the debtor was insolvent.

(c) Subject to G.S. 39-23.2(b), a creditor making a claim for relief under subsection (a) or subsection (b) of this section has the burden of proving the elements of the claim for relief by a preponderance of the evidence.

"§ **39-23.6. When transfer is made or obligation is incurred.**

For the purposes of this Article:

(1) A transfer is made:

a. With respect to an asset that is real property other than a fixture, but including the interest of a seller or purchaser under a contract for the sale of the asset, when the transfer is so far perfected that a good-faith purchaser of the asset from the debtor against ~~whom~~ which applicable law permits the transfer to be perfected cannot acquire an interest in the asset that is superior to the interest of the transferee; and

b. With respect to an asset that is not real property or that is a fixture, when the transfer is so far perfected that a creditor on a simple contract cannot acquire a judicial lien otherwise than under this Article that is superior to the interest of the transferee.

(2) If applicable law permits the transfer to be perfected as provided in subdivision (1) of this section and the transfer is not so perfected before the commencement of an action for relief under this Article, the transfer is deemed made immediately before the commencement of the action.

(3) If applicable law does not permit the transfer to be perfected as provided in subdivision (1) of this section, the transfer is made when it becomes effective between the debtor and the transferee.

(4) A transfer is not made until the debtor has acquired rights in the asset transferred.

(5) An obligation is incurred:

a. If oral, when it becomes effective between the parties; or

b. If evidenced by a ~~writing,~~ record, when the ~~writing executed~~ record signed by the obligor is delivered to or for the benefit of the obligee.

"§ **39-23.7. Remedies of ~~creditors.~~creditor.**

(a) In an action for relief against a transfer or obligation under this Article, a creditor, subject to the limitations in G.S. 39-23.8, may obtain:

(1) Avoidance of the transfer or obligation to the extent necessary to satisfy the creditor's claim;

(2) An attachment or other provisional remedy against the asset transferred or other property of the transferee ~~in accordance with the procedure prescribed by Article 35 of Chapter 1 of the General Statutes;~~if available under applicable law; and

(3) Subject to applicable principles of equity and in accordance with applicable rules of civil ~~procedure,~~procedure:

a. An injunction against further disposition by the debtor or a transferee, or both, of the asset transferred or of other property;

b. Appointment of a receiver to take charge of the asset transferred or of other property of the transferee; or

c. Any other relief the circumstances may require.

(b) If a creditor has obtained a judgment on a claim against the debtor, the creditor, if the court so orders, may levy execution on the asset transferred or its proceeds.

"§ **39-23.8. Defenses, liability, and protection of ~~transferee.~~transferee or obligee.**

(a) A transfer or obligation is not voidable under G.S. 39-23.4(a)(1) against a person ~~who~~ that took in good faith and for a reasonably equivalent value given the debtor or against any subsequent transferee or obligee.

(b) To the extent a transfer is avoidable in an action by a creditor under G.S. 39-23.7(a)(1), the following rules apply:

(1) Except as otherwise provided in this section, ~~to the extent a transfer is voidable in an action by a creditor under G.S. 39-23.7(a)(1),~~ the creditor may recover judgment for the value of the asset transferred, as adjusted under subsection (c) of this section, or the amount necessary to satisfy the creditor's claim, whichever is less. The judgment may be entered against:

~~(1)~~a. The first transferee of the asset or the person for whose benefit the transfer was made; or

~~(2)~~b. ~~Any subsequent transferee other than a~~ An immediate or mediate transferee of the first transferee, other than:

1. A good-faith transferee ~~who~~ that took for ~~value or from any subsequent transferee.~~value; or

2. An immediate or mediate good-faith transferee of a person described in sub-sub-subdivision 1. of this sub-subdivision.

(2) Recovery pursuant to G.S. 39-23.7(a)(1) or G.S. 39-23.7(b) of or from the asset transferred or its proceeds, by levy or otherwise, is available only against a person described in sub-subdivision a. or b. of subdivision (1) of this subsection.

(c) If the judgment under subsection (b) of this section is based upon the value of the asset transferred, the judgment shall be for an amount equal to the value of the asset at the time of the transfer, subject to adjustment as the equities may require.

(d) Notwithstanding voidability of a transfer or an obligation under this Article, a good-faith transferee or obligee is entitled, to the extent of the value given the debtor for the transfer or obligation, to:

(1) A lien on or a right to retain ~~any~~ an interest in the asset transferred;

(2) Enforcement of ~~any~~ an obligation incurred; or

(3) A reduction in the amount of the liability on the judgment.

(e) A transfer is not voidable under G.S. 39-23.4(a)(2) or G.S. 39-23.5 if the transfer results from:

(1) Termination of a lease upon default by the debtor when the termination is pursuant to the lease and applicable law; or

(2) Enforcement of a security interest in compliance with Article 9 of Chapter 25 of the General Statutes, the Uniform Commercial ~~Code.~~Code, other than acceptance of collateral in full or partial satisfaction of the obligation it secures.

(f) A transfer is not voidable under G.S. 39-23.5(b):

(1) To the extent the insider gave new value to or for the benefit of the debtor after the transfer was ~~made unless~~ made, except to the extent the new value was secured by a valid lien;

(2) If made in the ordinary course of business or financial affairs of the debtor and the insider; or

(3) If made pursuant to a good-faith effort to rehabilitate the debtor, and the transfer secured present value given for that purpose as well as an antecedent debt of the debtor.

(g) The following rules determine the burden of proving matters referred to in this section:

(1) A party that seeks to invoke subsection (a), (d), (e), or (f) of this section has the burden of proving the applicability of that subsection.

(2) Except as otherwise provided in subdivisions (3) and (4) of this subsection, the creditor has the burden of proving each applicable element of subsection (b) or (c) of this section.

(3) The transferee has the burden of proving the applicability to the transferee of sub-sub-subdivision (b)(1)b.1. or 2. of this section.

(4) A party that seeks adjustment under subsection (c) of this section has the burden of proving the adjustment.

(h) The standard of proof required to establish matters referred to in this section is preponderance of the evidence.

"§ **39-23.9. Extinguishment of ~~cause of action.~~claim for relief.**

A ~~cause of action~~ claim for relief with respect to a ~~fraudulent or~~ voidable transfer or obligation under this Article is extinguished unless action is brought:

(1) Under G.S. 39-23.4(a)(1), ~~within~~ not later than four years after the transfer was made or the obligation was incurred or, if later, ~~within~~ not later than one year after the transfer or obligation was or could reasonably have been discovered by the claimant;

(2) Under G.S. 39-23.4(a)(2) or G.S. 39-23.5(a), ~~within~~ not later than four years after the transfer was made or the obligation was incurred; or

(3) Under G.S. 39-23.5(b), ~~within~~ not later than one year after the transfer was ~~made or the obligation was incurred.~~made.

"**§ 39-23.9A. Governing law.**

(a) In this section, the following rules determine a debtor's location:

(1) A debtor who is an individual is located at the individual's principal residence.

(2) A debtor that is an organization and has only one place of business is located at its place of business.

(3) A debtor that is an organization and has more than one place of business is located at its chief executive office.

(b) A claim for relief in the nature of a claim for relief under this Article is governed by the local law of the jurisdiction in which the debtor is located when the transfer is made or the obligation is incurred.

"**§ 39-23.9B. Application to series organization.**

(a) In this section, the following definitions apply:

(1) Protected series. – An arrangement, however denominated, created by a series organization that, pursuant to the law under which the series organization is organized, has the characteristics set forth in subdivision (2) of this subsection.

(2) Series organization. – An organization that, pursuant to the law under which it is organized, has all the following characteristics:

a. The organic record of the organization provides for creation by the organization of one or more protected series, however denominated, with respect to specified property of the organization, and for records to be maintained for each protected series that identify the property of or associated with the protected series.

b. Debt incurred or existing with respect to the activities of, or property of or associated with, a particular protected series is enforceable against the property of or associated with the protected series only, and not against the property of or associated with the organization or other protected series of the organization.

c. Debt incurred or existing with respect to the activities or property of the organization is enforceable against the property of the organization only, and not against the property of or associated with a protected series of the organization.

(b) A series organization and each protected series of the organization is a separate person for purposes of this Article, even if for other purposes a protected series is not a person separate from the organization or other protected series of the organization.

"§ **39-23.10. Supplementary provisions.**

Unless displaced by the provisions of this Article, the principles of law and equity, including the law merchant and the law relating to principal and agent, estoppel, laches, fraud, misrepresentation, duress, coercion, mistake, insolvency, or other validating or invalidating cause, supplement its provisions.

"§ **39-23.11. Uniformity of application and construction.**

This ~~act~~ Article shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this Article among states enacting it.

"**§ 39-23.11A. Relation to Electronic Signatures in Global and National Commerce Act.**

This Article modifies, limits, or supersedes the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. Section 7001 et seq., but does not modify, limit, or supersede Section 101(c) of that act, 15 U.S.C. Section 7001(c), or authorize electronic delivery of any of the notices described in Section 103(b) of that act, 15 U.S.C. Section 7003(b).

"§ **39-23.12. Short title.**

This ~~Article~~ Article, which was formerly cited as the Uniform ~~Fraudulent Transfer~~ Voidable Transactions Act."

PART II. RELATED CONFORMING AND TECHNICAL AMENDMENTS TO OTHER SECTIONS OF THE GENERAL STATUTES

SECTION 2. G.S. 50-13.4(f) reads as rewritten:

"(f) Remedies for enforcement of support of minor children shall be available as ~~herein provided.~~follows:

(1) The court may require the person ordered to make payments for the support of a minor child to secure the ~~same~~ payments by means of a bond, mortgage or deed of trust, or any other means ordinarily used to secure an obligation to pay money or transfer property, or by requiring the execution of an assignment of wages, salary or other income due or to become due.

(2) If the court requires the transfer of real or personal property or an interest therein as provided in subsection (e) of this section as a part of an order for payment of support for a minor child, or for the securing thereof, the court may also enter an order which shall transfer title as provided in G.S. 1A-1, Rule 70 and G.S. 1-228.

…

(6) Receivers, as provided in Article 38 of Chapter 1 of the General Statutes, may be appointed in ~~action~~ actions for child support as in other cases.

(7) A minor child or other person for whose benefit an order for the payment of child support has been entered shall be a creditor within the meaning of Article 3A of Chapter 39 of the General Statutes pertaining to ~~fraudulent conveyances.~~voidable transactions.

…."

SECTION 3. G.S. 50-16.7(h) reads as rewritten:

"(h) A dependent spouse for whose benefit an order for the payment of alimony or postseparation support has been entered shall be a creditor within the meaning of Article 3A of Chapter 39 of the General Statutes pertaining to ~~fraudulent conveyances.~~voidable transactions."

PART III. EFFECTIVE DATE, APPLICABILITY PROVISIONS, AND AUTHORIZATION FOR THE PRINTING OF OFFICIAL AND DRAFTERS' COMMENTS

SECTION 4. The Revisor of Statutes shall cause to be printed, as annotations to the published General Statutes, all relevant portions of the Official Comments to the Uniform

Voidable Transactions Act and all explanatory comments of the drafters of this act as the Revisor may deem appropriate.

SECTION 5. This act becomes effective October 1, 2015, and applies to a transfer made or obligation incurred on or after that date. For purposes of this section, a transfer is made and an obligation is incurred at the time provided in G.S. 39-23.6, as amended by this act.

In the General Assembly read three times and ratified this the 14th day of May, 2015.

Became law upon approval of the Governor at 11:50 a.m. on the 21st day of May, 2015.

Session Law 2015-24 **H.B. 71**

AN ACT TO CLARIFY WITH WHOM THE OATH OF OFFICE TAKEN BY MEMBERS OF EACH BOARD OF COUNTY COMMISSIONERS SHOULD BE FILED.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 153A-26 reads as rewritten:

"§ **153A-26. Oath of office.**

Each person elected by the people or appointed to a county office shall, before entering upon the duties of the office, take and subscribe the oath of office prescribed in Article VI, Sec. 7 of the Constitution. The oath of office shall be administered by some person authorized by law to administer oaths and shall be filed with the ~~clerk.~~clerk to the board of commissioners.

On the first Monday in December following each general election at which county officers are elected, the persons who have been elected to county office in that election shall assemble at the regular meeting place of the board of commissioners. At that time each such officer shall take and subscribe the oath of office. An officer not present at this time may take and subscribe the oath at a later time."

SECTION 2. This act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 13th day of May, 2015.

Became law upon approval of the Governor at 11:50 a.m. on the 21st day of May, 2015.

Session Law 2015-25 **H.B. 79**

AN ACT AMENDING THE LAWS PERTAINING TO CIVIL NO-CONTACT ORDERS TO CLARIFY THAT A KNOWING VIOLATION OF A CIVIL NO-CONTACT ORDER IS PUNISHABLE BY CIVIL OR CRIMINAL CONTEMPT AND CLARIFYING THE SCOPE OF STAY ON PROCEEDINGS WHEN A CASE IS ON APPEAL.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 50C-10 reads as rewritten:

"§ **50C-10. Violation.**

A knowing violation of an order entered pursuant to this Chapter is punishable ~~as contempt of court.~~by civil or criminal contempt as provided in Chapter 5A of the General Statutes."

SECTION 2. G.S. 1-294 reads as rewritten:

"§ **1-294. Scope of stay; security limited for fiduciaries.**

When an appeal is perfected as provided by this Article it stays all further proceedings in the court below upon the judgment appealed from, or upon the matter embraced ~~therein;~~ therein, unless otherwise provided by the Rules of Appellate Procedure; but the court below may proceed upon any other matter included in the action and not affected by the judgment appealed from. The court below may, in its discretion, dispense with or limit the security required, when the appellant is an executor, administrator, trustee, or other person acting in a

fiduciary capacity. It may also limit such security to an amount not more than fifty thousand dollars ($50,000), where it would otherwise exceed that sum."

SECTION 3. Section 1 of this act becomes effective October 1, 2015, and applies to orders entered on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 14th day of May, 2015.

Became law upon approval of the Governor at 11:50 a.m. on the 21st day of May, 2015.

Session Law 2015-26 **H.B. 102**

AN ACT TO AUTHORIZE LAW ENFORCEMENT OFFICERS, EMERGENCY PERSONNEL, AND MUNICIPAL AND COUNTY EMPLOYEES TO OPERATE UTILITY VEHICLES ON SOME PUBLIC HIGHWAYS AND TO MODIFY THE MOVE-OVER LAW TO INCLUDE VEHICLES BEING USED IN THE COLLECTION OF REFUSE, SOLID WASTE, OR RECYCLING.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-171.23 reads as rewritten:

"§ **20-171.23. Motorized ~~all-terrain~~all-terrain vehicles of law enforcement officers and fire, rescue, and emergency medical services permitted on certain highways.**

(a) Law enforcement officers acting in the course and scope of their duties may operate motorized ~~all-terrain vehicles, as defined in G.S. 14-159.3(b) and~~all-terrain vehicles owned or leased by the agency, or under the direct control of the incident commander, on: (i) public highways where the speed limit is 35 miles per hour or less; and (ii) nonfully controlled access highways with higher speeds for the purpose of traveling from a speed zone to an adjacent speed zone where the speed limit is 35 miles per hour or less.

(b) Fire, rescue, and emergency medical services personnel acting in the course and scope of their duties may operate motorized ~~all-terrain vehicles, as defined in G.S. 14-159.3(b)~~all-terrain vehicles and owned or leased by fire, rescue, or emergency medical services departments, or under the direct control of the incident commander, on: (i) public highways where the speed limit is 35 miles per hour or less; and (ii) nonfully controlled access highways with higher speeds for the purpose of traveling from a speed zone to an adjacent speed zone where the speed limit is 35 miles per hour or less.

(c) This Part and all other State laws governing the operation of a~~ll-terrain~~all-terrain vehicles apply to the operation of ~~all-terrain~~all-terrain vehicles authorized by this section.

(d) An ~~all-terrain~~all-terrain vehicle operated pursuant to this section shall be equipped with operable front and rear lights and a horn.

(e) A person operating an ~~all-terrain~~all-terrain vehicle pursuant to this section shall observe posted speed limits and shall not exceed the manufacturer's recommended speed for the vehicle.

(f) A person operating an ~~all-terrain~~all-terrain vehicle pursuant to this section shall carry an official identification card or badge.

(g) For purposes of this section, the term "motorized all-terrain vehicle" has the same meaning as in G.S. 14-159.3, except that the term also includes utility vehicles, as defined in this Chapter."

SECTION 2. G.S. 20-171.24 reads as rewritten:

"§ **20-171.24. Motorized ~~all-terrain~~all-terrain vehicle use by employees of listed municipalities and counties permitted on certain highways.**

(a) Municipal and county employees may operate motorized ~~all-terrain vehicles, as defined in G.S. 14-159.3(b) and~~all-terrain vehicles owned or leased by the ~~agency,~~agency on: (i) public highways where the speed limit is 35 miles per hour or less; and (ii) nonfully

controlled access highways with higher speeds for the purpose of traveling from a speed zone to an adjacent speed zone where the speed limit is 35 miles per hour or less.

(b) This Part and all other State laws governing the operation of ~~all-terrain~~all-terrain vehicles apply to the operation of ~~all-terrain~~all-terrain vehicles authorized by this section.

(c) An ~~all-terrain~~all-terrain vehicle operated pursuant to this section shall be equipped with operable front and rear lights and a horn.

(d) A person operating an ~~all-terrain~~all-terrain vehicle pursuant to this section shall observe posted speed limits and shall not exceed the manufacturer's recommended speed for the vehicle.

(e) A person operating an ~~all-terrain~~all-terrain vehicle pursuant to this section shall carry an official identification card or badge.

~~(f) This section applies to the Towns of Ansonville, Atlantic Beach, Burgaw, Carolina Beach, Cramerton, Dallas, Davidson, Duck, Emerald Isle, Franklin, Indian Beach, Kill Devil Hills, Kitty Hawk, Kure Beach, Lowell, Manteo, Murphy, Nags Head, North Topsail Beach, Oakboro, Ocean Isle Beach, Pine Knoll Shores, Stanley, Surf City, Sylva, Topsail Beach, Williamston, Wrightsville Beach, and Yanceyville, the Cities of Albemarle, Belmont, Cherryville, Gastonia, Hamlet, Kings Mountain, Mount Holly, and Rockingham and the Counties of Cleveland, Currituck, Gaston, Surry, and Wilkes only.~~

(e1) For purposes of this section, the term "motorized all-terrain vehicle" has the same meaning as in G.S. 14-159.3, except that the term also includes utility vehicles, as defined in this Chapter."

SECTION 2.1. The Revisor of Statutes is directed to place a hyphen between the words "all" and "terrain" wherever the phrase "all terrain" appears in the following statutes: G.S. 14-134.2, G.S. 14-159.3, G.S. 20-171.23, G.S. 20-171.24, and G.S. 95-11.3.

SECTION 3. G.S. 20-157(f) reads as rewritten:

"(f) When an authorized emergency vehicle as described in subsection (a) of this section or any public service vehicle is parked or standing within 12 feet of a roadway and is giving a warning signal by appropriate light, the driver of every other approaching vehicle shall, as soon as it is safe and when not otherwise directed by an individual lawfully directing traffic, do one of the following:

(1) Move the vehicle into a lane that is not the lane nearest the parked or standing authorized emergency vehicle or public service vehicle and continue traveling in that lane until safely clear of the authorized emergency vehicle. This paragraph applies only if the roadway has at least two lanes for traffic proceeding in the direction of the approaching vehicle and if the approaching vehicle may change lanes safely and without interfering with any vehicular traffic.

(2) Slow the vehicle, maintaining a safe speed for traffic conditions, and operate the vehicle at a reduced speed and be prepared to stop until completely past the authorized emergency vehicle or public service vehicle. This paragraph applies only if the roadway has only one lane for traffic proceeding in the direction of the approaching vehicle or if the approaching vehicle may not change lanes safely and without interfering with any vehicular traffic.

For purposes of this section, "public service vehicle" means a vehicle that (i) is being used to assist motorists or law enforcement officers with wrecked or disabled vehicles, ~~or~~(ii) is ~~a vehicle~~ being used to install, maintain, or restore utility service, including electric, cable, telephone, communications, and gas, (iii) is being used in the collection of refuse, solid waste, or recycling, or (iv) is a highway maintenance vehicle owned and operated by or contracted by the State or a local ~~government,~~government and is operating an amber-colored flashing light authorized by G.S. 20-130.2. Violation of this subsection shall be negligence per se."

SECTION 4. Sections 1, 2, 2.1, and 4 of this act are effective when they become law. Section 3 of this act becomes effective October 1, 2015, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 14th day of May, 2015.

Became law upon approval of the Governor at 11:50 a.m. on the 21st day of May, 2015.

Session Law 2015-27 **H.B. 195**

AN ACT AMENDING THE NORTH CAROLINA PHARMACY PRACTICE ACT TO ALLOW FOR THE SUBSTITUTION OF AN INTERCHANGEABLE BIOLOGICAL PRODUCT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 90-85.27 reads as rewritten:

"§ **90-85.27. Definitions.**

As used in G.S. 90-85.28 through G.S. 90-85.31:

(1) Biological product. – As defined in section 351(i) of the Public Health Service Act, 42 U.S.C. § 262(i).

(1a) ~~"Equivalent drug product" means a~~Equivalent drug product. – A drug product which has the same established name, active ingredient, strength, quantity, and dosage form, and which is therapeutically equivalent to the drug product identified in the ~~prescription;~~prescription.

(2) ~~"Established name" has the meaning given~~Established name. – As defined in section 502(e)(3) of the Federal Food, Drug and Cosmetic Act, ~~21 U.S.C. 352(e)(3);~~21 U.S.C. § 352(e)(3).

(3) ~~"Good manufacturing practice" has the meaning given it~~Good manufacturing practice. – As defined in Part 211 of Chapter 1 of Title 21 of the Code of Federal ~~Regulations;~~Regulations.

(3a) Interchangeable biological product. – A biological product determined by the United States Food and Drug Administration to meet the standards set forth in 42 U.S.C. § 262(k)(4), or deemed therapeutically equivalent by the United States Food and Drug Administration.

(4) ~~"Manufacturer" means the~~Manufacturer. – The actual manufacturer of the finished dosage form of the ~~drug;~~drug.

(4a) ~~"Narrow therapeutic index drugs" means those~~Narrow therapeutic index drugs. – Those pharmaceuticals having a narrowly defined range between risk and benefit. Such drugs have less than a twofold difference in the minimum toxic concentration and minimum effective concentration in the blood or are those drug product formulations that exhibit limited or erratic absorption, formulation-dependent bioavailability, and wide intrapatient pharmacokinetic variability that requires blood-level monitoring. Drugs identified as having narrow therapeutic indices shall be designated by the North Carolina Secretary of Health and Human Services upon the advice of the State Health Director, North Carolina Board of Pharmacy, and North Carolina Medical Board, as narrow therapeutic index drugs and shall be subject to the provisions of G.S. 90-85.28(b1). The North Carolina Board of Pharmacy shall submit the list of narrow therapeutic index drugs to the Codifier of Rules, in a timely fashion for publication in January of each year in the North Carolina Register.

(5) ~~"Prescriber" means anyone~~Prescriber. – Anyone authorized to prescribe drugs pursuant to the laws of this State."

SECTION 2. G.S. 90-85.28 reads as rewritten:

"§ **90-85.28. Selection by pharmacists permissible; prescriber may permit or prohibit selection; price limit on selected ~~drugs.~~drugs; communication of dispensed biological products under specified circumstances.**

(a) A pharmacist dispensing a prescription for a drug product prescribed by its brand name may select any equivalent drug or interchangeable biological product which meets all of the following standards:

(1) The manufacturer's name and the distributor's name, if different from the manufacturer's name, shall appear on the label of the stock ~~package;~~package.

(2) It shall be manufactured in accordance with current good manufacturing ~~practices;~~practices.

(3) ~~Effective January 1, 1982, all~~All oral solid dosage forms shall have a logo, or other identification mark, or the product name to identify the manufacturer or ~~distributor;~~distributor.

(4) The manufacturer shall have adequate provisions for drug ~~recall; and~~recall.

(5) The manufacturer shall have adequate provisions for return of outdated drugs, through ~~his~~ the distributor or otherwise.

(b) The pharmacist shall not select an equivalent drug or interchangeable biological product if the prescriber instructs otherwise by one of the following methods:

(1) A prescription form shall be preprinted or stamped with two signature lines at the bottom of the form which read:

" _____ _____

Product Selection Permitted Dispense as Written"

On this form, the prescriber shall communicate ~~his~~ instructions to the pharmacist by signing the appropriate line.

(2) In the event the preprinted or stamped prescription form specified in ~~(b)(1)~~ subdivision (1) of subsection (b) of this section is not readily available, the prescriber may handwrite "Dispense as Written" or words or abbreviations of the same meaning on a prescription form.

(3) When ordering a prescription orally, the prescriber shall specify either that the prescribed drug product be dispensed as written or that product selection is permitted. The pharmacist shall note the instructions on the file copy of the prescription and retain the prescription form for the period prescribed by law.

(b1) A prescription for a narrow therapeutic index drug shall be refilled using only the same drug product by the same manufacturer that the pharmacist last dispensed under the prescription, unless the prescriber is notified by the pharmacist prior to the dispensing of another manufacturer's product, and the prescriber and the patient give documented consent to the dispensing of the other manufacturer's product. For purposes of this subsection, the term "refilled" shall include a new prescription written at the expiration of a prescription which continues the patient's therapy on a narrow therapeutic index drug.

(b2) Within a reasonable time following the dispensing of a biological product requiring a prescription, the pharmacist or a designee shall communicate to the prescriber the product name and manufacturer of the specific biological product dispensed to the patient. This required communication shall be conveyed by making an entry into an interoperable electronic medical records system, or electronic prescribing technology, or a pharmacy benefit management system, or a pharmacy record that can be electronically accessible by the prescriber. Entry into one of the above referenced methods of communication is presumed to provide the required communication. Otherwise, the pharmacist or a designee shall provide the required communication to the prescriber by facsimile, telephone, electronic transmission, or other prevailing means, provided that communication shall not be required under any of the following circumstances:

(1) There is no United States Food and Drug Administration-approved interchangeable biological product for the product prescribed.

(2) A refill prescription is not changed from the product dispensed on the prior filling of the prescription.

(b3) The Board of Pharmacy shall maintain a link on its Internet Web site to the current list of biological products determined by the United States Food and Drug Administration to be interchangeable with a specific biological product.

(b4) If the State mandates electronic medical records between a pharmacist and a prescriber as described in subsection (b2) of this section, then the pharmacist shall only be required to communicate the biological product dispensed through an electronic medical records system when such a system is in place and the information is accessible by the prescriber.

(c) The pharmacist shall not select an equivalent drug or interchangeable biological product unless its price to the purchaser is less than the price of the prescribed drug product."

SECTION 3. G.S. 90-85.31 reads as rewritten:

"§ **90-85.31. Prescriber and pharmacist liability not extended.**

The selection of an equivalent drug or interchangeable biological product pursuant to this Article shall impose no greater liability upon the pharmacist for selecting the dispensed drug or biological product or upon the prescriber of the same than would be incurred by either for dispensing the drug or biological product specified in the prescription."

SECTION 4. G.S. 58-3-178(c)(4) reads as rewritten:

"(4) "Prescribed contraceptive drugs or devices" means drugs or devices that prevent pregnancy and that are approved by the United States Food and Drug Administration for use as contraceptives and obtained under a prescription written by a health care provider authorized to prescribe medications under the laws of this State. Prescription drugs or devices required to be covered under this section shall not include:

a. The prescription drug known as "RU-486" or any "equivalent drug product" as defined in ~~G.S. 90-85.27(1).~~G.S. 90-85.27.

b. The prescription drug marketed under the name "Preven" or any "equivalent drug product" as defined in ~~G.S. 90-85.27(1).~~G.S. 90-85.27."

SECTION 5. This act becomes effective October 1, 2015. G.S. 90-85.28(b2) and G.S. 90-85.28(b4) as enacted by Section 2 of this act shall expire on October 1, 2020.

In the General Assembly read three times and ratified this the 14th day of May, 2015.

Became law upon approval of the Governor at 11:50 a.m. on the 21st day of May, 2015.

Session Law 2015-28 **H.B. 437**

AN ACT AMENDING THE PHARMACY PRACTICE ACT TO CREATE A PHARMACY PERMIT EXEMPTION AND A DEVICE AND MEDICAL EQUIPMENT PERMIT EXEMPTION FOR THE DISPENSING AND DELIVERY OF HOME RENAL PRODUCTS AND TO ALLOW FOR DIALYSIS FACILITIES TO BE DESIGNATED AS AGENTS TO RECEIVE HOME MEDICATIONS FOR PATIENTS WITH RENAL FAILURE.

The General Assembly of North Carolina enacts:

SECTION 1. Article 4A of Chapter 90 of the General Statutes is amended by adding two new sections to read:

"**§ 90-85.21C. Pharmacy permit exemption for dispensing and delivery of home renal products.**

Each location or facility within or outside this State from which dialysate or drugs necessary to perform home renal dialysis are dispensed and delivered to a patient in this State is

exempt from the pharmacy permit requirements established by G.S. 90-85.21 and G.S. 90-8.21A, provided that all the following criteria are met:

(1) The dialysate or drugs have been approved or cleared by United States Food and Drug Administration.

(2) The dialysate or drugs are lawfully held by a manufacturer or an agent of the manufacturer that is properly licensed by the North Carolina Department of Agriculture and Consumer Services as a manufacturer, or as a wholesaler, or as both, as required by G.S. 106-145.3.

(3) The dialysate or drugs are held, delivered, and dispensed in their original, sealed packaging from the manufacturing facility.

(4) The dialysate or drugs are delivered only by the manufacturer, or an agent of the manufacturer, and only upon receipt of a physician's order.

(5) The manufacturer or an agent of the manufacturer delivers the dialysate or drugs directly to either of the following:

a. A patient with chronic kidney failure or a designee of the patient, for self-administration of the dialysis therapy.

b. A health care provider, or health care facility licensed under Chapter 122C, 131D, or 131E of the General Statutes, for administration or delivery of the dialysis therapy to a patient with chronic kidney failure.

"**§ 90-85.21D. Dialysis facilities as designated agents to receive home medications for patients with renal failure.**

Pharmacies may ship medications for home use by patients with renal failure to renal dialysis facilities for delivery to (i) patients who receive dialysis treatments in a Medicare certified dialysis facility or (ii) patients who self-dialyze at home, provided that all of the following criteria are met:

(1) The patient authorizes, in writing, the dialysis facility staff to act as the patient's designated agent for the purpose of receiving mailed medical packages at the dialysis facility.

(2) The pharmacy, whether in-state or out-of-state, is licensed as a pharmacy in North Carolina.

(3) The medications for home use are dispensed by the licensed pharmacist pursuant to a valid prescription order.

(4) The delivered medication packages are held in a secure location in an area not accessible to the public and delivered by the dialysis facility staff, unopened, to the patient.

(5) Medication packages are individually labeled with the patient name.

(6) The medications exclude controlled substances, as defined under G.S. 90-87."

SECTION 2. G.S. 90-85.22 reads as rewritten:

"§ **90-85.22. Device and medical equipment ~~permits.~~permits; exemptions.**

…

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

(1) A pharmaceutical manufacturer registered with the Food and Drug Administration.

(2) A wholly owned subsidiary of a pharmaceutical manufacturer registered with the Food and Drug Administration.

(3) The dispensing and delivery of home renal products in accordance with the criteria specified in G.S. 90-85.21C."

SECTION 3. This act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 14th day of May, 2015.

Became law upon approval of the Governor at 11:50 a.m. on the 21st day of May, 2015.

Session Law 2015-29 **H.B. 434**

AN ACT TO PROVIDE THAT MEDICAL RECERTIFICATION IS NOT REQUIRED FOR RENEWALS OF REMOVABLE WINDSHIELD HANDICAPPED PLACARDS IF THE PERSON IS CERTIFIED AS TOTALLY AND PERMANENTLY DISABLED.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-37.6(c1) reads as rewritten:

"(c1) Application and Renewal; Physician's Certification. – The initial application for a distinguishing license plate, removable windshield placard, or temporary removable windshield placard shall be accompanied by a certification of a licensed physician, ophthalmologist, or optometrist or of the Division of Services for the Blind that the applicant is handicapped. The application for a temporary removable windshield placard shall contain additional certification to include the period of time the certifying authority determines the applicant will have the disability. Distinguishing license plates shall be renewed annually, but subsequent applications shall not require a medical certification that the applicant is handicapped. Removable windshield placards shall be renewed every five years, ~~and~~and, except for a person certified as totally and permanently disabled at the time of the initial application or a prior renewal under this subsection, the renewal shall require a medical recertification that the person is handicapped. Temporary removable windshield placards shall expire no later than six months after issuance."

SECTION 2. The Division of Motor Vehicles shall develop or update the appropriate forms and procedures necessary to implement this act.

SECTION 3. Section 2 of this act is effective when this act becomes law. The remainder of this act becomes effective July 1, 2016.

In the General Assembly read three times and ratified this the 18th day of May, 2015.

Became law upon approval of the Governor at 11:52 a.m. on the 21st day of May, 2015.

Session Law 2015-30 **H.B. 878**

AN ACT TO EXPAND THE MEMBERSHIP OF THE BOARD OF TRUSTEES OF THE NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 116-233(a) reads as rewritten:

"(a) Notwithstanding the provisions of G.S. 116-31(d), there shall be a Board of Trustees of the School, which shall consist of ~~27~~up to 30 members as follows:

(1) Thirteen members who shall be appointed by the Board of Governors of The University of North Carolina, one from each congressional district.

(2) Four members without regard to residency who shall be appointed by the Board of Governors of The University of North Carolina.

(3) Three members, ex officio, who shall be the chief academic officers, respectively, of constituent institutions. The Board of Governors shall in 1985 and quadrennially thereafter designate the three constituent institutions whose chief academic officers shall so serve, such designations to expire on June 30, 1989, and quadrennially thereafter.

(4) The chief academic officer of a college or university in North Carolina other than a constituent institution, ex officio. The Board of Governors shall

designate in 1985 and quadrennially thereafter which college or university whose chief academic officer shall so serve, such designation to expire on June 30, 1989, and quadrennially thereafter.

(5) Two members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121.

(6) Two members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121.

(7) Two members appointed by the Governor.

(8) The president of the student government, ex officio, who shall be a nonvoting member.

(9) Up to two additional nonvoting members selected at the discretion of the chancellor and the Board of Trustees, with terms expiring June 30 of each year."

SECTION 2. G.S.116-234(d) reads as rewritten:

"(d) Members of the Board of Trustees, other than ex officio members under G.S. ~~116-233(a)(3),~~ 116-233(a)(3) and G.S. 116-233(a)(8), shall receive such per diem compensation and necessary travel and subsistence expenses while engaged in the discharge of their official duties as is provided by law for members of State boards and commissions. Ex officio members under G.S. 116-233(a)(3) and G.S. 116-233(a)(8) shall be reimbursed for travel expenses as provided by G.S. 138-6."

SECTION 3. This act becomes effective July 1, 2015.

In the General Assembly read three times and ratified this the 18th day of May, 2015.

Became law upon approval of the Governor at 11:52 a.m. on the 21st day of May, 2015.

Session Law 2015-31 **S.B. 90**

AN ACT TO CLARIFY THAT MOTOR VEHICLES MUST HAVE AT LEAST ONE WORKING STOP LAMP ON EACH SIDE OF THE REAR OF THE VEHICLE AND TO MAKE OTHER CLARIFYING CHANGES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-129(g) reads as rewritten:

"(g) No person shall sell or operate on the highways of the State any motor vehicle, ~~motorcycle or motor-driven cycle,~~ manufactured after December 31, ~~1955,~~1970, unless it shall be equipped with ~~a stop lamp on the rear of the vehicle.~~stop lamps, one on each side of the rear of the vehicle. No person shall sell or operate on the highways of the State any motorcycle or motor-driven cycle, manufactured after December 31, 1970, unless it shall be equipped with a stop lamp on the rear of the motorcycle or motor-driven cycle. The stop ~~lamp~~lamps shall ~~display~~emit, reflect, or display a red or amber light visible from a distance of not less than 100 feet to the rear in normal sunlight, and shall be actuated upon application of the service (foot) brake. The stop ~~lamp~~lamps may be incorporated into a unit with one or more other rear lamps."

SECTION 2. G.S. 20-129.1 reads as rewritten:

"§ **20-129.1. Additional lighting equipment required on certain vehicles.**

In addition to other equipment required by this Chapter, the following vehicles shall be equipped as follows:

(1) On every bus or truck, whatever its size, there shall be the following:

On the rear, two reflectors, one at each side, and ~~one stoplight.~~two stop lamps, one at each side.

(2) On every bus or truck 80 inches or more in overall width, in addition to the requirements in subdivision (1):

On the front, two clearance lamps, one at each side.

On the rear, two clearance lamps, one at each side.

On each side, two side marker lamps, one at or near the front and one at or near the rear.

On each side, two reflectors, one at or near the front and one at or near the rear.

(3) On every truck tractor:

On the front, two clearance lamps, one at each side.

On the rear, ~~one stoplight.~~two stop lamps, one at each side.

(4) On every trailer or semitrailer having a gross weight of 4,000 pounds or more:

On the front, two clearance lamps, one at each side.

On each side, two side marker lamps, one at or near the front and one at or near the rear.

On each side, two reflectors, one at or near the front and one at or near the rear.

On the rear, two clearance lamps, one at each side, also two reflectors, one at each side, and ~~one stoplight.~~two stop lamps, one at each side.

(5) On every pole trailer having a gross weight of 4,000 pounds or more:

On each side, one side marker lamp and one clearance lamp which may be in combination, to show to the front, side and rear.

On the rear of the pole trailer or load, two reflectors, one at each side.

(6) On every trailer, semitrailer or pole trailer having a gross weight of less than 4,000 pounds:

On the rear, two reflectors, one on each side. If any trailer or semitrailer is so loaded or is of such dimensions as to obscure the stoplight on the towing vehicle, then such vehicle shall also be equipped with ~~one stoplight.~~two stop lamps, one at each side.

(7) Front clearance lamps and those marker lamps and reflectors mounted on the front or on the side near the front of a vehicle shall display or reflect an amber color.

(8) Rear clearance lamps and those marker lamps and reflectors mounted on the rear or on the sides near the rear of a vehicle shall display or reflect a red color.

(9) ~~Brake lights~~Stop lamps (and/or brake reflectors) on the rear of a motor vehicle shall ~~have red lenses~~be constructed so that the light ~~displayed~~emitted, reflected, or displayed is ~~red.~~red, except that a motor vehicle originally manufactured with amber stop lamps may emit, reflect, or display an amber light. The light illuminating the license plate shall be white. All other lights shall be white, amber, yellow, clear or red.

(10) On every trailer and semitrailer which is 30 feet or more in length and has a gross weight of 4,000 pounds or more, one combination marker lamp showing amber and mounted on the bottom side rail at or near the center of each side of the trailer."

SECTION 3. This act becomes effective October 1, 2015, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 19th day of May, 2015.

Became law upon approval of the Governor at 11:53 a.m. on the 21st day of May, 2015.

Session Law 2015-32 **H.B. 659**

AN ACT TO UPDATE THE LIST OF IMMEDIATE PRECURSOR CHEMICALS THAT IT IS UNLAWFUL FOR A PERSON TO POSSESS WITH INTENT TO MANUFACTURE OR DELIVER AND TO CLARIFY WHAT CONSTITUTES CERTAIN DRUG OFFENSES INVOLVING METHAMPHETAMINE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 90-95 reads as rewritten:

"§ **90-95. Violations; penalties.**

…

(d1) (1) Except as authorized by this Article, it is unlawful for any person to:

a. Possess an immediate precursor chemical with intent to manufacture a controlled substance; or

b. Possess or distribute an immediate precursor chemical knowing, or having reasonable cause to believe, that the immediate precursor chemical will be used to manufacture a controlled substance; or

c. Possess a pseudoephedrine product if the person has a prior conviction for the possession <u>of methamphetamine, possession with the intent to sell or deliver methamphetamine, sell or deliver methamphetamine, trafficking methamphetamine, possession of an immediate precursor chemical,</u> or manufacture of methamphetamine. <u>The prior conviction may be from any jurisdiction within the United States.</u>

Except where the conduct is covered under subdivision (2) of this subsection, any person who violates this subdivision shall be punished as a Class H felon.

(2) Except as authorized by this Article, it is unlawful for any person to:

a. Possess an immediate precursor chemical with intent to manufacture methamphetamine; or

b. Possess or distribute an immediate precursor chemical knowing, or having reasonable cause to believe, that the immediate precursor chemical will be used to manufacture methamphetamine.

Any person who violates this subdivision shall be punished as a Class F felon.

(d2) The immediate precursor chemicals to which subsection (d1) ~~and (d1a)~~ of this section applies are those immediate precursor chemicals designated by the Commission pursuant to its authority under G.S. 90-88, and the following (until otherwise specified by the Commission):

(1) Acetic anhydride.
(2) Acetone.
<u>(2a) Ammonium nitrate.</u>
<u>(2b) Ammonium sulfate.</u>
(3) Anhydrous ammonia.
(4) Anthranilic acid.
(5) Benzyl chloride.
(6) Benzyl cyanide.
(7) 2-Butanone (Methyl Ethyl Ketone).
(8) Chloroephedrine.
(9) Chloropseudoephedrine.
(10) D-lysergic acid.
(11) Ephedrine.
(12) Ergonovine maleate.

(13) Ergotamine tartrate.
(13a) Ether based starting fluids.
(14) Ethyl ether.
(15) Ethyl Malonate.
(16) Ethylamine.
(17) Gamma-butyrolactone.
(18) Hydrochloric Acid. (Muriatic Acid).
(19) Iodine.
(20) Isosafrole.
(21) ~~Lithium.~~Sources of lithium metal.
(22) Malonic acid.
(23) Methylamine.
(24) Methyl Isobutyl Ketone.
(25) N-acetylanthranilic acid.
(26) N-ethylephedrine.
(27) N-ethylepseudoephedrine.
(28) N-methylephedrine.
(29) N-methylpseudoephedrine.
(30) Norpseudoephedrine.
(30a) Petroleum based organic solvents such as camping fuels and lighter fluids.
(31) Phenyl-2-propane.
(32) Phenylacetic acid.
(33) Phenylpropanolamine.
(34) Piperidine.
(35) Piperonal.
(36) Propionic anhydride.
(37) Pseudoephedrine.
(38) Pyrrolidine.
(39) Red phosphorous.
(40) Safrole.
(40a) Sodium hydroxide (Lye).
(41) ~~Sodium.~~Sources of sodium metal.
(42) Sulfuric Acid.
(43) Tetrachloroethylene.
(44) Thionylchloride.
(45) Toluene.

…."

SECTION 2. The Joint Legislative Commission on Justice and Public Safety may study the current State and federal law regarding the authority for State agencies to schedule controlled substances without legislative action and the procedure for that scheduling or rescheduling.

SECTION 3. This act becomes effective December 1, 2015, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 19th day of May, 2015.

Became law upon approval of the Governor at 11:53 a.m. on the 21st day of May, 2015.

Session Law 2015-33 **H.B. 143**

AN ACT AMENDING THE CHARTER OF THE CITY OF CHARLOTTE TO INCREASE THE NUMBER OF MEMBERS ON THE CIVIL SERVICE BOARD FROM SEVEN TO NINE.

The General Assembly of North Carolina enacts:

SECTION 1. Section 4.61 of Article III of Chapter 4 of the Charter of the City of Charlotte, being S.L. 2000-26, as amended by S.L. 2006-124, reads as rewritten:

"Section 4.61. **Civil service board; Membership, Powers and Duties.** (a) Establishment. There is hereby continued a Civil Service Board for the City of Charlotte, to consist of ~~seven~~ nine members; ~~four~~ six members to be appointed by the Council and three members to be appointed by the Mayor. Each member shall serve for a term of three years. In case of a vacancy on the Board, the Council or the Mayor, as the case may be, shall fill such vacancy for the unexpired term of said member. ~~For the purposes of establishing a quorum of the Board, any combination of Board members and alternates totaling three~~Five members shall constitute a quorum. All Board members shall attend regular meetings for the purposes of meeting attendance policy and familiarity with Board business and procedures. Attendance at meetings and continued service on the Board shall be governed by the attendance policies established by the Council. Vacancies resulting from a member's failure to attend the required number of meetings or hearings shall be filled as provided herein.

(a1) Council May Increase Board Membership. Notwithstanding the provisions of subsection (a) of this section, the Council may, in its discretion, increase the number of Board members from nine to 11; seven members to be appointed by the Council and four members to be appointed by the Mayor. Six members shall constitute a quorum for the 11-member Board. At any time after increasing the number of Board members as authorized in this subsection, the Council may, in its discretion, reduce the number of members to nine, and those members shall be appointed as provided in subsection (a) of this section.

…

(j) Appeal Hearings. Upon receipt of a citation for termination from either chief or upon receipt of notice of appeal for a suspension from any civil service covered police officer or firefighter, the Board shall hold a hearing not less than 15 days nor more than 30 days from the date the notice of appeal, or the citation, is received by the Board, and shall promptly notify the officer of the hearing date. Termination hearings shall be held with a panel of five ~~made up of any combination of~~ available ~~members or alternates,~~members, and suspension hearings shall be held with a panel of three ~~made up of any combination of~~ available ~~members or alternates.~~members. In the event an officer desires a hearing at a date other than that set by the Board within the period set forth above, such officer may file a written request for a change of hearing date setting forth the reasons for such request, and the Chair of the Board is empowered to approve or disapprove such request; provided that such request must be received by the Board at least seven days prior to the date set for the hearing. For good cause, the Chair of the Board may set a hearing date other than within the period set forth above, or may continue the hearing from time to time. In the conduct of its hearing, each member of the Board shall have the power to subpoena witnesses, administer oaths, and compel the production of evidence. If a person fails or refuses to obey a subpoena issued pursuant to this subsection, the Board may apply to the General Court of Justice, Superior Court Division, for an order requiring that its subpoena be obeyed, and the court shall have jurisdiction to issue these orders after notice to all parties. If any person, while under oath at a hearing of the Board, willfully swears falsely, such person shall be guilty of a Class 1 misdemeanor. Both the officer and the police or fire department shall have the right to present relevant evidence to the Board at its hearing. The officer must be furnished with a copy of the charges which have been brought against an officer and which will be heard by the Board. The officer shall be required to answer questions from members of the Board or the Board's counsel; however, the officer may refuse to answer any

question where the answer might incriminate the officer with respect to any criminal violation of State or federal laws. The officer may be present at all evidentiary portions of the hearing, may retain counsel to represent the officer at the hearing, and may cross-examine those witnesses who testify against the officer. The officer will be given the right to an open or closed hearing as he may elect. After the evidentiary portion of the hearing is concluded, the Board will consider the evidence in closed session, and the Board will make findings of facts which will be provided to the officer together with a statement of the action taken by the Board on the basis of its findings of fact.

…."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 21st day of May, 2015.

Became law on the date it was ratified.

Session Law 2015-34 **H.B. 313**

AN ACT TO CLARIFY THAT THE CIVIL SERVICE BOARD SHALL HEAR GRIEVANCES RELATED TO THE PROMOTION OF MEMBERS OF THE FIRE AND POLICE DEPARTMENTS IN THE CITY OF STATESVILLE.

The General Assembly of North Carolina enacts:

SECTION 1. Section 5.14.1 of Article V of the Charter of the City of Statesville, being Chapter 289 of the 1977 Session Laws, as amended by Chapter 799 of the 1981 Session Laws, S.L. 1998-79 and Section 1 of S.L. 2007-238, reads as rewritten:

"**Sec. 5.14.1.** Hiring Members of Police and Fire Departments; Promotions. The Chiefs of the police and fire departments shall hire the members of their respective departments. All promotions shall be by competitive examination within the departments and shall be made by the respective Chiefs. In accordance with Section 5.5 of this Article, the Board shall hear grievances as to promotions of members of the police and fire departments."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 21st day of May, 2015.

Became law on the date it was ratified.

Session Law 2015-35 **H.B. 110**

AN ACT TO PROVIDE FOR THE PARTISAN ELECTION OF THE MEMBERS OF THE CHEROKEE, RUTHERFORD, CLAY, AND DAVIE COUNTY BOARDS OF EDUCATION, AND THE IREDELL-STATESVILLE SCHOOLS BOARD OF EDUCATION.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Section 8 of Chapter 502 of the 1975 Session Laws is repealed.

SECTION 1.(b) Section 2 of Chapter 502 of the 1975 Session Laws reads as rewritten:

"**Sec. 2.** The Board of Education of Cherokee County shall consist of seven members, all of whom shall be elected by the voters of the entire county. ~~There shall be no primary election.~~"

SECTION 1.(c) Section 10 of Chapter 502 of the 1975 Session Laws reads as rewritten:

"**Sec. 10.** All vacancies occurring ~~in the membership of the~~ on the Board of Education of Cherokee County by death, resignation, removal from office, ~~or~~ change of residence, or otherwise, for positions elected on a nonpartisan basis in 2012 or 2014 shall be filled within 20

days of such vacancy by the remaining members of said board of education and for the unexpired term."

SECTION 1.(d) Beginning in 2016, members of the Cherokee County Board of Education shall be elected on a partisan basis at the time of the general election in each even-numbered year as terms expire. Candidates for election to the Cherokee County Board of Education shall be nominated at the same time and manner as other county officers. Members elected shall take office and qualify on the first Monday in December of the year of their election and the terms of their predecessors shall expire at that same time. Vacancies on the Cherokee County Board of Education for positions elected on a partisan basis shall be filled in accordance with G.S. 115C-37.1.

SECTION 1.(e) This act does not affect the terms of office of any person elected in 2012 or 2014 to the Cherokee County Board of Education.

SECTION 2.(a) Section 4 of Chapter 359 of the 1973 Session Laws, as amended by Chapter 1165 of the 1977 Session Laws, Chapter 95 of the 1983 Session Laws, and S.L. 2006-92, reads as rewritten:

"**Sec. 4.** Each person desiring to be a candidate for the Board of Education shall file a notice of candidacy ~~stating his or her name, age, and the district seat for which he or she is filing. The filing period is the same as for the district board of supervisors of a soil and water conservation district under G.S. 139-6, and the filing fee is five dollars ($5.00).~~in accordance with Chapter 163 of the General Statutes. The election shall be ~~nonpartisan, separate ballots shall be used, no party affiliation shall be indicated on the ballot for any candidate, and the election shall be decided by plurality without runoff. In all other respects, the election shall be conducted as provided in Chapter 163 of the General Statutes and rules and regulations of the State Board of Elections concerning the conduct of nonpartisan elections simultaneously with a general election.~~partisan."

SECTION 2.(b) Section 5 of Chapter 359 of the 1973 Session Laws reads as rewritten:

"**Sec. 5.** On or before ~~August 10~~ February 1 of each election year, the Rutherford County Board of Education shall deliver to the Chairman of the Rutherford County Board of Elections and cause to be posted on the courthouse door a map and description of the boundaries of the districts established in Section 3 of this act."

SECTION 2.(c) Section 6 of Chapter 359 of the 1973 Session Laws reads as rewritten:

"**Sec. 6.** ~~Vacancies~~ For positions elected on a nonpartisan basis in 2012 or 2014, vacancies in the Board of Education shall be filled by appointment by majority vote of the remaining members of the Board for the remainder of the unexpired term. If for any reason the remaining members of the Board are unable to agree upon an appointment to fill a vacancy within 60 days after the vacancy occurs, the Clerk of Superior Court of Rutherford County shall fill the vacancy. A person appointed to fill a vacancy must reside in the district he is appointed to represent. If any person elected or appointed to the Board ceases to reside in the district he was elected or appointed to represent, the remaining members of the Board may declare his office vacant and proceed to fill the vacancy."

SECTION 2.(d) Beginning in 2016, members of the Rutherford County Board of Education shall be elected on a partisan basis at the time of the general election in each even-numbered year as terms expire. Candidates for election to the Rutherford County Board of Education shall be nominated at the same time and manner as other county officers. Members elected shall take office and qualify on the first Monday in December of the year of their election and the terms of their predecessors shall expire at that same time. Vacancies on the Rutherford County Board of Education for positions elected on a partisan basis shall be filled in accordance with G.S. 115C-37.1.

SECTION 2.(e) This act does not affect the terms of office of any person elected in 2012 or 2014 to the Rutherford County Board of Education.

SECTION 2.5.(a) Section 2 of Chapter 1242 of the 1967 Session Laws, as amended by Section 2 of S.L. 2010-42, reads as rewritten:

"Sec. 2. ~~(a) At the same time the primary election for county officers is held in Davie County there shall be held a nonpartisan election to elect members of the Board of Education of Davie County.~~

~~(b) In 2012, three members of the Davie County Board of Education shall be elected. The person receiving the highest numbers of votes is elected to a six-year term. The two persons receiving the next highest numbers of votes are elected to four-year terms.~~

~~(c) In 2014, two members of the Davie County Board of Education are elected to four-year terms.~~

~~(d) In 2016 and quadrennially thereafter, four members of the Davie County Board of Education are elected to four-year terms.~~

~~(e) In 2018 and quadrennially thereafter, three members of the Davie County Board of Education are elected to four-year terms.~~

Beginning in 2016, members of the Davie County Board of Education shall be elected on a partisan basis at the time of the general election in each even-numbered year as terms expire. In 2016 and quadrennially thereafter, four members of the Davie County Board of Education are elected to four-year terms. In 2018 and quadrennially thereafter, three members of the Davie County Board of Education are elected to four-year terms."

SECTION 2.5.(b) Section 3 of Chapter 1242 of the 1967 Session Laws, as amended by Section 3 of S.L. 2010-42, reads as rewritten:

"Sec. 3. Each candidate shall file ~~his candidacy, without reference to any political party affiliation, with the Chairman of the County Board of Elections within the time now provided for the filing of candidates for any other county office.~~his or her notice of candidacy in accordance with Chapter 163 of the General Statutes. Candidates for election to the Davie County Board of Education shall be nominated at the same time and manner as other county officers. ~~A filing fee of five dollars ($5.00) shall be paid by each candidate. There shall be a separate ballot provided by the County Board of Elections with the names of the candidates printed thereon with appropriate instructions for use in the election of members of the Board of Education, and no political party affiliation shall be shown on said ballot.~~The election shall be partisan."

SECTION 2.5.(c) Section 4 of Chapter 1242 of the 1967 Session Laws, as amended by Chapter 5 of the 1979 Session Laws, Chapter 307 of the 1995 Session Laws, and Section 4 of S.L. 2010-42, reads as rewritten:

"Sec. 4. The members of the Board of Education of Davie County shall be inducted into and take the oath of office on the first Monday in ~~July~~December following their election, and shall serve until their successors are elected and qualified."

SECTION 2.5.(d) Section 5 of Chapter 1242 of the 1967 Session Laws reads as rewritten:

"Sec. 5. ~~All vacancies~~For positions elected on a nonpartisan basis in 2012 or 2014, vacancies occurring in the membership of the Board of Education of Davie County by death, resignation or otherwise shall be filled for the unexpired term by the remaining members of said Board of Education. Beginning in 2016, vacancies on the Davie County Board of Education for positions elected on a partisan basis shall be filled in accordance with G.S. 115C-37.1."

SECTION 2.5.(e) This act does not affect the terms of office of any person elected in 2012 or 2014 to the Davie County Board of Education.

SECTION 3.(a) Chapter 254 of the 1991 Session Laws is repealed.

SECTION 3.(b) The Clay County Board of Education shall consist of five members elected by the qualified voters of Clay County for four-year terms. As the terms of present members expire, their successors shall be elected.

SECTION 3.(c) Beginning in 2016, members of the Clay County Board of Education shall be elected on a partisan basis at the time of the general election in each

even-numbered year as terms expire. Candidates for election to the Clay County Board of Education shall be nominated at the same time and manner as other county officers. Members elected shall take office and qualify on the first Monday in December of the year of their election and the terms of their predecessors shall expire at that same time.

SECTION 3.(d) For positions elected on a nonpartisan basis in 2012 or 2014, vacancies in the Clay County Board of Education shall be filled by appointment made by the remaining members. Beginning in 2016, vacancies on the Clay County Board of Education for positions elected on a partisan basis shall be filled in accordance with G.S. 115C-37.1.

SECTION 3.(e) This act does not affect the terms of office of any person elected in 2012 or 2014 to the Clay County Board of Education.

SECTION 3.5.(a) Notwithstanding the PLAN OF MERGER OF THE IREDELL COUNTY AND STATESVILLE CITY SCHOOLS, as amended by Section 2 of S.L. 2002-18, beginning in 2016, members of the Iredell-Statesville Schools Board of Education shall be elected on a partisan basis at the time of the general election in each even-numbered year as terms expire. Candidates for election to the Iredell-Statesville Schools Board of Education shall be nominated at the same time and manner as other county officers. Members elected shall take office and qualify on the first Monday in December of the year of their election and the terms of their predecessors shall expire at that same time. Vacancies on the Iredell-Statesville Schools Board of Education for positions elected on a partisan basis shall be filled in accordance with G.S. 115C-37.1.

SECTION 3.5.(b) For positions elected on a nonpartisan basis in 2012 or 2014, vacancies occurring in the membership of the Iredell-States Schools Board of Education shall be filled for the unexpired term by the remaining members of the Board of Education.

SECTION 4.(a) G.S. 115C-37.1(d) reads as rewritten:

"(d) This section shall apply only in the following counties: Alleghany, Brunswick, Cherokee, Clay, Davie, Graham, Guilford, Harnett, Iredell, Lee, New Hanover, Rutherford, Vance, and Washington."

SECTION 4.(b) This section becomes effective the first Monday in December of 2016.

SECTION 5. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 26th day of May, 2015.

Became law on the date it was ratified.

Session Law 2015-36 **S.B. 445**

AN ACT TO ENHANCE PROTECTIONS FOR CLIENTS OF FACILITIES WHOSE PRIMARY PURPOSE IS TO PROVIDE SERVICES FOR THE CARE, TREATMENT, HABILITATION, OR REHABILITATION OF INDIVIDUALS WITH MENTAL ILLNESS, DEVELOPMENTAL DISABILITIES, OR SUBSTANCE ABUSE DISORDERS BY INCREASING PUNISHMENTS FOR CLIENT ABUSE, EXPLOITATION, OR NEGLECT; BY IMPOSING A REPORTING REQUIREMENT ON EMPLOYEES AND VOLUNTEERS WHO WITNESS A SEXUAL OFFENSE OR OFFENSE AGAINST MORALITY PERPETRATED AGAINST A CLIENT; AND BY MAKING FAILURE TO REPORT THESE VIOLATIONS A CLASS 1 MISDEMEANOR.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 122C-26(5) reads as rewritten:

"(5) Adopt rules applicable to facilities licensed under this ~~Article:~~Article that do the following:

a. Establishing personnel requirements of staff employed in ~~facilities;~~facilities.
b. Establishing qualifications of facility administrators or ~~directors;~~directors.
c. Establishing requirements for death reporting including confidentiality provisions related to death ~~reporting;~~reporting.
d. Establishing requirements for patient ~~advocates; and~~advocates.
e. Requiring facility personnel who refer clients to provider agencies to disclose any pecuniary interest the referring person has in the provider agency, or other interest that may give rise to the appearance of impropriety.
f. Establishing standardized procedures for facilities in training and record keeping of the measures taken to inform employees and volunteers of the duties imposed by G.S. 122C-66."

SECTION 2. G.S. 122C-66 reads as rewritten:

"§ **122C-66. Protection from abuse and exploitation; reporting.**

(a) An employee of or a volunteer at a facility who, other than as a part of generally accepted medical or therapeutic procedure, knowingly causes pain or injury to a client ~~or borrows or takes personal property from a client~~ is guilty of a ~~Class 1~~ Class A1 misdemeanor. Any employee or volunteer who uses reasonable force to carry out the provisions of G.S. 122C-60 or to protect himself or others from a violent client does not violate this subsection.

(a1) An employee of or a volunteer at a facility who borrows or takes personal property from a client is guilty of a Class 1 misdemeanor. Any employee or volunteer who uses reasonable force to carry out the provisions of G.S. 122C-60 or to protect himself or others from a violent client does not violate this subsection.

(b) An employee of or a volunteer at a facility who witnesses or has knowledge of a violation of ~~subsection (a)~~ subsection (a), subsection (a1), or of an accidental injury to a client shall report the violation or accidental injury to authorized personnel designated by the facility. No employee making a report may be threatened or harassed by any other employee or volunteer on account of the report. Violation of this subsection is a ~~Class 3 misdemeanor punishable only by a fine, not to exceed five hundred dollars ($500.00).~~Class 1 misdemeanor.

(b1) The employee of or a volunteer at a facility who witnesses a client become a victim of a violation of Article 7A or Article 26 of Chapter 14 of the General Statutes shall report the allegations within 24 hours after witnessing the violation to one of the following: (i) the department of social services in the county where the facility serves the client; (ii) the district attorney in the district where the facility serves the client; or (iii) the appropriate local law enforcement agency in the city or county where the facility serves the client. A violation of this section is a Class A1 misdemeanor. No employee making a report may be threatened or harassed by any other employee or volunteer on account of the report.

(c) The identity of an individual who makes a report under this section or who cooperates in an ensuing investigation may not be disclosed without ~~his~~ the reporting individual's consent, except to persons authorized by the facility or by State or federal law to investigate or prosecute these incidents, or in a grievance or personnel hearing or civil or criminal action in which ~~a~~ the reporting individual is testifying, or when disclosure is legally compelled or authorized by judicial discovery. This subsection shall not be interpreted to require the disclosure of the identity of an individual where it is otherwise prohibited by law.

(d) An employee who makes a report in good faith under this section is immune from any civil liability that might otherwise occur for the report. In any case involving liability, making of a report under this section is prima facie evidence that the maker acted in good faith.

(e) The duty imposed by this section is in addition to any duty imposed by G.S. 7B-301 or G.S. 108A-102.

(f) ~~The~~ Except for reports made pursuant to subsection (b1) of this section, the facility shall investigate or provide for the investigation of all reports made under the provisions of this section.

(g) The county department of social services and the district attorney to whom a report is made under subsection (b1) of this section shall investigate or provide for the investigation of each such report."

SECTION 3. Section 2 of this act becomes effective December 1, 2015, and applies to offenses committed on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 18th day of May, 2015.

Became law upon approval of the Governor at 11:45 a.m. on the 26th day of May, 2015.

Session Law 2015-37 **H.B. 892**

AN ACT TO APPOINT PERSONS TO VARIOUS PUBLIC OFFICES UPON THE RECOMMENDATION OF THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT PRO TEMPORE OF THE SENATE.

Whereas, G.S. 120-121 authorizes the General Assembly to make certain appointments to public offices upon the recommendation of the Speaker of the House of Representatives and the President Pro Tempore of the Senate; and

Whereas, the Speaker of the House of Representatives and the President Pro Tempore of the Senate have made recommendations; Now, therefore,

The General Assembly of North Carolina enacts:

PART I. SPEAKER'S RECOMMENDATIONS

SECTION 1.1. Effective January 15, 2015, the Honorable Charles Travis, III, of Mecklenburg County is appointed to the North Carolina Turnpike Authority for a term expiring on January 14, 2019.

SECTION 1.2. John D. "JD" Solomon of Johnston County is appointed to the Environmental Management Commission for a term expiring on June 30, 2017, to fill the unexpired term of Benne C. Hutson.

SECTION 1.3.(a) Representative Dan Bishop of Mecklenburg County is appointed to the Justus-Warren Heart Disease and Stroke Prevention Task Force for a term expiring on June 30, 2015, to fill the unexpired term of Tom Murry.

SECTION 1.3.(b) Representative Larry Yarborough of Person County is appointed to the Justus-Warren Heart Disease and Stroke Prevention Task Force for a term expiring on June 30, 2015, to fill the unexpired term of Mark Hollo.

PART II. PRESIDENT PRO TEMPORE'S RECOMMENDATIONS.

SECTION 2.1.(a) Daniel J. Zeller of Guilford County is appointed to the State Ethics Commission for a term expiring on December 31, 2016, to fill the unexpired term of Francis X. DeLuca.

SECTION 2.1.(b) Effective January 1, 2015, Dr. Clarence G. Newsome of Mecklenburg County is reappointed to the State Ethics Commission for a term expiring on December 31, 2018.

SECTION 2.2.(a) James S. Stewart of Hoke County is appointed to the 911 Board for a term expiring on December 31, 2017.

SECTION 2.2.(b) Effective January 1, 2015, Jeffrey A. Shipp of Sampson County, Richard A. Edwards of Mecklenburg County, and Slayton S. Stewart of Forsyth County are appointed to the 911 Board for terms expiring on December 31, 2018.

PART III. EFFECTIVE DATE

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of May, 2015.

Became law on the date it was ratified.

Session Law 2015-38 **H.B. 189**

AN ACT TO PROVIDE FOR A REFERENDUM TO REDUCE THE SIZE OF THE ROCKINGHAM COUNTY BOARD OF EDUCATION OVER FOUR YEARS FROM ELEVEN MEMBERS TO SEVEN BY REDRAWING THE ELECTION DISTRICTS TO REDUCE THE NUMBER OF DISTRICTS FROM SIX TO FOUR SO THAT FOUR MEMBERS ARE ELECTED BY DISTRICT AND BY REDUCING THE NUMBER OF MEMBERS ELECTED AT LARGE FROM FIVE TO THREE; TO CHANGE THE METHOD OF ELECTION OF THE BOARD TO PARTISAN; AND TO CLARIFY THE APPOINTMENT OF VACANCIES TO THE BOARD.

The General Assembly of North Carolina enacts:

PART I. REDUCTION IN THE NUMBER OF BOARD MEMBERS

SECTION 1.1. Chapter 15 of the 1993 Session Laws and S.L. 2005-307 are repealed.

SECTION 1.2. Notwithstanding the PLAN FOR MERGER OF THE PUBLIC SCHOOL SYSTEMS IN ROCKINGHAM COUNTY INTO ONE SYSTEM, as approved by the State Board of Education on July 2, 1992, under G.S. 115C-67, effective from the first Monday in December of 2016, the Rockingham County Consolidated Board of Education shall consist of nine members as follows:

(1) Four of the members shall be elected from districts, one each from a single-member district as described in Section 1.4 of this act, and shall serve four-year terms. The qualified voters of each district shall elect a person who resides in that district, and only the qualified voters of the district may vote in that election.

(2) Five of the members shall be members elected from the county at-large in the 2014 election and shall serve four-year terms.

SECTION 1.3. Notwithstanding the PLAN FOR MERGER OF THE PUBLIC SCHOOL SYSTEMS IN ROCKINGHAM COUNTY INTO ONE SYSTEM, as approved by the State Board of Education on July 2, 1992, under G.S. 115C-67, effective from the first Monday in December of 2018, the Rockingham County Consolidated Board of Education shall consist of seven members as follows:

(1) Four of the members shall be members elected from districts beginning with the 2016 election and shall be elected quadrennially thereafter for four-year terms, one member elected each from a single-member district as described in Section 1.4 of this act. The qualified voters of each district shall elect a person who resides in that district, and only the qualified voters of the district may vote in that election.

(2) Three of the members shall be members elected from the county at-large beginning in the 2018 election and quadrennially thereafter for four-year terms.

SECTION 1.4. Beginning in 2016, the four districts are as follows:

District 1: Rockingham County: VTD: CO, VTD: MC: Block(s) 1570414001023, 1570414001026, 1570414001027, 1570414001029, 1570414001030, 1570414001031, 1570414002002, 1570414002003, 1570414002004, 1570414002005, 1570414002006, 1570414002007, 1570414002008, 1570414002009, 1570414002010, 1570414002016, 1570414002017, 1570414002018, 1570414002019, 1570414002020, 1570414002021,

1570414002022, 1570414002023, 1570414002024, 1570414002025, 1570414002026, 1570414002027, 1570414002040, 1570414002041, 1570414002042, 1570414002043, 1570415001000, 1570415001001, 1570415001002, 1570415001003, 1570415001004, 1570415001005, 1570415001006, 1570415001007, 1570415001008, 1570415001014, 1570415001015, 1570415001016, 1570415001017, 1570415001018, 1570415001019, 1570415001020, 1570415001021, 1570415001022, 1570415001023, 1570415002021, 1570415002022, 1570415002023, 1570415002024, 1570415002025, 1570415002026, 1570415002027, 1570415002029, 1570415002030, 1570415002031, 1570415002032, 1570415002033, 1570415002034, 1570415002035, 1570415002039, 1570415002040, 1570415003000, 1570415003001, 1570415003002, 1570415003003, 1570415003004, 1570415003005, 1570415003006, 1570415003007, 1570415003008, 1570415003009, 1570415003010, 1570415003011, 1570415003012, 1570415003013, 1570415003014, 1570415003015, 1570415003016, 1570415003017, 1570415003018, 1570415003019, 1570415003020, 1570415003021, 1570415003022, 1570415003023, 1570415003024, 1570415003025, 1570415003026, 1570415003027, 1570415003028, 1570415003029, 1570415003030, 1570415003031, 1570415003032, 1570415003033, 1570415004037, 1570415004038; VTD: RD-1, VTD: VA, VTD: WM.

District 2: Rockingham County: VTD: HO: Block(s) 1570410021000, 1570410021002, 1570410021003, 1570410021004, 1570410021005, 1570410021006, 1570410021007, 1570410021008, 1570410021010, 1570410021012, 1570410021013, 1570410021014, 1570410021015, 1570410021016, 1570410021017, 1570410021018, 1570410021019, 1570410021035, 1570410022002, 1570410022003, 1570411004035, 1570411004036; VTD: IR, VTD: LI, VTD: MC: Block(s) 1570414002033, 1570414002034, 1570414002038, 1570415004000, 1570415004001, 1570415004002, 1570415004003, 1570415004004, 1570415004005, 1570415004006, 1570415004007, 1570415004008, 1570415004009, 1570415004010, 1570415004011, 1570415004012, 1570415004014, 1570415004019, 1570415004020, 1570415004021, 1570415004024, 1570415004025, 1570415004026, 1570415004027, 1570415004028, 1570415004029, 1570415004030, 1570415004031, 1570415004032, 1570415004033, 1570415004034, 1570415004035, 1570415004036, 1570415004039, 1570415004040, 1570415004041, 1570415004042, 1570415004043, 1570415004044, 1570415004045, 1570415004046, 1570415004047, 1570415004048, 1570415004049, 1570415004050, 1570415004051, 1570415004052, 1570415004053, 1570415004054, 1570415004055, 1570415004056, 1570415004057, 1570415004058, 1570415004059, 1570415004060, 1570415004061, 1570415004062, 1570415004063, 1570415004064, 1570415004065, 1570415004066, 1570415004067, 1570415004068, 1570415004069, 1570415004070; VTD: NB, VTD: RC.

District 3: Rockingham County: VTD: DR, VTD: EC, VTD: ED-1, VTD: LK-2.

District 4: Rockingham County: VTD: AV, VTD: HO: Block(s) 1570410013031, 1570410013033, 1570410021020, 1570410021021, 1570410021022, 1570410021023, 1570410021024, 1570410021025, 1570410021026, 1570410021027, 1570410021028, 1570410021029, 1570410021030, 1570410021031, 1570410021032, 1570410021033, 1570410021034, 1570410021036, 1570410021037, 1570410021038, 1570410021039, 1570410021040, 1570410021041, 1570410022020, 1570410023000, 1570410023001, 1570410023009, 1570410023010, 1570410023011, 1570410023012, 1570410023013, 1570410023014, 1570410023015, 1570410023016, 1570410023017, 1570410023019, 1570410023020, 1570410023021, 1570410023022, 1570410023024; VTD: HU, VTD: MA, VTD: MD.

SECTION 1.5. Notwithstanding Section 1.2 of this act, until the 2018 election of at-large members as set forth in Section 1.3 of this act, the Rockingham County Board of Commissioners shall not appoint a replacement for a vacancy of a member elected at-large to serve the remainder of the unexpired term unless there are less than three members who were elected at-large serving on the Rockingham County Board of Education.

SECTION 1.6. Sections 1.1 through 1.5 of this act become effective only if approved by a majority of the qualified voters of the County of Rockingham in a referendum. The election shall be conducted by the Rockingham County Board of Elections on May 3, 2016. The question on the ballot shall be:

"[ ] FOR [ ] AGAINST

Reducing the membership of the Rockingham County Board of Education from eleven members to seven members over a four-year period by redrawing the districts and reducing the number of the members elected by district from six to four and reducing the number of at-large members from five to three, with all current members completing their terms of office."

PART II. CHANGE IN THE MANNER OF ELECTION TO PARTISAN

SECTION 2.1. Section 2 of S.L. 1995-651 is repealed.

SECTION 2.2. Notwithstanding the PLAN FOR MERGER OF THE PUBLIC SCHOOL SYSTEMS IN ROCKINGHAM COUNTY INTO ONE SYSTEM, as approved by the State Board of Education on July 2, 1992, under G.S. 115C-67, beginning in 2018, the election of members on the Rockingham County Consolidated Board of Education shall be on a partisan basis at the time of the general election in each even-numbered year as terms expire. Candidates for election to the Rockingham County Board of Education shall be nominated at the same time and in the same manner as other county officers. Members elected shall take office and qualify on the first Monday in December of the year of their election, and the terms of their predecessors shall expire at that same time. This section does not affect the terms of office of any person elected in 2014 and 2016 to the Rockingham County Board of Education.

PART III. BOARD VACANCIES

SECTION 3.1. Section 3 of S.L. 2005-307 reads as rewritten:

"**SECTION 3.** The five at-large members shall be elected in 2006 and quadrennially thereafter for four-year terms. The six district members shall be elected in 2008 and quadrennially thereafter for four-year terms. ~~In case of any vacancy, the Rockingham County Board of Commissioners shall appoint a replacement to serve the remainder of the unexpired term. The Rockingham County Board of Education shall nominate one or more persons for each vacancy, and the Board of Commissioners may not appoint someone not nominated by the Board of Education.~~"

SECTION 3.2. In case of any vacancy on the Rockingham County Board of Education, the Rockingham County Board of Commissioners shall appoint a replacement to serve the remainder of the unexpired term, who shall be a member of the same political party of the vacating member if that vacating member was elected as a nominee of a political party. The Rockingham County Board of Education may nominate one or more persons for each vacancy to submit to the Board of Commissioners for its consideration within 30 days from the date the seat becomes vacant.

PART IV. EFFECTIVE DATE

SECTION 4. Sections 1.1 through 1.5 of this act become effective upon ratification of the approval by the voters of the referendum set forth in Section 1.6 of this act. Part II of this act becomes effective January 1, 2018. The remainder of this act is effective when it becomes law and applies to vacancies occurring on or after that date.

In the General Assembly read three times and ratified this the 28th day of May, 2015.

Became law on the date it was ratified.

Session Law 2015-39 **H.B. 147**

AN ACT TO UPDATE THE MEMBERSHIP OF THE FIRE AND RESCUE COMMISSION TO REFLECT THE MERGER OF TWO ORGANIZATIONS, TO ADD REPRESENTATION FROM THE STATE CHAPTER OF THE INTERNATIONAL ASSOCIATION OF ARSON INVESTIGATORS, AND TO CLARIFY THE POWERS OF THE COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-78-1 reads as rewritten:

"§ **58-78-1. State Fire and Rescue Commission created; membership.**

(a) There is created the State Fire and Rescue Commission of the Department, which shall be composed of 15 voting members to be appointed as follows:

(1) The Commissioner shall appoint 12 members, two from nominations submitted by the North Carolina State Firemen's Association, one from nominations submitted by the North Carolina Association of Fire Chiefs, one from nominations submitted by the Professional Firefighters of North Carolina Association, one from nominations submitted by the North Carolina Society of Fire Service Instructors, ~~one from nominations submitted by the North Carolina Association of County Fire Marshals,~~ one from nominations submitted by the North Carolina Fire Marshal's Association, two from nominations submitted by the North Carolina Association of Rescue and Emergency Medical Services, Inc., one from nominations submitted by the North Carolina Chapter of the International Association of Arson Investigators, one mayor or other elected city official nominated by the President of the League of Municipalities, one county commissioner nominated by the President of the Association of County Commissioners, and one from the public ~~at large;~~at-large.

(2) The Governor shall appoint one member from the public ~~at large; and~~at large.

(3) The General Assembly shall appoint two members from the public at large, one upon the recommendation of the Speaker of the House of Representatives pursuant to G.S. 120-121, and one upon the recommendation of the President Pro Tempore of the Senate pursuant to G.S. 120-121.

Public members may not be employed in State ~~government and may not be directly involved in fire fighting or rescue services.~~government.

(b) Of the members initially appointed by the Commissioner, the nominees of the North Carolina State Firemen's Association and the nominees of the North Carolina Association of Fire Chiefs and the nominees of the Professional Firefighters of North Carolina Association and of the North Carolina Association of Rescue and Emergency Medical Services, Inc., shall serve three-year terms; the nominees from the North Carolina Society of Fire Service Instructors, ~~the North Carolina Association of County Fire Marshals,~~ the North Carolina Chapter of the International Association of Arson Investigators and the North Carolina Fire Marshal's Association shall serve two-year terms; and the mayor or other elected city official, the county commissioner, and the member from the public at large shall serve one-year terms. The Governor's initial appointee shall serve a three-year term. The General Assembly's initial appointees shall serve two-year terms. Thereafter all terms shall be for three years.

…."

SECTION 2. G.S. 58-78-5(a)(14b) reads as rewritten:

"(14b) To establish voluntary minimum professional qualifications for all levels of fire service and rescue service ~~personnel;~~personnel, and to issue, deny, suspend, revoke or take similar actions with respect to certifications issued

by the Commission of minimum professional qualifications established under this subdivision."

SECTION 3. G.S. 58-78-10 reads as rewritten:

"§ **58-78-10. State Fire and Rescue Commission – Organization; rules and regulations; meetings.**

(a) Organization. – The Commission shall elect from its voting members a ~~chairman~~ chair and ~~vice-chairman~~vice-chair to serve as provided by the rules adopted by the Commission.

…."

SECTION 4. Section 1 of this act becomes effective July 1, 2015, and applies to State Fire and Rescue Commission appointments made on or after that date. The remainder of this act is effective July 1, 2015.

In the General Assembly read three times and ratified this the 21st day of May, 2015.

Became law upon approval of the Governor at 5:30 p.m. on the 29th day of May, 2015.

Session Law 2015-40 **H.B. 224**

AN ACT TO AMEND VARIOUS LAWS AFFECTING THE ADMINISTRATIVE OFFICE OF THE COURTS.

The General Assembly of North Carolina enacts:

PART I. ALLOW STATE AGENCIES AND OTHER ENTITIES TO OPT OUT OF RECEIVING COPIES OF THE APPELLATE REPORTS

SECTION 1. G.S. 7A-343.1 reads as rewritten:

"§ **7A-343.1. Distribution of copies of the appellate division reports.**

(a) The Administrative Officer of the Courts shall, at the State's expense distribute such number of copies of the appellate division reports to federal, State departments and agencies, and to educational institutions of instruction, as follows:

…

(b) A recipient listed in subsection (a) of this section may choose not to receive its copies of the appellate division reports, or choose to receive fewer than the number of copies allotted to it, by notifying the Administrative Officer of the Courts in writing. Should the recipient again wish to receive its full allotment of the appellate division reports, the recipient shall notify the Administrative Officer of the Courts in writing, and the Administrative Officer of the Courts may, in his or her discretion, resume distribution to the recipient."

PART II. ALLOW CUSTODIANS OF STATE PUBLICATIONS TO RELEASE UNNECESSARY PUBLICATIONS TO STATE SURPLUS

SECTION 2. G.S. 14-241 reads as rewritten:

"§ **14-241. Disposing of public documents or refusing to deliver them over to successor.**

It shall be the duty of the clerk of the superior court of each county, and every other person to whom the acts of the General Assembly, appellate division reports or other public documents are transmitted or deposited for the use of the county or the State, to keep the same safely in their respective offices; and if any such person having the custody of such books and documents, for the uses aforesaid, shall negligently and willfully dispose of the same, by sale or otherwise, or refuse to deliver over the same to his successor in office, he shall be guilty of a Class 1 misdemeanor. If the clerk of superior court or other custodian determines that the acts of the General Assembly or the appellate division reports no longer are necessary to the effective operation of his or her office, the clerk or other custodian may transfer these materials to the proper recipient for disposition as surplus State property or as otherwise directed by the State Surplus Property Agency of the Department of Administration."

PART III. REQUIRE THE CLERK OF SUPERIOR COURT TO REPORT CONDITIONAL DISCHARGES TO THE ADMINISTRATIVE OFFICE OF THE COURTS TO ASSIST THE COURT IN EVALUATING A DEFENDANT'S ELIGIBILITY FOR THE CONDITIONAL DISCHARGE

SECTION 3. G.S. 15A-150(a) reads as rewritten:

"(a) Notification to AOC. – The clerk of superior court in each county in North Carolina shall, as soon as practicable after each term of court, file with the Administrative Office of the Courts the names of the following:

(1) Persons granted an expunction under this Article.

~~(2) Persons granted a conditional discharge under G.S. 14-50.29.~~

~~(3) Persons granted a conditional discharge under G.S. 90-96 or G.S. 90-113.14.~~

(4) Repealed by Session Laws 2010-174, s. 7, effective October 1, 2010.

~~(5) Persons granted a conditional discharge under G.S. 14-204.~~

(6) Persons granted a dismissal upon completion of a conditional discharge under G.S. 14-50.29, 14-204, 14-313(f), 15A-1341(a4), 90-96, or 90-113.14."

PART IV. MAKE CONFORMING CHANGES REGARDING ACCESS TO EXPUNCTION INFORMATION FOR LAW ENFORCEMENT EMPLOYMENT PURPOSES

SECTION 4. G.S. 15A-151(a) reads as rewritten:

"(a) The Administrative Office of the Courts shall maintain a confidential file containing the names of those people for whom it received a notice under G.S. 15A-150. The information contained in the file may be disclosed only as follows:

(1) To a judge of the General Court of Justice of North Carolina for the purpose of ascertaining whether a person charged with an offense has been previously granted a discharge or an expunction.

(2) To a person requesting confirmation of the person's own discharge or expunction, as provided in G.S. 15A-152.

(3) To the General Court of Justice of North Carolina in response to a subpoena or other court order issued pursuant to a civil action under G.S. 15A-152.

(4) If the criminal record was expunged pursuant to ~~G.S. 15A-145.4 or G.S. 15A-145.5,~~ G.S. 15A-145.4, 15A-145.5, or 15A-145.6, to State and local law enforcement agencies for employment purposes only.

(5) If the criminal record was expunged pursuant to G.S. 15A-145.4, 15A-145.5, or [15A-]145.6, to the North Carolina Criminal Justice Education and Training Standards Commission for certification purposes only.

(6) If the criminal record was expunged pursuant to G.S. 15A-145.4, 15A-145.5, or 15A-145.6, to the North Carolina Sheriffs' Education and Training Standards Commission for certification purposes only."

PART V. CLARIFY THAT THE COURT MAY ORDER SUPERVISED PROBATION FOR ANY CONDITIONAL DISCHARGE OR DEFERRED PROSECUTION

SECTION 5. G.S. 15A-1342(a1) reads as rewritten:

"(a1) Supervision of Defendants on Deferred Prosecution or Conditional Discharge. – The Section of Community Corrections of the Division of Adult Correction of the Department of Public Safety may be ordered by the court to supervise an offender's compliance with the terms of a conditional discharge or deferred prosecution ~~agreement entered into under G.S. 15A-1341(a1), (a3), or (a4).~~ agreement. Violations of the terms of the agreement or conditional discharge shall be reported to the court as provided in this Article and to the district attorney in the district in which the agreement was entered."

PART VI. ALLEVIATE DUPLICATIVE REPORTING REQUIREMENT CURRENTLY IMPOSED UPON CLERKS OF SUPERIOR COURT

SECTION 6. G.S. 148-32.1(c) is repealed.

PART VII. ELIMINATE OUTDATED REQUIREMENT FOR CLERKS OF SUPERIOR COURT TO REPORT INFORMATION ON ATTORNEYS IN THE COUNTY TO THE SECRETARY OF STATE

SECTION 7. G.S. 7A-110 is repealed.

PART VIII. ELIMINATE UNNECESSARY PRINTING REPORT

SECTION 8. G.S. 7A-343.3 reads as rewritten:

"§ **7A-343.3. Appellate Courts Printing and Computer Operations Fund.**

The Appellate Courts Printing and Computer Operations Fund is established within the Judicial Department as a nonreverting, interest-bearing special revenue account. Accordingly, interest and other investment income earned by the Fund shall be credited to it. All moneys collected through charges to litigants for the reproduction of appellate records and briefs under G.S. 7A-11 and G.S. 7A-20(b) shall be remitted to the State Treasurer and held in this Fund. Moneys in the Fund shall be used to support the print shop operations of the Supreme Court and the Court of Appeals, including personnel, maintenance, and capital costs. The Judicial Department may create and maintain receipt-supported positions for these purposes but shall report to the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety prior to creating such new positions.

~~The Judicial Department shall report to the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety by January 1 of each year on all receipts and expenditures of the Fund.~~"

PART IX. VEST RESPONSIBILITY FOR SETTING LIABILITY LIMIT ON NONECONOMIC DAMAGES WITH THE OFFICE OF STATE BUDGET AND MANAGEMENT

SECTION 9. G.S. 90-21.19(a) reads as rewritten:

"(a) Except as otherwise provided in subsection (b) of this section, in any medical malpractice action in which the plaintiff is entitled to an award of noneconomic damages, the total amount of noneconomic damages for which judgment is entered against all defendants shall not exceed five hundred thousand dollars ($500,000). Judgment shall not be entered against any defendant for noneconomic damages in excess of five hundred thousand dollars ($500,000) for all claims brought by all parties arising out of the same professional services. On January 1 of every third year, beginning with January 1, 2014, the ~~Administrative Office of the Courts~~ Office of State Budget and Management shall reset the limitation on damages for noneconomic loss set forth in this subsection to be equal to five hundred thousand dollars ($500,000) times the ratio of the Consumer Price Index for November of the prior year to the Consumer Price Index for November 2011. The ~~Administrative Office of the Courts~~ Office of State Budget and Management shall inform the Revisor of Statutes of the reset limitation. The Revisor of Statutes shall publish this reset limitation as an editor's note to this section. In the event that any verdict or award of noneconomic damages stated pursuant to G.S. 90-21.19B exceeds these limits, the court shall modify the judgment as necessary to conform to the requirements of this subsection."

PART X. EFFECTIVE DATE

SECTION 10. Section 3 of this act becomes effective December 1, 2015, and applies to conditional discharges granted on or after that date. The remainder of this act becomes effective July 1, 2015.

In the General Assembly read three times and ratified this the 21st day of May, 2015.

Became law upon approval of the Governor at 5:30 p.m. on the 29th day of May, 2015.

Session Law 2015-41 **H.B. 295**

AN ACT TO PERMIT THE DIVISION OF JUVENILE JUSTICE OF THE DEPARTMENT OF PUBLIC SAFETY TO DETERMINE WHETHER IT IS APPROPRIATE TO RELEASE CERTAIN INFORMATION ABOUT AN ESCAPED DELINQUENT JUVENILE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 7B-3102(a) reads as rewritten:

"(a) Notwithstanding G.S. 7B-2102(d) or any other law to the contrary, within 24 hours of the time a juvenile escapes from custody the Division shall release to the public the juvenile's first name, last initial, and photograph; the name and location of the institution from which the juvenile escaped, or if the juvenile's escape was not from an institution, the circumstances and location of the escape; and if deemed appropriate a statement, based on the juvenile's record, of the level of concern of the Division as to the juvenile's threat to self or to others, if the juvenile escapes from a detention facility, secure custody, or a youth development center and the juvenile has been adjudicated delinquent. The determination of the level of threat posed by a juvenile who escapes from custody shall be made by the Deputy Commissioner of Juvenile Justice or the Deputy Commissioner's designee."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 21st day of May, 2015.

Became law upon approval of the Governor at 5:30 p.m. on the 29th day of May, 2015.

Session Law 2015-42 **H.B. 70**

AN ACT TO AMEND THE LAW ESTABLISHING THE CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

SECTION 1. Section 12 of Chapter 926 of the 1947 Session Laws, as amended by Chapter 506 of the 1987 Session Laws, Chapter 1033 of the 1987 Session Laws, Chapter 248 of the 1989 Session Laws, Chapter 830 of the 1991 Session Laws, S.L. 1999-100, and S.L. 2001-22, reads as rewritten:

"Sec. 12. **Failure to Return From Active Military Duty.**

(a) Generally. Should any Member of this Retirement System who entered the Armed Forces of the United States of America pursuant to the provisions of Section 6 of this act fail to return to employment with the Charlotte Fire Department within the period for which his reemployment rights are guaranteed by law, said Member shall thereupon cease membership and shall be entitled to a deferred benefit or reimbursement of his contributions in the same manner and in all respects as provided for in Section 10 or 11 of this act, whichever is applicable.

Such former Member shall not receive Membership Service Credit for the period of active military duty or any period after discharge or release from active duty from the Armed Forces for which his reemployment rights had been guaranteed by law.

(b) Death or Disability. In the case of a death or disability occurring on or after January 1, 2007, if a Member dies while performing qualified military service (as defined in section 414(u) of the Code), the survivors of the Member are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the System as if the Member had resumed and then terminated employment on account of death.

(c) Benefit Accrual. For benefit accrual purposes, the System treats an individual who, on or after January 1, 2007, dies or becomes disabled (as defined under the terms of the System) while performing qualified military service with respect to the Charlotte Fire

Department as if the individual had resumed employment in accordance with the individual's reemployment rights under USERRA, on the day preceding death or disability (as the case may be) and terminated employment on the actual date of death or disability. The System will determine the amount of Member contributions of an individual treated as reemployed under this section for purposes of applying section 414(u)(8)(C) of the Code on the basis of the individual's average actual employee contributions for the lesser of (i) the 12-month period of service with the Sponsor immediately prior to qualified military service or (ii) if service with the Sponsor is less than such 12-month period, the actual length of continuous service with the Sponsor.

(d) Differential Wage Payments**.** For years beginning after December 31, 2008, (i) an individual receiving a differential wage payment, as defined by section 3401(h)(2) of the Code, shall be treated as a Member of the Sponsor making the payment; (ii) the differential wage payment shall be treated as compensation; and (iii) the System shall not be treated as failing to meet the requirements of any provision described in section 414(u)(1)(C) of the Code by reason of any contribution or benefit that is based on the differential wage payment."

SECTION 2. Section 13.1 of Chapter 926 of the 1947 Session Laws, as amended by Chapter 506 of the 1987 Session Laws, Chapter 1033 of the 1987 Session Laws, Chapter 248 of the 1989 Session Laws, Chapter 830 of the 1991 Session Laws, Chapter 640 of the 1993 Session Laws, Chapter 171 of the 1995 Session Laws, S.L. 1999-100, S.L. 2001-22, S.L. 2002-43, and S.L. 2006-117, reads as rewritten:

"Sec. 13.1. **Direct Rollover of Eligible Rollover Distributions.** (a) This Section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the plan administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(b) Definitions.

(1) Eligible rollover distribution. An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of 10 years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Code; and any hardship ~~distribution described in section 401(k)(2)(B)(i)(IV).~~distribution. A portion of a distribution shall not fail to be an eligible rollover distribution merely because a portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(2) Eligible retirement plan. An eligible retirement plan is an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, or a qualified trust described in section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. With respect to distributions made after December 31, 2001, an eligible retirement plan shall also mean (i) an annuity contract described in

section 403(b) of the Code and (ii) an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code.

(3) Distributee. A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

(4) Direct rollover. A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

(5) Non-spouse beneficiary rollover right. For distributions after December 31, 2009, a non-spouse beneficiary who is a "designated beneficiary" under section 401(a)(9)(E) of the Code and the regulations thereunder, by a direct trustee-to-trustee transfer (direct rollover), may roll over all or any portion of his or her distribution to an Individual Retirement Account (IRA) the beneficiary establishes for purposes of receiving the distribution. In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an "eligible rollover distribution" under section 401(a)(31) of the Code. If a non-spouse beneficiary receives a distribution from the System, the distribution is not eligible for a 60-day (non-direct) rollover. If the Participant's named beneficiary is a trust, the System may make a direct rollover to an IRA on behalf of the trust, provided the trust satisfies the requirements to be a designated beneficiary within the meaning of section 401(a)(9)(E) of the Code. A non-spouse beneficiary may not roll over an amount that is a required minimum distribution, as determined under applicable Regulations and other Internal Revenue Service guidance. If the Participant dies before his or her required beginning date and the non-spouse beneficiary rolls over to an IRA the maximum amount eligible for rollover, the beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Regulations Section 1.401(a)(9)-3, A-4(c), in determining the required minimum distributions from the IRA that receives the non-spouse beneficiary's distribution.

(6) Roth IRA rollover. For distributions made after December 31, 2007, a Participant or beneficiary may elect to roll over directly an "eligible rollover distribution" to a Roth IRA described in section 408A(b) of the Code.

(c) In the event of a mandatory distribution greater than one thousand dollars ($1,000) that is made without the Member's consent and is made to the Member before the Member attains the later of age 62 or Normal Retirement Age, if the Member does not elect to have such distribution paid directly to an eligible retirement plan specified by the Member in a direct rollover or to receive the distribution from the Plan, the Administrator shall pay the distribution in a direct rollover to an individual retirement plan designated by the Administrator."

SECTION 3. Section 1 of Chapter 830 of the 1991 Session Laws, as amended by Chapter 640 of the 1993 Session Laws, Chapter 171 of the 1995 Session Laws, S.L. 1999-100, and S.L. 2001-22, is amended by adding a new section to read:

"Sec. 23.1 **Retiree Health Insurance Premiums.** Effective January 1, 2007, a Member who is an "eligible retired public safety officer" as defined in section 402(l)(4)(B) of the Code

who retired pursuant to Section 15, Section 19, or Section 20 of this act may elect to receive a distribution from the System in an amount not to exceed the lesser of the following:

(1) The amount paid by such Member for qualified health insurance premiums of the Member, the Member's spouse, or dependents (as defined in section 152 of the Code) for such taxable year; or

(2) Three thousand dollars ($3,000) for the taxable year.

Any distribution pursuant to this section shall reduce the benefit payable to the Member for the taxable year from the System. Such distribution shall be paid directly to the provider of the accident or health insurance. All distributions under this section shall be made in compliance with section 402(1) of the Code and any guidance issued thereunder."

SECTION 4. This act applies only to the City of Charlotte.

SECTION 5. This act becomes effective July 1, 2015.

In the General Assembly read three times and ratified this the 1st day of June, 2015.

Became law on the date it was ratified.

Session Law 2015-43 **H.B. 82**

AN ACT CLARIFYING THE MANNER IN WHICH A LAW ENFORCEMENT OFFICER MAY TAKE CUSTODY OF A JUVENILE WHEN EXECUTING A NONSECURE CUSTODY ORDER UNDER THE LAWS PERTAINING TO ABUSE, NEGLECT, AND DEPENDENCY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 7B-504 reads as rewritten:

"§ **7B-504. Order for nonsecure custody.**

The custody order shall be in writing and shall direct a law enforcement officer or other authorized person to ~~assume~~ take physical custody of the juvenile and to make due return on the order. A copy of the order shall be given to the juvenile's parent, guardian, custodian, or caretaker by the official executing the order.

An officer receiving an order for custody which is complete and regular on its face may execute it in accordance with its terms. If the court finds on the basis of the petition and request for nonsecure custody or the testimony of the petitioner that a less intrusive remedy is not available, the court may authorize a law enforcement officer to enter private property to take physical custody of the juvenile. If required by exigent circumstances of the case, the court may authorize a law enforcement officer to make a forcible entry at any hour. The officer is not required to inquire into the regularity or continued validity of the order and shall not incur criminal or civil liability for its due service."

SECTION 2. This act is effective when it becomes law and applies to orders issued on or after that date.

In the General Assembly read three times and ratified this the 26th day of May, 2015.

Became law upon approval of the Governor at 10:30 a.m. on the 2nd day of June, 2015.

Session Law 2015-44 **H.B. 113**

AN ACT TO PROTECT NORTH CAROLINA'S STUDENTS BY INCREASING THE CRIMINAL PENALTY FOR THE COMMISSION OF CERTAIN SEX OFFENSES COMMITTED AGAINST A STUDENT BY A PERSON WHO IS SCHOOL PERSONNEL AND TO ESTABLISH A PROCEDURE FOR INSTITUTIONS OF HIGHER EDUCATION TO OBTAIN A LIST OF STUDENTS AND EMPLOYEES AT THE INSTITUTION WHO ARE REGISTERED AS SEX OFFENDERS.

The General Assembly of North Carolina enacts:

SECTION 1. This act may be cited as the "Protect Our Students Act".

SECTION 2. G.S. 14-27.7(b) reads as rewritten:

"(b) If a defendant, who is a teacher, school administrator, student teacher, school safety officer, or coach, at any age, or who is other school personnel, and who is at least four years older than the victim engages in vaginal intercourse or a sexual act with a victim who is a student, at any time during or after the time the defendant and victim were present together in the same school, but before the victim ceases to be a student, the defendant is guilty of a Class G felony, except when the defendant is lawfully married to the student. The term "same school" means a school at which the student is enrolled and the defendant is employed, assigned, or volunteers. A defendant who is school personnel, other than a teacher, school administrator, student teacher, school safety officer, or coach, and is less than four years older than the victim and engages in vaginal intercourse or a sexual act with a victim who is a student, is guilty of a ~~Class A1 misdemeanor.~~ Class I felony. This subsection shall apply unless the conduct is covered under some other provision of law providing for greater punishment. Consent is not a defense to a charge under this section. For purposes of this subsection, the terms "school", "school personnel", and "student" shall have the same meaning as in G.S. 14-202.4(d). For purposes of this subsection, the term "school safety officer" shall include a school resource officer or any other person who is regularly present in a school for the purpose of promoting and maintaining safe and orderly schools."

SECTION 3. G.S. 14-202.4 reads as rewritten:

"§ **14-202.4. Taking indecent liberties with a student.**

…

(b) If a defendant, who is school personnel, other than a teacher, school administrator, student teacher, school safety officer, or coach, and who is less than four years older than the victim, takes indecent liberties with a student as provided in subsection (a) of this section, the defendant is guilty of a ~~Class A1 misdemeanor.~~Class I felony.

…

(d) For purposes of this section, the following definitions apply:

…

(3) "School personnel" means any person included in the definition contained in G.S. 115C-332(a)(2), including those employed by a nonpublic, charter, or regional school, and any person who volunteers at a school or a school-sponsored activity.

…."

SECTION 4. G.S. 14-208.15 is amended by adding a new subsection to read:

"(c) Upon request of an institution of higher education, the Sheriff of the county in which the educational institution is located shall provide a report containing the registry information for any registrant who has stated that the registrant is a student or employee, or expects to become a student or employee, of that institution of higher education. The Department of Public Safety shall provide each sheriff with the ability to generate the report from the statewide registry. The report shall be provided electronically without charge. The institution of higher education may receive a written report upon payment of reasonable duplicating costs and mailing costs."

SECTION 5. This act becomes effective December 1, 2015. Sections 2 and 3 of this act apply to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 28th day of May, 2015.

Became law upon approval of the Governor at 10:30 a.m. on the 2nd day of June, 2015.

Session Law 2015-45 **H.B. 232**

AN ACT TO DIRECT THE DEPARTMENT OF TRANSPORTATION TO STUDY THE BICYCLE SAFETY LAWS IN THIS STATE AND MAKE RECOMMENDATIONS AS TO HOW THE LAWS MAY BE REVISED TO BETTER ENSURE THE SAFETY OF BICYCLISTS AND MOTORISTS ON THE ROADWAYS.

The General Assembly of North Carolina enacts:

SECTION 1. Study. – The Department of Transportation shall study the bicycle safety laws in this State. The study shall focus on what statutory revisions, if any, are needed to better ensure the safety of bicyclists and motorists. In doing so, the Department shall consider at least all of the following:

(1) How faster-moving vehicles may safely overtake bicycles on roadways where sight distance may be inhibited.
(2) Whether bicyclists on a roadway should be required to ride single file or allowed to ride two or more abreast.
(3) Whether bicyclists should be required to carry a form of identification.
(4) Any other issues determined relevant by the Department.

SECTION 2. Working Group. – In conducting the study required by this act, the Department shall convene a working group of interested parties knowledgeable and interested in the bicycle safety laws of this State. The working group shall include all of the following:

(1) A law enforcement officer.
(2) A representative from the bicycling industry.
(3) A representative from the agricultural industry.
(4) A representative from the trucking industry.
(5) A representative from county government, who may be a county law enforcement officer.
(6) A representative from municipal government, who may be a municipal law enforcement officer.
(7) A representative from the University of North Carolina Highway Safety Research Center.
(8) A minimum of two staff representatives from the Department.
(9) Any other expert or stakeholder the Department or working group determines may assist the Department in completing the study required by this act.

The Department shall designate the members listed in subdivisions (1) through (8) of this section, and the working group shall subsequently select a chair and designate the remaining members of the working group authorized under subdivision (9) of this section. In designating additional members, the working group shall ensure that membership composition includes representation of different operator and geographical perspectives.

SECTION 3. Maximum Number of Working Group Members. – The total number of members of the working group convened under Section 2 of this act shall not exceed 12 members.

SECTION 4. Report and Recommendations. – The Department shall report its findings and recommendations, including any legislative proposals, to the Joint Legislative Transportation Oversight Committee on or before December 31, 2015.

SECTION 5. Effective Date. – This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 26th day of May, 2015.

Became law upon approval of the Governor at 10:30 a.m. on the 2nd day of June, 2015.

Session Law 2015-46 **H.B. 237**

AN ACT TO REPEAL PERSONAL EDUCATION PLANS AND MODIFY TRANSITION PLANS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-105.41 reads as rewritten:

"§ **115C-105.41. Students who have been placed at risk of academic ~~failure; personal education plans; transition teams~~ failure and transition plans.**

(a) In order to implement Part 1A of Article 8 of this Chapter, local school administrative units shall identify students who are at risk for academic failure and who are not successfully progressing toward grade promotion and graduation, beginning in kindergarten. Identification shall occur as early as can reasonably be done and can be based on grades, observations, diagnostic and formative assessments, State assessments, and other factors, including reading on grade level, that impact student performance that teachers and administrators consider appropriate, without having to await the results of end-of-grade or end-of-course tests. ~~No later than the end of the first quarter, or after a teacher has had up to nine weeks of instructional time with a student, a personal education plan for academic improvement with focused intervention and performance benchmarks shall be developed or updated for any student at risk of academic failure who is not performing at least at grade level, as identified by the State end-of-grade test and other factors noted above. Focused instructional supports and services, reading interventions, and accelerated activities should include evidence-based practices that meet the needs of students and may include coaching, mentoring, tutoring, summer school, Saturday school, and extended days. Local school administrative units shall provide these activities free of charge to students. Local school administrative units shall also provide transportation free of charge to all students for whom transportation is necessary for participation in these activities.~~

~~Local school administrative units shall give notice of the personal education plan and a copy of the personal education plan to the student's parent or guardian. Parents should be included in the implementation and ongoing review of personal education plans. If a student's school report card provides all the information required in a personal education plan, then no further personal education plan is mandated for the student.~~

~~No cause of action for monetary damages shall arise from the failure to provide or implement a personal education plan under this section.~~

(b) Local boards of education shall adopt ~~and implement~~ policies that direct school improvement teams to develop plans to include successful transition between elementary and middle school years and between the middle school and high school years~~for the creation of transition teams and transition plans~~ for students at risk, as defined by the State Board of ~~Education,~~ Education.~~to assist them in making a successful transition between the elementary school and middle school years and between the middle school and high school years.~~"

SECTION 2. G.S. 115C-83.7(c) reads as rewritten:

"(c) The superintendent shall determine whether a student may be exempt from mandatory retention on the basis of a good cause exemption. The following steps shall be taken in making the determination:

(1) The teacher of a student eligible for a good cause exemption shall submit documentation of the relevant exemption and evidence that promotion of the student is appropriate based on the student's academic record to the principal. Such evidence shall be limited to the student's ~~personal education plan,~~ individual education program, if applicable, alternative assessment, or student reading portfolio.

(2) The principal shall review the documentation and make an initial determination whether the student should be promoted. If the principal determines the student should be promoted, the principal shall make a

written recommendation of promotion to the superintendent for final determination. The superintendent's acceptance or rejection of the recommendation shall be in writing."

SECTION 3. G.S. 115C-83.9(a) reads as rewritten:

"(a) Parents or guardians shall be notified in writing, and in a timely manner, that the student shall be retained, unless he or she is exempt from mandatory retention for good cause, if the student is not demonstrating reading proficiency by the end of third grade. Parents or guardians shall receive this notice when a kindergarten, first, second, or third grade student (i) is demonstrating difficulty with reading development; or (ii) is not reading at grade ~~level; or (iii) has a personal education plan under G.S. 115C-105.41.~~level."

SECTION 3.5. The State Board of Education shall report to the Joint Legislative Education Oversight Committee by November 15, 2016, on how at risk students are identified and being served through interventions to prevent academic failure.

SECTION 4. This act is effective when it becomes law and applies beginning with the 2015-2016 school year.

In the General Assembly read three times and ratified this the 26th day of May, 2015.

Became law upon approval of the Governor at 10:30 a.m. on the 2nd day of June, 2015.

Session Law 2015-47 **H.B. 294**

AN ACT TO MAKE IT A CRIMINAL OFFENSE TO PROVIDE A CELL PHONE TO A DELINQUENT JUVENILE IN CUSTODY OF THE DEPARTMENT OF PUBLIC SAFETY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 14-258.1 reads as rewritten:

"§ **14-258.1. Furnishing poison, controlled substances, deadly weapons, cartridges, ammunition or alcoholic beverages to inmates of charitable, mental or penal institutions or local confinement facilities; furnishing tobacco products including vapor products; or furnishing mobile phones to ~~inmates.~~inmates or delinquent juveniles.**

…

(d) Any person who knowingly gives or sells a mobile telephone or other wireless communications device, or a component of one of those devices, to an inmate in the custody of the Division of Adult Correction of the Department of Public ~~Safety~~ Safety, to a delinquent juvenile in the custody of the Division of Juvenile Justice of the Department of Public Safety, or to an inmate in the custody of a local confinement facility, or any person who knowingly gives or sells any such device or component to a person who is not an inmate or delinquent juvenile for delivery to an ~~inmate,~~ inmate or delinquent juvenile, is guilty of a Class H felony.

For purposes of this subsection, a delinquent juvenile in the custody of the Division of Juvenile Justice of the Department of Public Safety shall mean a juvenile confined in a youth development center or a detention facility as defined in G.S. 7B-1501, and shall include transportation of a juvenile to or from confinement.

…."

SECTION 2. This act becomes effective December 1, 2015, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 28th day of May, 2015.

Became law upon approval of the Governor at 10:30 a.m. on the 2nd day of June, 2015.

Session Law 2015-48 **H.B. 570**

AN ACT TO DIRECT LAW ENFORCEMENT AND THE COURTS TO IMPROVE JUDICIAL EFFICIENCY THROUGH THE USE OF THE ELECTRONIC REPOSITORY COMMONLY KNOWN AS NCAWARE TO RESOLVE OUTSTANDING WARRANTS WHILE A DEFENDANT IS IN CUSTODY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 15A-301.1 is amended by adding two new subsections to read:

"(o) At the time an individual is taken into custody, the custodial law enforcement agency shall attempt to identify all outstanding warrants against that individual and notify the appropriate law enforcement agencies of the location of the individual.

(p) Prior to the entry of any order of the court in a criminal case, the court shall attempt to identify all outstanding warrants against that individual and notify the appropriate law enforcement agencies of the location of the individual."

SECTION 2. Article 1 of Chapter 148 of the General Statutes is amended by adding a new section to read:

"**§ 148-10.5. Facilitation of reentry.**

In order to facilitate successful reentry and improve judicial efficiency, the Division of Adult Correction of the Department of Public Safety shall work with law enforcement, the district attorneys' offices, and the courts to develop a process by which, both at intake and before release, effort is made, for each inmate in custody, to identify all outstanding warrants on the inmate. The plan should seek to resolve inmates' outstanding warrants while in custody, whenever feasible. In the course of resolving an outstanding warrant while in custody, an inmate shall be notified of the outstanding warrant and his or her right to counsel if such a right exists."

SECTION 3. This act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 27th day of May, 2015.

Became law upon approval of the Governor at 10:30 a.m. on the 2nd day of June, 2015.

Session Law 2015-49 **H.B. 595**

AN ACT TO RECOGNIZE EXPERIENCE AS MILITARY POLICE OFFICERS FOR PURPOSES OF LAW ENFORCEMENT CERTIFICATION AND TO INCREASE THE SIZE OF THE NORTH CAROLINA CRIMINAL JUSTICE EDUCATION AND TRAINING STANDARDS COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 17C of the General Statutes is amended by adding a new section to read:

"**§ 17C-10.1. Certification of military service members and veterans with law enforcement training and experience.**

(a) Notwithstanding any other provision of law, the Commission shall waive an applicant's completion of the Commission-accredited training course and issue probationary certification to a current or honorably discharged former military police officer provided the Commission, upon evaluating the individual applicant's training and experience pursuant to G.S. 93B-15.1(a), determines that the applicant's combined training and experience is substantially equivalent to or exceeds the minimum expectations for employment as a law enforcement officer and the applicant satisfies all of the following conditions:

(1) Successfully completed a military police training program and been awarded a military police occupational specialty rating.

(2) Performed military police officer duties in any of the branches of military service, active or reserve, or the National Guard for not less than two of the five years preceding the date of the application for certification as a law enforcement officer.

(3) Meets the minimum standards for law enforcement officers as set out in 12 NCAC 9B .0101 and 12 NCAC 9B .0111.

(b) An applicant certified pursuant to subsection (a) of this section must successfully complete the employing agency's in-service firearms training and qualification program prior to employment and shall serve a one-year period of probation. During the one-year period of probation, the applicant must successfully complete the Legal Unit and 24 hours of training in the service of civil process in a Commission-accredited Basic Law Enforcement Training Course and successfully pass the State Comprehensive Examination in its entirety.

(c) The Commission shall issue certification to a current or honorably discharged former military police officer whose combined training and experience is not substantially equivalent to or does not exceed the minimum expectations for employment as a law enforcement officer if the applicant meets all of the following requirements:

(1) Successfully completed a formal military basic training program and been awarded a military police occupational specialty rating.

(2) Engaged in the active practice of military police officer duties in any of the branches of military service, active or reserve, or the National Guard for not less than two of the five years preceding the date of the application for certification as a law enforcement officer.

(3) Meets the minimum standards for law enforcement officers as set out in 12 NCAC 9B .0101 and 12 NCAC 9B .0111.

(4) Successfully completes the Legal Unit and 24 hours of training in the service of civil process in a Commission-accredited Basic Law Enforcement Training Course.

(5) Successfully completes any supplementary high-liability training as deemed necessary by the Commission, not to exceed an additional 180 hours.

(6) Obtains a passing grade on the State Comprehensive Basic Law Enforcement Training (BLET) Exam.

(d) Members of the Air/Army National Guard and Military Reserve Components who have performed as a military police officer for not less than 1,040 hours during the five years preceding the date of application shall be deemed to satisfy the requirements of subdivision (2) of subsection (a) and subdivision (2) of subsection (c) of this section.

(e) An applicant who, after completing the required training in subsection (a) or (c) of this section, fails to obtain a passing score on not more than two of the units of the comprehensive exam may be retested in the units the applicant failed. An applicant who fails three or more of the units must enroll in and successfully complete a subsequent offering of the Basic Law Enforcement Training Course in its entirety in order to be eligible to be certified.

(f) An active duty military police officer who obtains certification under this section may retain the certification for the duration of active duty provided the officer continues to serve in a military police capacity and complies with any in-service training requirements as may be required by the Commission. An active duty member who is unable to complete annual in-service requirements due to deployment or overseas assignment shall have 12 months from the time the officer returns to the United States in which to complete any required in-service training. The officer shall retain the certification for a period of one year following separation from active duty.

(g) As used in this section, the following terms mean:

(1) Branches of military service. – The United States Armed Forces: Air Force; Army; Marine; Navy; active, reserve, Air/Army National Guard components; and the Coast Guard.

(2) Combined training. – Basic military training, basic military police training, in-service or advanced military police training and, any other military training courses that may be applicable to the performance of law enforcement duties.

(3) Military police. – All law enforcement occupational classifications in the various branches of the Armed Forces, including Military Police Officer, Security Forces Specialist, Master-at-Arms, Maritime Enforcement Specialist, Boarding Officer, and Security forces.

(h) The Commission shall adopt rules to implement the provisions of this section."

SECTION 2. G.S. 17C-3 reads as rewritten:

"§ **17C-3. North Carolina Criminal Justice Education and Training Standards Commission established; members; terms; vacancies.**

(a) There is established the North Carolina Criminal Justice Education and Training Standards Commission, hereinafter called "the Commission." The Commission shall be composed of ~~31~~ 34 members as follows:

(1) Police Chiefs. – Three police chiefs selected by the North Carolina Association of Chiefs of Police and one police chief appointed by the Governor.

(2) Police Officers. – Three police officials appointed by the North Carolina Police Executives Association and two criminal justice officers certified by the Commission as selected by the North Carolina Law-Enforcement Officers' Association.

(3) Departments. – The Attorney General of the State of North Carolina; the Secretary of Public Safety; the Director of the State Bureau of Investigation, the Commander of the State Highway Patrol, and the President of the North Carolina Community Colleges System.

(3a) Repealed by Session Laws 2001-490, s. 1.2, effective June 30, 2001.

(4) At-large Groups. – One individual representing and appointed by each of the following organizations: one mayor selected by the League of Municipalities; one law-enforcement training officer selected by the North Carolina Law-Enforcement Training Officers' Association; one criminal justice professional selected by the North Carolina Criminal Justice Association; one sworn law-enforcement officer selected by the North State Law-Enforcement Officers' Association; one member selected by the North Carolina Law-Enforcement Women's Association; and one District Attorney selected by the North Carolina Association of District Attorneys.

(5) Citizens and Others. – The President of The University of North Carolina; the Dean of the School of Government at the University of North Carolina at Chapel Hill; and two citizens, one of whom shall be selected by the Governor and one of whom shall be selected by the Attorney General. The General Assembly shall appoint four persons, two upon the recommendation of the Speaker of the House of Representatives and two upon the recommendation of the President Pro Tempore of the Senate. Appointments by the General Assembly shall be made in accordance with G.S. 120-122. Appointments by the General Assembly shall be for two-year terms to conclude on June 30th in odd-numbered years.

(6) ~~Correctional Officers.~~ Adult Correction and Juvenile Justice. – Four correctional officers in management positions employed by the Division of Adult Correction and Juvenile Justice of the Department of Public Safety shall be appointed, two from the Section of Community Corrections ~~of the Division of Adult Correction~~ upon the recommendation of the Speaker of the House of Representatives and two from the Section of Prisons ~~of the Division of Adult Correction~~ upon the recommendation of the President Pro

Tempore of the Senate. Appointments by the General Assembly shall be made in accordance with G.S. 120-122. Appointments by the General Assembly shall serve two-year terms to conclude on June 30th in odd-numbered ~~years.~~ years or until the appointee no longer serves in a management position with the Division of Adult Correction, whichever occurs first. The Governor shall appoint one correctional officer employed by the Division of Adult Correction of the Department of Public Safety and assigned to the Office of Staff Development and ~~Training.~~ Training, and one juvenile justice officer employed by the Section of Juvenile Justice. The Governor's ~~appointment~~ appointments shall serve ~~a~~ three-year ~~term.~~terms or until the appointee is no longer assigned to the Office of Staff Development and Training or is no longer a juvenile justice officer, whichever occurs first.

(b) The members shall be appointed for staggered terms. The initial appointments shall be made prior to September 1, 1983, and the appointees shall hold office until July 1 of the year in which their respective terms expire and until their successors are appointed and qualified as provided hereafter:

For the terms of one year: one member from subdivision (1) of subsection (a) of this section, serving as a police chief; three members from subdivision (2) of subsection (a) of this section, one serving as a police official, and two criminal justice officers; one member from subdivision (4) of subsection (a) of this section, appointed by the North Carolina Law-Enforcement Training Officers' Association; and two members from subdivision (5) of subsection (a) of this section, one appointed by the Governor and one appointed by the Attorney General.

For the terms of two years: one member from subdivision (1) of subsection (a) of this section, serving as a police chief; one member from subdivision (2) of subsection (a) of this section, serving as a police official; and two members from subdivision (4) of subsection (a) of this section, one appointed by the League of Municipalities and one appointed by the North Carolina Association of District Attorneys.

For the terms of three years: two members from subdivision (1) of subsection (a) of this section, one police chief appointed by the North Carolina Association of Chiefs of Police and one police chief appointed by the Governor; one member from subdivision (2) of subsection (a) of this section, serving as a police official; and three members from subdivision (4) of subsection (a) of this section, one appointed by the North Carolina Law-Enforcement Women's Association, one appointed by the North Carolina Criminal Justice Association, and one appointed by the North State Law-Enforcement Officers' Association.

Thereafter, as the term of each member expires, his successor shall be appointed for a term of three years. Notwithstanding the appointments for a term of years, each member shall serve at the will of the appointing authority.

The Attorney General, the President of The University of North Carolina, the Dean of the School of Government at the University of North Carolina at Chapel Hill, the President of the North Carolina Community Colleges System, the Director of the State Bureau of Investigation, the Commander of the State Highway Patrol, and the Secretary of Public Safety shall be continuing members of the Commission during their tenure. These members of the Commission shall serve ex officio and shall perform their duties on the Commission in addition to the other duties of their offices. The ex officio members may elect to serve personally at any or all meetings of the Commission or may designate, in writing, one member of their respective office, department, university or agency to represent and vote for them on the Commission at all meetings the ex officio members are unable to attend.

Vacancies in the Commission occurring for any reason shall be filled, for the unexpired term, by the authority making the original appointment of the person causing the vacancy. A vacancy may be created by removal of a Commission member by majority vote of the Commission for misconduct, incompetence, or neglect of duty. A Commission member may be

removed only pursuant to a hearing, after notice, at which the member subject to removal has an opportunity to be heard."

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 26th day of May, 2015.

Became law upon approval of the Governor at 10:25 a.m. on the 3rd day of June, 2015.

Session Law 2015-50 **H.B. 405**

AN ACT TO PROTECT PROPERTY OWNERS FROM DAMAGES RESULTING FROM INDIVIDUALS ACTING IN EXCESS OF THE SCOPE OF PERMISSIBLE ACCESS AND CONDUCT GRANTED TO THEM.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 99A of the General Statutes reads as rewritten:

"**Chapter 99A.**

"**Civil Remedies for ~~Criminal Actions.~~Interference With Property.**

"§ **99A-1. Recovery of damages for interference with property rights.**

Notwithstanding any other provisions of the General Statutes of North Carolina, when personal property is wrongfully taken and carried away from the owner or person in lawful possession of such property without his consent and with the intent to permanently deprive him of the use, possession and enjoyment of said property, a right of action arises for recovery of actual and punitive damages from any person who has or has had, possession of said property knowing the property to be stolen.

An agent having possession, actual or constructive, of property lawfully owned by his principal, shall have a right of action in behalf of his principal for any unlawful interference with that possession by a third person.

In cases of bailments where the possession is in the bailee, a trespass committed during the existence of the bailment shall give a right of action to the bailee for the interference with his special property and a concurrent right of action to the bailor for the interference with his general property.

Any abuse of, or damage done to, the personal property of another or one who is in possession thereof, unlawfully, is a trespass for which damages may be recovered.

"**§ 99A-2. Recovery of damages for exceeding the scope of authorized access to property.**

(a) Any person who intentionally gains access to the nonpublic areas of another's premises and engages in an act that exceeds the person's authority to enter those areas is liable to the owner or operator of the premises for any damages sustained. For the purposes of this section, "nonpublic areas" shall mean those areas not accessible to or not intended to be accessed by the general public.

(b) For the purposes of this section, an act that exceeds a person's authority to enter the nonpublic areas of another's premises is any of the following:

(1) An employee who enters the nonpublic areas of an employer's premises for a reason other than a bona fide intent of seeking or holding employment or doing business with the employer and thereafter without authorization captures or removes the employer's data, paper, records, or any other documents and uses the information to breach the person's duty of loyalty to the employer.

(2) An employee who intentionally enters the nonpublic areas of an employer's premises for a reason other than a bona fide intent of seeking or holding employment or doing business with the employer and thereafter without authorization records images or sound occurring within an employer's

premises and uses the recording to breach the person's duty of loyalty to the employer.

(3) Knowingly or intentionally placing on the employer's premises an unattended camera or electronic surveillance device and using that device to record images or data.

(4) Conspiring in organized retail theft, as defined in Article 16A of Chapter 14 of the General Statutes.

(5) An act that substantially interferes with the ownership or possession of real property.

(c) Any person who intentionally directs, assists, compensates, or induces another person to violate this section shall be jointly liable.

(d) A court may award to a party who prevails in an action brought pursuant to this section one or more of the following remedies:

(1) Equitable relief.

(2) Compensatory damages as otherwise allowed by State or federal law.

(3) Costs and fees, including reasonable attorneys' fees.

(4) Exemplary damages as otherwise allowed by State or federal law in the amount of five thousand dollars ($5,000) for each day, or portion thereof, that a defendant has acted in violation of subsection (a) of this section.

(e) Nothing in this section shall be construed to diminish the protections provided to employees under Article 21 of Chapter 95 or Article 14 of Chapter 126 of the General Statutes, nor may any party who is covered by these Articles be liable under this section.

(f) This section shall not apply to any governmental agency or law enforcement officer engaged in a lawful investigation of the premises or the owner or operator of the premises.

(g) Nothing in this section shall be construed to limit any other remedy available at common law or provided by the General Statutes."

SECTION 2. This act becomes effective January 1, 2016, and applies to acts committed on or after that date.

In the General Assembly read three times and ratified this the 19th day of May, 2015.

Became law notwithstanding the objections of the Governor at 3:42 p.m. this 3rd day of June, 2015.

Session Law 2015-51 **S.B. 114**

AN ACT TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION AND THE DIVISION OF SOCIAL SERVICES, TO DEVELOP A PLAN REQUIRING A CUSTODIAL PARENT OR OTHER RELATIVE OR PERSON WITH PRIMARY CUSTODY OF A CHILD RECEIVING CHILD CARE SUBSIDY PAYMENTS TO COOPERATE WITH COUNTY CHILD SUPPORT SERVICES PROGRAMS AS A CONDITION OF RECEIVING CHILD CARE SUBSIDY PAYMENTS, AS RECOMMENDED BY THE CHILD SUPPORT SUBCOMMITTEE OF THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) It is the intent of the General Assembly that the Department of Health and Human Services, Division of Child Development and Early Education (DCDEE) and the Division of Social Services (DSS), implement a process requiring child care subsidy recipients to participate in child support services programs. To that end, DCDEE and DSS shall develop a plan requiring a custodial parent or other relative or person with primary custody of the child who is receiving child care subsidy payments to cooperate with county child support

services programs as a condition of receiving child care subsidy payments. In developing the plan, the DCDEE and DSS shall, at a minimum, consider each of the following:

(1) The number of child care subsidy cases that would be referred to county child support services programs.

(2) Whether there are any disparities between child support services programs administered directly by the county department of social services versus those programs administered by a vendor through a contract with the county department of social services, specifically as related to maintaining consistent communication.

(3) The access and exchange of information between county child support services programs/systems and child care subsidy services/systems and any differences that may create a conflict in coordinating child care subsidy payments with child support services.

(4) Any implementation issues related to IV-D child support cases versus non-IV-D child support cases.

(5) Any impact on the families involved and the need to incorporate good cause exceptions for cooperation with county child support services programs similar to those for Temporary Assistance for Needy Families (TANF) and Medicaid.

(6) Any costs to implement the plan, including any automation costs associated with connecting the child care subsidy payments system to the child support payments system.

(7) The development of any forms needed to implement the plan.

(8) Transition time needed to implement the plan and to coordinate any interface with current systems, such as the North Carolina Automated Collection and Tracking System (NC ACTS) and North Carolina Families Accessing Services through Technology (NC FAST).

(9) Any training needs and costs associated with training.

(10) Other states that have implemented a similar plan as proposed in this section.

(11) Other programs of public assistance in this State requiring coordination with child support services programs.

(12) The need to update any current policies or procedures related to child care subsidy payments and child support payments.

(13) Any other issues DCDEE or DSS deem relevant.

SECTION 1.(b) The Division of Child Development and Early Education and the Division of Social Services shall submit a report on the plan, along with any recommendations, to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than February 1, 2016.

SECTION 2. This act becomes effective July 1, 2015.

In the General Assembly read three times and ratified this the 28th day of May, 2015.

Became law upon approval of the Governor at 8:30 a.m. on the 4th day of June, 2015.

Session Law 2015-52 **S.B. 291**

AN ACT TO EXTEND THE DURATION OF THE OVERNIGHT RESPITE PILOT PROGRAM AND TO PROVIDE A MORE COMPREHENSIVE EVALUATION OF THE PILOT PROGRAM.

The General Assembly of North Carolina enacts:

SECTION 1. Section 2 of S.L. 2011-104 reads as rewritten:

"**SECTION 2.(a)** The Department of Health and Human Services shall report on the status of the pilot once a year to the Program Evaluation Division. The Program Evaluation Division shall evaluate the provision of overnight respite services in an adult day care program through the experiences of this pilot. The evaluation shall include whether this pilot was successful as measured by the participants in receipt of overnight respite, the primary caregivers of participants, the adult day care programs participating in the pilot, and the Department of Health and Human Services. On or before October 1, 2014, the Program Evaluation Division shall provide a report to the General Assembly on the feasibility of continuing to provide overnight respite in an adult day care program.

"**SECTION 2.(b)** Following the 2014 report and in order to provide a more comprehensive evaluation of the pilot, the Department of Health and Human Services shall coordinate with the Program Evaluation Division regarding the collection of additional information. The Program Evaluation Division shall specify what information the Department needs to collect and the timeframe for reporting the information. Based on information collected through the Department, the Program Evaluation Division shall provide information on each of the items below which will assist in determining whether the provision of overnight respite in an adult day care setting is a worthwhile service.

(1) The actual number of overnight respite participants per month.

(2) The percentage of an adult day care entity's clients that need overnight respite; the percentage of clients that use overnight respite; the percentage of clients using the service more than once if they had a need arise; the percentage of clients using overnight respite that are not regular adult day care clients; and the average monthly bed utilization for overnight respite at each location.

(3) Customer satisfaction levels for individuals who participate and their families.

(4) Satisfaction levels of adult day care entities offering overnight respite services.

(5) The viability of an adult day care offering overnight respite from a cost/benefit standpoint.

(6) The need for overnight respite options in the State currently and the need forecast through 2025.

(7) The degree to which overnight respite provided in an adult day care setting supports older and disabled adults who wish to live in the least restrictive and supportive setting possible.

(8) The potential for saving public dollars due to delayed institutionalization when overnight respite is readily available.

(9) Based on the pilot, a recommendation regarding whether the State should allow the provision of overnight respite in an adult day care setting beyond the pilot.

(10) A recommendation regarding whether the current regulations are sufficient to ensure the safety and well-being of residents participating in overnight respite in an adult day care setting.

(11) A recommendation regarding whether adult day care overnight respite should require certification or licensure.

(12) If a recommendation is made to expand overnight respite in an adult day care setting, the feasibility of funding sources other than private pay, including the possibility of coverage for the service under Medicaid.

The Program Evaluation Division shall provide an interim report on the criteria specified in this section on or before December 1, 2015, and a final report on or before October 1, 2016, to the Joint Legislative Program Evaluation Oversight Committee and to the Joint Legislative Oversight Committee on Health and Human Services."

SECTION 2. Section 3 of S.L. 2011-104 reads as rewritten:

"**SECTION 3.** This act becomes effective when it becomes law; adult day care programs participating in the pilot shall be selected and have received an initial inspection by January 1, 2012; and this act is repealed ~~June 1, 2015.~~June 30, 2017."

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of May, 2015.

Became law upon approval of the Governor at 8:30 a.m. on the 4th day of June, 2015.

Session Law 2015-53 **S.B. 311**

AN ACT TO ENSURE THE INTEGRITY OF MARRIAGE RECORDS PRESENTED FOR REGISTRATION.

The General Assembly of North Carolina enacts:

SECTION 1. Article 2 of Chapter 161 of the General Statutes is amended by adding a new section to read:

"**§ 161-14.03. Registration of documents purporting to impact official marriage records.**

(a) Prior to recording a document or instrument that (i) purports to impact an official record of marriage meeting the requirements of G.S. 51-16 and (ii) is not a marriage license, a return, or an amendment or correction of a marriage license as described in Article 2 of Chapter 51 of the General Statutes, the register of deeds shall conspicuously mark the first page of the document or instrument with the following statement:

"THIS DOCUMENT IS NOT AN OFFICIAL MARRIAGE DOCUMENT."

(b) This section shall not apply to instruments or documents that are attached as exhibits to land records, orders or judgments issued by a court of this State or another state, or separation agreements presented for registration."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of May, 2015.

Became law upon approval of the Governor at 8:30 a.m. on the 4th day of June, 2015.

Session Law 2015-54 **H.B. 293**

AN ACT TO MAKE VARIOUS CHANGES UNDER THE LAWS PERTAINING TO ADOPTION.

The General Assembly of North Carolina enacts:

SECTION 1. Article 1 of Chapter 48 of the General Statutes is amended by adding a new section to read:

"**§ 48-1-108A. Adoptees subject to the Hague Adoption Convention.**

If the adoption of the adoptee is subject to the Convention of 29 May 1993 on Protection of Children and Co-operation in Respect of Intercountry Adoption (Hague Adoption Convention), the provisions of the Hague Adoption Convention shall control the individual's adoption. Documentation establishing whether the Hague Adoption Convention applies to an adoptee may be filed and copies thereof may be certified by the court before or after the decree of adoption has been granted."

SECTION 2. G.S. 48-1-109(c) reads as rewritten:

"(c) An order for a report to the court must be sent to a county department of social services in this State, an agency licensed by the Department, or a person or entity authorized to prepare home assessments for the purpose of adoption proceedings under the laws of the petitioner's state of residence. If the petitioner moves to a different state before the agency

completes the report, the agency shall request a report ~~pursuant to the Interstate Compact on the Placement of Children under Article 38 of Chapter 7B of the General Statutes~~ from a person or entity authorized to prepare home assessments for the purpose of adoption proceedings under the laws of the petitioner's new state residence."

SECTION 3. G.S. 48-2-100(c) reads as rewritten:

"(c) The courts of this State shall not exercise jurisdiction under this Chapter if at the time the petition for adoption is filed, a court of any other state is exercising jurisdiction substantially in conformity with the Uniform Child-Custody Jurisdiction and Enforcement Act, Article 2 of Chapter 50A of the General Statutes. However, this subsection shall not apply if ~~within 60 days after the date the petition for adoption is filed,~~prior to the decree of adoption being granted the court of the other state dismisses its proceeding or releases its exclusive, continuing jurisdiction."

SECTION 4. G.S. 48-2-206 reads as rewritten:

"§ **48-2-206. Prebirth determination of right to consent.**

(a) At any time after ~~six~~ approximately three months from the date of conception as reasonably determined by a physician, the biological mother, agency, or adoptive parents chosen by the biological mother may file a special proceeding with the clerk requesting the court to determine whether consent of the biological father is required. The biological father shall be served with notice of the intent of the biological mother to place the child for adoption, allowing the biological father ~~15~~ 30 days after service to assert a claim that his consent is required.

(b) The notice required under subsection (a) of this section shall contain the special proceeding case caption and file number and shall be substantially similar to the following language:

"[Name of the biological mother], the biological mother, is expected to give birth to a child on or about [birth due date]. You have been identified as the biological father. It is the intention of the biological mother to place the child for adoption. It is her belief that your consent to the adoption is not required. If you believe your consent to the adoption of this child is required pursuant to G.S. 48-3-601, you must notify the court in writing no later than ~~15~~ 30 days from the date you received this notice that you believe your consent is required. A copy of your notice to the court must also be sent to the person or agency that sent you this notice. If you fail to notify the court within ~~15~~ 30 days that you believe your consent is required, the court will rule that your consent is not required."

(c) If the biological father fails to respond within the time required, the court shall enter an order that the biological father's consent is not required for the adoption. A biological father who fails to respond within the time required under this section is not entitled to notice under G.S. 48-2-401(c) of an adoption petition filed within three months of the birth of the minor or to participate in the adoption proceeding.

(d) If the biological father notifies the court within ~~15~~ 30 days of his receipt of the notice required by subsection (a) of this section that he believes his consent to the adoption is required, on motion of the petitioner, the court shall hold a hearing to determine whether the consent of the biological father is required. Promptly on receipt of the petitioner's motion, the court shall set a date for the hearing no earlier than 60 days nor later than 70 days after the biological father received the notice required by subsection (a) of this section and shall notify the petitioner and the biological father of the date, time, and place of the hearing. The notice of hearing to the biological father shall include a statement substantially similar to the following:

"To the biological father named above: You have told the court that you believe your consent is necessary for the adoption of the child described in the notice sent to you earlier. This hearing is being held to decide whether your consent is in fact necessary. Before the date of the hearing, you must have taken steps under G.S. 48-3-601 to establish that your consent is necessary or this court will decide that your consent is not necessary and the child can be adopted without it."

During the hearing, the court may take such evidence as necessary and enter an order determining whether or not the consent of the biological father is necessary. If the court determines that the consent of the biological father is not required, that individual is not entitled to receive notice under G.S. 48-2-401(c) of an adoption petition filed within three months of the birth of the minor or to participate in the adoption proceeding.

(e) The manner of service under this section shall be the same as set forth in G.S. 48-2-402.

(f) The jurisdiction provisions of Article 6A of Chapter 1 of the General Statutes and the venue provisions of Article 7 of Chapter 1 of the General Statutes rather than the provisions of Part 1 of this Article apply to proceedings under this section.

(g) Computation of periods of time provided for in this section shall be calculated as set forth in G.S. 1A-1, Rule 6.

(h) Transfer under G.S. 1-301.2 and appeal under G.S. 1-279.1 shall be as for an adoption proceeding.

(i) A determination by the court under this section that the consent of the biological father is not required shall only apply to an adoption petition filed within three months of the birth of the minor."

SECTION 5. G.S. 48-2-401(f) reads as rewritten:

"(f) A notice required under this section must state that the person served must file a response to the petition within 30 days after service or, if service is by publication, 40 days after first publication of the notice, in order to participate in and to receive further notice of the proceeding, including notice of the time and place of any hearing."

SECTION 6. G.S. 48-3-202(b) reads as rewritten:

"(b) Information about a prospective adoptive parent shall be provided to a prospective placing parent or guardian by the prospective adoptive parent, the prospective adoptive parent's attorney, or a person or entity assisting the parent or guardian. Except as otherwise provided in this subsection, this information shall include the preplacement assessment prepared pursuant to Part 3 of this Article, and may include additional information requested by the parent or guardian. The agency preparing the preplacement assessment may redact from the preplacement assessment ~~provided to a placing parent or guardian detailed information reflecting the prospective adoptive parent's financial account balances and detailed information about the prospective adoptive parent's extended family members, including surnames, names of employers, names of schools attended, social security numbers, telephone numbers and addresses, and other similarly detailed information about extended family members obtained under G.S. 48-3-303.~~the information described in G.S. 48-3-303(c)(12)."

SECTION 7. G.S. 48-3-301(b) reads of rewritten:

"(b) A preplacement assessment is not required in an independent adoption when a ~~parent or guardian places a minor directly with~~prospective adoptive parent is a grandparent, full or half sibling, first cousin, aunt, uncle, great-aunt, great-uncle, or great-grandparent of the minor."

SECTION 8. G.S. 48-3-603(a)(7) reads as rewritten:

"(a) Consent to an adoption of a minor is not required of a person or entity whose consent is not required under G.S. 48-3-601, or any of the following:

…

(7) An individual listed in G.S. 48-3-601 who has not executed a consent or a relinquishment and who fails to respond to a notice of the adoption proceeding within 30 days after the service of the notice or, if service is by publication, 40 days from the first publication of the notice.

…."

SECTION 9. G.S. 48-3-605(b) reads as rewritten:

"(b) A parent who has not reached the age of 18 years shall have legal capacity to give consent to adoption and to release that parent's rights in a child, and shall be as fully bound as if the parent had attained 18 years of age. In addition to other methods of identification permitted

by Chapter 10B of the General Statutes or other applicable law, a parent who has not reached the age of 18 years may be identified to an individual authorized to administer oaths or take acknowledgements by an affidavit of an adult relative of the minor parent, a teacher, a licensed professional social worker, or a health service provider."

SECTION 10. G.S. 48-3-606(2) reads as rewritten:

"§ **48-3-606. Content of consent; mandatory provisions.**

A consent required from a minor to be adopted, a parent, or a guardian under G.S. 48-3-601 must be in writing and state each of the following:

…

(2) The name, date of birth, and permanent ~~address~~ address, if any, and if none, the current mailing address, of the individual executing the consent."

SECTION 11. G.S. 48-3-703(a)(2) reads as rewritten:

"(a) A relinquishment executed by a parent or guardian under G.S. 48-3-701 must be in writing and state the following:

…

(2) The name, date of birth, and permanent ~~address~~ address, if any, and if none, the current mailing address, of the individual executing the relinquishment."

SECTION 12. Sections 4, 5, and 8 of this act are effective when they become law and apply to proceedings filed after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 26th day of May, 2015.

Became law upon approval of the Governor at 8:30 a.m. on the 4th day of June, 2015.

Session Law 2015-55 **H.B. 315**

AN ACT TO MAKE TECHNICAL CORRECTIONS TO LANDLORD/TENANT LAW AND TO PROVIDE FOR PROPER COLLECTION OF FEES AND COSTS FOR SHERIFFS EXECUTING WRITS OF POSSESSION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 42-36.2(a) reads as rewritten:

"(a) When Sheriff May Remove Property. – Before removing a tenant's personal property from demised premises pursuant to a writ for possession of real property or an order, the sheriff shall give the tenant notice of the approximate time the writ will be executed. The time within which the sheriff shall have to execute the writ shall be no more than five days from the sheriff's receipt thereof. The sheriff shall remove the tenant's property, as provided in the writ, no earlier than the time specified in the notice, unless:

(1) The landlord, or his authorized agent, signs a statement saying that the tenant's property can remain on the premises, in which case the sheriff shall simply lock the premises; or

(2) The landlord, or his authorized agent, signs a statement saying that the landlord does not want to eject the tenant because the tenant has paid all court costs charged to him and has satisfied his indebtedness to the landlord.

Upon receipt of ~~either statement by the landlord,~~ a statement described in subdivision (2) of this subsection, the sheriff shall return the writ unexecuted to the issuing clerk of court and shall make a notation on the writ of his reasons. The sheriff shall attach a copy of the landlord's statement to the writ. If the writ is returned unexecuted because the landlord signed a statement described in subdivision (2) of this subsection, the clerk shall make an entry of satisfaction on the judgment docket. If the sheriff padlocks, the costs of the proceeding shall be charged as part of the court costs."

SECTION 2. G.S. 7A-311(b) reads as rewritten:

"§ **7A-311. Uniform civil process fees.**

…

(b) All fees that are required to be assessed, collected, and remitted under subsection (a) of this section shall be collected in advance (except in suits in forma pauperis) except those contingent on ~~expenses or~~ sales ~~prices.~~ prices or statutory commissions. When the fee is not collected in advance or at the time of assessment, a lien shall exist in favor of the county on all property of the party owing the fee. If the fee remains unpaid it shall be entered as a judgment against the debtor and shall be docketed in the judgment docket in the office of the clerk of superior court."

SECTION 3.(a) G.S. 1-474 reads as rewritten:

"§ **1-474. Order of seizure and delivery to plaintiff.**

(a) Order. – The clerk of court may, upon notice and hearing as provided in G.S. 1-474.1 and upon the giving by the plaintiff of the undertaking prescribed in G.S. 1-475, require the sheriff of the county where the property claimed is located to take the property from the defendant and deliver it to the plaintiff. The act of the clerk in issuing or refusing to issue the order to the sheriff is a judicial act and may be appealed pursuant to G.S. 1-301.1 to the judge of the district or superior court having jurisdiction of the principal action.

(b) Expiration of Certain Orders. – When delivery of property is claimed from a debtor who allegedly defaulted on his payments for personal property purchased under a conditional sale contract, a purchase money security agreement or on a loan secured by personal property, an order of seizure and delivery to the plaintiff for that property expires 60 days after it is issued.

(c) Fee Deposit. – Upon issuance of the order described in subsection (a) of this section, a fee deposit shall be collected by the sheriff from the plaintiff to offset the reasonable and necessary fees and expenses for taking and storing the property seized pursuant to this Article."

SECTION 3.(b) G.S. 1-476 reads as rewritten:

"§ **1-476. Sheriff's duties.**

Upon the receipt of the order from the clerk with the plaintiff's ~~undertaking,~~ undertaking and the fee deposit described in G.S. 1-474(c), the sheriff shall forthwith take the property described in the affidavit, if it is in the possession of the defendant or his agent, and retain it in his custody. He shall also, without delay, serve on the defendant a copy of the affidavit, notice, and undertaking, by delivering the same to him personally, if he can be found, or to his agent, from whose possession the property is taken; or, if neither can be found, by leaving them at the usual place of abode of either, with some person of suitable age and discretion."

SECTION 3.(c) G.S. 1-481 reads as rewritten:

"§ **1-481. Care and delivery of seized property.**

When the sheriff has taken property, as provided in this Article, he must keep it in a secure place, and deliver it to the party entitled thereto, upon receiving his lawful fees for taking and his necessary expenses for keeping ~~it.~~the property, minus any amount received pursuant to G.S. 1-474(c). If the amount due under this section is less than the amount received pursuant to G.S. 1-474(c), then the sheriff shall return the excess amount to the depositor. In the event that a third party intervener is entitled to possession of the property, any amount received pursuant to G.S. 1-474(c) shall be returned to the depositor."

SECTION 4. This act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 27th day of May, 2015.

Became law upon approval of the Governor at 8:30 a.m. on the 4th day of June, 2015.

Session Law 2015-56 **H.B. 513**

AN ACT TO MAKE TECHNICAL CORRECTIONS AND OTHER CONFORMING CHANGES TO THE GENERAL STATUTES CONCERNING REAL PROPERTY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 45-36.10(c) reads as rewritten:

"(c) ~~The~~ Unless the satisfaction expressly states that the underlying obligation secured by the security instrument has been extinguished and the underlying note or other instrument evidencing the obligation has been cancelled, the recording of a satisfaction of a security instrument does not by itself extinguish any liability of a person for payment or performance of the secured obligation."

SECTION 2. G.S. 47C-3-104 reads as rewritten:

"§ **47C-3-104. Transfer of special declarant rights.**

(a) No special declarant right (G.S. 47C-1-103(23)) created or reserved under this chapter may be transferred except by an instrument evidencing the transfer recorded in every county in which any portion of the condominium is located. ~~The~~ Except for the transfer of declarant rights pursuant to subsection (c) of this section, the instrument is not effective unless executed by the transferee.

(b) Upon transfer of any special declarant right, the liability of a transferor declarant is as follows:

(1) A transferor is not relieved of any obligation or liability arising before the ~~transfer, including, but not limited to, liability or obligations relating to warranties.~~ transfer and remains liable for warranty obligations imposed upon the transferor by this Chapter. Lack of privity does not deprive any unit owner of standing to ~~bring~~ maintain an action to enforce any obligation of the transferor.

(2) If the successor to any special declarant right is an affiliate of a declarant (G.S. 47C-1-103(1)), the transferor is jointly and severally liable with the successor for any obligation or liability of the successor which relates to the condominium.

(3) If a transferor retains any special declarant right, but transfers other special declarant rights to a successor who is not an affiliate of the declarant, the transferor is liable for any obligations or liabilities imposed on a declarant by this chapter or by the declaration relating to the retained special declarant rights and arising after the transfer.

(4) A transferor has no liability for any act or omission or any breach of a contractual or warranty obligation arising from the exercise of a special declarant right by a successor declarant who is not an affiliate of the transferor.

(c) Unless otherwise provided in a mortgage ~~instrument or~~ instrument, deed of trust, or other agreement creating a security interest, in case of foreclosure of a ~~mortgage,~~ security interest, sale by a trustee under an agreement creating a security interest, tax sale, judicial sale, ~~sale by a trustee under a deed of trust,~~ or sale under Bankruptcy Code or receivership proceedings, of any units owned by a declarant, or real estate in a condominium subject to development rights, or real estate subject to development rights for a condominium, a person acquiring title to all the ~~real estate~~ property being foreclosed or sold, but only upon ~~his request,~~ the person's request in an instrument recorded with the register of deeds in every county where any portion of the condominium is located, succeeds to all special declarant rights (G.S. 47C-1-103(23)) related to ~~that real estate~~ the property held by that ~~declarant, or only to any rights reserved in the declaration and held by that declarant to maintain models, sales offices and signs.~~ declarant and requested by the person acquiring title. The judgment or instrument conveying title shall provide for transfer of only the special declarant rights

requested. The mortgage, deed of trust, tax lien, or other conveyance to be foreclosed under this subsection shall not be required to contain specific reference to an assignment of special declarant rights but shall be deemed to include the special declarant rights as part of the right, title, and interest encumbered by the mortgage, deed of trust, tax lien, or other conveyance.

(d) Upon ~~foreclosure, tax sale, judicial sale, sale by a trustee under a deed of trust, or sale under Bankruptcy Code or receivership proceedings, of all units and other real estate in a condominium owned by a declarant the declarant ceases to have any special declarant rights.~~foreclosure of a security interest, sale by a trustee under an agreement creating a security interest, tax sale, judicial sale, or sale under Bankruptcy Code or receivership proceedings of all units and other real estate in a condominium owned by a declarant, the declarant ceases to have any special declarant rights and the period of declarant control (G.S. 47C-3-103(d)) terminates unless either of the following applies:

(1) The judgment or instrument conveying title provides for transfer of all special declarant rights held by that declarant to a successor declarant.

(2) The declarant transferred special declarant rights related to the appointment of executive board members to another person pursuant to this section prior to the foreclosure or sale.

(e) The liabilities and obligations of persons who succeed to special declarant rights are as follows:

(1) A successor to any special declarant right who is an affiliate of a declarant is subject to all obligations and liabilities imposed on the transferor ~~related to the condominium.~~by this Chapter or by the declaration.

(2) ~~A successor to any special declarant right, other than a successor described in paragraphs (3) and (4) who is not an affiliate of a declarant, is subject to all obligations and liabilities:~~Unless otherwise specified in the declaration as to the holder of a mortgage instrument, deed of trust, or other agreement creating a security interest, in case of foreclosure of a security interest, sale by a trustee under an agreement creating a security interest, tax sale, judicial sale, or sale under Bankruptcy Code or receivership proceedings, a successor to any special declarant right who is not an affiliate of a declarant, other than a successor described in subdivision (3) or (4) of this subsection, is subject to the obligations and liabilities expressly imposed by this Chapter or the declaration:

a. On a declarant which relate to ~~his~~ the successor's exercise or nonexercise of special declarant rights; or

b. On ~~his~~ the declarant's transferor, other ~~than:~~than any of the following:

~~(i)~~1. Misrepresentations by the transferor or any ~~prior declarant;~~previous declarant.

~~(ii)~~2. Warranty obligations on improvements made by the transferor or any previous declarant, or made before the condominium was ~~created;~~created.

~~(iii)~~3. Breach of any fiduciary obligation by the transferor or any previous declarant or ~~his~~ the declarant's appointees to the executive ~~board; or~~board.

~~(iv)~~4. Any liability or obligation imposed on the transferor or any previous declarant as a result of the transferor's acts or omissions after the transfer.

5. Obligations and liabilities arising out of contractual agreements between the transferor or any previous declarant and third parties other than those contained in the declaration.

(3) A successor to only a right reserved in the declaration to maintain models, management offices, sales offices, and signs advertising the condominium

(G.S. 47C-2-115), if ~~he~~ the successor is not an affiliate of a declarant, may not exercise any other special declarant right, and is not subject to any liability or obligation as a declarant, except the obligation to provide a public offering statement, and any liability arising as a result thereof.

(4) A successor to all special declarant rights held by ~~his~~ a transferor who is not an affiliate of that declarant and who succeeded to those rights pursuant to a deed or other instrument of conveyance in lieu of foreclosure or a judgment or instrument conveying title to units under subsection ~~(c),~~ (c) of this section, may declare ~~his intention~~ in a recorded instrument the intention to hold those rights solely for transfer to another person. Thereafter, until transferring all special declarant rights to any person acquiring title to any unit owned by the successor, or until recording an instrument permitting exercise of all those ~~rights~~ rights, that successor may not exercise any of those rights other than the right held by ~~his~~ the successor's transferor to control the executive board in accordance with the provisions of G.S. 47C-3-103(d) for the duration of any period of declarant control, and any attempted exercise of those rights is void. So long as a successor declarant ~~may~~ does not have the right to exercise special declarant rights under this subsection, ~~he~~ the successor declarant is not subject to any liability or obligation as a declarant other than liability for ~~his~~ the successor declarant's acts and omissions under G.S. 47C-3-103(d).

(f) Nothing in this section subjects any successor to a special declarant right to any claims against, or other obligations of, a transferor declarant other than claims and obligations expressly arising under this Chapter or the declaration.

(g) For the purposes of this section, "assignment of declarant rights" shall include any assignment by the declarant of special declarant rights to a person, including, without limitation, an assignment pursuant to this section."

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of May, 2015.

Became law upon approval of the Governor at 8:30 a.m. on the 4th day of June, 2015.

Session Law 2015-57 **H.B. 597**

AN ACT TO AMEND THE PROVISIONS REQUIRING MEDIATED SETTLEMENT AGREEMENTS TO BE SIGNED BY THE PARTIES AGAINST WHOM ENFORCEMENT IS SOUGHT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 7A-38.1(l) reads as rewritten:

"(l) Inadmissibility of negotiations. – Evidence of statements made and conduct occurring in a mediated settlement conference or other settlement proceeding conducted under this section, whether attributable to a party, the mediator, other neutral, or a neutral observer present at the settlement proceeding, shall not be subject to discovery and shall be inadmissible in any proceeding in the action or other civil actions on the same claim, except:

(1) In proceedings for sanctions under this section;

(2) In proceedings to enforce or rescind a settlement of the action;

(3) In disciplinary proceedings before the State Bar or any agency established to enforce standards of conduct for mediators or other neutrals; or

(4) In proceedings to enforce laws concerning juvenile or elder abuse.

As used in this section, the term "neutral observer" includes persons seeking mediator certification, persons studying dispute resolution processes, and persons acting as interpreters.

No settlement agreement to resolve any or all issues reached at the proceeding conducted under this subsection or during its recesses shall be enforceable unless it has been reduced to writing and signed by the ~~parties.~~parties against whom enforcement is sought. No evidence otherwise discoverable shall be inadmissible merely because it is presented or discussed in a mediated settlement conference or other settlement proceeding.

No mediator, other neutral, or neutral observer present at a settlement proceeding shall be compelled to testify or produce evidence concerning statements made and conduct occurring in anticipation of, during, or as a follow-up to a mediated settlement conference or other settlement proceeding pursuant to this section in any civil proceeding for any purpose, including proceedings to enforce or rescind a settlement of the action, except to attest to the signing of any agreements, and except proceedings for sanctions under this section, disciplinary hearings before the State Bar or any agency established to enforce standards of conduct for mediators or other neutrals, and proceedings to enforce laws concerning juvenile or elder abuse."

SECTION 2. G.S. 7A-38.3B(i) reads as rewritten:

"(i) Agreements. – In matters before the clerk in which agreements are reached in a mediation conducted pursuant to this section, or during one of its recesses, those agreements shall be treated as follows:

(1) Where as a matter of law, a matter may be resolved by agreement of the parties, a settlement is enforceable only if it has been reduced to writing and signed by the ~~parties.~~parties against whom enforcement is sought.

(2) In all other matters before the clerk, including guardianship and estate matters, all agreements shall be delivered to the clerk for consideration in deciding the matter."

SECTION 3. G.S. 7A-38.3D(l) reads as rewritten:

"(l) Written Agreements. – Any agreement reached in mediation ~~shall be~~ is enforceable only if it has been reduced to writing and signed by the ~~parties.~~parties against whom enforcement is sought. A non-attorney mediator may assist parties in reducing the agreement to writing."

SECTION 4. G.S. 7A-38.4A(j) reads as rewritten:

"(j) Evidence of statements made and conduct occurring in a mediated settlement conference or other settlement proceeding conducted under this section, whether attributable to a party, the mediator, other neutral, or a neutral observer present at the settlement proceeding, shall not be subject to discovery and shall be inadmissible in any proceeding in the action or other civil actions on the same claim, except:

(1) In proceedings for sanctions under this section;

(2) In proceedings to enforce or rescind a settlement of the action;

(3) In disciplinary proceedings before the State Bar or any agency established to enforce standards of conduct for mediators or other neutrals; or

(4) In proceedings to enforce laws concerning juvenile or elder abuse.

As used in this subsection, the term "neutral observer" includes persons seeking mediator certification, persons studying dispute resolution processes, and persons acting as interpreters.

No settlement agreement to resolve any or all issues reached at the proceeding conducted under this section or during its recesses shall be enforceable unless it has been reduced to writing and signed by the parties against whom enforcement is sought and in all other respects complies with the requirements of Chapter 50 of the General Statutes. No evidence otherwise discoverable shall be inadmissible merely because it is presented or discussed in a settlement proceeding.

No mediator, other neutral, or neutral observer present at a settlement proceeding under this section, shall be compelled to testify or produce evidence concerning statements made and conduct occurring in anticipation of, during, or as a follow-up to a mediated settlement conference or other settlement proceeding pursuant to this section in any civil proceeding for any purpose, including proceedings to enforce or rescind a settlement of the action, except to

attest to the signing of any agreements, and except proceedings for sanctions under this section, disciplinary hearings before the State Bar or any agency established to enforce standards of conduct for mediators or other neutrals, and proceedings to enforce laws concerning juvenile or elder abuse."

SECTION 5. G.S. 8-110(a) reads as rewritten:

"(a) Evidence of statements made and conduct occurring during mediation at a community mediation center authorized by G.S. 7A-38.5 shall not be subject to discovery and shall be inadmissible in any proceeding in the action or other actions on the same claim, except in proceedings to enforce a settlement of the action. No such settlement shall be binding unless it has been reduced to writing and signed by the ~~parties.~~parties against whom enforcement is sought. No evidence otherwise discoverable shall be inadmissible merely because it is presented or discussed during mediation."

SECTION 6. This act becomes effective July 1, 2015, and applies to agreements entered into on or after that date.

In the General Assembly read three times and ratified this the 28th day of May, 2015.

Became law upon approval of the Governor at 8:30 a.m. on the 4th day of June, 2015.

Session Law 2015-58 **H.B. 879**

AN ACT TO MAKE VARIOUS CHANGES TO THE JUVENILE CODE IN REGARD TO DUE PROCESS PROTECTIONS, REENTRY OF JUVENILES IN THE DELINQUENCY SYSTEM, AND CONFINEMENT OF JUVENILES.

The General Assembly of North Carolina enacts:

PART I. DUE PROCESS CHANGES

SECTION 1.1. G.S. 7B-2101(b) reads as rewritten:

"(b) When the juvenile is less than ~~14~~ 16 years of age, no in-custody admission or confession resulting from interrogation may be admitted into evidence unless the confession or admission was made in the presence of the juvenile's parent, guardian, custodian, or attorney. If an attorney is not present, the parent, guardian, or custodian as well as the juvenile must be advised of the juvenile's rights as set out in subsection (a) of this section; however, a parent, guardian, or custodian may not waive any right on behalf of the juvenile."

SECTION 1.2. G.S. 7B-2202(f) reads as rewritten:

"(f) If the court does not find probable cause for a felony offense, the court shall:

(1) Dismiss the proceeding, or

(2) If the court finds probable cause to believe that the juvenile committed a lesser included offense that would constitute a misdemeanor if committed by an adult, either proceed to an adjudicatory hearing or set a date for that hearing. The adjudicatory hearing shall be a separate hearing. The court may continue the adjudicatory hearing for good cause."

SECTION 1.3. G.S. 7B-2203(d) reads as rewritten:

"(d) If the court does not transfer the case to superior court, the court shall either proceed to an adjudicatory hearing or set a date for that hearing. The adjudicatory hearing shall be a separate hearing. The court may continue the adjudicatory hearing for good cause."

SECTION 1.4. Article 24 of Chapter 7B of the General Statutes is amended by adding a new section to read:

"**§ 7B-2408.5. Motion to suppress evidence in adjudicatory hearings; procedure; appeal.**

(a) A motion to suppress evidence in court made before the adjudicatory hearing must be in writing and a copy of the motion must be served upon the State. The motion must state the grounds upon which it is made. The motion must be accompanied by an affidavit containing facts supporting the motion. The affidavit may be based upon personal knowledge, or upon

information and belief, if the source of the information and the basis for the belief are stated. The State may file an answer denying or admitting any of the allegations. A copy of the answer must be served on the juvenile's counsel or the juvenile's parent, guardian, or custodian, if the juvenile has no counsel.

(b) The judge must summarily grant the motion to suppress evidence if:

(1) The motion complies with the requirements of subsection (a) of this section, it states grounds which require exclusion of the evidence, and the State concedes the truth of allegations of fact which support the motion; or

(2) The State stipulates that the evidence sought to be suppressed will not be offered in evidence in any juvenile proceeding.

(c) The judge may summarily deny the motion to suppress evidence if:

(1) The motion does not allege a legal basis for the motion; or

(2) The affidavit does not as a matter of law support the ground alleged.

(d) If the motion is not determined summarily, the judge must make the determination after a hearing and finding of facts. Testimony at the hearing must be under oath.

(e) A motion to suppress made during the adjudicatory hearing may be made in writing or orally and may be determined in the same manner as when made before the adjudicatory hearing.

(f) The judge must set forth in the record his or her findings of facts and conclusions of law.

(g) An order finally denying a motion to suppress evidence may be reviewed upon an appeal of a final order of the court in a juvenile matter.

(h) The provisions of G.S. 15A-974 shall apply to this section."

PART II. REDUCE FURTHER ENTRY OF JUVENILES

SECTION 2.1. G.S. 7B-1701 reads as rewritten:

"§ **7B-1701. Preliminary inquiry.**

When a complaint is received, the juvenile court counselor shall make a preliminary determination as to whether the juvenile is within the jurisdiction of the court as a delinquent or undisciplined juvenile. If the juvenile court counselor finds that the facts contained in the complaint do not state a case within the jurisdiction of the court, that legal sufficiency has not been established, or that the matters alleged are frivolous, the juvenile court counselor, without further inquiry, shall refuse authorization to file the complaint as a petition.

If a complaint against the juvenile has not been previously received, as determined by the juvenile court counselor, the juvenile court counselor shall make reasonable efforts to meet with the juvenile and the juvenile's parent, guardian, or custodian if the offense is divertable.

When requested by the juvenile court counselor, the prosecutor shall assist in determining the sufficiency of evidence as it affects the quantum of proof and the elements of offenses.

The juvenile court counselor, without further inquiry, shall authorize the complaint to be filed as a petition if the juvenile court counselor finds reasonable grounds to believe that the juvenile has committed one of the following nondivertible offenses:

(1) Murder;

(2) First-degree rape or second degree rape;

(3) First-degree sexual offense or second degree sexual offense;

(4) Arson;

(5) Any violation of Article 5, Chapter 90 of the General Statutes that would constitute a felony if committed by an adult;

(6) First degree burglary;

(7) Crime against nature; or

(8) Any felony which involves the willful infliction of serious bodily injury upon another or which was committed by use of a deadly weapon."

SECTION 2.2. G.S. 7B-2404 reads as rewritten:

"§ **7B-2404. Participation of the ~~prosecutor.~~prosecutor; voluntary dismissal.**

(a) A prosecutor shall represent the State in contested delinquency hearings including first appearance, detention, probable cause, transfer, adjudicatory, dispositional, probation revocation, post-release supervision, and extended jurisdiction hearings.

(b) A prosecutor may dismiss any allegations stated in a juvenile petition with or without leave by entering an oral dismissal in open court at any time or by filing a written dismissal with the clerk. The juvenile, the juvenile's parent, guardian, or custodian, and the juvenile's counsel shall be notified of the dismissal by the prosecutor either in open court or by being served with the written dismissal. In addition, the written dismissal shall be served on (i) the chief court counselor or his or her designee and (ii) if the juvenile is being held in a detention center, the director of the detention center. If the prosecutor dismisses the petition with leave because of the failure of the juvenile to appear in court, the prosecutor may refile the petition if the juvenile is apprehended or apprehension is imminent."

SECTION 2.3. G.S. 7B-2507(a) reads as rewritten:

"(a) Generally. – The delinquency history level for a delinquent juvenile is determined by calculating the sum of the points assigned to each of the juvenile's prior adjudications and to the juvenile's probation status, if any, that the court finds to have been proved in accordance with this section. For the purposes of this section, a prior adjudication is an adjudication of an offense that occurs before the adjudication of the offense before the court."

SECTION 2.4. G.S. 7B-2510 reads as rewritten:

"§ **7B-2510. Conditions of probation; violation of probation.**

…

(c) An order of probation shall remain in force for a period not to exceed one year from the date entered. Prior to expiration of an order of probation, the court may extend it for an additional period of one year after notice and a hearing, if the court finds that the extension is necessary to protect the community or to safeguard the welfare of the juvenile. At the discretion of the court, the hearing to determine to extend probation may occur after the expiration of an order of probation at the next regularly scheduled court date or if the juvenile fails to appear in court.

(d) On motion of the juvenile court counselor or the juvenile, or on the court's own motion, the court may review the progress of any juvenile on probation at any time during the period of probation or at the end of probation. The conditions or duration of probation may be modified only as provided in this Subchapter and only after notice and a hearing.

(e) If the court, after notice and a hearing, finds by the greater weight of the evidence that the juvenile has violated the conditions of probation set by the court, the court may continue the original conditions of probation, modify the conditions of probation, or, except as provided in subsection (f) of this section, order a new ~~disposition at the next higher level on the disposition chart in G.S. 7B-2508.~~ disposition. In the court's discretion, ~~part of the new disposition may include an~~ the court may order a new disposition at the next higher level on the disposition chart or order a term of confinement in a secure juvenile detention facility for up to twice the term authorized by ~~G.S. 7B-2508.~~G.S. 7B-2508, in addition to any other Level 2 dispositional option.

(f) A court shall not order a Level 3 disposition for violation of the conditions of probation by a juvenile adjudicated delinquent for an offense classified as minor under G.S. 7B-2508."

SECTION 2.5. G.S. 7B-2512 reads as rewritten:

"§ **7B-2512. Dispositional order.**

(a) The dispositional order shall be in writing and shall contain appropriate findings of fact and conclusions of law. The court shall state with particularity, both orally and in the written order of disposition, the precise terms of the disposition including the kind, duration, and the person who is responsible for carrying out the disposition and the person or agency in whom custody is vested.

(b) The court shall include information at the time of issuing the dispositional order, either orally in court or in writing, on the expunction of juvenile records as provided for in G.S. 7B-3200 that are applicable to the dispositional order."

PART III. JUVENILE CONFINEMENT

SECTION 3.1. G.S. 7B-1903 reads as rewritten:

"§ **7B-1903. Criteria for secure or nonsecure custody.**

(a) When a request is made for nonsecure custody, the court shall first consider release of the juvenile to the juvenile's parent, guardian, custodian, or other responsible adult. An order for nonsecure custody shall be made only when there is a reasonable factual basis to believe the matters alleged in the petition are true, and that:

(1) The juvenile is a runaway and consents to nonsecure custody; or

(2) The juvenile meets one or more of the criteria for secure custody, but the court finds it in the best interests of the juvenile that the juvenile be placed in a nonsecure placement.

(b) When a request is made for secure custody, the court may order secure custody only where the court finds there is a reasonable factual basis to believe that the juvenile committed the offense as alleged in the petition, and that one of the following circumstances exists:

(1) The juvenile is charged with a felony and has demonstrated that the juvenile is a danger to property or persons.

(2) The juvenile has demonstrated that the juvenile is a danger to persons and is charged with either (i) a misdemeanor at least one element of which is assault on a person or (ii) a misdemeanor in which the juvenile used, threatened to use, or displayed a firearm or other deadly weapon.

(2a) The juvenile has demonstrated that the juvenile is a danger to persons and is charged with a violation of G.S. 20-138.1 or G.S. 20-138.3.

(3) The juvenile has willfully failed to appear on a pending delinquency charge or on charges of violation of probation or post-release supervision, providing the juvenile was properly notified.

(4) A delinquency charge is pending against the juvenile, and there is reasonable cause to believe the juvenile will not appear in court.

(5) The juvenile is an absconder from (i) any residential facility operated by the Division or any detention facility in this State or (ii) any comparable facility in another state.

(6) There is reasonable cause to believe the juvenile should be detained for the juvenile's own protection because the juvenile has recently suffered or attempted self-inflicted physical injury. In such case, the juvenile must have been refused admission by one appropriate hospital, and the period of secure custody is limited to 24 hours to determine the need for inpatient hospitalization. If the juvenile is placed in secure custody, the juvenile shall receive continuous supervision and a physician shall be notified immediately.

(7) The juvenile is alleged to be undisciplined by virtue of the juvenile's being a runaway and is inappropriate for nonsecure custody placement or refuses nonsecure custody, and the court finds that the juvenile needs secure custody for up to 24 hours, excluding Saturdays, Sundays, and State holidays, to evaluate the juvenile's need for medical or psychiatric treatment or to facilitate reunion with the juvenile's parents, guardian, or custodian.

(8) The juvenile is alleged to be undisciplined and has willfully failed to appear in court after proper notice; the juvenile shall be brought to court as soon as possible and in no event should be held more than 24 hours, excluding Saturdays, Sundays, and State holidays.

(c) When a juvenile has been adjudicated delinquent, the court may order secure custody pending the dispositional hearing or pending placement of the juvenile pursuant to G.S. 7B-2506. As long as the juvenile remains in secure custody, further hearings to determine the need for continued secure custody shall be held at intervals of no more than 10 calendar days but may be waived for no more than 30 calendar days only with the consent of the juvenile, through counsel for the juvenile, either orally in open court or in writing. The order for continued secure custody shall be in writing with appropriate findings of fact.

(d) The court may order secure custody for a juvenile who is alleged to have violated the conditions of the juvenile's probation or post-release supervision, but only if the juvenile is alleged to have committed acts that damage property or injure persons.

(e) If the criteria for secure custody as set out in subsection (b), (c), or (d) of this section are met, the court may enter an order directing an officer or other authorized person to assume custody of the juvenile and to take the juvenile to the place designated in the order.

(f) If the court finds that there is a need for an evaluation of a juvenile for medical or psychiatric treatment pursuant to subsection (b) of this section and that juvenile is under 10 years of age and does not have a pending delinquency charge, the law enforcement officer or other authorized person assuming custody of the juvenile shall not use physical restraints during the transport of the juvenile to the place designated in the order, unless in the discretion of the officer or other authorized person, the restraints are reasonably necessary for the safety of the officer, authorized person, or the juvenile."

SECTION 3.2. G.S. 7B-2506 reads as rewritten:

"§ **7B-2506. Dispositional alternatives for delinquent juveniles.**

The court exercising jurisdiction over a juvenile who has been adjudicated delinquent may use the following alternatives in accordance with the dispositional structure set forth in G.S. 7B-2508:

…

(12) Impose confinement on an intermittent basis in an approved detention facility. Confinement shall be limited to not more than five 24-hour periods, the timing and imposition of which is determined by the court in its discretion.

…

(20) Order that the juvenile be confined in an approved juvenile detention facility for a term of up to 14 24-hour periods, which confinement shall not be imposed consecutively with intermittent confinement pursuant to subdivision (12) of this section at the same dispositional hearing. The timing and imposition of this confinement shall be determined by the court in its discretion.

…."

PART IV. EFFECTIVE DATE

SECTION 4. This act becomes effective December 1, 2015, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 26th day of May, 2015.

Became law upon approval of the Governor at 8:30 a.m. on the 4th day of June, 2015.

Session Law 2015-59 **H.B. 279**

AN ACT REGARDING A SPECIAL BOARD OF EQUALIZATION AND REVIEW FOR WAKE COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1. This act applies only to Wake County.

SECTION 2. G.S. 105-322 reads as rewritten:

"§ **105-322. County board of equalization and review.**

(a) Personnel. – Except as otherwise provided herein, the board of equalization and review of each county shall be composed of the members of the board of county commissioners.

Upon the adoption of a resolution so providing, the board of commissioners is authorized to appoint a special board of equalization and review composed of at least five members to carry out the duties imposed under this section. The resolution shall provide for the membership, qualifications, terms of office and the filling of vacancies on the ~~board.~~special board of equalization and review, as determined by the board of commissioners. The board of commissioners shall also designate the chairman of the special board. The resolution may also authorize a taxpayer to appeal a decision of the special board with respect to the listing or appraisal of his property or the property of others to the board of county commissioners. The resolution shall be adopted not later than the first Monday in March of the year for which it is to be effective and shall continue in effect until revised or rescinded. It shall be entered in the minutes of the meeting of the board of commissioners and a copy thereof shall be forwarded to the Department of Revenue within 15 days after its adoption.

Nothing in this subsection (a) shall be construed as repealing any law creating a special board of equalization and review or creating any board charged with the duties of a board of equalization and review in any county.

(b) Compensation. – The board of county commissioners shall fix the compensation and allowances to be paid members of the board of equalization and review for their services and expenses.

(c) Oath. – Each member of the board of equalization and review shall take the oath required by Article VI, § 7 of the North Carolina Constitution with the following phrase added to it: "that I will not allow my actions as a member of the board of equalization and review to be influenced by personal or political friendships or obligations,". The oath must be filed with the clerk of the board of county commissioners.

(d) Clerk and Minutes. – The ~~assessor~~ assessor or the assessor's designee shall serve as clerk to the board of equalization and review, shall be present at all meetings, shall maintain accurate minutes of the actions of the board, and shall give to the board such information as he may have or can obtain with respect to the listing and valuation of taxable property in the county.

(e) Time of Meeting. – Each year the board of equalization and review shall hold its first meeting not earlier than the first Monday in April and not later than the first Monday in May. In years in which a county does not conduct a real property revaluation, the board shall complete its duties on or before the third Monday following its first meeting unless, in its opinion, a longer period of time is necessary or expedient to a proper execution of its responsibilities. Except as provided in subdivision (g)(5) of this section, the board may not sit later than July 1 except to hear and determine requests made under the provisions of subdivision (g)(2), below, when such requests are made within the time prescribed by law. In the year in which a county conducts a real property revaluation, the board shall complete its duties on or before December 1, except that it may sit after that date to hear and determine requests made under the provisions of subdivision (g)(2), below, when such requests are made within the time prescribed by law. From the time of its first meeting until its adjournment, the board shall meet at such times as it deems reasonably necessary to perform its statutory duties and to receive requests and hear the appeals of taxpayers under the provisions of subdivision (g)(2), below.

(f) Notice of Meetings and Adjournment. – A notice of the date, hours, place, and purpose of the first meeting of the board of equalization and review shall be published at least three times in some newspaper having general circulation in the county, the first publication to be at least 10 days prior to the first meeting. The notice shall also state the dates and hours on

which the board will meet following its first meeting and the date on which it expects to adjourn; it shall also carry a statement that in the event of earlier or later adjournment, notice to that effect will be published in the same newspaper. Should a notice be required on account of earlier adjournment, it shall be published at least once in the newspaper in which the first notice was published, such publication to be at least five days prior to the date fixed for adjournment. Should a notice be required on account of later adjournment, it shall be published at least once in the newspaper in which the first notice was published, such publication to be prior to the date first announced for adjournment.

(g) Powers and Duties. – The board of equalization and review has the following powers and duties:

(1) Duty to Review Tax Lists. – The board shall examine and review the tax lists of the county for the current year to the end that all taxable property shall be listed on the abstracts and tax records of the county and appraised according to the standard required by G.S. 105-283, and the board shall correct the abstracts and tax records to conform to the provisions of this Subchapter. In carrying out its responsibilities under this subdivision (g)(1), the board, on its own motion or on sufficient cause shown by any person, shall:

a. List, appraise, and assess any taxable real or personal property that has been omitted from the tax lists.

b. Correct all errors in the names of persons and in the description of properties subject to taxation.

c. Increase or reduce the appraised value of any property that, in the board's opinion, has been listed and appraised at a figure that is below or above the appraisal required by G.S. 105-283; however, the board shall not change the appraised value of any real property from that at which it was appraised for the preceding year except in accordance with the terms of G.S. 105-286 and 105-287.

d. Cause to be done whatever else is necessary to make the lists and tax records comply with the provisions of this Subchapter.

e. Embody actions taken under the provisions of subdivisions (g)(1)a through (g)(1)d, above, in appropriate orders and have the orders entered in the minutes of the board.

f. Give written notice to the taxpayer at the taxpayer's last known address in the event the board, by appropriate order, increases the appraisal of any property or lists for taxation any property omitted from the tax lists under the provisions of this subdivision (g)(1).

(2) Duty to Hear Taxpayer Appeals. – On request, the board of equalization and review shall hear any taxpayer who owns or controls property taxable in the county with respect to the listing or appraisal of the taxpayer's property or the property of others.

a. A request for a hearing under this subdivision (g)(2) shall be made in writing to or by personal appearance before the board prior to its adjournment. However, if the taxpayer requests review of a decision made by the board under the provisions of subdivision (g)(1), above, notice of which was mailed fewer than 15 days prior to the board's adjournment, the request for a hearing thereon may be made within 15 days after the notice of the board's decision was mailed.

b. Taxpayers may file separate or joint requests for hearings under the provisions of this subdivision (g)(2) at their election.

c. At a hearing under provisions of this subdivision (g)(2), the board, in addition to the powers it may exercise under the provisions of subdivision (g)(3), below, shall hear any evidence offered by the

appellant, the assessor, and other county officials that is pertinent to the decision of the appeal. Upon the request of an appellant, the board shall subpoena witnesses or documents if there is a reasonable basis for believing that the witnesses have or the documents contain information pertinent to the decision of the appeal.

d. On the basis of its decision after any hearing conducted under this subdivision (g)(2), the board shall adopt and have entered in its minutes an order reducing, increasing, or confirming the appraisal appealed or listing or removing from the tax lists the property whose omission or listing has been appealed. The board shall notify the appellant by mail as to the action taken on the taxpayer's appeal not later than 30 days after the board's adjournment.

(3) Powers in Carrying Out Duties. – In the performance of its duties under subdivisions (g)(1) and (g)(2), above, the board of equalization and review may exercise the following powers:

a. It may appoint committees composed of its own members or other persons to assist it in making investigations necessary to its work. It may also employ expert appraisers in its discretion. The expense of the employment of committees or appraisers shall be borne by the county. The board may, in its discretion, require the taxpayer to reimburse the county for the cost of any appraisal by experts demanded by the taxpayer if the appraisal does not result in material reduction of the valuation of the property appraised and if the appraisal is not subsequently reduced materially by the board or by the Department of Revenue.

b. The board, in its discretion, may examine any witnesses and documents. It may place any witnesses under oath administered by any member of the board. It may subpoena witnesses or documents on its own motion, and it must do so when a request is made under the provisions of subdivision (g)(2)c, above.

A subpoena issued by the board shall be signed by the chair of the board, directed to the witness or to the person having custody of the document, and served by an officer authorized to serve subpoenas. Any person who willfully fails to appear or to produce documents in response to a subpoena or to testify when appearing in response to a subpoena shall be guilty of a Class 1 misdemeanor.

c. In any year of general reappraisal, the chair of the board may divide the board into two or more separate panels with a minimum of three members each. The board members on each panel may be interchanged during the year. A decision by a panel has the same effect as a decision by the entire board.

(4) Power to Submit Reports. – Upon the completion of its other duties, the board may submit to the Department of Revenue a report outlining the quality of the reappraisal, any problems it encountered in the reappraisal process, the number of appeals submitted to the board and to the Property Tax Commission, the success rate of the appeals submitted, and the name of the firm that conducted the reappraisal. A copy of the report should be sent by the board to the firm that conducted the reappraisal.

(5) ~~Duty to Change Abstracts and Records~~Powers After Adjournment. – Following adjournment upon completion of its duties under subdivisions (g)(1) and (g)(2) of this subsection, the board may continue to meet to carry out the following duties:

a. To hear and decide all appeals relating to discovered property under G.S. 105-312(d) and (k).
b. To hear and decide all appeals relating to the appraisal, situs, and taxability of classified motor vehicles under G.S. 105-330.2(b).
c. To hear and decide all appeals relating to audits conducted under G.S. 105-296(j) and relating to audits conducted under G.S. 105-296(j) and (l) of property classified at present-use value and property exempted or excluded from taxation.
d. To hear and decide all appeals relating to personal property under G.S. 105-317.1(c).
e. To make any changes authorized by G.S. 105-325.
f. To exercise its authority under G.S. 105-282.1(a1) to accept an application for exemption or exclusion that was filed after the statutory deadline."

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 4th day of June, 2015.

Became law on the date it was ratified.

Session Law 2015-60 **S.B. 139**

AN ACT TO AMEND THE CHARTER OF THE TOWN OF SYLVA TO AUTHORIZE THE TOWN TO ADOPT AND ENFORCE ORDINANCES RELATING TO PARKING.

The General Assembly of North Carolina enacts:

SECTION 1. The Charter of the Town of Sylva, being Chapter 72 of the 1899 Private Laws, as amended by Chapter 47 of the 1905 Private Laws, Chapter 131 of the 1913 Private Laws, Chapter 27 of the 1957 Session Laws, Chapter 31 of the 1961 Session Laws, Chapter 318 of the 1973 Session Laws, and S.L. 2000-30, is amended by adding a new section to read as follows:

"Sec. 30. (a) The board of commissioners may provide by ordinance that each hour a vehicle remains illegally parked in an on-street parking space is a separate offense, and the violator may be given a ticket for each offense.

(b) The board of commissioners may provide by ordinance that any vehicle that has been towed for a parking violation is to be held until the towing fee and penalties related to all outstanding parking tickets and parking penalties owed to the town are paid in full, or a bond is posted in the amount of the towing fee and all outstanding parking tickets and parking penalties. Payment of the towing fee and all outstanding parking tickets and parking penalties shall not constitute a waiver of a person's right to contest the towing or the outstanding parking tickets and parking penalties.

(c) The board of commissioners may provide by ordinance for the use of wheel locks on a vehicle parked in a public vehicular area for which there is one or more outstanding, unpaid, and overdue parking tickets for a period of 90 days. The ordinance shall provide for notice or warning to be affixed to the vehicle, immobilization, towing, impoundment, appeal, an immobilization fee not to exceed fifty dollars ($50.00), and charges for towing and storage. The town shall not be responsible for any damage to an immobilized vehicle parked in a public vehicular area that results from unauthorized attempts to free or move that vehicle."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 10th day of June, 2015.

Became law on the date it was ratified.

Session Law 2015-61 **S.B. 142**

AN ACT TO REDUCE THE NUMBER OF MEMBERS SERVING ON THE CUMBERLAND COUNTY CIVIC CENTER COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. Section 1 of Chapter 360 of the 1965 Session Laws, as amended by Chapter 983 of the 1983 Session Laws and Chapter 27 of the 1991 Session Laws, reads as rewritten:

"Section 1.(a) Cumberland County Civic Center Commission.

…

(b) Membership; Terms of Office. The Commission shall consist of ~~16~~ 10 members. ~~Fifteen~~ Nine members shall be residents of Cumberland County and shall be appointed by the Board of County Commissioners. The ~~sixteenth~~ tenth member shall be the County Manager of Cumberland County who shall serve in an ex officio and nonvoting capacity and without limit as to term.

(1) ~~Five (5) of the first members of the Commission shall be appointed for a term of one year, five for a term of two years, and five for a term of three years.~~ Each member of the Commission shall serve for a term of three years, and until their successors are appointed for like terms. The terms shall be staggered. Upon the expiration of each of the terms, the Board of County Commissioners shall appoint successor members of the ~~Commission who shall each serve for terms of three years and until their successors are appointed for like terms.~~ Commission. Any member of the Commission may be reappointed for successive terms.

…

(5) Regular meetings of the Commission shall be held monthly. Special meetings may be called by the Chairman or a majority of the voting members of the Commission. Attendance of ~~eight~~ five voting members shall constitute a quorum for the purpose of transaction of business at any regular or special meeting.

…."

SECTION 2. The provisions of this act do not affect the terms of office of the following members of the Cumberland County Civic Center Commission or their successors who are holding office on the date this act becomes effective: Edith Bigler, Judy Dawkins, McBryde Grannis, Thaddeus T. Jenkins, Mark Lynch, William Tew, Jr., Elizabeth Varnedoe, Nat Robertson, and Robert C. Williams.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 10th day of June, 2015.

Became law on the date it was ratified.

Session Law 2015-62 **H.B. 465**

AN ACT TO ENACT THE WOMEN AND CHILDREN'S PROTECTION ACT OF 2015.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 14-27.7A reads as rewritten:

"§ **14-27.7A. Statutory rape or sexual offense of person who is ~~13, 14, or~~ 15 years ~~old.~~of age or younger.**

(a) A defendant is guilty of a Class B1 felony if the defendant engages in vaginal intercourse or a sexual act with another person who is ~~13, 14, or~~ 15 years ~~old~~ of age or younger

and the defendant is at least six years older than the person, except when the defendant is lawfully married to the person.

(b) ~~A~~ Unless the conduct is covered under some other provision of law providing greater punishment, a defendant is guilty of a Class C felony if the defendant engages in vaginal intercourse or a sexual act with another person who is ~~13, 14, or~~ 15 years ~~old~~ of age or younger and the defendant is more than four but less than six years older than the person, except when the defendant is lawfully married to the person."

SECTION 1.(b) G.S. 14-208.6 reads as rewritten:

"§ **14-208.6. Definitions.**

The following definitions apply in this Article:

…

(5) "Sexually violent offense" means a violation of G.S. 14-27.2 (first degree rape), G.S. 14-27.2A (rape of a child; adult offender), G.S. 14-27.3 (second degree rape), G.S. 14-27.4 (first degree sexual offense), G.S. 14-27.4A (sex offense with a child; adult offender), G.S. 14-27.5 (second degree sexual offense), G.S. 14-27.5A (sexual battery), former G.S. 14-27.6 (attempted rape or sexual offense), G.S. 14-27.7 (intercourse and sexual offense with certain victims), G.S. 14-27.7A(a) (statutory rape or sexual offense of person who is ~~13 , 14 , or 15 years old where~~ 15 years of age or younger and the defendant is at least six years older), G.S. 14-43.11 (human trafficking) if (i) the offense is committed against a minor who is less than 18 years of age or (ii) the offense is committed against any person with the intent that they be held in sexual servitude, G.S. 14-43.13 (subjecting or maintaining a person for sexual servitude), G.S. 14-178 (incest between near relatives), G.S. 14-190.6 (employing or permitting minor to assist in offenses against public morality and decency), G.S. 14-190.9(a1) (felonious indecent exposure), G.S. 14-190.16 (first degree sexual exploitation of a minor), G.S. 14-190.17 (second degree sexual exploitation of a minor), G.S. 14-190.17A (third degree sexual exploitation of a minor), G.S. 14-202.1 (taking indecent liberties with children), G.S. 14-202.3 (Solicitation of child by computer or certain other electronic devices to commit an unlawful sex act), G.S. 14-202.4(a) (taking indecent liberties with a student), G.S. 14-205.2(c) or (d) (patronizing a prostitute who is a minor or a mentally disabled person), G.S. 14-205.3(b) (promoting prostitution of a minor or a mentally disabled person), G.S. 14-318.4(a1) (parent or caretaker commit or permit act of prostitution with or by a juvenile), or G.S. 14-318.4(a2) (commission or allowing of sexual act upon a juvenile by parent or guardian). The term also includes the following: a solicitation or conspiracy to commit any of these offenses; aiding and abetting any of these offenses.

…."

SECTION 1.(c) G.S. 90-210.25B reads as rewritten:

"§ **90-210.25B. Persons who shall not be licensed under this Article.**

…

(b) For purposes of this Article, the term "sexual offense against a minor" means a conviction of any of the following offenses: G.S. 14-27.4A(a) (sex offense with a child; adult offender), G.S. 14-27.7A (statutory rape or sexual offense of person who is ~~13, 14, or 15 years old where~~ 15 years of age or younger and the defendant is at least six years older), G.S. 14-190.16 (first-degree sexual exploitation of a minor), G.S. 14-190.17 (second degree sexual exploitation of a minor), G.S. 14-190.17A (third degree sexual exploitation of a minor), G.S. 14-190.18 (promoting prostitution of a minor), G.S. 14-190.19 (participating in prostitution of a minor), G.S. 14-202.1 (taking indecent liberties with children), G.S. 14-202.3 (solicitation of child by computer or certain other electronic devices to commit an unlawful sex

act), G.S. 14-202.4(a) (taking indecent liberties with a student), G.S. 14-318.4(a1) (parent or caretaker commit or permit act of prostitution with or by a juvenile), or G.S. 14-318.4(a2) (commission or allowing of sexual act upon a juvenile by parent or guardian). The term shall also include a conviction of the following: any attempt, solicitation, or conspiracy to commit any of these offenses or any aiding and abetting any of these offenses. The term shall also include a conviction in another jurisdiction for an offense which if committed in this State has the same or substantially similar elements to an offense against a minor as defined by this section.

…."

SECTION 1.(d) This section becomes effective December 1, 2015, and applies to offenses committed on or after that date.

SECTION 2.(a) G.S. 110-130.1(d) reads as rewritten:

"(d) Any fee imposed by the North Carolina Department of Revenue or the Secretary of the Treasury to cover their costs of withholding for non-Work First arrearages certified for the collection of past due support from State or federal income tax refunds or administrative offsets, as defined by 31 C.F.R. § 285.1(a), shall be borne by the client by deducting the fee from the amount collected.

Any income tax refund offset amounts or administrative offsets, as defined by 31 C.F.R. § 285.1(a), which are subsequently determined to have been incorrectly withheld and distributed to a client, and which must be refunded by the State to a responsible parent or the nondebtor spouse, shall constitute a debt to the State owed by the client."

SECTION 2.(b) G.S. 110-136.4 reads as rewritten:

"§ **110-136.4. Implementation of withholding in IV-D cases.**

(a) Withholding based on arrearages or obligor's request.

(1) Advance notice of withholding. When an obligor in a IV-D case becomes subject to income withholding, the obligee shall, after verifying the obligor's current employer or other payor, wages or other disposable income, and mailing address, serve the obligor with advance notice of withholding in accordance with G.S. 1A-1, Rule 4, Rules of Civil Procedure.

(2) Contents of advance notice. The advance notice to the obligor shall contain, at a minimum, the following information:

a. Whether the proposed withholding is based on the obligor's failure to make legally obligated child support, alimony or postseparation support payments on the obligor's request for withholding, on the obligee's request for withholding, or on the obligor's eligibility for withholding under G.S. 110-136.3(b)(3);

b. The amount of overdue child support, overdue alimony or postseparation support payments, the total amount to be withheld, and when the withholding will occur;

c. The name of each child or person for whose benefit the child support, alimony or postseparation support payments are due and information sufficient to identify the court order under which the obligor has a duty to support the child, spouse, or former spouse;

d. The amount and sources of disposable income;

e. That the withholding will apply to the obligor's wages or other sources of disposable income from current payors and all subsequent payors once the procedures under this section are invoked;

f. An explanation of the obligor's rights and responsibilities pursuant to this section;

g. That withholding will be continued until terminated pursuant to G.S. 110-136.10.

(3) Contested withholding. The obligor may contest the withholding only on the basis of a mistake of fact, except that G.S. 110-129(10)(a) is not applicable if

withholding is based on the obligor's or obligee's request for withholding. To contest the withholding, the obligor must, within 10 days of receipt of the advance notice of withholding, request a hearing in the county where the support order was entered before the district court and give notice to the obligee specifying the mistake of fact upon which the hearing request is based. If the asserted mistake of fact can be resolved by agreement between the obligee and the obligor, no hearing shall occur. Otherwise, a hearing shall be held and a determination made, within 30 days of the obligor's receipt of the advance notice of withholding, as to whether the asserted mistake of fact is valid. No withholding shall occur pending the hearing decision. The failure to hold a hearing within 30 days shall not invalidate an otherwise properly entered order. If it is determined that a mistake of fact exists, no withholding shall occur. Otherwise, within 45 days of the obligor's receipt of the advance notice of withholding, the obligee shall serve the payor, pursuant to G.S. 1A-1, Rule 5, Rules of Civil Procedure, or by electronic transmission in compliance with the Federal Office of Child Support Enforcement (OCSE) electronic income withholding (e-IWO) procedures, with notice of his obligation to withhold, and shall mail a copy of such notice to the obligor and file a copy with the clerk. In the event of appeal, withholding shall not be stayed. If the appeal is concluded in favor of the obligor, the obligee shall promptly repay sums wrongfully withheld and notify the payor to cease withholding.

(4) Uncontested withholding. If the obligor does not contest the withholding within the 10-day response period, the obligee shall serve the payor, pursuant to G.S. 1A-1, Rule 5, Rules of Civil Procedure, or by electronic transmission in compliance with the Federal Office of Child Support Enforcement (OCSE) electronic income withholding (e-IWO) procedures, with notice of his obligation to withhold, and shall mail a copy of such notice to the obligor and file a copy with the clerk.

(5) Payment not a defense to withholding. The payment of overdue support shall not be a basis for terminating or not implementing withholding.

(6) Inability to implement withholding. When an obligor is subject to withholding, but withholding under this section cannot be implemented because the obligor's location is unknown, because the extent and source of his disposable income cannot be determined, or for any other reason, the obligee shall either request the clerk of superior court to initiate enforcement proceedings under G.S. 15A-1344.1(d) or G.S. 50-13.9(d) or take other appropriate available measures to enforce the support obligation.

(b) Immediate income withholding. When a new or modified child support order is entered, the district court judge shall, after hearing evidence regarding the obligor's disposable income, place the obligor under an order for immediate income withholding. The IV-D agency shall serve the payor pursuant to G.S. 1A-1, Rule 5, Rules of Civil Procedure, or by electronic transmission in compliance with the Federal Office of Child Support Enforcement (OCSE) electronic income withholding (e-IWO) procedures, with a notice of his obligation to withhold, and shall mail a copy of such notice to the obligor and file a copy with the clerk. If information is unavailable regarding an obligor's disposable income, or the obligor is unemployed, or an agreement is reached between both parties which provides for an alternative arrangement, immediate income withholding shall not apply. The obligor, however, is subject to income withholding pursuant to G.S. 110-136.4(a).

(c) Subsequent payors. If the obligor changes employment or source of disposable income, notice to subsequent payors of their obligation to withhold shall be served as required by G.S. 1A-1, Rule 5, Rules of Civil ~~Procedure.~~ Procedure, or by electronic transmission in compliance with the Federal Office of Child Support Enforcement (OCSE) electronic income

withholding (e-IWO) procedures. Copies of such notice shall be filed with the clerk of court and served upon the obligor by first class mail.

(d) Multiple withholdings. The obligor must notify the obligee if the obligor is currently subject to another withholding for child support. In the case of two or more withholdings against one obligor, the obligee or obligees shall attempt to resolve any conflict between the orders in a manner that is fair and equitable to all parties and within the limits specified by G.S. 110-136.6. If the conflict cannot be so resolved, an injured party, upon request, shall be granted a hearing in accordance with the procedure specified in G.S. 110-136.4(c). The conflict between the withholding orders shall be resolved in accordance with G.S. 110-136.7.

(e) Modification of withholding. When an order for withholding has been entered under this section, the obligee may modify the withholding based on changed circumstances. The obligee shall proceed as is provided in this section.

(f) Applicability of section. The provisions of this section apply to IV-D cases only."

SECTION 2.(c) G.S. 110-139.2(b1) reads as rewritten:

"(b1) The Department of Health and Human Services Child Support Enforcement Agency may notify any financial institution doing business in this State that an obligor who maintains an identified account with the financial institution has a child support obligation that may be eligible for levy on the account in an amount that satisfies some or all of the amount of unpaid support owed. In order to be able to attach a lien on and levy an obligor's account, the amount of unpaid support owed shall be an amount not less than the amount of support owed for six months or one thousand dollars ($1,000), whichever is less.

Upon certification of the amount of unpaid support owed in accordance with G.S. 44-86(c), the Child Support Agency shall serve or cause to be served upon the obligor, and when the matched account is owned jointly, any other nonliable owner of the account, and the financial institution a notice as provided by this subsection. The notice shall include the name of the obligor, the financial institution where the account is located, the account number of the account to be levied to satisfy the lien, the certified amount of unpaid support, information for the obligor or account owner on how to remove the lien or contest the lien in order to avoid the levy, and a ~~copy of~~ reference to the applicable law, G.S. 110-139.2. The notice shall be served on the obligor, and any nonliable account owner, in any manner provided in Rule 4 of the North Carolina Rules of Civil Procedure. The financial institution shall be served notice in accordance with Rule 5 of the North Carolina Rules of Civil Procedure. Upon service of the notice, the financial institution shall proceed in the following manner:

(1) Immediately attach a lien to the identified account.

(2) Notify the Child Support Agency of the balance of the account and date of the lien or that the account does not meet the requirement for levy under this subsection.

In order for an obligor or account owner to contest the lien, within 10 days after the obligor or account owner is served with the notice, the obligor or account owner shall send written notice of the basis of the contest to the Child Support Agency and shall request a hearing before the district court in the county where the support order was entered. The obligor account holder may contest the lien only on the basis that the amount owed is an amount less than the amount of support owed for six months, or is less than one thousand dollars ($1,000), whichever is less, or the contesting party is not the person subject to the court order of support. The district court may assess court costs against the nonprevailing party. If no response is received from the obligor or account owner within 10 days of the service of the notice, the Child Support Agency shall notify the financial institution to submit payment, up to the total amount of the child support arrears, if available. This amount is to be applied to the debt of the obligor.

A financial institution shall not be liable to any person for complying in good faith with this subsection. The remedy set forth in this section shall be in addition to all other remedies available to the State for the reduction of the obligor's child support arrears. This remedy shall not prevent the State from taking any and all other concurrent measures available by law.

This levy procedure is to be available for direct use by all states' child support programs to financial institutions in this State without involvement of the Department."

SECTION 2.(d) This section is effective when it becomes law.

SECTION 3.(a) Article 29 of Chapter 7A of the General Statutes is amended by adding a new section to read:

"**§ 7A-343.6. Electronic filing in Chapter 50B and Chapter 50C cases.**

The North Carolina Administrative Office of the Courts is authorized to develop a program for electronic filing in Chapter 50B and Chapter 50C cases in district court in all counties in North Carolina. In order to implement the program in one or more counties in a district, the chief district court judge in each district shall draft local rules and submit the rules to the Administrative Office of the Courts for approval. The local rules shall permit the clerk of superior court for the county to accept electronically filed complaints requesting a domestic violence protective order pursuant to Chapter 50B of the General Statutes, or a civil no-contact order pursuant to Chapter 50C of the General Statutes, that are transmitted from a domestic violence program as defined in G.S. 8-53.12. The authorization for local rules shall be superseded by the promulgation of uniform State rules by the Supreme Court."

SECTION 3.(b) G.S. 50B-2 reads as rewritten:

"§ **50B-2. Institution of civil action; motion for emergency relief; temporary orders; temporary custody.**

…

(e) All documents filed, issued, registered, or served in an action under this Chapter relating to an ex parte, emergency, or permanent domestic violence protective order may be filed electronically. Hearings held to consider ex parte relief pursuant to subsection (c) of this section may be held via video conference. Hearings held to consider emergency or permanent relief pursuant to subsections (a) or (b) of this section shall not be held via video conference."

SECTION 3.(c) G.S. 50C-2 reads as rewritten:

"§ **50C-2. Commencement of action; filing fees not permitted; assistance.**

…

(e) All documents filed, issued, registered, or served in an action under this Chapter relating to an ex parte, emergency, or permanent civil no-contact order may be filed electronically."

SECTION 3.(d) G.S. 50C-6 reads as rewritten:

"§ **50C-6. Temporary civil no-contact order; court holidays and evenings.**

…

(e) Hearings held to consider ex parte relief pursuant to subsection (a) of this section may be held via video conference."

SECTION 3.(e) G.S. 50C-7 reads as rewritten:

"§ **50C-7. Permanent civil no-contact order.**

Upon a finding that the victim has suffered an act of unlawful conduct committed by the respondent, a permanent civil no-contact order may issue if the court additionally finds that process was properly served on the respondent, the respondent has answered the complaint and notice of hearing was given, or the respondent is in default. No permanent civil no-contact order shall be issued without notice to the respondent. Hearings held to consider permanent relief pursuant to this section shall not be held via video conference."

SECTION 3.(f) Sections 3(b) through 3(e) become effective December 1, 2015, and apply to documents filed and hearings held on or after that date.

SECTION 4.(a) G.S. 15A-1340.16(d) is amended by adding a new subdivision to read:

"(13a) The defendant committed an offense and knew or reasonably should have known that a person under the age of 18 who was not involved in the commission of the offense was in a position to see or hear the offense."

SECTION 4.(b) G.S. 14-33(d) reads as rewritten:

"(d) Any person who, in the course of an assault, assault and battery, or affray, inflicts serious injury upon another person, or uses a deadly weapon, in violation of subdivision (c)(1) of this section, on a person with whom the person has a personal relationship, and in the presence of a minor, is guilty of a Class A1 misdemeanor. A person convicted under this subsection, who is sentenced to a community punishment, shall be placed on supervised probation in addition to any other punishment imposed by the court.

A person committing a second or subsequent violation of this subsection shall be sentenced to an active punishment of no less than 30 days in addition to any other punishment imposed by the court.

The following definitions apply to this subsection:

(1) "Personal relationship" is as defined in G.S. 50B-1(b).

(2) "In the presence of a minor" means that the minor was in a position to ~~have observed~~ see or hear the assault.

(3) "Minor" is any person under the age of 18 years who is residing with or is under the care and supervision of, and who has a personal relationship with, the person assaulted or the person committing the assault."

SECTION 4.(c) G.S. 15A-534.1(a) reads as rewritten:

"(a) In all cases in which the defendant is charged with assault on, stalking, communicating a threat to, or committing a felony provided in Articles 7A, 8, 10, or 15 of Chapter 14 of the General Statutes upon a spouse or former ~~spouse or~~ spouse, a person with whom the defendant lives or has lived as if married, or a person with whom the defendant is or has been in a dating relationship as defined in G.S. 50B-1(b)(6), with domestic criminal trespass, or with violation of an order entered pursuant to Chapter 50B, Domestic Violence, of the General Statutes, the judicial official who determines the conditions of pretrial release shall be a judge. The judge shall direct a law enforcement officer or a district attorney to provide a criminal history report for the defendant and shall consider the criminal history when setting conditions of release. After setting conditions of release, the judge shall return the report to the providing agency or department. No judge shall unreasonably delay the determination of conditions of pretrial release for the purpose of reviewing the defendant's criminal history report. The following provisions shall apply in addition to the provisions of G.S. 15A-534:

(1) Upon a determination by the judge that the immediate release of the defendant will pose a danger of injury to the alleged victim or to any other person or is likely to result in intimidation of the alleged victim and upon a determination that the execution of an appearance bond as required by G.S. 15A-534 will not reasonably assure that such injury or intimidation will not occur, a judge may retain the defendant in custody for a reasonable period of time while determining the conditions of pretrial release.

(2) A judge may impose the following conditions on pretrial release:

a. That the defendant stay away from the home, school, business or place of employment of the alleged victim.

b. That the defendant refrain from assaulting, beating, molesting, or wounding the alleged victim.

c. That the defendant refrain from removing, damaging or injuring specifically identified property.

d. That the defendant may visit his or her child or children at times and places provided by the terms of any existing order entered by a judge.

e. That the defendant abstain from alcohol consumption, as verified by the use of a continuous alcohol monitoring system, of a type approved by the Division of Adult Correction of the Department of Public Safety, and that any violation of this condition be reported by the monitoring provider to the district attorney.

The conditions set forth above may be imposed in addition to requiring that the defendant execute a secured appearance bond.

(3) Should the defendant be mentally ill and dangerous to himself or others or a substance abuser and dangerous to himself or others, the provisions of Article 5 of Chapter 122C of the General Statutes shall apply."

SECTION 4.(d) This section becomes effective December 1, 2015, and applies to offenses committed on or after that date.

SECTION 5.(a) G.S. 14-208.18(c)(1) reads as rewritten:

"(c) Subsection (a) of this section is applicable only to persons required to register under this Article who have committed any of the following offenses:

(1) Any offense in Article 7A of this ~~Chapter.~~Chapter or any federal offense or offense committed in another state, which if committed in this State, is substantially similar to an offense in Article 7A of this Chapter."

SECTION 5.(b) This section becomes effective December 1, 2015, and applies to offenses committed on or after that date.

SECTION 6.(a) Article 1B of Chapter 130A of the General Statutes is amended by adding a new Part to read:

"Part 5. Maternal Mortality Review Committee.

"**§ 130A-33.52. Maternal Mortality Review Committee; membership, compensation.**

(a) The Maternal Mortality Review Committee is established in the Department. The purpose of the committee is to reduce maternal mortality in this State by conducting multidisciplinary maternal death reviews and developing recommendations for the prevention of future maternal deaths.

(b) The Secretary shall appoint a multidisciplinary committee comprised of nine members who represent several academic disciplines and professional specializations essential to reviewing cases of mortality due to complications from pregnancy or childbirth. Committee members shall serve without compensation, but may receive travel reimbursement from funds available to the Department.

(c) The duties of the committee shall include:

(1) Identifying maternal death cases.

(2) Reviewing medical records and other relevant data.

(3) Contacting family members and other affected or involved persons to collect additional relevant data.

(4) Consulting with relevant experts to evaluate relevant data.

(5) Making nonindividual determinations with no legal meaning regarding the preventability of maternal deaths.

(6) Making recommendations for the prevention of maternal deaths.

(7) Disseminating findings and recommendations to policy makers, health care providers, health care facilities, and the general public. Reports shall include only aggregated, nonindividually identifiable data.

(d) Licensed health care providers, health care facilities, and pharmacies shall provide reasonable access to the committee to all relevant medical records associated with a case under review by the committee. A health care provider, health care facility, or pharmacy providing access to medical records pursuant to this Part shall not be held liable for civil damages or be subject to any criminal or disciplinary action for good faith efforts to provide such records.

(e) Except as provided in subsection (h) of this section, information, records, reports, statements, notes, memoranda, or other data collected pursuant to this Part shall not be admissible as evidence in any action of any kind in any court or before any other tribunal, board, agency, or person, nor shall they be exhibited nor their contents disclosed in any way, in whole or in part, by any officer or representative of the Department or any other person, except as may be necessary for the purpose of furthering the committee's review of the case to which they relate. No person participating in such review shall disclose, in any manner, the information so obtained except in strict conformity with the review process.

(f) All information, records of interviews, written reports, statements, memoranda, or other data obtained by the Department, the committee, and other persons, agencies, or organizations so authorized by the Department pursuant to this Part shall be confidential.

(g) All proceedings and activities of the committee pursuant to this Part, opinions of committee members formed as a result of such proceedings and activities, and records obtained, created, or maintained pursuant to this Part, including records of interviews, written reports, and statements procured by the Department or any other person, agency, or organization acting jointly or under contract with the Department in connection with the requirements of this Part, shall be confidential and shall not be subject to statutes relating to open meetings and open records, or subject to subpoena, discovery, or introduction into evidence in any civil or criminal proceeding.

(h) Nothing in this Part shall be construed to limit or restrict the right to discover or use in any civil or criminal proceeding anything that is available from another source.

(i) Members of the committee shall not be questioned in any civil or criminal proceeding regarding the information presented or opinions formed as a result of a meeting or communication of the committee; provided, however, that nothing in this Part shall be construed to prevent a member of the committee from testifying to information obtained independently of the committee or which is public information."

SECTION 6.(b) This section becomes effective on December 1, 2015.

SECTION 7.(a) G.S. 14-45.1 reads as rewritten:

"§ **14-45.1. When abortion not unlawful.**

(a) Notwithstanding any of the provisions of G.S. 14-44 and 14-45, it shall not be unlawful, during the first 20 weeks of a woman's pregnancy, to advise, procure, or cause a miscarriage or abortion when the procedure is performed by a qualified physician licensed to practice medicine in North Carolina in a hospital or clinic certified by the Department of Health and Human Services to be a suitable facility for the performance of abortions.

(a1) The Department of Health and Human Services shall annually inspect any clinic, including ambulatory surgical facilities, where abortions are performed. The Department of Health and Human Services shall publish on the Department's Web site and on the State Web site established under G.S. 90-21.84 the results and findings of all inspections conducted on or after January 1, 2013, of clinics, including ambulatory surgical facilities, where abortions are performed, including any statement of deficiencies and any notice of administrative action resulting from the inspection. No person who is less than 18 years of age shall be employed at any clinic, including ambulatory surgical facilities, where abortions are performed. The requirements of this subsection shall not apply to a hospital required to be licensed under Chapter 131E of the General Statutes.

(b) Notwithstanding any of the provisions of G.S. 14-44 and 14-45, it shall not be unlawful, after the twentieth week of a woman's pregnancy, to advise, procure or cause a miscarriage or abortion when the procedure is performed by a qualified physician licensed to practice medicine in North Carolina in a hospital licensed by the Department of Health and Human Services, if there is ~~substantial risk that continuance of the pregnancy would threaten the life or gravely impair the health of the woman.~~a medical emergency as defined by G.S. 90-21.81(5).

(b1) A qualified physician who advises, procures, or causes a miscarriage or abortion after the sixteenth week of a woman's pregnancy shall record all of the following: the method used by the qualified physician to determine the probable gestational age of the unborn child at the time the procedure is to be performed; the results of the methodology, including the measurements of the unborn child; and an ultrasound image of the unborn child that depicts the measurements. The qualified physician shall provide this information, including the ultrasound image, to the Department of Health and Human Services pursuant to G.S. 14-45.1(c).

A qualified physician who procures or causes a miscarriage or abortion after the twentieth week of a woman's pregnancy shall record the findings and analysis on which the qualified physician based the determination that there existed a medical emergency as defined by

G.S. 90-21.81(5) and shall provide that information to the Department of Health and Human Services pursuant to G.S. 14-45.1(c). Materials generated by the physician or provided by the physician to the Department of Health and Human Services pursuant to this section shall not be public records under G.S. 132-1.

The information provided under this subsection shall be for statistical purposes only, and the confidentiality of the patient and the physician shall be protected. It is the duty of the qualified physician to submit information to the Department of Health and Human Services that omits identifying information of the patient and complies with Health Insurance Portability and Accountability Act of 1996 (HIPAA).

(c) The Department of Health and Human Services shall prescribe and collect on an annual basis, from hospitals or ~~clinics~~ clinics, including ambulatory surgical facilities, where abortions are performed, ~~such representative samplings of~~ statistical summary reports concerning the medical and demographic characteristics of the abortions provided for in this ~~section~~ section, including the information described in subsection (b1) of this section as it shall deem to be in the public interest. Hospitals or clinics where abortions are performed shall be responsible for providing these statistical summary reports to the Department of Health and Human Services. The reports shall be for statistical purposes only and the confidentiality of the patient relationship shall be protected. Materials generated by the physician or provided by the physician to the Department of Health and Human Services pursuant to this section shall not be public records under G.S. 132-1.

(d) The requirements of ~~G.S. 130-43~~ G.S. 130A-114 are not applicable to abortions performed pursuant to this section.

(e) ~~Nothing in this section shall require a physician licensed to practice medicine in North Carolina, any~~ No physician, nurse, or any other health care provider who shall state an objection to abortion on moral, ethical, or religious ~~grounds,~~ grounds shall be required to perform or participate in medical procedures which result in an abortion. The refusal of a physician, nurse, or health care provider to perform or participate in these medical procedures shall not be a basis for damages for the refusal, or for any disciplinary or any other recriminatory action against the physician, nurse, or health care provider. For purposes of this section, the phrase "health care provider" shall have the same meaning as defined under G.S. 90-410(1).

(f) Nothing in this section shall require a hospital, other health care institution, or other health care provider to perform an abortion or to provide abortion services.

(g) For purposes of this section, "qualified physician" means (i) a physician who possesses, or is eligible to possess, board certification in obstetrics or gynecology, (ii) a physician who possesses sufficient training based on established medical standards in safe abortion care, abortion complications, and miscarriage management, or (iii) a physician who performs an abortion in a medical emergency as defined by G.S. 90-21.81(5)."

SECTION 7.(b) G.S. 90-21.82 reads as rewritten:

"§ **90-21.82. Informed consent to abortion.**

No abortion shall be performed upon a woman in this State without her voluntary and informed consent. Except in the case of a medical emergency, consent to an abortion is voluntary and informed only if all of the following conditions are satisfied:

(1) At least ~~24 hours~~ 72 hours prior to the abortion, a physician or qualified professional has orally informed the woman, by telephone or in person, of all of the following:

…

If the physician or qualified professional does not know the information required in sub-subdivisions a., f., or g. of this subdivision, the woman shall be advised that this information will be directly available from the physician who is to perform the abortion. However, the fact that the physician or qualified professional does not know the information required in sub-subdivisions a., f., or g. shall not restart the ~~24 hour~~ 72-hour period. The

information required by this subdivision shall be provided in English and in each language that is the primary language of at least two percent (2%) of the State's population. The information may be provided orally either by telephone or in person, in which case the required information may be based on facts supplied by the woman to the physician and whatever other relevant information is reasonably available. The information required by this subdivision may not be provided by a tape recording but shall be provided during a consultation in which the physician is able to ask questions of the patient and the patient is able to ask questions of the physician. If, in the medical judgment of the physician, a physical examination, tests, or the availability of other information to the physician subsequently indicates a revision of the information previously supplied to the patient, then that revised information may be communicated to the patient at any time before the performance of the abortion. Nothing in this section may be construed to preclude provision of required information in a language understood by the patient through a translator.

(2) The physician or qualified professional has informed the woman, either by telephone or in person, of each of the following at least ~~24 hours~~ 72 hours before the abortion:

a. That medical assistance benefits may be available for prenatal care, childbirth, and neonatal care.

b. That public assistance programs under Chapter 108A of the General Statutes may or may not be available as benefits under federal and State assistance programs.

c. That the father is liable to assist in the support of the child, even if the father has offered to pay for the abortion.

d. That the woman has other alternatives to abortion, including keeping the baby or placing the baby for adoption.

e. That the woman has the right to review the printed materials described in G.S. 90-21.83, that these materials are available on a State-sponsored Web site, and the address of the State-sponsored Web site. The physician or a qualified professional shall orally inform the woman that the materials have been provided by the Department and that they describe the unborn child and list agencies that offer alternatives to abortion. If the woman chooses to view the materials other than on the Web site, the materials shall either be given to her at least ~~24 hours~~ 72 hours before the abortion or be mailed to her at least 72 hours before the abortion by certified mail, restricted delivery to addressee.

f. That the woman is free to withhold or withdraw her consent to the abortion at any time before or during the abortion without affecting her right to future care or treatment and without the loss of any State or federally funded benefits to which she might otherwise be entitled.

The information required by this subdivision shall be provided in English and in each language that is the primary language of at least two percent (2%) of the State's population. The information required by this subdivision may be provided by a tape recording if provision is made to record or otherwise register specifically whether the woman does or does not choose to have the printed materials given or mailed to her. Nothing in this subdivision shall be construed to prohibit the physician or qualified professional from e-mailing a Web site link to the materials described in this subdivision or G.S. 90-21.83.

…."

SECTION 7.(c) G.S. 90-21.86 reads as rewritten:

"§ **90-21.86. Procedure in case of medical emergency.**

When a medical emergency compels the performance of an abortion, the physician shall inform the woman, before the abortion if possible, of the medical indications supporting the physician's judgment that an abortion is necessary to avert her death or that a ~~24-hour~~ 72-hour delay will create a serious risk of substantial and irreversible impairment of a major bodily function, not including psychological or emotional conditions. As soon as feasible, the physician shall document in writing the medical indications upon which the physician relied and shall cause the original of the writing to be maintained in the woman's medical records and a copy given to her."

SECTION 7.(d) G.S. 14-45.1(b1) and G.S. 14-45.1(c), as enacted by subsection (a) of this section, become effective January 1, 2016, and apply to abortions performed or attempted on or after that date. The remainder of subsections (a), (b), and (c) of this section become effective October 1, 2015, and apply to abortions performed or attempted on or after that date.

SECTION 8.(a) If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end the provisions of this act are severable. If any provision of this act is temporarily or permanently restrained or enjoined by judicial order, this act shall be enforced as though such restrained or enjoined provisions had not been adopted, provided that whenever such temporary or permanent restraining order or injunction is stayed, dissolved, or otherwise ceases to have effect, such provisions shall have full force and effect.

SECTION 8.(b) Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 4th day of June, 2015.

Became law upon approval of the Governor at 5:45 p.m. on the 5th day of June, 2015.

Session Law 2015-63 **S.B. 112**

AN ACT URGING ALL COASTAL COMMUNITY COLLEGES TO OFFER COURSES ON COMMERCIAL FISHING AND AQUACULTURE.

Whereas, the commercial fishing industry in North Carolina is a traditional maritime industry that began in the early 18th century; and

Whereas, not only does commercial fishing bring fresh, local seafood to market, it is a way of life and a mainstay of the coastal economy; and

Whereas, Carteret Community College supports commercial fishing by offering classes in aquaculture; and

Whereas, these classes include (i) a 12-hour program of introductory courses that leads to a certificate; (ii) a full-time, one-year program that includes training in more advanced techniques; and (iii) a full-time, two-year course of study that leads to an associate's degree; and

Whereas, the associate's degree program includes advanced instruction in issues related to aquaculture, such as water quality, genetics, breeding, nutrition, and diseases; and

Whereas, some of these classes can be transferred to four-year marine biology programs; and

Whereas, Brunswick Community College offers (i) an aquaculture program, focusing on freshwater aquaculture and (ii) other classes via distance learning through a cooperative arrangement with Carteret Community College; and

Whereas, community college classes in commercial fishing and aquaculture are not uniformly available in the coastal area of the State; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. The General Assembly urges all community colleges serving the coastal area of the State to offer classes on commercial fishing and aquaculture.

SECTION 2.(a) The North Carolina Community Colleges System Office shall provide technical assistance to these colleges on offering such classes.

SECTION 2.(b) The North Carolina Community Colleges System Office shall report to the Joint Legislative Education Oversight Committee on any fiscal and administrative issues it identifies that limit colleges' ability to offer such courses.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3rd day of June, 2015.

Became law upon approval of the Governor at 10:00 a.m. on the 11th day of June, 2015.

Session Law 2015-64 **S.B. 315**

AN ACT AUTHORIZING LOCAL BOARDS OF EDUCATION TO MAKE OUTDOOR SCHOOL PROPERTY AVAILABLE TO THE PUBLIC FOR RECREATIONAL PURPOSES AND TO MAKE OTHER CONFORMING CHANGES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-524 reads as rewritten:

"§ **115C-524. Repair of school property; use of buildings for other than school purposes.**

(a) Repair of school buildings is subject to the provisions of G.S. 115C-521(c) and (d).

(b) It shall be the duty of local boards of education and tax-levying authorities, in order to safeguard the investment made in public schools, to keep all school buildings in good repair to the end that all public school property shall be taken care of and be at all times in proper condition for use. It shall be the duty of all principals, teachers, and janitors to report to their respective boards of education immediately any unsanitary condition, damage to school property, or needed repair. All principals, teachers, and janitors shall be held responsible for the safekeeping of the buildings during the school session and all breakage and damage shall be repaired by those responsible for same, and where any principal or teacher shall permit damage to the public school buildings by lack of proper discipline of pupils, such principal or teacher shall be held responsible for such damage: Provided, principals and teachers shall not be held responsible for damage that they could not have prevented by reasonable supervision in the performance of their duties.

(c) Notwithstanding the provisions of G.S. 115C-263 and 115C-264, local boards of education may adopt rules and regulations under which they may enter into agreements permitting non-school groups to use school real and personal property, except for school buses, for other than school purposes so long as such use is consistent with the proper preservation and care of the public school property. No liability shall attach to any board of ~~education, individually or collectively,~~education or to any individual board member for personal injury suffered by reason of the use of such school property pursuant to such agreements.

(d) Local boards of education may make outdoor school property available to the public for recreational purposes, subject to any terms and conditions each board deems appropriate, (i) when not otherwise being used for school purposes and (ii) so long as such use is consistent with the proper preservation and care of the outdoor school property. No liability shall attach to any board of education or to any individual board member for personal injury suffered by reason of the use of such school property."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 4th day of June, 2015.

Became law upon approval of the Governor at 10:00 a.m. on the 11th day of June, 2015.

Session Law 2015-65 **S.B. 597**

AN ACT TO REPEAL REFERENCES TO THE ABCS PROGRAM IN THE GENERAL STATUTES.

The General Assembly of North Carolina enacts:

SECTION 1.1. G.S. 115C-17 is repealed.

SECTION 1.2. G.S. 115C-105.36 is repealed.

SECTION 1.3. G.S. 143B-146.1 reads as rewritten:

"§ **143B-146.1. Mission of schools; definitions.**

(a) It is the intent of the General Assembly that the mission of the residential school community is to challenge with high expectations each child to learn, to achieve, and to fulfill his or her potential.

(b) The following definitions apply in this Part:

(1) ~~ABC's Program or~~ Program. – The School-Based Management and Accountability Program developed by the State Board.

(2) Department. – The Department of Health and Human Services.

(3) Instructional personnel. – Assistant principals, teachers, instructional personnel, instructional support personnel, and teacher assistants employed in a residential school.

(4) Participating school. – A residential school that is required to participate in the ~~ABC's~~ Program.

(4a) Residential school. – A school operated by the Department of Health and Human Services that provides residential services to students. For the purposes of this Part, "residential school" does not include a school operated pursuant to Article 9C of Chapter 115C.

(5) Residential school personnel. – The individuals included in G.S. 143B-146.16(a)(2).

(6) Schools. – The residential schools under the control of the Secretary.

(7) Secretary. – The Secretary of Health and Human Services.

(8) State Board. – The State Board of Education."

SECTION 1.4. G.S. 143B-146.2 reads as rewritten:

"§ **143B-146.2. ~~ABC's~~ School-Based Management and Accountability Program in residential schools.**

(a) The Secretary, in consultation with the General Assembly and the State Board, may designate residential schools that must participate in the ~~ABC's~~ Program. The primary goal of the ~~ABC's~~ Program is to improve student performance. The Program is based upon an accountability, recognition, assistance, and intervention process in order to hold each participating school, its principal, and the instructional personnel accountable for improved student performance in that school.

(b) In order to support the participating schools in the implementation of this Program, the State Board, in consultation with the Secretary, shall adopt guidelines, including guidelines to:

(1) Assist the Secretary and the participating schools in the development and implementation of the ~~ABC's~~ Program.

(2) Recognize the participating schools that meet or exceed their goals.

(3) Identify participating schools that are low-performing and assign assistance teams to those schools. The assistance teams should include individuals with expertise in residential schools, individuals with experience in the education of children with disabilities, and others the State Board, in consultation with the Secretary, considers appropriate.

(4) Enable assistance teams to make appropriate recommendations.

(c) The ~~ABC's~~ Program shall provide increased decision making and parental involvement at the school level with the goal of improving student performance.

(d) Consistent with improving student performance, the Secretary shall provide maximum flexibility to participating schools in the use of funds to enable those schools to accomplish their goals."

SECTION 1.5. G.S. 143B-146.3 reads as rewritten:

"§ **143B-146.3. Annual performance goals.**

The ~~ABC's~~ Program shall (i) focus on student performance in the basics of reading, mathematics, and communications skills in elementary and middle schools, (ii) focus on student performance in courses required for graduation and on other measures required by the State Board in the high schools, and (iii) hold participating schools accountable for the educational growth of their students. To those ends, the State Board shall design and implement an accountability system that sets annual performance standards for each participating school in order to measure the growth in performance of the students in each individual school."

SECTION 1.6. G.S. 143B-146.4 is repealed.

SECTION 1.7. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3rd day of June, 2015.

Became law upon approval of the Governor at 10:00 a.m. on the 11th day of June, 2015.

Session Law 2015-66 **H.B. 222**

AN ACT ALLOWING VOTERS TO ELECT, AND THEN RETAIN, JUSTICES OF THE NORTH CAROLINA SUPREME COURT FOR ELECTION.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 7A of the General Statutes is amended by adding a new Article to read:

"Article 1A.

"Retention Elections.

"§ **7A-4.1. Retention elections.**

(a) A Justice of the Supreme Court who was elected to that office by vote of the voters who desires to continue in office shall be subject to approval by the qualified voters of the whole State in a retention election at the general election immediately preceding the expiration of the elected term. Approval shall be by a majority of votes cast on the issue of the justice's retention in accordance with this Article.

(b) If a Justice of the Supreme Court was appointed to fill a vacancy to that office, then the next election for that office shall be by ballot as provided by Article 25 of Chapter 163 of the General Statutes. Following that election, the justice shall be eligible for retention election as provided for in this Article.

(c) A justice seeking retention shall indicate the desire to continue in office by filing a notice to that effect with the State Board of Elections no later than 12:00 noon on the first business day of July in the year prior to the general election immediately preceding the expiration of the elected term. The notice shall be on a form provided by the State Board of Elections. Notice may be withdrawn at any time prior to December 15 of that year. If no retention notice is filed, or if it is filed and timely withdrawn, then an election shall be held the next year to elect a successor in accordance with Article 25 of Chapter 163 of the General Statutes.

(d) At the time of filing the notice under this Article, the justice shall pay to the State Board of Elections a filing fee for the office the candidate seeks in the amount of one percent (1%) of the annual salary of the office sought.

(e) Except as provided for in this Article, retention elections shall be conducted and canvassed in accordance with rules of the State Board of Elections in the same general manner

as general elections under Chapter 163 of the General Statutes. The State Board of Elections shall certify the results.

(f) The question on the ballot shall be substantially in the following form, as appropriate:

Justices of the Supreme Court. –

"[ ] FOR [ ] AGAINST

The retention of [name of Justice] on the North Carolina Supreme Court for a new term of eight years."

(g) If a person who has filed a notice of intent for a retention election dies or is removed from office prior to the time that the ballots are printed, the retention election is cancelled and the vacancy shall be filled as provided by law. If a person who has filed a notice calling a retention election dies or is removed from office after the ballots are printed, the State Board of Elections may cancel the retention election if it determines that the ballots can be reprinted without significant expense. If the ballots cannot be reprinted, then the results of the retention election shall be ineffective.

"§ **7A-4.2. Retention approval; failure to retain.**

(a) If the voters vote to approve the retention in office, the justice shall be retained for a new eight-year term.

(b) If the voters fail to approve the retention in office, the office shall be deemed vacant at the end of the term of office, and the vacancy shall be filled as provided by law."

SECTION 2. G.S. 7A-10(a) reads as rewritten:

"(a) The Supreme Court shall consist of a Chief Justice and six associate justices, elected by the qualified voters of the State for terms of eight years. Such election shall be under Article 25 of Chapter 163 of the General Statutes or Article 1A of this Chapter. Before entering upon the duties of ~~his~~ the office, each justice shall take an oath of office. Four justices shall constitute a quorum for the transaction of the business of the court. Except as otherwise provided in this subsection, sessions of the court shall be held in the city of Raleigh, and scheduled by rule of court so as to discharge expeditiously the court's business. The court may by rule hold sessions not more than twice annually in the Old Chowan County Courthouse (1767) in the Town of Edenton, which is a State-owned court facility that is designated as a National Historic Landmark by the United States Department of the Interior."

SECTION 3. G.S. 163-1 is amended in the table relating to entries for "Justices and State Judges of the Appellate Division" by deleting the word "At" at the beginning of the entry under the column titled "Date of Election" and substituting the phrase "Except as provided in Article 1A of Chapter 7A of the General Statutes, at".

SECTION 4. G.S. 163-165.6(b) reads as rewritten:

"(b) Order of Precedence for Candidate Ballot Items. – The State Board of Elections shall promulgate rules prescribing the order of offices to be voted on the official ballot. Those rules shall adhere to the following guidelines:

(1) Federal offices shall be listed before State and local offices. Member of the United States House of Representatives shall be listed immediately after United States Senator.

(2) State and local offices shall be listed according to the size of the electorate.

(3) Partisan offices, regardless of the size of the constituency, shall be listed before nonpartisan offices.

(4) When offices are in the same class, they shall be listed in alphabetical order by office name, or in numerical or alphabetical order by district name. Governor and Lieutenant Governor, in that order, shall be listed before other Council of State offices. Mayor shall be listed before other citywide offices. Chair of a board, where elected separately, shall be listed before other board seats having the same electorate. Chief Justice shall be listed before Associate Justices.

(5) Ballot items for full terms of an office shall be listed before ballot items for partial terms of the same office.

(6) Ballot items for retention elections held under Article 1A of Chapter 7A of the General Statutes shall be grouped with like State offices, but shall be listed after offices for which an election is conducted under Article 25 of this Chapter."

SECTION 5. G.S. 163-182.16 reads as rewritten:

"§ **163-182.16. Governor to issue commissions for certain offices.**

The Secretary of State shall send a notice to the Governor that a certificate of election has been issued for any of the following offices, and upon receiving the notice, the Governor shall provide to each such elected official a commission attesting to that person's ~~election:~~election or retention:

(1) Members of the United States House of Representatives.

(2) Justices, judges, and district attorneys of the General Court of Justice."

SECTION 6. G.S. 163-321 reads as rewritten:

"§ **163-321. Applicability.**

The nomination and election of justices of the Supreme Court, judges of the Court of Appeals, and superior and district court judges of the General Court of Justice shall be as provided by this Article. Retention elections of Justices of the Supreme Court shall be as provided in Article 1A of Chapter 7A of the General Statutes."

SECTION 7. G.S. 163-335 reads as rewritten:

"§ **163-335. Other rules.**

(a) Except as provided by this Article, the conduct of elections shall be governed by Subchapter VI of this Chapter.

(b) Following election under this Article, a duly elected justice of the Supreme Court may opt for a retention election under Article 1A of Chapter 7A of the General Statutes. Any such retention shall be conducted in accordance with this Chapter except as specifically stated in that Article."

SECTION 8.(a) G.S. 163-278.6(4) reads as rewritten:

"(4) The term "candidate" means any individual who, with respect to a public office listed in G.S. 163-278.6(18), has taken positive action for the purpose of bringing about that individual's ~~nomination~~ nomination, retention, or election to public office. Examples of positive action ~~include:~~include any of the following:

a. Filing a notice of ~~candidacy~~ candidacy, filing a notice to be retained, or a petition requesting to be a ~~candidate,~~candidate.

b. Being certified as a nominee of a political party for a ~~vacancy,~~vacancy.

c. Otherwise qualifying as a candidate in a manner authorized by ~~law,~~law.

d. Making a public announcement of a definite intent to run for public office in a particular ~~election, or~~election.

e. Receiving funds or making payments or giving the consent for anyone else to receive funds or transfer anything of value for the purpose of bringing about that individual's nomination or election to office. Transferring anything of value includes incurring an obligation to transfer anything of value.

Status as a candidate for the purpose of this Article continues if the individual is receiving contributions to repay loans or cover a deficit or is making expenditures to satisfy obligations from an election already held. Special definitions of "candidate" and "candidate campaign committee" that apply only in Part 1A of this Article are set forth in G.S. 163-278.38Z."

SECTION 8.(b) G.S. 163-278.38Z(2) reads as rewritten:

"(2) "Candidate" means any individual who, with respect to a public office listed in G.S. 163-278.6(18), has filed a notice of ~~candidacy~~ candidacy, notice of retention, or a petition requesting to be a candidate, or has been certified as a nominee of a political party for a vacancy, or has otherwise qualified as a candidate in a manner authorized by law, or has filed a statement of organization under G.S. 163-278.7 and is required to file periodic financial disclosure statements under G.S. 163-278.9."

SECTION 9. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 8th day of June, 2015.

Became law upon approval of the Governor at 10:00 a.m. on the 11th day of June, 2015.

Session Law 2015-67 **H.B. 274**

AN ACT TO ENACT THE RETIREMENT TECHNICAL CORRECTIONS ACT OF 2015.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 135-1(10) reads as rewritten:

"(10) "Employee" shall mean all full-time employees, agents or officers of the State of North Carolina or any of its departments, bureaus and institutions other than educational, whether such employees are elected, appointed or employed: Provided that the term "employee" shall not include any person who is a member of the Consolidated Judicial Retirement System, any member of the General Assembly or any part-time or temporary employee. Notwithstanding any other provision of law, "employee" shall include all employees of the General Assembly except participants in the Legislative Intern Program, pages, and beneficiaries in receipt of a monthly retirement allowance under this Chapter who are reemployed on a temporary basis. "Employee" also includes any participant whose employment is interrupted by reason of service in the Uniformed Services, as that term is defined in section 4303(16) of the Uniformed Services Employment and Reemployment Rights Act, Public Law 103-353, if that participant was an employee at the time of the interruption; if the participant does not return immediately after that service to employment with a covered employer in this System, then the participant shall be deemed "in service" until the date on which the participant was first eligible to be separated or released from his or her involuntary military service. In all cases of doubt, the Board of Trustees shall determine whether any person is an employee as defined in this Chapter. "Employee" shall also mean every full-time civilian employee of the North Carolina National Guard who is employed pursuant to section 709 of Title 32 of the United States Code and paid from federal appropriated funds, but held by the federal authorities not to be a federal employee: Provided, however, that the authority or agency paying the salaries of such employees shall deduct or cause to be deducted from each employee's salary the employee's contribution in accordance with applicable provisions of G.S. 135-8 and remit the same, either directly or indirectly, to the Retirement System; coverage of employees described in this sentence shall commence upon the first day of the calendar year or fiscal year, whichever is earlier, next following the date of execution of an agreement between the Secretary of Defense of the United States and the Adjutant General of the State acting for the Governor in behalf of the State, but no credit shall be allowed pursuant to this sentence for any service previously rendered in the above-described capacity as a civilian employee of the North Carolina

National Guard: Provided, further, that the Adjutant General, in the Adjutant General's discretion, may terminate the Retirement System coverage of the above-described North Carolina National Guard employees if a federal retirement system is established for such employees and the Adjutant General elects to secure coverage of such employees under such federal retirement system. Any full-time civilian employee of the North Carolina National Guard described above who is now or hereafter may become a member of the Retirement System may secure Retirement System credit for such service as a North Carolina National Guard civilian employee for the period preceding the time when such employees became eligible for Retirement System coverage by paying to the Retirement System an amount equal to that which would have constituted employee contributions if the employee had been a member during the years of ineligibility, plus interest. Employees of State agencies, departments, institutions, boards, and commissions who are employed in permanent job positions on a recurring basis ~~and who~~must work at least 30 ~~or more~~ hours per week for nine or more months per calendar year ~~are~~in order to be covered by the provisions of this subdivision. On and after August 1, 2001, a person who is a nonimmigrant alien and who otherwise meets the requirements of this subdivision shall not be excluded from the definition of "employee" solely because the person holds a temporary or time-limited visa."

SECTION 2. G.S. 135-106(b) reads as rewritten:

"(b) After the commencement of benefits under this section, the benefits payable under the terms of this section during the first 36 months of the long-term disability period shall be equal to sixty-five percent (65%) of 1/12th of the annual base rate of compensation last payable to the participant or beneficiary prior to the beginning of the short-term disability period as may be adjusted for percentage increases as provided under G.S. 135-108, plus sixty-five percent (65%) of 1/12th of the annual longevity payment to which the participant or beneficiary would be eligible, to a maximum of three thousand nine hundred dollars ($3,900) per month reduced by any primary Social Security disability benefits to which the beneficiary may be entitled, effective as of the first of the month following the month of initial entitlement, and by monthly payments for Workers' Compensation to which the participant or beneficiary may be entitled. When primary Social Security disability benefits are increased by cost-of-living adjustments, the increased reduction shall be applied in the first month following the month in which the member becomes entitled to the increased Social Security benefit. The monthly benefit shall be further reduced by the amount of any monthly payments from the federal Department of Veterans Affairs, any other federal agency or any payments made under the provisions of G.S. 127A-108, to which the participant or beneficiary may be entitled on account of the same disability. Provided, in any event, the benefit payable shall be no less than ten dollars ($10.00) a month. However, a disabled participant may elect to receive any salary continuation as provided in G.S. 135-104 in lieu of long-term disability benefits; provided such election shall not extend the first 36 consecutive calendar months of the long-term disability period. An election to receive any salary continuation for any part of any given day shall be in lieu of any long-term benefit payable for that day, provided further, any lump-sum payout for vacation leave shall be treated as if the beneficiary or participant had exhausted the leave and shall be in lieu of any long-term benefit otherwise payable. Provided that, in any event, a beneficiary's benefit shall be reduced during the first 36 months of the long-term disability period by an amount, as determined by the Board of Trustees, equal to a primary Social Security retirement benefit to which the beneficiary might be ~~entitled.~~entitled, effective as of the first of the month following the month of initial entitlement.

After 36 months of long-term disability, no further benefits are payable under the terms of this section unless the member has been approved and is in receipt of primary Social Security disability benefits. In that case the benefits payable shall be equal to sixty-five percent (65%) of

1/12th of the annual base rate of compensation last payable to the participant or beneficiary prior to the beginning of the short-term disability period as may be adjusted for percentage increases as provided under G.S. 135-108, plus sixty-five percent (65%) of 1/12th of the annual longevity payment to which the participant or beneficiary would be eligible, to a maximum of three thousand nine hundred dollars ($3,900) per month reduced by the primary Social Security disability benefits to which the beneficiary may be entitled, effective as of the first of the month following the month of initial entitlement, and by monthly payments for Workers' Compensation to which the participant or beneficiary may be entitled. When primary Social Security disability benefits are increased by cost-of-living adjustments, the increased reduction shall be applied in the first month following the month in which the member becomes entitled to the increased Social Security benefit. The monthly benefit shall be further reduced by the amount of any monthly payments from the federal Department of Veterans Affairs, for payments from any other federal agency, or for any payments made under the provisions of G.S. 127A-108, to which the participant or beneficiary may be entitled on account of the same disability. Provided, in any event, the benefit payable shall be no less than ten dollars ($10.00) a month.

Notwithstanding the foregoing, the long-term disability benefit is payable so long as the beneficiary is disabled and is in receipt of a primary Social Security disability benefit until the earliest date at which the beneficiary is eligible for an unreduced service retirement allowance from the Retirement System, at which time the beneficiary would receive a retirement allowance calculated on the basis of the beneficiary's average final compensation at the time of disability as adjusted to reflect compensation increases subsequent to the time of disability and the creditable service accumulated by the beneficiary, including creditable service while in receipt of benefits under the Plan. In the event the beneficiary has not been approved and is not in receipt of a primary Social Security disability benefit, the long-term disability benefit shall cease after the first 36 months of the long-term disability period. When such a long-term disability recipient begins receiving this unreduced service retirement allowance from the System, that recipient shall not be subject to the six-month waiting period set forth in G.S. 135-1(20). However, a beneficiary shall be entitled to a restoration of the long-term disability benefit in the event the Social Security Administration grants a retroactive approval for primary Social Security disability benefits with a benefit effective date within the first 36 months of the long-term disability period. In such event, the long-term disability benefit shall be restored retroactively to the date of cessation."

SECTION 3.(a) G.S. 135-151(e) reads as rewritten:

"(e) Treatment of Unused Assets. – Any assets of the QEBA plan not used to pay benefits in the current ~~fiscal~~calendar year shall be used for payment of the administrative expenses of the QEBA for the current or future ~~fiscal~~calendar years or shall be paid to the Retirement System as an additional employer contribution."

SECTION 3.(b) G.S. 128-38.10(f) reads as rewritten:

"(f) Treatment of Unused Assets. – Any assets of the QEBA plan not used to pay benefits in the current ~~fiscal~~calendar year shall be used for payment of the administrative expenses of the QEBA for the current or future ~~fiscal~~calendar years or shall be paid to the Retirement System as an additional employer contribution."

SECTION 4. G.S. 128-29.1 is repealed.

SECTION 5. G.S. 114-2.4A(c) reads as rewritten:

"(c) Exception. – Subsections (b) and (e) of this section shall not apply ~~to funds~~ to:

(1) Funds received by the Department of Health and Human Services to the extent those funds represent the recovery of previously expended Medicaid funds.

(2) Funds received by the Escheat Fund and benefit plans administered by the Department of State Treasurer."

SECTION 6. G.S. 135-4(g) reads as rewritten:

"(g) Teachers and other State employees who served in the uniformed services as defined in the Uniformed Services Employment and Reemployment Rights Act of 1994, 38 U.S.C. § 4303, who were not dishonorably discharged, and ~~who, after being honorably discharged,~~who returned to the service of the State within a period of two years from date of discharge shall be credited with prior service for such period of service in the uniformed services for the maximum period that they are entitled to reemployment under the Uniformed Services Employment and Reemployment Rights Act of 1994, 38 U.S.C. § 4301, et seq., or other federal law, and the salary or compensation of such a teacher or State employee during that period of service is deemed to be that salary or compensation the employee would have received but for the period of service had the employee remained continuously employed, if the determination of that salary or compensation is reasonably certain. If the determination of the salary or compensation is not reasonably certain, then it is deemed to be that employee's average rate of compensation during the 12-month period immediately preceding the period of service. When a member who has served in the uniformed services returns to work in compliance with the conditions of this subsection, that member's employer shall remit to the System all employer and employee contributions for the full period of that member's military service."

SECTION 7. This act becomes effective July 1, 2015.

In the General Assembly read three times and ratified this the 1st day of June, 2015.

Became law upon approval of the Governor at 10:00 a.m. on the 11th day of June, 2015.

Session Law 2015-68 **H.B. 291**

AN ACT TO PROVIDE THE DEPARTMENT OF STATE TREASURER AUTHORITY IN THE HANDLING OF UNCLAIMED PROPERTY DETERMINED TO BE OF A HAZARDOUS NATURE OR WHICH IS OTHERWISE REGULATED, ILLEGAL, OR WHICH HAS NO SUBSTANTIAL COMMERCIAL VALUE AND TO PROVIDE GUIDANCE FOR THE PROPER HANDLING AND DISPOSITION OF THESE MATERIALS ON THE PART OF FINANCIAL ORGANIZATIONS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 116B-55 reads as rewritten:

"§ **116B-55. Contents of safe deposit box or other safekeeping depository.**

(a) Contents of a safe deposit box or other safekeeping depository held by a financial organization is presumed abandoned if the apparent owner has not claimed the property within the period established by G.S. 53C-6-13 and shall be delivered to the Treasurer as provided by that section. If the contents include property described in G.S. 116B-53, the Treasurer shall hold the property for the remainder of the applicable period set forth in that section before the property is deemed to be received for purpose of sale under G.S. 116B-65.

(b) Notwithstanding any other provision of law in this Chapter or Chapter 53C of the General Statutes, the contents of a safe deposit box or other safekeeping depository shall not be delivered to the Treasurer if the Treasurer determines any of the following:

(1) The contents pose a potential public safety issue.

(2) The contents are specifically regulated by another agency or authority.

(3) The contents are illegal contraband.

(4) The contents do not have substantial commercial value.

(c) Each financial organization must complete, verify, and return a form prescribed by the Treasurer that provides identifying information for each item of property, including a good-faith estimated value. If the Treasurer determines that an item of property satisfies one or more of the factors listed in subsection (b) of this section, the Treasurer will either instruct the financial organization to place the property in the custody of the appropriate local, State or federal authority, or instruct the financial organization to destroy or otherwise dispose of the

property. If property is delivered to the Treasurer and is later determined to satisfy one or more of the factors listed in subsection (b) of this section, the Treasurer shall deliver the property to the appropriate authority or instruct the appropriate authority to retrieve the property from the Treasurer or the Treasurer may destroy or otherwise store or dispose of the property.

(d) None of the following shall be liable for any loss due to the disposal of any materials identified under subsection (b) of this section unless the loss is due to intentional misconduct:

(1) The State, the Treasurer, or any officer, employee, or agent of the State or the Treasurer, acting in the person's individual and official capacity.

(2) A financial organization or any officer, employee, or agent of the financial organization."

SECTION 2. G.S. 116B-70 reads as rewritten:

"§ **116B-70. ~~Destruction or disposition of property having no substantial commercial value; immunity from liability; property of historical significance.~~Property of historical significance.**

~~(a) If the Treasurer determines after investigation that property delivered under this Chapter has no substantial commercial value, the Treasurer may destroy or otherwise dispose of the property at any time. An action or proceeding may not be maintained against the State or any officer, employee, or agent of the State, both past and present, in the person's individual and official capacity, or against the holder for or on account of an act of the Treasurer under this subsection, except for intentional misconduct.~~

~~(b)~~ Notwithstanding the provisions of G.S. 116B-65, the Treasurer may retain any tangible property delivered to the Treasurer, if the property has recognized historic significance. The historic significance shall be certified by the Treasurer, with the advice of the Secretary of Cultural Resources; and a statement of the appraised value of the property shall be filed with the certification. Historic property retained under this subsection may be stored and displayed at any suitable location."

SECTION 3. This act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 1st day of June, 2015.

Became law upon approval of the Governor at 10:00 a.m. on the 11th day of June, 2015.

Session Law 2015-69 **H.B. 340**

AN ACT PROVIDING FOR WEEKEND BURIALS AT ALL OF THE STATE'S VETERANS CEMETERIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 65-44 reads as rewritten:

"§ **65-44. Days for burial.**

Notwithstanding any other provision of law, burial services shall be conducted at ~~the Coastal Carolina State Veterans Cemetery and the Sandhills State Veterans Cemetery~~ all State veterans cemeteries from Monday through Sunday, except when the day for services falls on a State or federal holiday."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3rd day of June, 2015.

Became law upon approval of the Governor at 10:00 a.m. on the 11th day of June, 2015.

Session Law 2015-70 **H.B. 346**

AN ACT TO CLARIFY THAT COUNTIES MAY ENFORCE ORDINANCES WITHIN THE STATE'S PUBLIC TRUST AREAS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 6 of Chapter 153A of the General Statutes is amended by adding a new section to read as follows:

"**§ 153A-145.3. Counties enforce ordinances within public trust areas.**

(a) Notwithstanding the provisions of G.S. 113-131 or any other provision of law, a county may, by ordinance, define, prohibit, regulate, or abate acts, omissions, or conditions upon the State's ocean beaches and prevent or abate any unreasonable restriction of the public's rights to use the State's ocean beaches. In addition, a county may, in the interest of promoting the health, safety, and welfare of the public, regulate, restrict, or prohibit the placement, maintenance, location, or use of equipment, personal property, or debris upon the State's ocean beaches. A county may enforce any ordinance adopted pursuant to this section or any other provision of law upon the State's ocean beaches located within the county's jurisdictional boundaries to the same extent that a county may enforce ordinances within the county's jurisdictional boundaries. A county may enforce an ordinance adopted pursuant to this section by any remedy provided for in G.S. 153A-123. For purposes of this section, the term "ocean beaches" has the same meaning as in G.S. 77-20(e).

(b) Nothing in this section shall be construed to (i) limit the authority of the State or any State agency to regulate the State's ocean beaches as authorized by G.S. 113-131, or common law as interpreted and applied by the courts of this State; (ii) limit any other authority granted to counties by the State to regulate the State's ocean beaches; (iii) deny the existence of the authority recognized in this section prior to the date this section becomes effective; (iv) impair the right of the people of this State to the customary free use and enjoyment of the State's ocean beaches, which rights remain reserved to the people of this State as provided in G.S. 77-20(d); (v) change or modify the riparian, littoral, or other ownership rights of owners of property bounded by the Atlantic Ocean; or (vi) apply to the removal of permanent residential or commercial structures and appurtenances thereto from the State's ocean beaches."

SECTION 2. G.S. 113-131 reads as rewritten:

"**§ 113-131. Resources belong to public; stewardship of conservation agencies; grant and delegation of powers; injunctive relief.**

(a) The marine and estuarine and wildlife resources of the State belong to the people of the State as a whole. The Department and the Wildlife Resources Commission are charged with stewardship of these resources.

(b) The following powers are hereby granted to the Department and the Wildlife Resources Commission and may be delegated to the Fisheries Director and the Executive Director:

(1) Comment on and object to permit applications submitted to State agencies which may affect the public trust resources in the land and water areas subject to their respective management duties so as to conserve and protect the public trust rights in such land and water areas;

(2) Investigate alleged encroachments upon, usurpations of, or other actions in violation of the public trust rights of the people of the State; and

(3) Initiate contested case proceedings under Chapter 150B for review of permit decisions by State agencies which will adversely affect the public trust rights of the people of the State or initiate civil actions to remove or restrain any unlawful or unauthorized encroachment upon, usurpation of, or any other violation of the public trust rights of the people of the State or legal rights of access to such public trust areas.

(c) Whenever there exists reasonable cause to believe that any person or other legal entity has unlawfully encroached upon, usurped, or otherwise violated the public trust rights of the people of the State or legal rights of access to such public trust areas, a civil action may be instituted by the responsible agency for injunctive relief to restrain the violation and for a mandatory preliminary injunction to restore the resources to an undisturbed condition. The action shall be brought in the superior court of the county in which the violation occurred. The institution of an action for injunctive relief under this section shall not relieve any party to such proceeding from any civil or criminal penalty otherwise prescribed for the violation.

(d) The Attorney General shall act as the attorney for the agencies and shall initiate actions in the name of and at the request of the Department or the Wildlife Resources Commission.

(e) In this section, the term "public trust resources" means land and water areas, both public and private, subject to public trust rights as that term is defined in G.S. 1-45.1.

(f) Notwithstanding the provisions of this section, a county or city may adopt and enforce ordinances as provided in ~~G.S. 160A-205.~~G.S. 153A-145.3 or G.S. 160A-205, respectively."

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3rd day of June, 2015.

Became law upon approval of the Governor at 10:00 a.m. on the 11th day of June, 2015.

Session Law 2015-71 **H.B. 352**

AN ACT TO ALTER THE STANDARD OF PROOF FOR PUBLIC SAFETY TELECOMMUNICATORS AND DISPATCHERS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 99E of the General Statutes is amended by adding a new Article to read:

"Article 7.

"Liability for Public Safety Telecommunicators and Dispatchers.

"**§ 99E-56. Standard of proof.**

In any civil action arising from any act or omission by the defendant in the performance of any lawful and prescribed actions pertaining to the defendant's assigned job duties as a 911 or public safety telecommunicator or dispatcher at a primary public safety answering point as defined in G.S. 62A-40(18) or at any public safety agency to which 911 calls are transferred from a primary PSAP as defined in G.S. 62A-40(16) for dispatch of appropriate public safety agencies, the plaintiff's burden of proof shall be by clear and convincing evidence."

SECTION 2. This act is effective when it becomes law and applies to any cause of action arising on or after that date.

In the General Assembly read three times and ratified this the 4th day of June, 2015.

Became law upon approval of the Governor at 10:00 a.m. on the 11th day of June, 2015.

Session Law 2015-72 **H.B. 552**

AN ACT TO CREATE THE CRIMINAL OFFENSE OF GRAFFITI VANDALISM.

The General Assembly of North Carolina enacts:

SECTION 1. Article 22 of Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-127.1. Graffiti vandalism.**

(a) As used in this section, "graffiti vandalism" means to unlawfully write or scribble on, mark, paint, deface, or besmear the walls of (i) any real property, whether public or private, including cemetery tombstones and monuments, (ii) any public building or facility as defined in G.S. 14-132, or (iii) any statue or monument situated in any public place, by any type of pen, paint, or marker regardless of whether the pen or marker contains permanent ink, paint, or spray paint.

(b) Except as otherwise provided in this section, any person who engages in graffiti vandalism is guilty of a Class 1 misdemeanor. A person convicted of a Class 1 misdemeanor under this subsection shall be fined a minimum of five hundred dollars ($500.00) and, if community or intermediate punishment is imposed, shall be required to perform 24 hours of community service.

(c) Any person who violates subsection (a) of this section shall be guilty of a Class H felony if all of the following apply:

(1) The person has two or more prior convictions for violation of this section.

(2) The current violation was committed after the second conviction for violation of this section.

(3) The violation resulting in the second conviction was committed after the first conviction for violation of this section."

SECTION 2. G.S. 14-132(d) reads as rewritten:

"(d) ~~Any~~ Unless the conduct is covered under some other provision of law providing greater punishment, any person who violates any provision of this section is guilty of a Class 2 misdemeanor."

SECTION 3. This act becomes effective December 1, 2015, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 2nd day of June, 2015.

Became law upon approval of the Governor at 10:00 a.m. on the 11th day of June, 2015.

Session Law 2015-73 **H.B. 574**

AN ACT TO PROVIDE THAT STATE WILDLIFE LAWS DO NOT APPLY TO OPOSSUMS BETWEEN THE DATES OF DECEMBER 29 AND JANUARY 2.

The General Assembly of North Carolina enacts:

SECTION 1. No State or local statutes, rules, regulations, or ordinances related to the capture, captivity, treatment, or release of wildlife shall apply to the Virginia opossum (Didelphis virginiana) between the dates of December 29 of each year and January 2 of each subsequent year.

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3rd day of June, 2015.

Became law upon approval of the Governor at 10:00 a.m. on the 11th day of June, 2015.

Session Law 2015-74 **H.B. 691**

AN ACT TO MAKE IT A FELONY TO ASSAULT A MEMBER OF THE NORTH CAROLINA NATIONAL GUARD WHO IS DISCHARGING OR ATTEMPTING TO DISCHARGE OFFICIAL DUTIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 14-34.7 reads as rewritten:

"§ **14-34.7. ~~Assault inflicting serious injury~~ Certain assaults on a law enforcement, probation, or parole ~~officer~~ officer, or on a member of the North Carolina National Guard, or on a person employed at a State or local detention facility; penalty.**

(a) Unless covered under some other provision of law providing greater punishment, a person is guilty of a Class F felony if the person assaults a law enforcement officer, probation officer, or parole officer while the officer is discharging or attempting to discharge his or her official duties and inflicts serious bodily injury on the officer.

(a1) Unless covered under some other provision of law providing greater punishment, a person is guilty of a Class F felony if the person assaults a member of the North Carolina National Guard while he or she is discharging or attempting to discharge his or her official duties and inflicts serious bodily injury on the member.

(b) Unless covered under some other provision of law providing greater punishment, a person is guilty of a Class F felony if the person ~~Anyone who~~ assaults a person who is employed at a detention facility operated under the jurisdiction of the State or a local government while the employee is in the performance of the employee's duties and inflicts serious bodily injury on the ~~employee is guilty of a Class F felony, unless the person's conduct is covered under some other provision of law providing greater punishment.~~employee.

(c) Unless covered under some other provision of law providing greater punishment, a person is guilty of a Class I felony if the person does ~~either~~ any of the following:

(1) Assaults a law enforcement officer, probation officer, or parole officer while the officer is discharging or attempting to discharge his or her official duties and inflicts physical injury on the officer.

(2) Assaults a person who is employed at a detention facility operated under the jurisdiction of the State or a local government while the employee is in the performance of the employee's duties and inflicts physical injury on the employee.

(3) Assaults a member of the North Carolina National Guard while he or she is discharging or attempting to discharge his or her official duties and inflicts physical injury on the member.

For the purposes of this subsection, "physical injury" includes cuts, scrapes, bruises, or other physical injury which does not constitute serious injury."

SECTION 2. G.S. 14-34.5 reads as rewritten:

"§ **14-34.5. Assault with a firearm on a law enforcement, probation, or parole ~~officer~~ officer, or on a member of the North Carolina National Guard, or on a person employed at a State or local detention facility.**

(a) Any person who commits an assault with a firearm upon a law enforcement officer, probation officer, or parole officer while the officer is in the performance of his or her duties is guilty of a Class E felony.

(a1) Any person who commits an assault with a firearm upon a member of the North Carolina National Guard while the member is in the performance of his or her duties is guilty of a Class E felony.

(b) Anyone who commits an assault with a firearm upon a person who is employed at a detention facility operated under the jurisdiction of the State or a local government while the employee is in the performance of the employee's duties is guilty of a Class E felony."

SECTION 3. This act becomes effective December 1, 2015, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 2nd day of June, 2015.

Became law upon approval of the Governor at 10:00 a.m. on the 11th day of June, 2015.

Session Law 2015-75 **S.B. 2**

AN ACT TO ALLOW MAGISTRATES, ASSISTANT REGISTERS OF DEEDS, AND DEPUTY REGISTERS OF DEEDS TO RECUSE THEMSELVES FROM PERFORMING DUTIES RELATED TO MARRIAGE CEREMONIES DUE TO SINCERELY HELD RELIGIOUS OBJECTION.

The General Assembly of North Carolina enacts:

SECTION 1. Article 1 of Chapter 51 of the General Statutes is amended by adding a new section to read:

"**§ 51-5.5. Recusal of certain public officials.**

(a) Every magistrate has the right to recuse from performing all lawful marriages under this Chapter based upon any sincerely held religious objection. Such recusal shall be upon notice to the chief district court judge and is in effect for at least six months from the time delivered to the chief district court judge. The recusing magistrate may not perform any marriage under this Chapter until the recusal is rescinded in writing. The chief district court judge shall ensure that all individuals issued a marriage license seeking to be married before a magistrate may marry.

(b) Every assistant register of deeds and deputy register of deeds has the right to recuse from issuing all lawful marriage licenses under this Chapter based upon any sincerely held religious objection. Such recusal shall be upon notice to the register of deeds and is in effect for at least six months from the time delivered to the register of deeds. The recusing assistant or deputy register may not issue any marriage license until the recusal is rescinded in writing. The register of deeds shall ensure for all applicants for marriage licenses to be issued a license upon satisfaction of the requirements as set forth in Article 2 of this Chapter.

(c) If, and only if, all magistrates in a jurisdiction have recused under subsection (a) of this section, the chief district court judge shall notify the Administrative Office of the Courts. The Administrative Office of the Courts shall ensure that a magistrate is available in that jurisdiction for performance of marriages for the times required under G.S. 7A-292(b). Only for the duration of the time the Administrative Office of the Courts has not designated a magistrate to perform marriages in that jurisdiction, the chief district court judge or such other district court judge as may be designated by the chief district court judge shall be deemed a magistrate for the purposes of performing marriages under this Chapter.

(d) No magistrate, assistant register of deeds, or deputy register of deeds may be charged or convicted under G.S. 14-230 or G.S. 161-27, or subjected to a disciplinary action, due to a good-faith recusal under this section."

SECTION 2. G.S. 14-230 reads as rewritten:

"**§ 14-230. Willfully failing to discharge duties.**

(a) If any clerk of any court of record, sheriff, magistrate, school board member, county commissioner, county surveyor, coroner, treasurer, or official of any of the State institutions, or of any county, city or town, shall willfully omit, neglect or refuse to discharge any of the duties of his office, for default whereof it is not elsewhere provided that he shall be indicted, he shall be guilty of a Class 1 misdemeanor. If it shall be proved that such officer, after his qualification, willfully and corruptly omitted, neglected or refused to discharge any of the duties of his office, or willfully and corruptly violated his oath of office according to the true intent and meaning thereof, such officer shall be guilty of misbehavior in office, and shall be punished by removal therefrom under the sentence of the court as a part of the punishment for the offense.

(b) No magistrate recusing in accordance with G.S. 51-5.5 may be charged under this section for recusal to perform marriages in accordance with Chapter 51 of the General Statutes."

SECTION 3. G.S. 161-27 reads as rewritten:

"**§ 161-27. Register of deeds failing to discharge duties; penalty.**

(a) If any register of deeds fails to perform any of the duties imposed or authorized by law, he shall be guilty of a Class 1 misdemeanor, and he shall be removed from office.

(b) No assistant register of deeds or deputy register of deeds recusing in accordance with G.S. 51-5.5 may be charged under this section for recusal to issue marriage licenses in accordance with Chapter 51 of the General Statutes."

SECTION 4. G.S. 7A-292 reads as rewritten:

"**§ 7A-292. Additional powers of magistrates.**

(a) In addition to the jurisdiction and powers assigned in this Chapter to the magistrate in civil and criminal actions, each magistrate has the following additional powers:

(1) To administer oaths.
(2) To punish for direct criminal contempt subject to the limitations contained in Chapter 5A of the General Statutes of North Carolina.
(3) When authorized by the chief district judge, to take depositions and examinations before trial.
(4) To issue subpoenas and capiases valid throughout the county.
(5) To take affidavits for the verification of pleadings.
(6) To issue writs of habeas corpus ad testificandum, as provided in G.S. 17-41.
(7) To assign a year's allowance to the surviving spouse and a child's allowance to the children as provided in Chapter 30, Article 4, of the General Statutes.
(8) To take acknowledgments of instruments, as provided in G.S. 47-1.
(9) To perform the marriage ceremony, as provided in G.S. 51-1.
(10) To take acknowledgment of a written contract or separation agreement between husband and wife.
(11) Repealed by Session Laws 1973, c. 503, s. 9.
(12) To assess contribution for damages or for work done on a dam, canal, or ditch, as provided in G.S. 156-15.
(13) Repealed by Session Laws 1973, c. 503, s. 9.
(14) To accept the filing of complaints and to issue summons pursuant to Article 4 of Chapter 42A of the General Statutes in expedited eviction proceedings when the office of the clerk of superior court is closed.
(15) When authorized by the chief district judge, as permitted in G.S. 7A-146(11), to provide for appointment of counsel pursuant to Article 36 of this Chapter.
(16) To appoint an umpire to determine motor vehicle liability policy diminution in value, as provided in G.S. 20-279.21(d1).

(b) The authority granted to magistrates under G.S. 51-1 and subdivision (a)(9) of this section is a responsibility given collectively to the magistrates in a county and is not a duty imposed upon each individual magistrate. The chief district court judge shall ensure that marriages before a magistrate are available to be performed at least a total of 10 hours per week, over at least three business days per week."

SECTION 5. Any magistrate who resigned, or was terminated from, his or her office between October 6, 2014, and the effective date of this act may apply to fill any vacant position of magistrate. Notwithstanding any other provision of law, with respect to any magistrate who resigned his or her office between October 6, 2014, and the effective date of this act, and who is subsequently reappointed as a magistrate within 90 days after the effective date of this act:

(1) For the period of time between that magistrate's resignation and his or her resumption of service upon reappointment, the magistrate shall not receive salary or other compensation and shall not earn leave. However, the magistrate shall be considered to have been serving as a magistrate during that period for purposes of determining continuous service, length of aggregate service, anniversary date, longevity pay rate, and the accrual of vacation and sick leave.
(2) For purposes of the Teachers' and State Employees' Retirement System and the calculation of benefits under that System, (i) the magistrate shall be considered to have been an employee under G.S. 135-1(10) during the break in service, (ii) the period of the break in service shall be counted as membership service under G.S. 135-1(14), and (iii) the magistrate shall be deemed to have earned compensation under G.S. 135-1(7a) during the break

in service at the rate of compensation that would have applied had there been no break in service.

(3) The Judicial Department shall pay and submit both the employee and employer contributions to the Retirement Systems Division on behalf of the magistrate as though that magistrate had been in active service during the period in question. Those contributions shall be submitted within 90 days of the magistrate's resumption of service and shall not be subject to penalties or interest if submitted within that 90-day period.

SECTION 6. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of May, 2015.

Became law notwithstanding the objections of the Governor at 10:10 a.m. this 11th day of June, 2015.

Session Law 2015-76 **S.B. 77**

AN ACT TO INCREASE THE MONTHLY PENSION BENEFIT PAID TO MEMBERS OF THE WILKESBORO FIREMEN'S SUPPLEMENTAL PENSION FUND.

The General Assembly of North Carolina enacts:

SECTION 1. Section 4 of Chapter 131 of the 1985 Session Laws, as amended by Section 1 of S.L. 1999-56 and Section 1 of S.L. 2010-23, reads as rewritten:

"Sec. 4. Any member who has served 20 years as a fireman in the Wilkesboro Fire Department and has attained the age of 55 or who has served for five or more years and has become totally and permanently disabled is entitled to receive a monthly pension from the "Supplemental Pension Fund". This monthly pension shall be equal to one hundred fifty percent (150%) of the monthly pension amount paid by the North Carolina ~~Firemen's~~ Firefighters' and Rescue Squad Workers' Pension Fund under G.S. 58-86-55 and shall be adjusted to ~~match~~continue to equal one hundred fifty percent (150%) of that State pension amount whenever that amount is amended. If, for any reason, the Fund shall be insufficient to pay in full any pension benefits, or other charges, then all benefits shall be reduced pro rata for as long as the deficiency in amount exists. No claim shall accrue with respect to any amount by which a benefit payment shall have been reduced."

SECTION 2. This act becomes effective July 1, 2015.

In the General Assembly read three times and ratified this the 11th day of June, 2015.

Became law on the date it was ratified.

Session Law 2015-77 **H.B. 73**

AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF CARY.

The General Assembly of North Carolina enacts:

SECTION 1. The following described property is added to the corporate limits of the Town of Cary:

All of the Holly Brook Subdivision, Phases 1, 2 and 3, except the 0.21 acre strip of land in the Town of Apex's Utility Service Area, which is more particularly described as follows:

Beginning at an existing iron pipe on the western right of way line of Kildaire Farm Road (60' Public R/W), said iron pipe being the easternmost common corner of lands now or formerly owned by Woodhaven Baptist Church, Inc. as recorded in Deed Book 8812, Page 791 of the Wake County registry and lands now or formerly known as Holly Brook Subdivision as

recorded in Book of Maps 1987, Page 451; Book of Maps 1990, Page 688; Book of Maps 1992, Page 1099; and Book of Maps 1992, Page 1166 of the Wake County registry, thence with the western right of way line of Kildaire Farm Road the following four (4) calls South 03°15'54" West 84.79 feet to an existing iron pipe in the northern right of way intersection of Kildaire Farm Road and Holly Brook Drive (60' Public R/W), thence continuing with the right of way of Kildare Farm Road South 03°15'54" West 97.33 feet to a point, thence South 03°15'58" West 22.68 feet to an existing iron pipe in the southern right of way intersection of Kildaire Farm Road and Holly Brook Drive, thence continuing with the right of way of Kildaire Farm Road South 03°15'58" West 700.73 feet to an existing iron pipe, said iron pipe being the northeastern most common corner of Hallmark West Subdivision as recorded in Book of Maps 1994, Page 452 of the Wake County registry and Holly Brook Subdivision, thence with the common line of Hallmark West Subdivision North 87°35'34" West 955.19 feet to an existing iron pipe, thence continuing with the common line of Hallmark West Subdivision crossing the right of way of Perney Court (50' Public R/W) and past the southernmost common corner of Hallmark West Subdivision with the common line of lands now or formerly owned by Triangle Community Church as recorded in Deed Book 8892, Page 764 and Book of Maps 2001, Page 1178 of the Wake County Registry South 02°24'46" West 1241.46 feet to an existing iron pipe, said pipe being the common corner of Holly Brook Subdivision, Triangle Community Church, and lands now or formerly owned by BRIARTAC Family, LLC as recorded in Deed Book 13812, Page 334 and Book of Maps 1982, Page 168 of the Wake County Registry, thence leaving the common line of Triangle Community Church with the common line of BRIARTAC Family, LLC North 83°46'41" West 399.31 feet to an existing iron pipe, thence North 83°46'41" West 8.00 feet to a point in the creek, said point being the common corner of Holly Brook Subdivision, BRIARTAC Family, LLC and lands now or formerly known as Allendale Acres Subdivision as recorded in Book of Maps 1984, Page 734 of the Wake County registry, thence leaving the common line of BRIARTAC Family, LLC with the common line of Allendale Acres Subdivision North 83°46'28" West 1588.86 feet to an existing iron pipe, thence North 03°50'41" West 18.67 feet to an existing concrete monument in the southern right of way of Stephenson Road (60' Public R/W), thence leaving the common line of Allendale Acres Subdivision with the right of way of Stephenson Road the following eight (8) calls North 18°35'46" East 47.91 feet to an existing iron pipe, thence North 19°30'55" East 105.23 feet to an existing iron pipe, thence North 16°28'52" East 67.29 feet to an existing iron pipe, thence North 16°28'52" East 20.00 feet to an existing iron pipe, thence North 16°28'52" East 13.62 feet to an existing iron pipe, thence North 15°03'43" East 101.40 feet to an existing iron pipe, thence North 15°06'53" East 52.75 feet to an existing iron pipe, said pipe being the westernmost common corner of Holly Brook Subdivision and lands now or formerly known as Briarwood Farms Subdivision as recorded in Book of Maps 1983, Page 1357; Book of Maps 1984, Page 277; and Book of Maps 1984, Page 278 of the Wake County registry, thence leaving the right of way of Stephenson Road with the common line of Briarwood Farms Subdivision the following two (2) calls North 89°24'26" East 505.53 feet to an existing iron pipe, thence North 15°35'08" East 1349.63 feet to an existing iron pipe, said iron pipe being the common corner of Holly Brook Subdivision; Briarwood Farms Subdivision; and lands now or formerly known as Kildaire Estates Subdivision as recorded in Book of Maps 1988, Page 1452 and Book of Maps 1994, Page 208 of the Wake County registry, thence leaving the common line of Briarwood Farms Subdivision with the common line of Kildaire Estates Subdivision the following three (3) calls South 86°12'30" East 1076.82 feet to an existing iron pipe, thence North 02°51'19" East 286.17 feet to an existing iron pipe, thence continuing with the common line of Kildaire Estates Subdivision and past the southern common corner of Kildaire Estates Subdivision with the common line of Woodhaven Baptist Church, Inc. South 87°35'08" East 968.71 feet to the point and place of beginning containing 3455302 sq. ft. or 79.323 acres more or less and being area depicted as Holly Brook Subdivision Phases 1, 2, and 3 as recorded in Book of Maps 1987, Page 451; Book of Maps 1990, Page 688; Book of Maps 1992, Page 1099; and Book of Maps 1992, Page 1166 of the Wake County registry.

SECTION 2. This act becomes effective June 30, 2015.

In the General Assembly read three times and ratified this the 15th day of June, 2015.

Became law on the date it was ratified.

Session Law 2015-78 **H.B. 99**

AN ACT TO REMOVE CERTAIN DESCRIBED PROPERTY FROM THE CORPORATE LIMITS OF THE TOWN OF POLKTON.

The General Assembly of North Carolina enacts:

SECTION 1. The following described property is removed from the corporate limits of the Town of Polkton:

The area containing 81.5 acres, more or less, shown on a plat entitled "Map of Annexation for the Town of Polkton," dated January 13, 2003, prepared by William G. Martin, R.L.S., and found at Plat Book A-189, Page 7, Anson County Registry.

SECTION 2. This act has no effect upon the validity of any liens of the Town of Polkton for ad valorem taxes or special assessments outstanding before the effective date of this act. Such liens may be collected or foreclosed upon after the effective date of this act as though the property described in Section 1 of this act were still within the corporate limits of the Town of Polkton.

SECTION 3. This act becomes effective June 30, 2015.

In the General Assembly read three times and ratified this the 15th day of June, 2015.

Became law on the date it was ratified.

Session Law 2015-79 **H.B. 218**

AN ACT TO ANNEX CERTAIN DESCRIBED PROPERTY TO THE TOWN OF CLAYTON.

The General Assembly of North Carolina enacts:

SECTION 1. The corporate limits of the Town of Clayton are increased by annexing the following described property:

All those certain tracts, parcels, or pieces of land, commonly known as the North Carolina State University Central Crops Research Station, lying and being in Johnston County and Wake County, North Carolina, and being more particularly described as follows:

TRACT I: Being the following:

Parcel I of Tract I: Being all that certain tract or parcel of land, commonly known as the Gower tract, containing approximately 261 acres, more or less, as conveyed to the State of North Carolina in a Deed dated December 14, 1953, and recorded in Book 513, Page 283, Johnston County Registry, and recorded in Book 4288, Page 661, Wake County Registry.

Parcel II of Tract I: Being all that certain tract or parcel of land containing approximately 100 acres, more or less, as conveyed to the State of North Carolina in a Deed dated December 14, 1953, and recorded in Book 513, Page 283, Johnston County Registry, and recorded in Book 4288, Page 661, Wake County Registry.

TRACT II: Being all that certain tract or parcel of land containing approximately 120 acres, more or less, as conveyed to the State of North Carolina in a Deed dated December 18, 1953, and recorded in Book 519, Page 467, Johnston County Registry.

TRACT III: Being all that certain tract or parcel of land containing approximately 7.59 acres, more or less, as conveyed to the State of North Carolina, North Carolina State College of Agriculture and Engineering in a Deed dated March 31, 1954, and recorded in Book 521, Page 45 in the Johnston County Registry.

TRACT IV: Being all that certain tract or parcel of land containing approximately 0.64 acres, more or less, as conveyed to the State of North Carolina in a Deed dated November 8, 1967, and recorded in Book 665, Page 173 in the Johnston County Registry.

TRACT V: Being all that certain tract or parcel of land, as described in the unrecorded survey plat entitled "Boundary Line Agreement between Jim McLaurin and the State of North Carolina," prepared by Southwind Surveying and Mapping, Inc., dated February 15, 1994, and containing approximately 0.01 acres, more or less, as conveyed to the State of North Carolina in a Deed Establishing Boundary dated March 14, 1995, and recorded in Book 1436, Page 824 in the Johnston County Registry.

The above-described tracts contain a total of approximately 489.24 acres, more or less.

TOGETHER WITH any right-of-way of US Highway 70 that adjoins one or more of the above-described tracts.

TOGETHER WITH any right-of-way of the North Carolina Railroad Company that adjoins one or more of the above-described tracts.

SECTION 2. The provisions of Article 19 of Chapter 160A of the General Statutes shall not apply to the North Carolina State University Central Crops Research Station tract described in Section 1 of this act.

SECTION 3. The provisions of G.S. 106-701 shall apply to the North Carolina State University Central Crops Research Station tract described in Section 1 of this act.

SECTION 4. The keeping of swine as part of a research or educational mission on the North Carolina State University Central Crops Research Station tract described in Section 1 of this act shall be exempt from any municipal ordinance governing the keeping of swine.

SECTION 5. This act becomes effective June 30, 2015.

In the General Assembly read three times and ratified this the 15th day of June, 2015.

Became law on the date it was ratified.

Session Law 2015-80 **H.B. 353**

AN ACT REMOVING CERTAIN RESTRICTIONS ON SATELLITE ANNEXATIONS FOR THE TOWN OF WILSON'S MILLS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-58.1 reads as rewritten:

"§ **160A-58.1. Petition for annexation; standards.**

…

(b) A noncontiguous area proposed for annexation must meet all of the following standards:

…

(5) The area within the proposed satellite corporate limits, when added to the area within all other satellite corporate limits, may not exceed ten percent (10%) of the area within the primary corporate limits of the annexing city.

This subdivision does not apply to the Cities of Belmont, Claremont, Concord, Conover, Durham, Elizabeth City, Gastonia, Greenville, Hickory, Kannapolis, Locust, Marion, Mount Airy, Mount Holly, New Bern, Newton, Oxford, Randleman, Roanoke Rapids, Rockingham, Sanford, Salisbury, Southport, Statesville, and Washington and the Towns of Ahoskie, Angier, Apex, Ayden, Benson, Bladenboro, Bridgeton, Burgaw, Calabash, Catawba, Clayton, Columbia, Columbus, Cramerton, Creswell, Dallas, Dobson, Four Oaks, Fuquay-Varina, Garner, Godwin, Granite Quarry, Green Level, Grimesland, Harrisburg, Holly Ridge, Holly Springs, Hookerton, Huntersville, Jamestown, Kenansville, Kenly, Knightdale, Landis, Leland,

Lillington, Louisburg, Maggie Valley, Maiden, Mayodan, Maysville, Middlesex, Midland, Mocksville, Morrisville, Mount Pleasant, Nashville, Oak Island, Ocean Isle Beach, Pembroke, Pine Level, Princeton, Ranlo, Richlands, Rolesville, Rutherfordton, Shallotte, Smithfield, Spencer, Stem, Stovall, Surf City, Swansboro, Taylorsville, Troutman, Troy, Wallace, Warsaw, Watha, Waynesville, Weldon, Wendell, Wilson's Mills, Windsor, Yadkinville, and Zebulon.

…."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 15th day of June, 2015.

Became law on the date it was ratified.

Session Law 2015-81 **S.B. 218**

AN ACT REMOVING CERTAIN RESTRICTIONS ON SATELLITE ANNEXATIONS FOR THE TOWN OF FRANKLIN AND THE CITY OF ARCHDALE AND TO REMOVE CERTAIN DESCRIBED PROPERTY FROM THE CORPORATE LIMITS OF THE TOWN OF MURPHY.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 160A-58.1(b)(4) is repealed.

SECTION 1.(b) This section applies to the Town of Franklin and the City of Archdale only.

SECTION 2.(a) G.S. 160A-58.1(b)(5) reads as rewritten:

"§ **160A-58.1. Petition for annexation; standards.**

(b) A noncontiguous area proposed for annexation must meet all of the following standards:

…

(5) The area within the proposed satellite corporate limits, when added to the area within all other satellite corporate limits, may not exceed ten percent (10%) of the area within the primary corporate limits of the annexing city.

This subdivision does not apply to the Cities of Belmont, Claremont, Concord, Conover, Durham, Elizabeth City, Gastonia, Greenville, Hickory, Kannapolis, Locust, Marion, Mount Airy, Mount Holly, New Bern, Newton, Oxford, Randleman, Roanoke Rapids, Rockingham, Sanford, Salisbury, Southport, Statesville, and Washington and the Towns of Ahoskie, Angier, Apex, Ayden, Benson, Bladenboro, Bridgeton, Burgaw, Calabash, Catawba, Clayton, Columbia, Columbus, Cramerton, Creswell, Dallas, Dobson, Four Oaks, Franklin, Fuquay-Varina, Garner, Godwin, Granite Quarry, Green Level, Grimesland, Harrisburg, Holly Ridge, Holly Springs, Hookerton, Huntersville, Jamestown, Kenansville, Kenly, Knightdale, Landis, Leland, Lillington, Louisburg, Maggie Valley, Maiden, Mayodan, Maysville, Middlesex, Midland, Mocksville, Morrisville, Mount Pleasant, Nashville, Oak Island, Ocean Isle Beach, Pembroke, Pine Level, Princeton, Ranlo, Richlands, Rolesville, Rutherfordton, Shallotte, Smithfield, Spencer, Stem, Stovall, Surf City, Swansboro, Taylorsville, Troutman, Troy, Wallace, Warsaw, Watha, Waynesville, Weldon, Wendell, Windsor, Yadkinville, and Zebulon."

SECTION 2.(b) This section applies to the Town of Franklin only.

SECTION 3.(a) The following described property is removed from the corporate limits of the Town of Murphy:

All that certain tract or parcel of land containing 41,817.60 square feet, more or less, designated as Lot 2 of Lover's Leap Properties, Murphy Township, Cherokee County, North Carolina and being more particularly described according to a plat of survey dated June 26, 1991, revised November 30, 1993, by Donald L. Cordell, R.L.S. and from said plat described as follows:

BEGINNING on a 1/2" rebar set in the North boundary line of the herein described lot, said beginning corner being situate South 24 deg 37' West 251.38 feet from a 4X4 concrete monument designated TVA HR-318-6, said monument having grid coordinates (NAD 27) X-419.715.0 and Y-528.283.0 and runs thence from said beginning corner North 65 deg 05' East a distance of 213.68 feet to a 1/2" rebar set and North 65 deg 05' East a distance of 16.11 feet to a point; thence running with a line common to lands owned now or formerly by Davis, South 01 deg 26' West a distance of 105.38 feet to a 1/2" rebar set, South 01 deg 26' West a distance of 7.32 feet and South 24 deg 05' West a distance of 37.06 feet to a point; thence running with a line common to Lot 3, Lover's Leap, South 76 deg 02' West a distance of 69.33 feet to a 1/2" rebar set, South 76 deg 02' West a distance of 116.53 feet to a 1/2" rebar set and South 76 deg 02' West a distance of 159.05 feet to a point in the centerline of said existing access road and running with a line common to Lot 1 of Lover's Leap North 30 deg 18' West a distance of 9.68 feet, North 31 deg 54' West a distance of 57.26 feet, North 07 deg 50' West a distance of 18.11 feet and North 39 deg 56' East a distance of 11.45 feet to a point in said road centerline; thence turning and leaving said road and continuing with the line of Lot 1, North 00 deg 20' East a distance of 21.73 feet to a 1/2" rebar set; thence running with a line common to adjoining lands of Dickey North 81 deg 02' East a distance of 176.32 feet to the BEGINNING.

SECTION 3.(b) This section has no effect upon the validity of any liens of the Town of Murphy for ad valorem taxes or special assessments outstanding before the effective date of this section. Such liens may be collected or foreclosed upon after the effective date of this section as though the property described in Section 3(a) of this act were still within the corporate limits of the Town of Murphy.

SECTION 3.(c) This section becomes effective June 30, 2015.

SECTION 4. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 17th day of June, 2015.

Became law on the date it was ratified.

Session Law 2015-82 **S.B. 256**

AN ACT AMENDING THE CHARTER OF THE CITY OF DURHAM TO ALLOW THE CITY TO ANNEX ADJACENT STREETS OR STREET RIGHTS-OF-WAY IN VOLUNTARY ANNEXATIONS TO PREVENT CONFUSION ON THE PART OF EMERGENCY WORKERS WHEN ATTEMPTING TO PROVIDE EMERGENCY SERVICES WITHIN CITY LIMITS.

The General Assembly of North Carolina enacts:

SECTION 1. The Charter of the City of Durham, being Chapter 671 of the 1975 Session Laws, as amended, is amended by adding a new section to read as follows:

"Sec. 2.8. Notwithstanding the provisions of G.S. 160A-31(i) and G.S. 160A-58.7(b), in an annexation ordinance adopted under Part 1 or Part 4 of Article 4A of Chapter 160A of the General Statutes, the city council may include in the description of the area to be annexed any adjacent streets or street rights-of-way."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 18th day of June, 2015.

Became law on the date it was ratified.

Session Law 2015-83 **H.B. 217**

AN ACT TO DEANNEX A DESCRIBED PARCEL FROM THE TOWN OF CLAYTON AND TO ANNEX A DESCRIBED PARCEL TO THE TOWN OF CLAYTON.

The General Assembly of North Carolina enacts:

SECTION 1. The corporate limits of the Town of Clayton are decreased by deannexing the following described tract: Tract 1, containing 3.964 acres, more or less, according to a plat prepared by True Line Surveying, P.C., and recorded November 21, 2014, in Plat Book 80, Page 389, Johnston County Register of Deeds.

SECTION 2. The corporate limits of the Town of Clayton are increased by annexing the following described tract: Tract 2, containing 3.964 acres, more or less, according to a plat prepared by True Line Surveying, P.C., and recorded November 21, 2014, in Plat Book 80, Page 389, Johnston County Register of Deeds.

SECTION 3. This act becomes effective June 30, 2015.

In the General Assembly read three times and ratified this the 18th day of June, 2015.

Became law on the date it was ratified.

Session Law 2015-84 **H.B. 337**

AN ACT TO AMEND THE CHARTER OF THE TOWN OF CARY TO AUTHORIZE THE TOWN COUNCIL TO DELEGATE TO THE CITY MANAGER THE AUTHORITY TO DISPOSE OF EASEMENTS THAT ARE NO LONGER NEEDED BY THE TOWN AND TO AUTHORIZE THE RALEIGH CITY COUNCIL TO DELEGATE TO THE CITY MANAGER THE AUTHORITY TO DISPOSE OF EASEMENTS THAT ARE NO LONGER NEEDED BY THE CITY.

The General Assembly of North Carolina enacts:

SECTION 1. The Charter of the Town of Cary, being S.L. 2005-117, is amended by adding a new Article to read as follows:

"ARTICLE XI. SALE, LEASE, AND DISPOSITION OF PROPERTY.

"Section 11.1. Disposition of Certain Property by Town Manager. (a) The Town Council may authorize the City Manager or Deputy City Manager to dispose of all the following property interests without obtaining Town Council approval for each disposition:

(1) Water or sewer easements, or similar interests in real property, as part of an exchange for other water and sewer easements or similar interests in property.

(2) Water or sewer easements, or similar interests in real property, when the easement or similar interest in real property is no longer needed by the Town.

(b) The provisions of Article 12 of Chapter 160A of the General Statutes shall not apply to the disposition of property under this section."

SECTION 1.5.(a) Notwithstanding the provisions of Article 12 of Chapter 160A of the General Statutes, the City Council may authorize the City Manager or an Assistant City Manager to dispose of all the following property interests without obtaining City Council approval for each disposition:

(1) Water or sewer easements, or similar interests in real property, as part of an exchange for other water and sewer easements or similar interests in property.

(2) Water or sewer easements, or similar interests in real property, when the easement or similar interest in real property is no longer needed by the City.

SECTION 1.5.(b) This section applies only to the City of Raleigh.

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 18th day of June, 2015.

Became law on the date it was ratified.

Session Law 2015-85 **H.B. 415**

AN ACT TO AMEND THE CHARTER OF THE TOWN OF FONTANA DAM TO AUTHORIZE THE TOWN COUNCIL TO ESTABLISH AN ELECTRIC POWER BOARD TO MANAGE AND CONTROL THE TOWN'S ELECTRIC PUBLIC ENTERPRISE SERVICE.

The General Assembly of North Carolina enacts:

SECTION 1. The Charter of the Town of Fontana Dam, being Chapter 110 of the 2011 Session Laws, is amended by adding a new Article to read as follows:

"ARTICLE VIII. Electric Power Board.

"Section 8.1. **Power Board Created.** (a) For the purpose of providing electric power generation, transmission, and distribution systems as authorized in Article 16 of Chapter 160A of the General Statutes, there is hereby established an Electric Power Board for the Town of Fontana Dam, to be known and designated as "The Town of Fontana Dam Electric Power Board," hereinafter referred to as the "Power Board." The Power Board shall consist of five members, who shall be appointed by the Town Council. Two of the members shall be residents of the Town, and three shall be at-large members who may reside outside of the Town but must be residents of the State of North Carolina. The members shall serve staggered terms of four years each and shall be eligible for successive terms. If a member resigns, dies, or otherwise becomes incapable of performing his or her duties, the Town Council shall appoint a person to fill the remainder of the term. A member of the Town Council shall be eligible to serve as a member of the Power Board.

(b) In order to stagger the terms as provided in subsection (a) of this section, the initial Power Board members shall be appointed as follows: (i) two to serve for a term of four years, (ii) two for a term of three years, and (iii) one for a term of two years. Upon the expiration of the terms of the initial Power Board members, each member shall be appointed for a term of four years and shall serve until his or her successor is appointed.

"Section 8.2. **Independent Control.** The Power Board, acting by itself or through its duly authorized officers and employees, shall have and maintain full control and complete jurisdiction over the management, operation, maintenance, and improvement of the electric utility system and may do any and all acts and things that are necessary, convenient, or desirable to the exercise of the control and jurisdiction and to the establishment, preservation, and promotion of an orderly, economic, and businesslike administration of the system. Except as expressly provided in this Article, the system shall be free from the jurisdiction, direction, or control of Town officers, Town employees, and the Town Council.

"Section 8.3. **Organization; Meetings.** (a) The members of the Power Board shall meet as soon after their appointment as possible and shall elect out of their number a chair and secretary, each of whom shall be a different person. However, the Power Board may employ someone who is not a member to serve as secretary and may, in its discretion, elect a member to serve as vice-chair. The duties of each officer shall be as prescribed by the Power Board from time to time and shall be consistent with the provisions of this Article. Each member of the Power Board shall be entitled to vote on any question before the Power Board.

(b) The Power Board shall hold at least one public meeting every other month and as many special meetings as may be necessary or convenient at a time and place to be determined by the Power Board. The presence of three members of the Power Board shall constitute a quorum. The Power Board shall keep a written record of all regular and special meetings.

"Section 8.4. **Compensation.** The members of the Power Board shall each receive compensation from the funds under its control in a sum fixed by the Power Board in its annual budget.

"Section 8.5. **Surety Bonds.** The Power Board may, in its discretion, and in an amount it deems necessary, require surety bonds from any system officer or employee. Premiums for the bonds shall be paid out of the funds of the system.

"Section 8.6. **Duties.** The Power Board shall do the following:

(1) Keep the funds, books, and accounts of the electric utility system separate and apart from all other funds, books, and accounts of the Town or any of the departments of the Town. All funds handled by the Power Board shall be paid over to the finance officer of the Power Board. The funds of the system, including revenues from the operation thereof, shall be deposited in the name of the Power Board. The funds shall be disbursed only on voucher signed by the chair or general manager of the system issued pursuant to resolution or order of the Power Board, a certified copy of which shall be filed in the office of the finance officer of the Power Board.

(2) At the end of each fiscal year, cause the funds, books, and accounts of the Power Board to be audited by a certified public accountant or an accountant certified by the Local Government Commission as provided in G.S. 159-34. The Town Council shall select the auditor, and the auditor shall report directly to the Town Council. Upon giving reasonable notice, the Town Council shall have full access to the books, accounts, and records of the Power Board.

(3) Make and file with the Town Council on the first day of January and the first day of July of each year a financial statement showing the financial operations of the system during the preceding six months and the financial condition of the system.

(4) Exercise fiscal control related to all matters, including establishing and maintaining an accounting system and designating an official depository, as provided in Part 3 of Article 3 of Subchapter III of Chapter 159 of the General Statutes.

(5) Make and enforce all necessary and desirable rules and regulations for the efficient use, operation, and management of the system.

"Section 8.7. **Employment of Personnel.** The Power Board shall have the power to employ and fix the duties and compensation of its officers and employees as it deems necessary or convenient for the operation of the system. The Power Board may employ a general manager who shall be qualified by training and experience to supervise and manage the day-to-day operation of the electric utility system. The general manager shall serve under the direction and control of the Power Board and at the pleasure of the Power Board. The Power Board may delegate to the general manager, among other things, the following powers and duties:

(1) To determine the number of employees necessary for the operation of the electric utility system and to establish their duties and compensation.

(2) To control the construction and repairs of utility facilities.

(3) To execute and enforce all rules, regulations, programs, plans, and decisions made or adopted by the Power Board.

(4) To prepare plans and specifications, accept bids, and execute contracts, according to standards established by the Power Board.

(5) To employ a finance officer who may be given the authority to handle the day-to-day financial operations of the Power Board, including billings and receiving payment for services provided by the Power Board. The finance officer shall conduct his or her duties as provided in Chapter 159 of the General Statutes.

"Section 8.8. **Sale of Electricity.** The Power Board is hereby authorized and empowered to extend its electric system and to sell electricity in any area permitted in G.S. 160A-312.

"Section 8.9. **Rates.** The Power Board shall fix rates to be charged for services rendered by the system. The rates shall be fair, reasonable, and uniform for all customers in the same class, but different rate schedules may be applied to different classes of customers, as determined by the Power Board.

"Section 8.10. **Revenue Bonds.** The Power Board is hereby authorized to provide for the issuance of revenue bonds for the acquisition, construction, improvement, or expansion of the electric system from time to time in the manner provided for in this section. The bonds shall be issued by the Town Council pursuant to Article 5 of Subchapter IV of Chapter 159 of the General Statutes, shall be issued in the amounts and at the times, and shall bear the maturity dates as the Power Board shall direct. It shall be the duty of the Town Council to provide for the issuance of the bonds pursuant to general law as directed by the Power Board. However, the Town Council shall not be required to issue any bonds under this section without its approval if the bonds to be issued are payable out of the Town's general revenue. It is the intention of this section that the Power Board be empowered to direct the issuance of bonds under this section only when the bonds are to be payable solely from the revenues of the electric system.

"Section 8.11. **Contracts, Negotiations, and Grants.** (a) The Power Board may enter into leases, contracts, and agreements as it deems necessary or desirable in conducting the business and operations of the system so long as they are in accordance with the general laws of the State of North Carolina. The authority given the Power Board by this section shall not be construed to mean that the Power Board has the authority to sell, lease, or otherwise dispose of all or a major part of the system, unless the transaction is approved by the Town Council by ordinance.

(b) The Power Board may apply for, accept, receive, and dispense funds or grants made available to it by the State or any of its agencies or political subdivisions, the United States, or any private entity.

"Section 8.12. **Eminent Domain.** The Power Board may exercise the right of eminent domain on behalf of and in the name of the Town of Fontana Dam for the purpose of acquiring any property, real, personal, or mixed, necessary or useful in exercising the power and authority conferred in this Article. The title to all property acquired by the Power Board either by contract or condemnation shall be taken in the name of the Town of Fontana Dam."

SECTION 2. Section 1 of this act becomes effective only if both of the following acts occur: (i) the Fontana Village Resort approves the transfer of the electric power grid under its ownership and control to the Town of Fontana Dam and (ii) the Town Council of the Town of Fontana Dam, in its discretion and by majority vote, approves the operation of an electric utility system as provided in Section 1 of this act. If both of these acts do not occur, Section 1 of this act shall have no force and effect.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 18th day of June, 2015.

Became law on the date it was ratified.

Session Law 2015-86 **S.B. 25**

AN ACT TO CLARIFY WHEN A COUNTY OR MUNICIPALITY MAY ENACT ZONING ORDINANCES RELATED TO DESIGN AND AESTHETIC CONTROLS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-381 is amended by adding new subsections to read:

"(h) Any zoning and development regulation ordinance relating to building design elements adopted under this Part, under Part 2 of this Article, or under any recommendation made under G.S. 160A-452(6)c. may not be applied to any structures subject to regulation

under the North Carolina Residential Code for One- and Two-Family Dwellings except under one or more of the following circumstances:

(1) The structures are located in an area designated as a local historic district pursuant to Part 3C of Article 19 of Chapter 160A of the General Statutes.

(2) The structures are located in an area designated as a historic district on the National Register of Historic Places.

(3) The structures are individually designated as local, State, or national historic landmarks.

(4) The regulations are directly and substantially related to the requirements of applicable safety codes adopted under G.S. 143-138.

(5) Where the regulations are applied to manufactured housing in a manner consistent with G.S. 160A-383.1 and federal law.

(6) Where the regulations are adopted as a condition of participation in the National Flood Insurance Program.

Regulations prohibited by this subsection may not be applied, directly or indirectly, in any zoning district, special use district, conditional use district, or conditional district unless voluntarily consented to by the owners of all the property to which those regulations may be applied as part of and in the course of the process of seeking and obtaining a zoning amendment or a zoning, subdivision, or development approval, nor may any such regulations be applied indirectly as part of a review pursuant to G.S. 160A-383 of any proposed zoning amendment for consistency with an adopted comprehensive plan or other applicable officially adopted plan. For the purposes of this subsection, the phrase "building design elements" means exterior building color; type or style of exterior cladding material; style or materials of roof structures or porches; exterior nonstructural architectural ornamentation; location or architectural styling of windows and doors, including garage doors; the number and types of rooms; and the interior layout of rooms. The phrase "building design elements" does not include any of the following: (i) the height, bulk, orientation, or location of a structure on a zoning lot; (ii) the use of buffering or screening to minimize visual impacts, to mitigate the impacts of light and noise, or to protect the privacy of neighbors; or (iii) regulations adopted pursuant to this Article governing the permitted uses of land or structures subject to the North Carolina Residential Code for One- and Two-Family Dwellings.

(i) Nothing in subsection (h) of this section shall affect the validity or enforceability of private covenants or other contractual agreements among property owners relating to building design elements."

SECTION 2. G.S. 153A-340 is amended by adding new subsections to read:

"(l) Any zoning and development regulation ordinance relating to building design elements adopted under this Part, under Part 2 of this Article, or under any recommendation made under G.S. 160A-452(6)c. may not be applied to any structures subject to regulation under the North Carolina Residential Code for One- and Two-Family Dwellings except under one or more of the following circumstances:

(1) The structures are located in an area designated as a local historic district pursuant to Part 3C of Article 19 of Chapter 160A of the General Statutes.

(2) The structures are located in an area designated as a historic district on the National Register of Historic Places.

(3) The structures are individually designated as local, State, or national historic landmarks.

(4) The regulations are directly and substantially related to the requirements of applicable safety codes adopted under G.S. 143-138.

(5) Where the regulations are applied to manufactured housing in a manner consistent with G.S. 153A-341.1 and federal law.

(6) Where the regulations are adopted as a condition of participation in the National Flood Insurance Program.

Regulations prohibited by this subsection may not be applied, directly or indirectly, in any zoning district, special use district, conditional use district, or conditional district unless voluntarily consented to by the owners of all the property to which those regulations may be applied as part of and in the course of the process of seeking and obtaining a zoning amendment or a zoning, subdivision, or development approval, nor may any such regulations be applied indirectly as part of a review pursuant to G.S. 153A-341 of any proposed zoning amendment for consistency with an adopted comprehensive plan or other applicable officially adopted plan. For the purposes of this subsection, the phrase "building design elements" means exterior building color; type or style of exterior cladding material; style or materials of roof structures or porches; exterior nonstructural architectural ornamentation; location or architectural styling of windows and doors, including garage doors; the number and types of rooms; and the interior layout of rooms. The phrase "building design elements" does not include any of the following: (i) the height, bulk, orientation, or location of a structure on a zoning lot; (ii) the use of buffering or screening to minimize visual impacts, to mitigate the impacts of light and noise, or to protect the privacy of neighbors; or (iii) regulations adopted pursuant to this Article governing the permitted uses of land or structures subject to the North Carolina Residential Code for One- and Two-Family Dwellings.

(m) Nothing in subsection (l) of this section shall affect the validity or enforceability of private covenants or other contractual agreements among property owners relating to building design elements."

SECTION 3. This act is effective when it becomes law. The act clarifies and restates the intent of existing law and applies to ordinances adopted before, on, and after the effective date.

In the General Assembly read three times and ratified this the 10th day of June, 2015.

Became law upon approval of the Governor at 10:00 a.m. on the 19th day of June, 2015.

Session Law 2015-87 **S.B. 83**

AN ACT TO AMEND THE CRIMINAL LAW CONCERNING THE FILING OR RECORDING OF FALSE LIENS OR ENCUMBRANCES KNOWING OR HAVING REASON TO KNOW THAT THE LIEN OR ENCUMBRANCE IS FALSE OR CONTAINS A MATERIALLY FALSE, FICTITIOUS, OR FRAUDULENT STATEMENT OR REPRESENTATION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 14-118.6 reads as rewritten:

"§ **14-118.6. Filing false lien or encumbrance.**

(a) It shall be unlawful for any person to present for filing or recording in a public record or a private record generally available to the public a false lien or encumbrance against the real or personal property of a public officer, a public employee, or an immediate family member of the public officer or public employee on account of the performance of the public officer or public employee's official duties, knowing or having reason to know that the lien or encumbrance is false or contains a materially false, fictitious, or fraudulent statement or representation. For purposes of this subsection, the term "immediate family member" means a spouse or a child. Any person who violates this subsection shall be guilty of a Class I felony.

(b) ~~In the case of a lien or encumbrance presented to the register of deeds for filing,~~ When presented to the register of deeds for recording, if ~~the~~ a register of deeds has a reasonable suspicion that the lien or encumbrance is false, as described in subsection (a) of this section, the register of deeds may refuse to ~~file~~ record the lien or encumbrance. Neither the register of deeds nor any other entity shall be liable for ~~filing or refusing to file~~ recording or the refusal to record a lien or encumbrance ~~under this section.~~ as described in subsection (a) of this section. If the

~~filing~~ recording of the lien or encumbrance is denied, the register of deeds shall allow the ~~filing~~ recording of a Notice of Denied Lien or Encumbrance Filing on a form adopted by the Secretary of State, for which no filing fee shall be collected. The Notice of Denied Lien or Encumbrance Filing shall not itself constitute a lien or encumbrance. ~~If the filing of the lien or encumbrance~~ When recording is denied, any interested person may ~~file~~ initiate a special proceeding in the county where the ~~filing~~ recording was denied within ten (10) business days of the filing of the Notice of Denied Lien or Encumbrance Filing asking the ~~court~~ superior court of the respective county to find that the proposed ~~filing~~ recording has a statutory or contractual basis and to order that the document be ~~filed.~~ recorded. If, after hearing, upon a minimum of five (5) days' notice as provided in Rule 5 of the Rules of Civil Procedure and opportunity to be heard to all interested persons and all persons claiming an ownership interest in the property, the court finds that there is a statutory or contractual basis for the proposed ~~filing,~~ recording, the court shall order the document ~~filed.~~ recorded. A lien or encumbrance ~~filed~~ recorded upon order of the court under this subsection shall have a priority interest as of the time of the filing of the Notice of Denied Lien or Encumbrance Filing. If the court finds that there is no statutory or contractual basis for the proposed ~~filing,~~ recording, the court shall enter an order finding that the proposed ~~filing~~ recording is null and void and that it shall not be filed, indexed, or recorded and a certified copy of that order shall be ~~filed~~ recorded by the register of deeds that originally denied the ~~filing.~~ recording. The review by the judge under this subsection shall not be deemed a finding as to any underlying claim of the parties involved. If a special proceeding is not ~~filed~~ initiated under this subsection within ten (10) business days of the filing of the Notice of Denied Lien or Encumbrance Filing, the lien or encumbrance is deemed null and ~~void.~~void as a matter of law.

(b1) When a lien or encumbrance is presented to a clerk of superior court for filing and the clerk of court has a reasonable suspicion that the lien or encumbrance is false as described in subsection (a) of this section, the clerk of court may refuse to file the lien or encumbrance. Neither the clerk of court nor the clerk's staff shall be liable for filing or the refusal to file a lien or encumbrance under this subsection. The clerk of superior court shall not file, index, or docket the document against the property of a public officer or public employee until that document is approved for filing by the clerk of superior court by any judge of the judicial district having subject matter jurisdiction. If the judge determines that the filing is not false, the clerk shall index the claim of lien. A lien or encumbrance filed upon order of the court under this subsection shall have a priority interest as of the date and time of indexing by the clerk of superior court. If the court finds that there is no statutory or contractual basis for the proposed filing, the court shall enter an order that the proposed filing is null and void as a matter of law, and that it shall not be filed or indexed. The clerk of superior court shall serve the order and return the original denied filing to the person or entity that presented it. The person or entity shall have 30 days from the entry of the order to appeal the order. If the order is not appealed within the applicable time period, the clerk may destroy the filing.

(c) Upon being presented with an order duly issued by a court of competent jurisdiction of this State declaring that a ~~filed~~ lien or encumbrance already recorded or filed is false, as described in subsection (a) of this section, and therefore null and ~~void,~~ void as a matter of law, the register of deeds or clerk of court that received the recording or filing, in addition to recording or filing the ~~order,~~ court's order finding the lien or encumbrance to be false, shall conspicuously mark on the first page of the original record previously filed the following statement: "THE CLAIM ASSERTED IN THIS DOCUMENT IS FALSE AND IS NOT PROVIDED FOR BY THE GENERAL LAWS OF THIS STATE."

(d) In addition to any criminal penalties provided for in this section, a violation of this section shall constitute a violation of G.S. 75-1.1.

(e) Subsections ~~(b)~~ (b), (b1), and (c) of this section shall not apply to filings under Article 9 of Chapter 25 of the General Statutes or under Chapter 44A of the General Statutes."

SECTION 2. This act becomes effective October 1, 2015, and applies to all filings on or after that date.

In the General Assembly read three times and ratified this the 11th day of June, 2015.

Became law upon approval of the Governor at 10:00 a.m. on the 19th day of June, 2015.

Session Law 2015-88 **S.B. 99**

AN ACT TO ESTABLISH A DEFINITION OF FIREFIGHTER FOR PURPOSES OF THE LOCAL FIREFIGHTERS' RELIEF FUND, THE STATEWIDE FIREFIGHTERS' RELIEF FUND, THE STATE FIRE PROTECTION GRANT FUND, VOLUNTEER SAFETY WORKERS ASSISTANCE, AND THE RESCUE SQUAD WORKERS' RELIEF FUND; TO AMEND THE PROCESS FOR FILING CERTIFIED ROSTERS WITH THE NORTH CAROLINA STATE FIREMEN'S ASSOCIATION AND THE NORTH CAROLINA ASSOCIATION OF RESCUE AND EMERGENCY MEDICAL SERVICES, INC.; TO AMEND THE RESCUE SQUAD WORKERS' RELIEF FUND; TO AMEND THE LAW-ENFORCEMENT OFFICERS', FIREMEN'S, RESCUE SQUAD WORKERS' AND CIVIL AIR PATROL MEMBERS' DEATH BENEFITS ACT; AND TO SPECIFY LOCAL GOVERNMENT AUTHORITY AS IT PERTAINS TO A FIRE DEPARTMENT BOARD AND PARTICIPATION IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-84-5 reads as rewritten:

"§ **58-84-5. Definitions.**

The following definitions apply in Articles ~~84 through 88~~ 84, 85, 85A, 87, and 88 of this Chapter:

(1) City. – A fire district.

(2) Clerk. – The clerk of a fire district or, if there is no clerk, the person so designated by the governing body of the fire district.

(3) Fire district. – Any political subdivision of the State or federally recognized Native American tribe within the State that meets all of the following conditions:

a. It has an organized fire department under the control of its governing body.

b. Its fire department has apparatus and equipment that is in serviceable condition for fire duty and is valued at one thousand dollars ($1,000) or more.

c. It is rated and certified by the Commissioner.

d. Its response area has been approved by the local municipal government or, if there is no local municipal government, by the local board of county commissioners.

(3a) Firefighter or Fireman. – Any person who meets all of the following requirements:

a. Is a volunteer, employee, contractor, or member of a rated and certified fire department.

b. Performs work or training connected with fire protection, fire prevention, fire control, fire education, fire inspection, fire investigation, rescue, Emergency Medical Services, special operations, or performs the statutory duties and responsibilities of the fire chief as set forth in G.S. 160A-292.

c. Performs work or training at the direction of the fire chief.

d. Is included on the certified roster submitted to the North Carolina State Firemen's Association pursuant to G.S. 58-86-25.

(4) Town. – A fire district."

SECTION 2. G.S. 58-86-10 reads as rewritten:

"§ **58-86-10. Powers and duties of the board.**

The Board of Trustees of the North Carolina Local Governmental Employees' Retirement System shall administer the Pension Fund. The board shall request appropriations out of the general fund for administrative expenses and to provide for the financing of this pension fund, employ necessary clerical assistance, determine all applications for pensions, provide for the payment of pensions, make all necessary rules and regulations not inconsistent with law for the governance of this fund, prescribe rules and regulations of eligibility of persons to receive pensions, expend funds in accordance with the provisions of this Article, and generally exercise all other powers necessary for the administration of the fund created by this Article. Should any change or error due to the submission of fraudulent or incorrect information result in any member or beneficiary receiving from the Retirement System more or less than he or she would have been entitled to receive had their records been correct, the Board of Trustees shall correct such error, and as far as practicable, shall adjust the payment in such a manner that the actuarial equivalent of the benefit to which such member or beneficiary was correctly entitled shall be paid."

SECTION 3. G.S. 58-86-25 reads as rewritten:

"§ **58-86-25. Determination and certification of eligible firefighters.**

~~Eligible~~ For purposes of this Article, eligible firefighters must attend 36 hours of training sessions in each calendar year. Each eligible fire department shall annually determine and report a certified roster of the names of those firefighters meeting the eligibility qualifications of this Article to its respective governing body, which upon determination of the validity and accuracy of the ~~qualification~~ qualification, the department shall promptly ~~certify~~ submit the list to the North Carolina State Firemen's Association. Submission of such information by a department to the North Carolina State Firemen's Association constitutes a certification of its accuracy under accounting standards set forth by the Governmental Accounting Standards Board of the Financial Accounting Foundation. The Firemen's Association shall provide a list of those persons meeting the eligibility requirements of this Article to the State Treasurer by January 31 of each year. For the purposes of the preceding ~~sentence,~~ sentences, the governing body of a fire department operated: by a county is the county board of commissioners; by a city is the city council; by a sanitary district is the sanitary district board; by a corporation, whether profit or nonprofit, is the corporation's board of directors; and by any other entity is that group designated by the board. An "eligible firefighter" may not also qualify as an "eligible rescue squad worker" in order to receive double benefits available under this Article."

SECTION 4. G.S. 58-86-30 reads as rewritten:

"§ **58-86-30. Determination and certification of "eligible rescue squad worker."**

Eligible rescue squad workers must attend at least 36 hours of training sessions in each calendar year. Each rescue or emergency medical services squad eligible for membership in the North Carolina Association of Rescue and Emergency Medical Services, Inc., must file a roster certified by the secretary of the association of those rescue or emergency medical services squad workers meeting the requirements of this section with the State Treasurer by January 31 of each calendar year. Submission of such information by a department to the North Carolina Association of Rescue and Emergency Medical Services, Inc., constitutes a certification of its accuracy under accounting standards set forth by the Governmental Accounting Standards Board of the Financial Accounting Foundation.

An "eligible rescue squad worker" may not qualify also as an "eligible firefighter" in order to receive double benefits available under this Article."

SECTION 5. G.S. 58-88-5 reads as rewritten:

"§ **58-88-5. Rescue Squad Workers' Relief Fund; trustees; disbursement of funds.**

(a) The "Rescue Squad Workers' Relief Fund" is created. It consists of the revenue credited to the Fund under G.S. 20-183.7(c) and shall be used for the purposes set forth in this Article.

(b) The Executive Committee of the Association shall be the Board of Trustees of the Fund. The Board shall consist of the Commander, Vice-Commander, Secretary-Treasurer, and two past Commanders of the Association. The Commander shall be the Chairman of the Board. The Commander, Vice-Commander, and Secretary-Treasurer shall appoint the two past Commanders of the Association, who shall serve at the pleasure of the appointing officers.

(c) The Commissioner of Insurance has exclusive control of the Fund and shall disburse revenue in the Fund to the Association only for the following purposes:

(1) To safeguard any rescue or EMS worker in active service from financial loss, occasioned by sickness contracted or injury received while in the performance of his or her duties as a rescue or EMS worker.

(2) To provide a reasonable support for those persons actually dependent upon the services of any rescue or EMS worker who may lose his or her life in the service of his or her town, county, city, or the State, either by accident or from disease contracted or injury received by reason of such service. The amount is to be determined according to the earning capacity of the deceased.

(3) To award scholarships to children of members, deceased members or retired members in good standing, for the purpose of attending a two year or four year college or university, and for the purpose of attending a two year course of study at a community college or an accredited trade or technical school, any of which is located in the State of North Carolina. Continuation of the payment of educational benefits for children of active members shall be conditioned on the continuance of active membership in the rescue or EMS service by the ~~parent or parents.~~parent, parents, legal guardian, or legal guardians.

(4) To pay death benefits to those persons who were actually dependent upon any member killed in the line of duty.

(4a) To pay additional benefits approved by the Board of Trustees of the Fund to rescue and EMS workers who are eligible pursuant to G.S. 58-88-10 and who are members of the Association.

(5) Notwithstanding any other provision of law, no expenditures shall be made pursuant to subdivisions (1), (2), (3), (4), and (4a) of this subsection unless the Board has certified that the expenditures will not render the Fund financially unsound for the purpose of providing the benefits set forth in subdivisions (1), (2), (3), (4), and (4a). If, for any reason, funds made available for subdivisions (1), (2), (3), (4), and (4a) are insufficient to pay in full any benefit, the benefits pursuant to subdivisions (1), (2), (3), (4), and (4a) shall be reduced pro rata for as long as the amount of insufficient funds exists. No claims shall accrue with respect to any amount by which a benefit under subdivisions (1), (2), (3), (4), and (4a) has been reduced."

SECTION 6. G.S. 58-88-10 reads as rewritten:

"§ **58-88-10. Membership eligibility.**

(a) Any member of a rescue squad or EMS service who is eligible for membership in the Association and who has attended a minimum of 36 hours of training ~~and meetings~~ in the last calendar year; and each rescue squad or EMS service whose members are eligible for membership in the Association who has filed a roster certifying to the Secretary-Treasurer who certifies to the Commissioner of Insurance by January 1 of each calender year that all eligible members have met the requirements, shall be eligible for the Fund. Any eligible member who, in the actual discharge of his or her duties as rescue or EMS personnel, is (1) made sick by disease contracted or (2) becomes disabled, shall be entitled to the benefits from the Fund.

(b) Any organized rescue squad or EMS service in North Carolina holding itself ready for duty may, upon compliance with the requirements of the constitution and by-laws of the Association, be eligible for membership in the Fund.

(c) The line of duty entitling one to participate in the Fund shall be so construed as to mean actual rescue or EMS duty only."

SECTION 7. G.S. 58-88-25 reads as rewritten:

"§ **58-88-25. Application for benefits.**

Applications for benefits from the Fund shall be made to the Secretary-Treasurer under the following conditions and procedure: Within ~~30~~ 180 days after the contracting of a disease or the occurrence of accident for which benefits are sought, the chief or chief officer of the local department shall notify the Secretary-Treasurer in writing that the person applying for benefits is a member of the Fund and request the necessary forms from the Secretary-Treasurer's office to be submitted for the benefits."

SECTION 8. G.S. 143-166.2 reads as rewritten:

"§ **143-166.2. Definitions.**

(a) The term "dependent child" shall mean any unmarried child of the deceased officer, ~~fireman,~~ firefighter, rescue squad worker or senior member of the Civil Air Patrol whether natural, adopted, posthumously born or whether a child born out of wedlock as entitled to inherit under the Intestate Succession Act, who is under 18 years of age and dependent upon and receiving his chief support from said officer or ~~fireman~~ firefighter or rescue squad worker or senior member of the Civil Air Patrol at the time of his death; provided, however, that if a dependent child is entitled to receive benefits at the time of the officer's or ~~fireman's~~ firefighter's or rescue squad worker's or senior Civil Air Patrol member's death as hereinafter provided, he shall continue to be eligible to receive such benefits regardless of his age thereafter; and further provided that any child over 18 years of age who is physically or mentally incapable of earning a living and any child over 18 years of age who was enrolled as a full-time student at the time of the officer's, the ~~fireman's,~~ firefighter's, the rescue squad worker's or the senior Civil Air Patrol member's death shall so long as he remains a full-time student as defined in the Social Security Act be regarded as a dependent child and eligible to receive benefits under the provisions of this Article.

(b) The term "dependent parent" shall mean the parent of the deceased officer, ~~fireman,~~ firefighter, rescue squad worker or senior member of the Civil Air Patrol, whether natural or adoptive, who was dependent upon and receiving his total and entire support from the officer, ~~fireman,~~ firefighter, rescue squad worker or senior member of the Civil Air Patrol at the time of the injury which resulted in his death.

(c) The term "killed in the line of duty" shall apply to any law-enforcement officer, ~~fireman,~~ firefighter, rescue squad worker who is killed or dies as a result of bodily injuries sustained or of extreme exercise or extreme activity experienced in the course and scope of his official duties while in the discharge of his official duty or duties. When applied to a senior member of the Civil Air Patrol as defined in this Article, "killed in the line of duty" shall mean any such senior member of the North Carolina Wing-Civil Air Patrol who is killed or dies as a result of bodily injuries sustained or of extreme exercise or extreme activity experienced in the course and scope of his official duties while engaged in a State requested and approved mission pursuant to Article 13 of Chapter 143B of the General Statutes. For purposes of this Article, when a law enforcement officer, ~~fireman,~~ firefighter, rescue squad worker, or senior Civil Air Patrol member dies as the direct and proximate result of a myocardial infarction suffered while on duty or within 24 hours after participating in a training exercise or responding to an emergency situation, the law enforcement officer, ~~fireman,~~ firefighter, rescue squad worker, or senior Civil Air Patrol member is presumed to have been killed in the line of duty.

(d) The term "law-enforcement officer", "officer", or ~~"fireman"~~ "firefighter" shall mean a sheriff and all law-enforcement officers employed full-time, permanent part-time, or temporarily by a sheriff, the State of North Carolina or any county or municipality thereof, whether paid or unpaid; and all full-time custodial employees and probation and parole officers of the Division of Adult Correction of the Department of Public Safety; and all full time institutional and full-time, permanent part-time, and temporary detention employees of the Division of Juvenile Justice of the Department of Public Safety and full-time, permanent

part-time, and temporary detention officers employed by any sheriff, county or municipality, whether paid or unpaid. The term "firemen" shall mean both firefighter or firemen as defined in G.S. 58-84-5(3a), or "eligible firemen" as defined in Article 86 of Chapter 58 of the General Statutes, notwithstanding any age requirements set out in that Article, and all full-time, permanent part-time and temporary employees of the North Carolina Forest Service of the Department of Agriculture and Consumer Services during the time they are actively engaged in firefighting activities; or engaged in emergency response activities pursuant to G.S. 166A-19.77; and shall mean all full-time employees of the North Carolina Department of Insurance during the time they are actively engaged in firefighting activities, during the time they are training firefighters or rescue squad workers, and during the time they are engaged in activities as members of the State Emergency Response Team, when the Team has been activated; and shall mean all otherwise eligible persons who, while actively engaged as firefighters or rescue squad workers, are acting in the capacity of a fire or rescue instructor outside their own department or squad. The term "rescue squad worker" shall mean a person who is dedicated to the purpose of alleviating human suffering and assisting anyone who is in difficulty or who is injured or becomes suddenly ill by providing the proper and efficient care or emergency medical services. In addition, this person must belong to an organized rescue squad which is eligible for membership in the North Carolina Association of Rescue and Emergency Medical Services, Inc., and the person must have attended a minimum of 36 hours of training in the last calendar year. Each rescue squad belonging to the North Carolina Association of Rescue and Emergency Medical Services, Inc., must file a roster of those members meeting the above requirements with the State Treasurer on or about January 31 of each year, and this roster must be certified to by the secretary of said association. In addition, the term "rescue squad worker" shall mean a member of an ambulance service certified by the Department of Health and Human Services pursuant to Article 7 of Chapter 131E of the General Statutes. The Department of Health and Human Services shall furnish a list of ambulance service members to the State Treasurer on or about January 31 of each year. The term "Civil Air Patrol members" shall mean those senior members of the North Carolina Wing-Civil Air Patrol 18 years of age or older and currently certified pursuant to G.S. 143B-1031. The term ~~"fireman"~~ "firefighter" shall also mean county fire marshals when engaged in the performance of their county duties. The term "rescue squad worker" shall also mean county emergency services coordinators when engaged in the performance of their county duties.

(e) The term "spouse" shall mean the wife or husband of the deceased officer, ~~fireman,~~ firefighter, rescue squad worker or senior Civil Air Patrol member who survives him and who was residing with such officer, ~~fireman,~~ firefighter, rescue squad worker, or senior Civil Air Patrol member at the time of and during the six months next preceding the date of injury to such officer, ~~fireman,~~ firefighter, rescue squad worker or senior Civil Air Patrol member which resulted in his or her death and who also resided with such officer, ~~fireman,~~ firefighter, rescue squad worker or senior Civil Air Patrol member from that date of injury up to and at the time of his or her death and ~~who remains unmarried during the time benefits are forthcoming;~~ provided, however, the part of this section requiring the spouse to have been residing with the deceased officer, ~~fireman,~~ firefighter, rescue squad worker or senior Civil Air Patrol member for six months next preceding the date of the injury which resulted in his death shall not apply where marriage occurred during this six-month period or where the officer, ~~fireman,~~ firefighter, rescue squad worker or senior Civil Air Patrol member was absent during this six-month period due to service in the Armed Forces of the United States.

(f) The term "official duties" means those duties performed while en route to, engaged in, or returning from training, or in the course of responding to, engaged in or returning from a call by the department of which he is a member, or from a call for assistance from any department or such organization within the State of North Carolina or within a service area contiguous to the borders of the State of North Carolina, when served or aided by a department from within the State of North Carolina. While within the State of North Carolina, any eligible

person, as defined in this section or in G.S. 58-86-25, who renders service or assistance, of his own volition, at the scene of an emergency, is performing his official duties when:

(1) Reasonably apparent circumstances require prompt decisions and actions to protect persons and property; and

(2) The necessity of immediate action is so reasonably apparent that any delay in acting would seriously worsen the property damage or endanger any person's life."

SECTION 9. G.S. 143-166.3(b) reads as rewritten:

"(b) Payment shall be made to the person or persons qualifying therefor under subsection (a) in the following amounts:

(1) At the time of the death of an officer, ~~fireman,~~ firefighter, rescue squad worker or senior Civil Air Patrol member, ~~twenty thousand dollars ($20,000)~~ fifty thousand dollars ($50,000) shall be paid to the person or persons entitled thereto.

~~(2) Thereafter, ten thousand dollars ($10,000) shall be paid annually to the person or persons entitled thereto until the sum of the initial payment and each annual payment reaches fifty thousand dollars ($50,000).~~

(3) In the event there is no person qualifying under subsection (a) of this section, fifty thousand dollars ($50,000) shall be paid to the estate of the deceased officer, ~~fireman,~~ firefighter, rescue squad worker or senior Civil Air Patrol member at the time of death.

~~(c) In the event that any person or persons eligible for payments under subsection (a) of this section shall become ineligible, and other eligible person or persons qualify for said death benefit payments under subsection (a), then they shall receive the remainder of any payments up to the limit of fifty thousand dollars ($50,000) in the manner set forth in subsection (b) of this section.~~

~~(d) In the event any person or persons eligible for payments under subsection (a) of this section shall become ineligible and no other person or persons qualify for payments under that subsection and where the sum of the initial payment of twenty thousand dollars ($20,000) and each subsequent annual payment of ten thousand dollars ($10,000) does not total fifty thousand dollars ($50,000), then the difference between the total of the payments made and fifty thousand dollars ($50,000) shall immediately be payable to the estate of the deceased officer, fireman, rescue squad worker, or senior Civil Air Patrol member.~~"

SECTION 10.(a) In order to participate in the Local Governmental Employees' Retirement System after October 1, 2015, the charter or articles of incorporation of fire departments must include a provision that provides that the governing body of the local government entity that holds the contract with the highest dollar value to the fire department for provision of fire services shall have the authority to remove from office up to fifty percent (50%) plus one member of the Board of Trustees or Board of Directors of the fire department. Before exercising this authority, the local government entity shall notify the affected fire department and give the fire department the opportunity to be heard in a public meeting. When any fire department board member is removed, the resulting vacancy shall be filled pursuant to the bylaws of the fire department.

SECTION 10.(b) This section only applies to fire departments that commenced participation in the Local Governmental Employees' Retirement System between 1977 and 1992 pursuant to Chapter 316 of the Session Laws of 1977 and have contracts to provide fire protection to a city, county, or instrumentality of the State.

SECTION 11. This act becomes effective July 1, 2015.

In the General Assembly read three times and ratified this the 11th day of June, 2015.

Became law upon approval of the Governor at 10:00 a.m. on the 19th day of June, 2015.

Session Law 2015-89 **S.B. 161**

AN ACT TO AMEND THE LAW GOVERNING SESSIONS OF THE SUPREME COURT TO AUTHORIZE SESSIONS TO BE HELD IN MORGANTON.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 7A-10(a) reads as rewritten:

"(a) The Supreme Court shall consist of a Chief Justice and six associate justices, elected by the qualified voters of the State for terms of eight years. Before entering upon the duties of his office, each justice shall take an oath of office. Four justices shall constitute a quorum for the transaction of the business of the court. Except as otherwise provided in this subsection, sessions of the court shall be held in the city of Raleigh, and scheduled by rule of court so as to discharge expeditiously the court's business. The court may by rule hold sessions not more than twice annually in the Old Chowan County Courthouse (1767) in the Town of Edenton, which is a State-owned court facility that is designated as a National Historic Landmark by the United States Department of the Interior. The court may by rule hold sessions not more than twice annually in the City of Morganton; unless a more suitable site is identified by the court, the court shall meet in the Old Burke County Courthouse, the location of summer sessions of the Supreme Court from 1847-1862."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 11th day of June, 2015.

Became law upon approval of the Governor at 10:00 a.m. on the 19th day of June, 2015.

Session Law 2015-90 **H.B. 795**

AN ACT TO REFORM AND AMEND THE STATE ENVIRONMENTAL POLICY ACT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 113A-4 reads as rewritten:

"§ **113A-4. Cooperation of agencies; reports; availability of information.**

The General Assembly authorizes and directs that, to the fullest extent possible:

…

(2) Every State agency shall include in every recommendation or report on any action involving significant expenditure of public moneys or use of public land for projects and programs significantly affecting the quality of the environment of this State, a detailed statement by the responsible official setting forth the following:

a. The direct environmental impact of the proposed action;

b. Any significant adverse environmental effects which cannot be avoided should the proposal be implemented;

c. Mitigation measures proposed to minimize the impact;

d. Alternatives to the proposed action;

e. The relationship between the short-term uses of the environment involved in the proposed action and the maintenance and enhancement of long-term productivity; and

f. Any irreversible and irretrievable environmental changes which would be involved in the proposed action should it be implemented.

(2a) Prior to making any detailed statement, the responsible official shall consult with and obtain the comments of any agency which has either jurisdiction by law or special expertise with respect to any environmental impact involved. The failure of an agency to provide comments within the comment period

established under this subdivision or to request an extension for a specific period of time set forth in the request shall be treated by the responsible official as a conclusion by that agency that there is no significant environmental impact. Any unit of local government or other interested party that may be adversely affected by the proposed action may submit written comment. The responsible official shall consider written comment from units of local government and interested parties that is received within the established comment period. Copies of such detailed statement and such comments shall be made available to the Governor, to such agency or agencies as he may designate, and to the appropriate multi-county regional agency as certified by the Secretary of Administration, shall be placed in the public file of the agency and shall accompany the proposal through the existing agency review processes. A copy of such detailed statement shall be made available to the public and to counties, municipalities, institutions and individuals, upon request.

…."

SECTION 2. G.S. 113A-9 reads as rewritten:

"§ **113A-9. Definitions.**

As used in this Article, unless the context indicates otherwise, the term:

…

(5) "Major development project" shall include but is not limited to shopping centers, subdivisions and other housing developments, and industrial and commercial projects, but shall not include any projects of less than ~~two~~ ten contiguous acres in extent.

…

(7) "Public land" means all land and interests therein, title of which is vested in the State of North Carolina, in any State agency, or in the State for the use of any State agency or political subdivision of the State, and includes all vacant and unappropriated land, swampland, submerged land, land acquired by the State by virtue of being sold for ~~taxes, escheated land, and acquired land.~~taxes or by any other manner of acquisition, or escheated land.

(7a) "Significant expenditure of public moneys" means expenditures of public funds greater than ten million dollars ($10,000,000) for a single project or action or related group of projects or actions. For purposes of this subdivision, contributions of funds or in-kind contributions by municipalities, counties, regional or special-purpose government agencies, and other similar entities created by an act of the General Assembly and in-kind contributions by a non-State entity shall not be considered an expenditure of public funds for purposes of calculating whether such an expenditure is significant.

…

(11) "Use of public land" means land-disturbing activity of greater than 10 acres that results in substantial, permanent changes in the natural cover or topography of those lands that includes:

a. The grant of a lease, easement, or permit authorizing private use of public land; or

b. The use of privately owned land for any project or program if (i) the State or any agency of the State has agreed to purchase the property or to exchange the property for public ~~land.~~land and (ii) the use meets the other requirements of this subdivision."

SECTION 3. G.S. 113A-10 reads as rewritten:

"§ **113A-10. Provisions supplemental.**

The policies, obligations and provisions of this Article are supplementary to those set forth in existing authorizations of and statutory provisions applicable to State agencies and local governments. In those instances where a State agency is required to prepare an environmental document or to comment on an environmental document under provisions of federal law, no separate environmental document shall be required to be prepared or published under this Article so long as the environmental document or comment ~~shall meet~~ meets the provisions of this Article."

SECTION 4. G.S. 113A-11 reads as rewritten:

"§ **113A-11. Adoption of rules.**

(a) The Department of Administration shall adopt rules to implement this Article.

(b) Each State agency ~~may~~ shall adopt rules that establish minimum criteria. An agency may include a particular action or class of actions in its minimum criteria only if the agency makes a specific finding that the action or class of actions has no significant long-term impact on the environment. Rules establishing minimum criteria shall be consistent with rules adopted by the Department of Administration. ~~In addition to all other rule-making requirements, rules establishing minimum criteria are subject to approval by the Secretary of Administration.~~"

SECTION 5. G.S. 113A-12 reads as rewritten:

"§ **113A-12. Environmental document not required in certain cases.**

~~No~~ Notwithstanding any other provision in this Article, no environmental document shall be required in connection with:

(1) The construction, maintenance, or removal of an electric power line, water line, sewage line, stormwater drainage line, telephone line, telegraph line, cable television line, data transmission line, ~~or~~ natural gas ~~line~~ line, or similar infrastructure project within or across the right-of-way of any street or highway.

(2) An action approved ~~under a~~ under:

a. A general permit issued under G.S. 113A-118.1, 143-215.1(b)(3), or 143-215.108(c)(8).

b. A Coastal Habitat Protection Plan under G.S. 143B-279.8.

c. A special order pursuant to G.S. 143-215.2 or G.S. 143-215.110.

d. An action taken to address an emergency under G.S. 143-215.3 or other similar emergency conditions.

e. A remedial or similar action to address contamination under Chapter 130A or 143 of the General Statutes, including a brownfield agreement entered into under G.S. 130A-310.32.

f. A certificate of convenience and necessity under G.S. 62-110.

g. An industrial or pollution control project approval by the Secretary of Commerce under Chapter 159C of the General Statutes.

h. A project approved as a water infrastructure project under Chapter 159G of the General Statutes.

i. A certification issued by the Division of Water Resources of the Department of Environment and Natural Resources under the authority granted to the Environmental Management Commission by G.S. 143B-282(a)(1)u.

(3) A lease or easement granted by a State agency for:

a. The use of an existing building or facility.

b. Placement of a wastewater line or other structures or uses on or under submerged lands pursuant to a permit granted under G.S. 143-215.1.

c. A shellfish cultivation lease granted under G.S. 113-202.

d. A facility for the use or benefit of The University of North Carolina System, the North Carolina community college system, the North Carolina public school systems, or one or more constituent institutions of any of those systems.

e. A health care facility financed pursuant to Chapter 131A of the General Statutes or receiving a certificate of need under Article 9 of Chapter 131E of the General Statutes.

(4) The construction of a driveway connection to a public roadway.

(5) ~~A~~ Any State action in connection with a project for which public lands are used and/or public monies are expended if the land or expenditure is ~~solely for the payment of incentives~~ provided as an incentive for the project pursuant to an agreement that makes the ~~incentive payments~~ incentives contingent on prior completion of the project or activity, or completion on a specified timetable, and a specified level of job creation or new capital investment.

(6) A major development as defined in G.S. 113A-118 that receives a permit issued under Article 7 of Chapter 113A of the General Statutes.

…

(9) Facilities created in the course of facilitating closure activities under Part 2I of Article 9 of Chapter 130A of the General Statutes.

(10) Any project or facility specifically required or authorized by an act of the General Assembly.

(11) Any project undertaken as mitigation for the impacts of an approved project or to mitigate or avoid harm from natural environmental change, including wetlands and buffer mitigation projects and banks, coastal protections and mitigation projects, and noise mitigation projects."

SECTION 6. G.S. 159G-38 reads as rewritten:

"§ **159G-38. Environmental assessment and public hearing.**

(a) Establish Environmental Assessment Process; Required Information. – ~~An application submitted under this Article for a loan or grant for a project must state whether the project requires an environmental assessment. If the application indicates that an environmental assessment is not required, it must identify the exclusion in the North Carolina Environmental Policy Act, Article 1 of Chapter 113A of the General Statutes, that applies to the project. If the application does not identify an exclusion in the North Carolina Environmental Policy Act, it must include an environmental assessment of the project's probable impacts on the environment.~~The Division shall establish an environmental assessment process for projects funded from the CWSRF and DWSRF programs that is sufficient to meet federal environmental assessment requirements for such projects. Projects funded by the CWSRF or DWSRF shall meet the requirements of the environmental assessment process established pursuant to this subsection.

~~(b) Division Review. – If, after reviewing an application, the Division of Water Infrastructure determines that a project requires an environmental assessment, the assessment must be submitted before the Division continues its review of the application. If, after reviewing an environmental assessment, the Division concludes that an environmental impact statement is required, the Division may not continue its review of the application until a final environmental impact statement has been completed and approved as provided in the North Carolina Environmental Policy Act.~~

(c) Hearing. – The Division ~~of Water Infrastructure~~ may hold a public hearing on an application for a loan or grant under this Article if it determines that holding a hearing will serve the public interest. An individual who is a resident of any county in which a proposed project is located may submit a written request for a public hearing. The request must set forth each objection to the proposed project or other reason for requesting a hearing and must include the name and address of the individual making the request. The Division may consider all written objections to the proposed project, any statement submitted with the hearing request, and any significant adverse effects the proposed project may have on the environment. The Division's decision on whether to hold a hearing is conclusive. The Division must keep all

written requests for a hearing on an application as part of the records pertaining to the application."

SECTION 7. G.S. 143-215.22L(d) reads as rewritten:

"(d) Environmental Documents. – ~~The~~ Except as provided in this subsection, the definitions set out in G.S. 113A-9 apply to this section. ~~The~~ Notwithstanding the thresholds for significant expenditure of public monies or use of public land set forth in G.S. 113A-9, the Department shall conduct a study of the environmental impacts of any proposed transfer of water for which a certificate is required under this section. The study shall meet all of the requirements set forth in G.S. 113A-4 and rules adopted pursuant to G.S. 113A-4. Notwithstanding G.S. 113A-4(2), the study shall include secondary and cumulative impacts. An environmental assessment shall be prepared for any petition for a certificate under this section. The determination of whether an environmental impact statement shall also be required shall be made in accordance with the provisions of Article 1 of Chapter 113A of the General Statutes; except that an environmental impact statement shall be prepared for every proposed transfer of water from one major river basin to another for which a certificate is required under this section. The applicant who petitions the Commission for a certificate under this section shall pay the cost of special studies necessary to comply with Article 1 of Chapter 113A of the General Statutes. An environmental impact statement prepared pursuant to this subsection shall include all of the following:

(1) A comprehensive analysis of the impacts that would occur in the source river basin and the receiving river basin if the petition for a certificate is granted.

(2) An evaluation of alternatives to the proposed interbasin transfer, including water supply sources that do not require an interbasin transfer and use of water conservation measures.

(3) A description of measures to mitigate any adverse impacts that may arise from the proposed interbasin transfer."

SECTION 8. This act is effective when it becomes law and applies to State agency action occurring on or after that date.

In the General Assembly read three times and ratified this the 8th day of June, 2015.

Became law upon approval of the Governor at 10:00 a.m. on the 19th day of June, 2015.

Session Law 2015-91 **S.B. 60**

AN ACT TO PROVIDE THAT A NON-EXPIRING, PERMANENT CIVIL NO-CONTACT ORDER MAY BE ISSUED AGAINST A SEX OFFENDER ON BEHALF OF THE CRIME VICTIM, TO ESTABLISH THE PROCEDURE FOR OBTAINING SUCH AN ORDER, TO CLARIFY ENHANCED PENALTIES FOR VIOLATIONS OF PROTECTIVE ORDERS, AND TO ALLOW EXTENSION OF ORDERS ENTERED IN STREET GANG NUISANCE ABATEMENT CASES AFTER A COURT HEARING.

The General Assembly of North Carolina enacts:

SECTION 1. The General Statutes are amended by adding a new Chapter to read:

"**Chapter 50D.**

"**Permanent Civil No-Contact Order Against Sex Offender On Behalf of Crime Victim.**

"**§ 50D-1. Definitions.**

The following definitions apply in this Chapter:

(1) Permanent civil no-contact order. – A permanent injunction that prohibits any contact by a respondent with the victim of a sex offense for which the respondent is convicted.

(2) Respondent. – The person who committed the sex offense.

(3) Sex offense. – Any criminal offense that requires registration under Article 27A of Chapter 14 of the General Statutes.

(4) Victim. – The person against whom the sex offense was committed.

"**§ 50D-2. Commencement of action; filing fees not permitted; assistance.**

(a) An action is commenced under this Chapter by filing a verified complaint for a permanent civil no-contact order in district court or by filing a motion in any existing civil action, by any of the following:

(1) A person who is the victim of a sex offense that occurs in this State.

(2) A competent adult who resides in this State on behalf of a minor child who is the victim of a sex offense that occurs in this State.

(3) A competent adult who resides in this State on behalf of an incompetent adult who is the victim of a sex offense that occurs in this State.

(b) No court costs or attorneys' fees shall be assessed for the filing or service of the complaint, or the service of any orders, except as provided in G.S. 1A-1, Rule 11.

(c) An action commenced under this Chapter may be filed in any county permitted under G.S. 1-82 or where the respondent was convicted of the sex offense.

(d) If the victim states that disclosure of the victim's address would place the victim or any member of the victim's family or household at risk for further unlawful conduct, the victim's address may be omitted from all documents filed with the court. If the victim has not disclosed an address under this subsection, the victim shall designate an alternative address to receive notice of any motions or pleadings from the opposing party.

"**§ 50D-3. Process for action for permanent civil no-contact order.**

(a) Any action for a permanent civil no-contact order requires that a summons be issued and served. The summons issued pursuant to this Chapter shall require the respondent to answer within 10 days of the date of service. Attachments to the summons shall include the complaint for the permanent civil no-contact order.

(b) Service of the summons and attachments shall be by the sheriff by personal delivery in accordance with Rule 4 of the Rules of Civil Procedure, and if the respondent cannot with due diligence be served by the sheriff by personal delivery, the respondent may be served by publication by the complainant in accordance with Rule 4(j1) of the Rules of Civil Procedure.

(c) The court may enter a permanent civil no-contact order by default for the remedy sought in the complaint if the respondent has been served in accordance with this section and fails to answer as directed, or fails to appear on any subsequent appearance or hearing date agreed to by the parties or set by the court.

"**§ 50D-4. Hearsay exception.**

In proceedings for an order or prosecutions for violation of an order under this Chapter, the prior sexual activity or the reputation of the victim is inadmissible except when it would be admissible in a criminal prosecution under G.S. 8C, Rule 412.

"**§ 50D-5. Remedy.**

(a) If the court finds all of the following, the court may issue a permanent civil no-contact order:

(1) The respondent was convicted of committing a sex offense against the victim.

(2) The victim did not seek a permanent no-contact order under G.S. 15A-1340.50.

(3) Reasonable grounds exist for the victim to fear future contact with the respondent.

(4) Process was properly served on the respondent.

(5) The respondent answered the complaint and notice of hearing was given or the respondent failed to answer the complaint and is in default.

(b) The court may grant one or more of the following forms of relief in a permanent civil no-contact order under this Chapter:

(1) Order the respondent not to threaten, visit, assault, molest, or otherwise interfere with the victim.

(2) Order the respondent not to follow the victim, including at the victim's workplace.
(3) Order the respondent not to harass the victim.
(4) Order the respondent not to abuse or injure the victim.
(5) Order the respondent not to contact the victim by telephone, written communication, or electronic means.
(6) Order the respondent to refrain from entering or remaining present at the victim's residence, school, place of employment, or other specified places at times when the victim is present.
(7) Order other relief deemed necessary and appropriate by the court.

(c) No permanent civil no-contact order shall be issued under this Chapter without notice to the respondent.

"**§ 50D-6. Duration.**

A permanent civil no-contact order issued pursuant to this Chapter remains effective for the lifetime of the respondent.

"**§ 50D-7. Notice of orders.**

(a) The clerk of court shall deliver, on the same day that a permanent civil no-contact order is issued, a certified copy of that order to the sheriff.

(b) If the respondent was not present in court when the order was issued, the respondent may be served in the manner provided for service of process in civil proceedings in accordance with Rule 4(j) of the Rules of Civil Procedure. If the summons has not yet been served upon the respondent, it shall be served with the order.

(c) A copy of the order shall be issued promptly to and retained by the police department of the municipality of the victim's residence. If the victim's residence is not located in a municipality or is located in a municipality with no police department, copies shall be issued promptly to and retained by the sheriff and the county police department, if any, of the county in which the victim's residence is located.

(d) Any order modifying or revoking any permanent civil no-contact order shall be promptly delivered to the sheriff by the clerk of court and served in a manner provided for service of process in accordance with the provisions of this section.

"**§ 50D-8. Enforcement.**

A victim may file a motion for contempt for violation of an order entered pursuant to this Chapter.

"**§ 50D-9. Rescission.**

At any time after the issuance of the order, the victim may make a motion to rescind the permanent no-contact order. If the court determines that reasonable grounds for the victim to fear any future contact with the respondent no longer exist, the court may rescind the permanent no-contact order.

"**§ 50D-10. Violation.**

(a) A person who knowingly violates an order entered pursuant to this Chapter is guilty of a Class A1 misdemeanor.

(b) A permanent civil no-contact order entered pursuant to this Chapter shall be enforced by all North Carolina law enforcement agencies without further order of the court. A law enforcement officer shall arrest and take a person into custody, with or without a warrant or other process, if the officer has probable cause to believe that the person knowingly has violated a permanent civil no-contact order.

"**§ 50D-11. Remedies not exclusive.**

The remedies provided by this Chapter are not exclusive but are additional to other remedies provided under law."

SECTION 2. The Administrative Office of the Courts shall develop the appropriate forms to implement the processes provided under Chapter 50D of the General Statutes as enacted by this act, including amending the Rules of Recordkeeping to require the Clerk of Superior Court to retain the records of an action filed under this Chapter.

SECTION 3. G.S. 50B-4.1(d) reads as rewritten:

"(d) Unless covered under some other provision of law providing greater punishment, a person who commits a felony at a time when the person knows the behavior is prohibited by a valid protective order as provided in subsection (a) of this section shall be guilty of a felony one class higher than the principal felony described in the charging document. This subsection shall not apply to ~~a person who is charged with or convicted~~ convictions of a Class A or B1 felony or to ~~a person charged under~~ convictions of the offenses set forth in subsection (f) or subsection (g) of this section."

SECTION 4. G.S. 14-50.43(d) reads as rewritten:

"(d) An order entered under this section shall expire one year after ~~entry; however, the~~ entry unless extended by the court for good cause established by the plaintiff after a hearing. The order may be modified, rescinded, or vacated at any time prior to its expiration date upon the motion of any party if it appears to the court that one or more of the defendants is no longer engaging in criminal street gang activities."

SECTION 5. Sections 1 and 2 of this act become effective October 1, 2015. Section 3 of this act becomes effective December 1, 2015, and applies to offenses committed on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 11th day of June, 2015.

Became law upon approval of the Governor at 10:02 a.m. on the 19th day of June, 2015.

Session Law 2015-92 **H.B. 16**

AN ACT TO REPEAL OUTDATED AND UNNECESSARY INSURANCE REPORTING REQUIREMENTS, AS RECOMMENDED BY THE DEPARTMENT OF INSURANCE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-2-165(b) reads as rewritten:

"(b) The Commissioner may require statements under this ~~section, G.S. 58-2-170,~~ section and G.S. 58-2-190 to be filed in a format that can be read by electronic data processing equipment, provided that this subsection does not apply to an audited financial statement prepared by a certified public accountant that is submitted by a town or county mutual pursuant to subsection (a1) of this section."

SECTION 2. G.S. 58-2-170 is repealed.

SECTION 3. G.S. 58-36-3(c) is repealed.

SECTION 4. G.S. 58-40-130(e) is repealed.

SECTION 5. G.S. 58-50-95 is repealed.

SECTION 6. G.S. 58-3-191(a) and (b1) are repealed.

SECTION 7. G.S. 58-67-140(a)(7) is repealed.

SECTION 8. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 11th day of June, 2015.

Became law upon approval of the Governor at 10:02 a.m. on the 19th day of June, 2015.

Session Law 2015-93 **H.B. 511**

AN ACT TO MAKE VARIOUS STATUTORY CHANGES RELATED TO CREDIT UNIONS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 47C-4-110(a) reads as rewritten:

"§ **47C-4-110. Escrow of deposits.**

(a) Any deposit made in connection with the purchase or reservation of a unit from a person required to deliver a public offering statement pursuant to G.S. 47C-4-102(c) shall be immediately deposited in a trust or escrow account in ~~an insured bank or savings and loan association in North Carolina~~ a federally insured depository institution lawfully doing business in this State and shall remain in such account for such period of time as a purchaser is entitled to cancel pursuant to G.S. 47C-4-108 or cancellation by the purchaser thereunder whichever occurs first. Payments held in such trust or escrow accounts shall be deemed to belong to the purchaser and not the seller."

SECTION 2. G.S. 42-50 reads as rewritten:

"§ **42-50. Deposits from the tenant.**

Security deposits from the tenant in residential dwelling units shall be deposited in a trust account with a licensed and ~~insured bank or savings institution located in the State of North Carolina~~ federally insured depository institution lawfully doing business in this State or the landlord may, at his option, furnish a bond from an insurance company licensed to do business in North Carolina. The security deposits from the tenant may be held in a trust account outside of the State of North Carolina only if the landlord provides the tenant with an adequate bond in the amount of said deposits. The landlord or his agent shall notify the tenant within 30 days after the beginning of the lease term of the name and address of the bank or institution where his deposit is currently located or the name of the insurance company providing the bond."

SECTION 3. G.S. 42A-15 reads as rewritten:

"§ **42A-15. Trust account uses.**

A landlord or real estate broker may require a tenant to pay all or part of any required rent, security deposit, or other fees permitted by law in advance of the commencement of a tenancy under this Chapter if these payments are expressly authorized in the vacation rental agreement. If the tenant is required to make any advance payments, other than a security deposit, whether the payment is denominated as rent or otherwise, the landlord or real estate broker shall deposit these payments in a trust account in ~~an insured bank or savings and loan association in North Carolina~~ a federally insured depository institution lawfully doing business in this State no later than three banking days after the receipt of these payments. These payments deposited in a trust account shall not earn interest unless the landlord and tenant agree in the vacation rental agreement that the payments may be deposited in an interest-bearing account. The landlord and tenant shall also provide in the agreement to whom the accrued interest shall be disbursed."

SECTION 4. G.S. 54-109.82 reads as rewritten:

"§ **54-109.82. Investment of funds.**

The capital, deposits, undivided profits and reserve fund of the corporation may be invested only in any of the following ways:

…

(13) In higher education bonds permissible under G.S. 116D-2, provided that such bonds pledge the faith, credit, and taxing power of the State for the payment of the principal of and interest on bonds and notes."

SECTION 5. G.S. 54-109.38 reads as rewritten:

"§ **54-109.38. Compensation of officials.**

No member of the board of directors or of the credit committee or supervisory committee shall be compensated for his service in this position, but providing reasonable life, health, accident and similar insurance protection for a director or committee member shall not be considered compensation. Directors and committee members, while on official business of the credit union, may be reimbursed for necessary and reasonable expenses incidental to the performance of the business. Such reimbursement may include the payment of expenses for one guest."

SECTION 6. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 11th day of June, 2015.

Became law upon approval of the Governor at 10:02 a.m. on the 19th day of June, 2015.

Session Law 2015-94 **S.B. 154**

AN ACT TO CLARIFY THE OPERATION OF THE LIMITED IMMUNITY FROM PROSECUTION FOR CERTAIN DRUG- OR ALCOHOL-RELATED OFFENSES COMMITTED BY AN INDIVIDUAL EXPERIENCING A DRUG- OR ALCOHOL-RELATED OVERDOSE AND AN INDIVIDUAL WHO SEEKS MEDICAL ASSISTANCE FOR AN INDIVIDUAL EXPERIENCING A DRUG- OR ALCOHOL-RELATED OVERDOSE; TO PROVIDE ADDITIONAL REQUIREMENTS AND CONDITIONS THAT MUST BE MET BEFORE THE LIMITED IMMUNITY IS ESTABLISHED; TO PROVIDE THAT A PERSON SHALL NOT BE SUBJECT TO ARREST OR REVOCATION OF PRETRIAL RELEASE, PROBATION, PAROLE, OR POST-RELEASE IF BASED UPON AN OFFENSE FOR WHICH THE PERSON IS IMMUNE FROM PROSECUTION; TO PROVIDE THAT A LAW ENFORCEMENT OFFICER SHALL NOT BE SUBJECT TO CIVIL LIABILITY FOR ARRESTING OR CHARGING A PERSON ENTITLED TO IMMUNITY FROM PROSECUTION IF THE LAW ENFORCEMENT OFFICER ACTED IN GOOD FAITH; TO PROVIDE THAT A PHARMACIST MAY DISPENSE AN OPIOID ANTAGONIST UPON RECEIVING A PRESCRIPTION ISSUED IN ACCORDANCE WITH G.S. 90-106.2; AND TO PROVIDE THAT A PHARMACIST WHO DISPENSES AN OPIOID ANTAGONIST IN ACCORDANCE WITH G.S. 90-106.2 IS IMMUNE FROM CERTAIN CIVIL OR CRIMINAL LIABILITY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 90-96.2 reads as rewritten:

"§ **90-96.2. Drug-related overdose treatment; limited immunity.**

(a) As used in this section, "drug-related overdose" means an acute condition, including mania, hysteria, extreme physical illness, coma, or death resulting from the consumption or use of a controlled substance, or another substance with which a controlled substance was combined, and that a layperson would reasonably believe to be a drug overdose that requires medical assistance.

(b) ~~A person acting in good faith who seeks medical assistance for an individual experiencing a drug-related overdose shall not be prosecuted for (i) a misdemeanor violation of G.S. 90-95(a)(3), (ii) a felony violation of G.S. 90-95(a)(3) for possession of less than one gram of cocaine, (iii) a felony violation of G.S. 90-95(a)(3) for possession of less than one gram of heroin, or (iv) a violation of G.S. 90-113.22 if the evidence for prosecution under those sections was obtained as a result of the person seeking medical assistance for the drug-related overdose.~~Limited Immunity for Samaritan. – A person shall not be prosecuted for any of the offenses listed in subsection (c3) of this section if all of the following requirements and conditions are met:

(1) The person sought medical assistance for an individual experiencing a drug-related overdose by contacting the 911 system, a law enforcement officer, or emergency medical services personnel.

(2) The person acted in good faith when seeking medical assistance, upon a reasonable belief that he or she was the first to call for assistance.

(3) The person provided his or her own name to the 911 system or to a law enforcement officer upon arrival.

(4) The person did not seek the medical assistance during the course of the execution of an arrest warrant, search warrant, or other lawful search.

(5) The evidence for prosecution of the offenses listed in subsection (c3) of this section was obtained as a result of the person seeking medical assistance for the drug-related overdose.

(c) ~~A person who experiences a drug-related overdose and is in need of medical assistance shall not be prosecuted for (i) a misdemeanor violation of G.S. 90-95(a)(3), (ii) a felony violation of G.S. 90-95(a)(3) for possession of less than one gram of cocaine, (iii) a felony violation of G.S. 90-95(a)(3) for possession of less than one gram of heroin, or (iv) a violation of G.S. 90-113.22 if the evidence for prosecution under those sections was obtained as a result of the drug-related overdose and need for medical assistance.~~Limited Immunity for Overdose Victim. – The immunity described in subsection (b) of this section shall extend to the person who experienced the drug-related overdose if all of the requirements and conditions listed in subdivisions (1), (2), (4), and (5) of subsection (b) of this section are satisfied.

(c1) Probation or Release. – A person shall not be subject to arrest or revocation of pretrial release, probation, parole, or post-release if the arrest or revocation is based on an offense for which the person is immune from prosecution under subsection (b) or (c) of this section. The arrest of a person for an offense for which subsection (b) or (c) of this section may provide the person with immunity will not itself be deemed to be a commission of a new criminal offense in violation of a condition of the person's pretrial release, condition of probation, or condition of parole or post-release.

(c2) Civil Liability for Arrest or Charges. – In addition to any other applicable immunity or limitation on civil liability, a law enforcement officer who, acting in good faith, arrests or charges a person who is thereafter determined to be entitled to immunity under this section shall not be subject to civil liability for the arrest or filing of charges.

(c3) Covered Offenses. – A person shall have limited immunity from prosecution under subsections (b) and (c) of this section for only the following offenses:

(1) A misdemeanor violation of G.S. 90-95(a)(3).

(2) A felony violation of G.S. 90-95(a)(3) for possession of less than one gram of cocaine.

(3) A felony violation of G.S. 90-95(a)(3) for possession of less than one gram of heroin.

(4) A violation of G.S. 90-113.22.

(d) ~~Nothing~~ Construction. – Nothing in this section shall be construed to ~~bar~~ do any of the following:

(1) Bar the admissibility of any evidence obtained in connection with the investigation and prosecution of (i) other crimes committed by a person who otherwise qualifies for limited immunity under this ~~section.~~section or (ii) any crimes committed by a person who does not qualify for limited immunity under this section.

(2) Limit any seizure of evidence or contraband otherwise permitted by law.

(3) Limit or abridge the authority of a law enforcement officer to detain or take into custody a person in the course of an investigation of, or to effectuate an arrest for, any offense other than an offense listed in subsection (c3) of this section.

(4) Limit or abridge the authority of a probation officer to conduct drug testing of persons on pretrial release, probation, or parole."

SECTION 2. G.S. 18B-302.2 reads as rewritten:

"§ **18B-302.2. Medical treatment; limited immunity.**

(a) Limited Immunity for Samaritan. – Notwithstanding any other provision of law, a person under the age of 21 shall not be prosecuted for a violation of G.S. 18B-302 for the possession or consumption of alcoholic beverages if ~~law enforcement, including campus safety police, became aware of the possession or consumption of alcohol by the person solely because the person was seeking medical assistance for another individual. This section shall apply if,~~

~~when seeking medical assistance on behalf of another, the person did all of the following:~~all of the following requirements and conditions are met:

(1) The person sought medical assistance for an individual experiencing an alcohol-related overdose by contacting the 911 system, a law enforcement officer, or emergency medical services personnel.

(1a) ~~Acted~~ The person acted in good ~~faith,~~ faith when seeking medical assistance, upon a reasonable belief that he or she was the first to call for assistance.

(2) ~~Used~~ The person provided his or her own name ~~when contacting authorities.~~to the 911 system or to a law enforcement officer upon arrival.

~~(3) Remained with the individual needing medical assistance until help arrived.~~

(4) The person did not seek the medical assistance during the course of the execution of an arrest warrant, search warrant, or other lawful search.

(5) The evidence for prosecution of a violation of G.S. 18B-302 for the possession or consumption of alcoholic beverages was obtained as a result of the person seeking medical assistance for the alcohol-related overdose.

(b) Limited Immunity for Overdose Victim. – The immunity described in subsection (a) of this section shall extend to the person who needed medical assistance if the requirements in subdivisions (1), (1a), (4), and (5) of subsection (a) are satisfied.

(c) Probation or Release. – A person shall not be subject to arrest or revocation of pretrial release, probation, parole, or post-release if the arrest or revocation is based on an offense for which the person is immune from prosecution under subsection (a) or (b) of this section. The arrest of a person for an offense for which subsection (a) or (b) of this section may provide the person with immunity will not itself be deemed to be a commission of a new criminal offense in violation of a condition of the person's pretrial release, condition of probation, or condition of parole or post-release.

(d) Civil Liability for Arrest or Charges. – In addition to any other applicable immunity or limitation on civil liability, a law enforcement officer who, acting in good faith, arrests or charges a person who is thereafter determined to be entitled to immunity under this section shall not be subject to civil liability for the arrest or filing of charges."

SECTION 3. G.S. 90-106.2 reads as rewritten:

"§ **90-106.2. Treatment of overdose with opioid antagonist; immunity.**

…

(b) A practitioner acting in good faith and exercising reasonable care may directly or by standing order prescribe an opioid antagonist to (i) a person at risk of experiencing an opiate-related overdose or (ii) a family member, friend, or other person in a position to assist a person at risk of experiencing an opiate-related overdose. As an indicator of good faith, the practitioner, prior to prescribing an opioid under this subsection, may require receipt of a written communication that provides a factual basis for a reasonable conclusion as to either of the following:

(1) The person seeking the opioid antagonist is at risk of experiencing an opiate-related overdose.

(2) The person other than the person who is at risk of experiencing an opiate-related overdose, and who is seeking the opioid antagonist, is in relation to the person at risk of experiencing an opiate-related overdose:

a. A family member, friend, or other person.

b. In the position to assist a person at risk of experiencing an opiate-related overdose.

(b1) A pharmacist may dispense an opioid antagonist to a person described in subsection (b) of this section pursuant to a prescription issued in accordance with subsection (b) of this section. For purposes of this section, the term "pharmacist" is as defined in G.S. 90-85.3.

…

(d) All of the following individuals are immune from any civil or criminal liability for actions authorized by this section:

(1) Any practitioner who prescribes an opioid antagonist pursuant to subsection (b) of this section.

(2) Any pharmacist who dispenses an opioid antagonist pursuant to subsection (b1) of this section.

~~(2)~~(3) Any person who administers an opioid antagonist pursuant to subsection (c) of this section."

SECTION 4. This act becomes effective August 1, 2015, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 10th day of June, 2015.

Became law upon approval of the Governor at 10:05 a.m. on the 19th day of June, 2015.

Session Law 2015-95 **S.B. 366**

AN ACT TO AMEND THE REPORTING AND MEETING REQUIREMENTS UNDER THE LAWS PERTAINING TO THE PERMANENCY INNOVATION INITIATIVE OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 131D-10.9A reads as rewritten:

"§ **131D-10.9A. Permanency Innovation Initiative Oversight Committee created.**

…

(d) Reports. – The Committee shall report its analysis and any findings and recommendations to the ~~General Assembly by September 15~~chairs of the Senate Appropriations Committee on Health and Human Services, the chairs of the House of Representatives Appropriations Committee on Health and Human Services, and the Fiscal Research Division by February 15 of each year.

(e) Organization. – The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Committee. The Committee shall meet at least ~~once a quarter~~twice each year upon the joint call of the cochairs. A quorum of the Committee is seven members. No action may be taken except by a majority vote at a meeting at which a quorum is present.

…."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 8th day of June, 2015.

Became law upon approval of the Governor at 10:05 a.m. on the 19th day of June, 2015.

Session Law 2015-96 **S.B. 487**

AN ACT TO UPDATE OUTDATED AND OBSOLETE PROVISIONS IN CHAPTER 108A OF THE GENERAL STATUTES ON THE NC HEALTH CHOICE PROGRAM IN ORDER TO AVOID CONFUSION BY STAKEHOLDERS AND TO INCREASE EFFICIENCIES IN THE ADMINISTRATION OF THE PROGRAM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 108A-70.18 reads as rewritten:

"§ **108A-70.18. Definitions.**

As used in this Part, unless the context clearly requires otherwise, the term:

(1) "Comprehensive health coverage" means creditable health coverage as defined under Title XXI.

(2) "Family income" has the same meaning as used in determining eligibility for the Medical Assistance Program.

(3) "FPL" or "federal poverty level" means the federal poverty guidelines established by the United States Department of Health and Human Services, as revised each April 1.

(4) "Medical Assistance Program" means the State Medical Assistance Program established under Part 6 of Article 2 of Chapter 108A of the General Statutes.

~~(4a) "Predecessor Plan" means the North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan in effect prior to July 1, 2008.~~

(5) "Program" means The Health Insurance Program for Children established in this Part.

(6) "State Plan" means the State Child Health Plan for the State Children's Health Insurance Program established under Title XXI.

(7) "Title XXI" means Title XXI of the Social Security Act, as added by Pub. L. 105-33, 111 Stat. 552, codified in scattered sections of 42 U.S.C.

(8) "Uninsured" means the applicant for Program benefits is not covered under any private or employer-sponsored comprehensive health insurance plan on the date of enrollment."

SECTION 2. G.S. 108A-70.20 reads as rewritten:

"§ **108A-70.20. Program established.**

The Health Insurance Program for Children is established. The Program shall be known as North Carolina Health Choice for Children, and it shall be administered by the Department of Health and Human Services in accordance with this Part and as required under Title XXI and related federal rules and regulations. Administration of ~~Program benefits and~~ claims processing shall be as ~~provided under Part 5 of Article 3 of Chapter 135 of the General Statutes.~~described in 42 C.F.R. 447.45(d)(1)."

SECTION 3. G.S. 108A-70.20A is repealed.

SECTION 4. G.S. 108A-70.21 reads as rewritten:

"§ **108A-70.21. Program eligibility; benefits; enrollment fee and other cost-sharing; coverage from private plans; purchase of extended coverage.**

…

(b1) Payments. – Prescription drug providers shall accept as payment in full, for outpatient prescriptions filled, amounts allowable for prescription drugs under Medicaid. For all other providers, services provided to children enrolled in the Program shall be provided at rates equivalent to one hundred percent (100%) of Medicaid rates, less any co-payments assessed to enrollees under this Part. Payments to NC Health Choice Program providers under this Part shall be paid in full and shall not be subject to cost settlement.

…

(e) Cost-Sharing Limitations. – The ~~department~~ Department shall establish maximum annual cost-sharing limits per individual or family, provided that the total annual aggregate cost-sharing, including enrollment fees, with respect to all children in a family receiving benefits under this section shall not exceed five percent (5%) of the family's income for the year involved.

…."

SECTION 5. G.S. 108A-70.27 reads as rewritten:

"§ **108A-70.27. Data collection; reporting.**

(a) The Department shall ensure that the following data are collected, analyzed, and reported in a manner that will most effectively and expeditiously enable the State to evaluate Program goals, objectives, operations, and health outcomes for children:

(1) Number of applicants for coverage under the Program;

(2) Number of Program applicants deemed eligible for Medicaid;

(3) Number of applicants deemed eligible for the Program, by income level, age, and family size;
(4) Number of applicants deemed ineligible for the Program and the basis for ineligibility;
(5) Number of applications made at county departments of social services, public health departments, and by mail;
(6) Total number of children enrolled in the Program to date and for the immediately preceding fiscal year;
(7) Total number of children enrolled in Medicaid through the Program application process;
(8) Trends showing the Program's impact on hospital utilization, immunization rates, and other indicators of quality of care, and cost-effectiveness and efficiency;
(9) Trends relating to the health status of children;
(10) Other data that would be useful in carrying out the purposes of this Part.

(b) Repealed by Session Laws 2013-360, s. 12A.8(e), effective July 1, 2013.

(c) The Division of Medical Assistance shall provide to the Department data required under this section that are collected by ~~the Plan~~ this Division. Data shall be reported by ~~the Plan~~ the Division of Medical Assistance in sufficient detail to meet federal reporting requirements under Title XXI. ~~The Plan shall report periodically to the Joint Legislative Oversight Committee on Health and Human Services claims processing data for the Program and any other information the Plan or the Committee deems appropriate and relevant to assist the Committee in its review of the Program.~~"

SECTION 6. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 10th day of June, 2015.

Became law upon approval of the Governor at 10:05 a.m. on the 19th day of June, 2015.

Session Law 2015-97 **H.B. 560**

AN ACT TO PROVIDE THAT IT IS A FELONY TO ASSAULT HOSPITAL PERSONNEL AND LICENSED HEALTHCARE PROVIDERS WHO ARE PROVIDING OR ATTEMPTING TO PROVIDE SERVICES IN A HOSPITAL.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 14-34.6 reads as rewritten:

"§ **14-34.6. Assault or affray on a firefighter, an emergency medical technician, medical responder, and ~~emergency department~~ hospital personnel.**

(a) A person is guilty of a Class I felony if the person commits an assault or affray causing physical injury on any of the following persons who are discharging or attempting to discharge their official duties:

(1) An emergency medical technician or other emergency health care provider.
(2) A medical responder.
(3) ~~The following emergency department personnel: physicians, physicians assistants, nurses, and licensed nurse practitioners.~~Hospital personnel and licensed healthcare providers who are providing or attempting to provide health care services to a patient in a hospital.
(4) Repealed by Session Laws 2011-356, s. 2, effective December 1, 2011, and applicable to offenses committed on or after that date.
(5) A firefighter.

(b) Unless a person's conduct is covered under some other provision of law providing greater punishment, a person is guilty of a Class H felony if the person violates subsection (a)

of this section and (i) inflicts serious bodily injury or (ii) uses a deadly weapon other than a firearm.

(c) Unless a person's conduct is covered under some other provision of law providing greater punishment, a person is guilty of a Class F felony if the person violates subsection (a) of this section and uses a firearm."

SECTION 2. This act becomes effective December 1, 2015, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 10th day of June, 2015.

Became law upon approval of the Governor at 10:05 a.m. on the 19th day of June, 2015.

Session Law 2015-98 **H.B. 909**

AN ACT TO MAKE VARIOUS CHANGES TO THE ALCOHOLIC BEVERAGE CONTROL COMMISSION LAWS.

The General Assembly of North Carolina enacts:

AUTHORIZE AND REGULATE THE SALE OF ANTIQUE SPIRITUOUS LIQUOR

SECTION 1.(a) G.S. 18B-101 reads as rewritten:

"§ **18B-101. Definitions.**

As used in this Chapter, unless the context requires otherwise:

…

(5) "ALE Branch" means the Alcohol Law Enforcement Branch of the Department of Public Safety.

(5a) "Antique spirituous liquor" means spirituous liquor that has not been in production or bottled in the last 20 years, is in the original manufacturer's unopened container, is not owned by a distillery, and is not otherwise available for purchase by an ABC Board except through the special order process pursuant to G.S. 18B-1001(20).

(5b) "Antique spirituous liquor seller" means a person who sells antique spirituous liquor to an ABC Board.

(5c) "Bailment surcharge" means the charge imposed on each case of liquor shipped from a Commission warehouse as provided in G.S. 18B-208. This bailment surcharge is in addition to the bailment charge imposed by G.S. 18B-804(b)(2).

…."

SECTION 1.(b) G.S. 18B-1001 is amended by adding a new subdivision to read:

"(20) Antique spirituous liquor permit. – A permit under this subdivision may be issued to a holder of a mixed beverages permit issued under subdivision (10) of this section. Notwithstanding any law to the contrary, the permit holder may sell at retail antique spirituous liquor for use in mixed beverages for consumption on premises. The acquisition of antique spirituous liquor on or after September 1, 2015, shall be in accordance with the process established by rule of the Commission for special orders of spirituous liquor that is not on the list approved by the Commission."

SECTION 1.(c) G.S. 18B-902(d) is amended by adding a new subdivision to read:

"(43) Antique spirituous liquor permit – $100.00."

SECTION 1.(d) G.S. 18B-1001(10) reads as rewritten:

"(10) Mixed Beverages Permit. – A mixed beverages permit authorizes the retail sale of mixed beverages for consumption on the premises. The permit also authorizes a mixed beverages permittee (i) to obtain a purchase-transportation permit under G.S. 18B-403 and 18B-404, (ii) to

obtain an antique spirituous liquor permit under subdivision (20) of this section, and (iii) to use for culinary purposes spirituous liquor lawfully purchased for use in mixed beverages. The permit may be issued for any of the following:

a. Restaurants;
b. Hotels;
c. Private clubs;
d. Convention centers;
e. Community theatres;
f. Nonprofit organizations; and
g. Political organizations."

SECTION 1.(e) G.S. 18B-804 reads as rewritten:

"§ **18B-804. Alcoholic beverage pricing.**

(a) Uniform Price of Spirituous Liquor. – The retail price of spirituous liquor sold in ABC stores shall be uniform throughout the State, unless otherwise provided by the ABC law.

(b) Sale Price of Spirituous Liquor. – The sale of spirituous ~~liquor~~ liquor, including antique spirituous liquor, sold at the uniform State price shall consist of the following components:

(1) The distiller's or the antique spirituous liquor seller's price.
(2) The freight and bailment charges of the State warehouse as determined by the Commission.
(3) A markup for local boards as determined by the Commission.
(4) The tax levied under G.S. 105-113.80(c), which shall be levied on the sum of subdivisions (1), (2), and (3).
(5) An additional markup for local boards equal to three and one-half percent (3 1/2%) of the sum of subdivisions (1), (2), and (3).
(6) A bottle charge of one cent (1¢) on each bottle containing 50 milliliters or less and five cents (5¢) on each bottle containing more than 50 milliliters.
(6a) The bailment surcharge.
(6b) An additional bottle charge for local boards of one cent (1¢) on each bottle containing 50 milliliters or less and five cents (5¢) on each bottle containing more than 50 milliliters.
(7) A rounding adjustment, the formula of which may be determined by the Commission, so that the sale price will be divisible by five.
(8) If the spirituous liquor is sold to a mixed beverage permittee for resale in mixed beverages, a charge of twenty dollars ($20.00) on each four liters and a proportional sum on lesser quantities.
(9) If the spirituous liquor is sold to a guest room cabinet permittee for resale, a charge of twenty dollars ($20.00) on each four liters and a proportional sum on lesser quantities.

…."

SECTION 1.(f) G.S. 105-113.80(c) reads as rewritten:

"(c) Liquor. – An excise tax of thirty percent (30%) is levied on spirituous liquor and antique spirituous liquor sold in ABC stores. Pursuant to G.S. 18B-804(b), the price of liquor on which this tax is computed is the distiller's or the antique spirituous liquor seller's price plus (i) the State ABC warehouse freight and bailment ~~charges,~~ charges and (ii) a markup for local ABC boards."

SECTION 1.(g) G.S. 105-113.68(a) is amended by adding a new subdivision to read:

"(4a) Antique spirituous liquor. – Defined in G.S. 18B-101."

SECTION 1.(h) G.S. 105-164.4(a)(7) reads as rewritten:

"(7) The combined general rate applies to the sales price of antique spirituous liquor and spirituous liquor other than mixed beverages. As used in this

subdivision, the terms "antique spirituous liquor", ~~"spirituous liquor"~~"spirituous liquor", and "mixed beverage" have the meanings provided in G.S. 18B-101."

SECTION 1.(i) No later than September 1, 2015, the ABC Commission shall establish and adopt temporary rules to implement the provisions of this section.

SECTION 1.(j) Subsections (a) through (h) of this section become effective upon adoption of rules pursuant to subsection (i) of this section. The remainder of this section is effective when it becomes law.

PROHIBIT THE SALE, POSSESSION, OR CONSUMPTION OF POWDERED ALCOHOL

SECTION 2.(a) G.S. 18B-101 reads as rewritten:

"§ **18B-101. Definitions.**

As used in this Chapter, unless the context requires otherwise:

…

(12a) "Premises" means all areas, whether inside or outside the licensed premises, where the permittee has control of the property through a lease, deed, or other legal process.

(12b) "Powdered alcohol" means any powder or crystalline substance capable of being converted into a liquid alcoholic beverage fit for human consumption.

(13) "Sale" means any transfer, trade, exchange, or barter, in any manner or by any means, for consideration.

…."

SECTION 2.(b) G.S. 18B-102 is amended by adding a new subsection to read:

"(a1) Powdered Alcohol Prohibition. – It shall be unlawful for any person to manufacture, sell, transport, import, deliver, furnish, purchase, consume, or possess powdered alcohol."

AUTHORIZE THE EASTERN BAND OF CHEROKEE INDIANS TRIBAL ALCOHOLIC BEVERAGE CONTROL COMMISSION TO ISSUE WINE SHIPPER PERMITS AND COMMERCIAL ABC PERMITS AND CLARIFY THAT THE EASTERN BAND OF CHEROKEE INDIANS TRIBAL ALCOHOLIC BEVERAGE CONTROL COMMISSION MAINTAINS EXCLUSIVE AUTHORITY TO ISSUE CERTAIN PERMITS

SECTION 3.(a) G.S. 18B-112 reads as rewritten:

"§ **18B-112. Tribal alcoholic beverage control.**

…

(b) Compliance Required. – The Eastern Band of Cherokee Indians shall comply with the following provisions of this Chapter to the extent they apply to or can be made applicable to the tribe:

(1) The following provisions of Article 1. – General Provisions.
   a. G.S. 18B-101(4), (7), (7c), (9), (10), (11), (12), (12a), (13), (14)(14a), (14b), and (15).
   b. G.S. 18B-102.1.
   c. G.S. 18B-104.
   d. G.S. 18B-105, except that this section shall not apply to any establishment where gaming is permitted under a State compact and pursuant to federal law.
   e. G.S. 18B-109(b).
   f. G.S. 18B-110.
   g. G.S. 18B-111.
   h. G.S. 18B-112.

(2) Article 1A. – Compensation for Injury Caused by Sales to Underage Persons, to the extent it applies to retail establishments or the tribal alcoholic

beverage control commission if it operates ABC stores, or any other permitted establishment, at retail pursuant to the provisions of this section.

(3) Article 3. – Sale, Possession, and Consumption, except for G.S. 18B-308 and G.S. 18B-309.

(4) Article 4. – Transportation.

(5) Article 5. – Enforcement, except for G.S. 18B-500 and G.S. 18B-501.

(6) Article 6. – Elections, compliance with only G.S. 18B-603(f) and (g) are required.

(7) Article 9. – Issuance of Permits, except for G.S. 18B-902(g) and (h) and G.S. 18B-906.

~~(7)~~(8) Article 10. – Retail ~~Activity, except for G.S. 18B-1001.1, 18B-1001.2, and 18B-1001.3.~~Activity.

(9) Article 11. – Commercial Activity, as clarified by the following:

a. The tribal alcoholic beverage control commission may issue commercial activity permits to any qualifying applicant that establishes a commercial business wholly on Indian Country lands and shall have sole enforcement authority over any permittee receiving a permit from the tribal alcoholic beverage control commission only to the extent the regulated conduct occurs on Indian Country lands.

b. The Eastern Band of Cherokee Indians shall recognize any permit issued by the North Carolina Alcoholic Beverage Control Commission allowing commercial activity in the same manner as if such permit was issued by the tribal alcoholic beverage control commission. The North Carolina Alcoholic Beverage Control Commission shall recognize any commercial activity permit issued by the tribal alcoholic beverage commission in the same manner as if the permit were issued by the North Carolina Alcoholic Beverage Control Commission.

c. The North Carolina Alcoholic Beverage Control Commission shall retain exclusive enforcement authority over all permits it issues to commercial activity permittees for violations of its rules or this Chapter.

Any provision of Articles 12 and 13 of this Chapter which has not been made applicable to the Eastern Band of Cherokee Indians by this section shall act as a bar to engaging in any activity authorized by that Article or section.

…

(d) Establishment of a Tribal Commission. – In accordance with the provisions of 18 U.S.C. § 1161, the Eastern Band of Cherokee Indians is authorized to establish a tribal alcoholic beverage control commission to regulate the purchase, possession, consumption, sale, and delivery of alcoholic beverages ~~at retail~~ on any land designated as Indian Country pursuant to 18 U.S.C. § 1151 under the jurisdiction of the Eastern Band of Cherokee Indians. The tribal commission shall have exclusive authority to issue ~~retail~~ ABC permits to retail and commercial establishments located wholly on Indian Country lands under the jurisdiction of the Eastern Band of Cherokee Indians and to regulate the purchase, possession, consumption, sale, and delivery of alcoholic beverages at ~~retail~~ permitted outlets and premises. Permits issued by the tribal commission pursuant to this section shall be deemed issued by the State for the purposes of sales and delivery of beer and wine by wholesalers to the retail outlets located on Indian Country lands. The fees generated by the tribal alcoholic beverage control commission for the issuance of retail permits may be retained by the Eastern Band of Cherokee Indians to offset costs of operating the tribal alcoholic beverage control commission.

…."

SECTION 3.(b) G.S. 18B-101(14a) reads as rewritten:

"(14a) "Tourism ABC establishment" means a restaurant or hotel that meets both of the following requirements:

a. Is located on property, a property line of which is located within 1.5 miles of the end of an entrance or exit ramp of a junction on a national scenic parkway designed to attract local, State, national, and international tourists between the State line and Milepost ~~460.~~469, provided that the Eastern Band of Cherokee Indians tribal alcoholic beverage control commission established under G.S. 18B-112 shall have exclusive authority to issue permits pursuant to this subdivision between Milepost 460 and the southern terminus of the national scenic byway at Milepost 469 for any restaurant or hotel that is located wholly on Indian Country lands.

b. Is located in a county in which the on-premises or off-premises sale of malt beverages or unfortified wine is authorized in at least one city."

ALLOW DISTILLERY PERMIT HOLDERS TO SELL SPIRITUOUS LIQUOR DISTILLED ON PREMISES TO VISITORS OF THE DISTILLERY FOR CONSUMPTION OFF THE PREMISES

SECTION 4.(a) G.S. 18B-1105(a) reads as rewritten:

"(a) Authorized Acts. – The holder of a distillery permit ~~may:~~may do any of the following:

(1) Manufacture, purchase, import, possess and transport ingredients and equipment used in the distillation of spirituous ~~liquor;~~liquor.

(2) Sell, deliver and ship spirituous liquor in closed containers at wholesale to exporters and local boards within the State, and, subject to the laws of other jurisdictions, at wholesale or retail to private or public agencies or establishments of other states or ~~nations;~~nations.

(3) Transport into or out of the distillery the maximum amount of liquor allowed under federal law, if the transportation is related to the distilling process.

(4) Sell spirituous liquor distilled at the distillery in closed containers to visitors who tour the distillery for consumption off the premises if the distillery manufactures less than 100,000 proof gallons per year. Sales under this subdivision are allowed only in a county where the establishment of a county or municipal ABC store has been approved pursuant to G.S. 18B-602(g) and are subject to the time and day restrictions in G.S. 18B-802. Spirituous liquor sold under this subdivision shall (i) be listed as a code item for sale in the State, (ii) be sold at the price set by the Commission for the code item pursuant to G.S. 18B-804(b), and (iii) have affixed to its bottle a sticker that bears the words "North Carolina Distillery Tour Commemorative Spirit" in addition to any other labeling requirements set by law. Consumers purchasing spirituous liquor under this subdivision are limited to purchasing, and the selling distillery is limited to selling to each consumer, no more than one bottle of spirituous liquor per 12-month period. The distillery shall use a commonly adopted standard point of sale system to maintain searchable electronic records captured at the point of sale, to include the purchaser's name, drivers license number, and date of birth for at least 12 months from the date of purchase. The Commission shall adopt rules regulating the retail sale of spirituous liquor under this subdivision."

SECTION 4.(b) G.S. 105-113.68(a) is amended by adding a new subdivision to read:

"(4a) Distillery permittee. – A distillery that holds a distillery permit issued by the ABC Commission under G.S. 18B-1105."

SECTION 4.(c) G.S. 105-113.80(c) reads as rewritten:

"(c) Liquor. – An excise tax of thirty percent (30%) is levied on liquor sold in ABC ~~stores.~~ stores and in permitted distilleries. Pursuant to G.S. 18B-804(b), the price of liquor on which this tax is computed is the distiller's price plus (i) the State ABC warehouse freight and bailment charges, and (ii) a markup for local ABC boards."

SECTION 4.(d) G.S. 105-113.81(e) reads as rewritten:

"(e) Tasting. – Resident ~~breweries and wineries~~ breweries, wineries, and distilleries are not required to remit excise taxes on malt ~~beverages and wine~~ beverages, wine, or spirituous liquor given free of charge to customers, visitors, and employees on the manufacturer's licensed premises for consumption on those premises."

SECTION 4.(e) G.S. 105-113.83(a) reads as rewritten:

"(a) Liquor. – The excise tax on liquor levied under G.S. 105-113.80(c) is payable monthly by the local ABC board and by a distillery permittee to the Secretary. The tax shall be paid on or before the 15th day of the month following the month in which the tax was collected."

SECTION 4.(f) G.S. 18B-800(a) reads as rewritten:

"(a) Spirituous Liquor. – Except as provided in Article 10 of this ~~Chapter,~~Chapter and G.S. 18B-1105(a), spirituous liquor may be sold only in ABC stores operated by local boards."

SECTION 4.(g) G.S. 18B-804(a) reads as rewritten:

"(a) Uniform Price of Spirituous Liquor. – The retail price of spirituous liquor sold in ABC stores and permitted distilleries shall be uniform throughout the State, unless otherwise provided by the ABC law."

SECTION 4.(h) No later than October 1, 2015, the ABC Commission shall establish and adopt temporary rules to implement the provisions of this section.

SECTION 4.(i) Subsections (a) through (g) of this section become effective upon adoption of rules pursuant to subsection (h) of this section. The remainder of this section is effective when it becomes law.

ALLOW CERTAIN ABC PERMITTEES TO SELL CIDER IN CERTAIN CONTAINERS FOR CONSUMPTION OFF THE PERMITTED PREMISES AND MAKE TECHNICAL CHANGES TO THE SALE OF MALT BEVERAGES IN GROWLERS

SECTION 5.(a) G.S. 18B-1001 reads as rewritten:

"§ **18B-1001. Kinds of ABC permits; places eligible.**

When the issuance of the permit is lawful in the jurisdiction in which the premises are located, the Commission may issue the following kinds of permits:

(1) On-Premises Malt Beverage Permit. – An on-premises malt beverage permit authorizes (i) the retail sale of malt beverages for consumption on the premises, (ii) the retail sale of malt beverages in the manufacturer's original container for consumption off the premises, and (iii) the retail sale of malt beverages in a cleaned, sanitized, resealable container ~~as defined in 4 NCAC 2T.0308(a)~~ that is filled or refilled and sealed for consumption off the ~~premises, complies with 4 NCAC 2T.0303, 4 NCAC 2T.0305, and 4 NCAC 2T.0308(d) (e),~~ premises and ~~the container~~ that identifies the permittee and the date the container was filled or refilled. It also authorizes the holder of the permit to ship malt beverages in closed containers to individual purchasers inside and outside the State. The permit may be issued for any of the following:

a. Restaurants;
b. Hotels;
c. Eating establishments;
d. Food businesses;
e. Retail businesses;

f. Private clubs;
g. Convention centers;
h. Community theatres;
i. Breweries as authorized by G.S. 18B-1104(7) and (8).

(2) Off-Premises Malt Beverage Permit. – An off-premises malt beverage permit authorizes (i) the retail sale of malt beverages in the manufacturer's original container for consumption off the premises, (ii) the retail sale of malt beverages in a cleaned, sanitized, resealable container ~~as defined in 4 NCAC 2T.0308(a)~~ that is filled or refilled and sealed for consumption off the ~~premises, complies with 4 NCAC 2T.0303, 4 NCAC 2T.0305, and 4 NCAC 2T.0308(d) (e),~~ premises and ~~the container~~ that identifies the permittee and the date the container was filled or refilled, and (iii) the holder of the permit to ship malt beverages in closed containers to individual purchasers inside and outside the State. The permit may be issued for any of the following:
a. Restaurants.
b. Hotels.
c. Eating establishments.
d. Food businesses.
e. Retail businesses.
f. The holder of a brewing, distillation, and fermentation course authorization under G.S. 18B-1114.6. A school obtaining a permit under this subdivision is authorized to sell malt beverages manufactured during its brewing, distillation, and fermentation program at one noncampus location in a county where the permittee holds and offers classes on a regular full-time basis in a facility owned by the permittee.

(3) On-Premises Unfortified Wine Permit. – An on-premises unfortified wine permit authorizes (i) the retail sale of unfortified wine for consumption on the premises, either alone or mixed with other beverages, ~~and~~ (ii) the retail sale of unfortified wine in the manufacturer's original container for consumption off the ~~premises.~~ premises, and (iii) the retail sale of unfortified wine dispensed from a tap connected to a pressurized container utilizing carbon dioxide or similar gas into a cleaned, sanitized, resealable container that is filled or refilled and sealed for consumption off the premises and that identifies the permittee and the date the container was filled or refilled. The permit also authorizes the permittee to transfer unfortified wine, not more than four times per calendar year, to another on-premises unfortified wine permittee that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of wine by on-premises unfortified wine permittees, purchases of wine by a retail permittee from another retail permittee for the purpose of resale, and sale of wine by a retail permittee to another retail permittee for the purpose of resale are unlawful. In addition, a particular brand of wine may be transferred only if both the transferor and transferee are located within the territory designated between the winery and the wholesaler on file with the Commission. Prior to or contemporaneous with any such transfer, the transferor shall notify each wholesaler who distributes the transferred product of the transfer. The notice shall be in writing or verifiable electronic format and shall identify the transferor and transferee, the date of the transfer, quantity, and items transferred. The holder of the permit is authorized to ship unfortified wine in closed containers to individual purchasers inside and outside the State. Orders received by a winery by telephone, Internet, mail, facsimile, or other

off-premises means of communication shall be shipped pursuant to a wine shipper permit and not pursuant to this subdivision. The permit may be issued for any of the following:

a. Restaurants;
b. Hotels;
c. Eating establishments;
d. Private clubs;
e. Convention centers;
f. Cooking schools;
g. Community theatres;
h. Wineries;
i. Wine producers.

(4) Off-Premises Unfortified Wine Permit. – An off-premises unfortified wine permit authorizes (i) the retail sale of unfortified wine in the manufacturer's original container for consumption off the ~~premises and it authorizes~~ premises, (ii) the retail sale of unfortified wine dispensed from a tap connected to a pressurized container utilizing carbon dioxide or similar gas into a cleaned, sanitized, resealable container that is filled or refilled and sealed for consumption off the premises and that identifies the permittee and the date the container was filled or refilled, and (iii) the holder of the permit to ship unfortified wine in closed containers to individual purchasers inside and outside the State. The permit may be issued for retail businesses. The permit also authorizes the permittee to transfer unfortified wine, not more than four times per calendar year, to another off-premises unfortified wine permittee that is under common ownership or control as the transferor. Except as authorized by this subdivision, transfers of wine by off-premises unfortified wine permittees, purchases of wine by a retail permittee from another retail permittee for the purpose of resale, and sale of wine by a retail permittee to another retail permittee for the purpose of resale are unlawful. In addition, a particular brand of wine may be transferred only if both the transferor and transferee are located within the territory designated between the winery and the wholesaler on file with the Commission. Prior to or contemporaneous with any such transfer, the transferor shall notify each wholesaler who distributes the transferred product of the transfer. The notice shall be in writing or verifiable electronic format and shall identify the transferor and transferee, the date of the transfer, quantity, and items transferred. The permit may also be issued to the holder of a viticulture/enology course authorization under G.S. 18B-1114.4. A school obtaining a permit under this subdivision is authorized to sell wines manufactured during its viticulture/enology program at one non-campus location in a county where the permittee holds and offers classes on a regular full-time basis in a facility owned by the permittee. The permit may also be issued for a winery or a wine producer for sale of its own unfortified wine during hours when the winery or wine producer's premises is open to the public, subject to any local ordinance adopted pursuant to G.S. 18B-1004(d) concerning hours for the retail sale of unfortified wine. A winery obtaining a permit under this subdivision is authorized to sell wine manufactured by the winery at one additional location in the county under the same conditions specified in G.S. 18B-1101(5) for the sale of wine at the winery; provided, however, that no other alcohol sales shall be authorized at the additional location. Orders received by a winery by telephone, Internet, mail, facsimile, or other off-premises means of communication shall be shipped pursuant to a wine shipper permit and not pursuant to this subdivision.

…

(16) Wine Shop Permit. – A wine shop permit authorizes (i) the retail sale of malt beverages, unfortified wine, and fortified wine in the manufacturer's original container for consumption off the premises, (ii) the retail sale of malt beverages or unfortified wine dispensed from a tap connected to a pressurized container utilizing carbon dioxide or similar gas in a cleaned, sanitized, resealable container ~~as defined in 4 NCAC 2T.0308(a)~~ that is filled or refilled and sealed for consumption off the ~~premises, complies with 4 NCAC 2T.0303, 4 NCAC 2T.0305, and 4 NCAC 2T.0308(d) (e),~~ premises and ~~the container~~ that identifies the permittee and the date the container was filled or refilled, and (iii) wine tastings on the premises conducted and supervised by the permittee in accordance with subdivision (15) of this section. It also authorizes the holder of the permit to ship malt beverages, unfortified wine, and fortified wine in closed containers to individual purchasers inside and outside the State. The permit may be issued for retail businesses whose primary purpose is selling malt beverages and wine for consumption off the premises and regularly and customarily educating consumers through tastings, classes, and seminars about the selection, serving, and storing of wine. The holder of the permit is authorized to sell unfortified wine for consumption on the premises, provided that the sale of wine for consumption on the premises does not exceed forty percent (40%) of the establishment's total sales for any 30-day period. The holder of a wine-tasting permit not engaged in the preparation or sale of food on the premises is not subject to Part 6 of Article 8 of Chapter 130A of the General Statutes.

…."

SECTION 5.(b) The North Carolina Alcoholic Beverage Control Commission rules regulating the retail sale of malt beverages in growlers shall apply to the retail sale of unfortified wine in growlers until such time as the Commission shall adopt administrative rules implementing this act.

ALLOW ALTERNATING PROPRIETORSHIPS FOR BREWERIES

SECTION 6. G.S. 18B-903 is amended by adding a new subsection to read:

"(c1) Construction of Change in Ownership. – Nothing in subsection (c) of this section shall be construed to limit alternating brewery proprietorships in which the holder of a brewery permit leases or otherwise makes available its facility to another holder of a brewery permit. In this arrangement, the tenant brewery shall maintain title to the malt beverages at all states of the brewing process and shall be responsible for all aspects associated with manufacturing the product, including maintaining appropriate records, obtaining label approval in its own name, and remitting the appropriate taxes. Alternating brewery proprietorships are authorized between affiliated breweries, but shall not be used as a means to allocate production quantities between affiliated breweries to obtain a malt beverage wholesaler permit pursuant to G.S. 18B-1104(8) where either brewery would not otherwise qualify for a permit, and the Commission shall have no authority to grant an exemption to this requirement pursuant to G.S. 18B-1116(b)."

ALLOW THE HOLDER OF A BREWERY PERMIT TO SELL MALT BEVERAGES TO A NONRESIDENT WHOLESALER IF THE MALT BEVERAGES ARE SHIPPED FROM THE BREWERY TO LICENSED WHOLESALERS AND CLARIFY THE LAW GOVERNING CHANGES IN OWNERSHIP AND CONTRACT BREWING

SECTION 7. G.S. 18B-1104 reads as rewritten:

"§ **18B-1104. Authorization of brewery permit.**

The holder of a brewery permit may:

(1) Manufacture malt beverages.

(2) Purchase malt, hops and other ingredients used in the manufacture of malt beverages.

(3) Sell, deliver and ship malt beverages in closed containers to wholesalers licensed under this Chapter as authorized by the ABC laws, except that malt beverages may be sold to exporters and nonresident wholesalers only when the purchase is not for resale in this State. However, nothing in this subdivision shall prohibit the holder of a brewery permit from selling malt beverages to a nonresident wholesaler, nonresident malt beverage vendor, bottler, or other similar party for resale in this State if the malt beverages are shipped from the brewery to wholesalers licensed under this Chapter.

(4) Receive malt beverages manufactured by the permittee in some other state for transshipment to dealers in other states.

(5) Furnish or sell marketable malt beverage products, or packages which do not conform to the manufacturer's marketing standards, if State taxes have been or will be paid, to its employees for the use of the employees or their families and guests in this State.

(6) Give its products to its employees and guests for consumption on its premises.

(6a) Receive, in closed containers, and sell at the brewery, malt beverages produced inside or outside North Carolina under contract with a contract brewery. The contract brewery that manufactures the malt beverages shall be responsible for all aspects associated with manufacturing the product, including maintaining appropriate records, obtaining label approval in its own name, and remitting the appropriate taxes. The contract malt beverages may be sold also at affiliated retail outlets of the brewery physically located on or adjacent to the brewery. Any malt beverages received from a contract brewery under this subdivision shall be made available for sale by the brewery to wholesalers for distribution to retailers, without discrimination, in the same manner as if the malt beverages were being imported by the brewery. Contract brewing is authorized between affiliated breweries, but shall not be used as a means to allocate production quantities between affiliated breweries to obtain a malt beverage wholesaler permit pursuant to G.S. 18B-1104(8) where either brewery would not otherwise qualify for a permit, and the Commission shall have no authority to grant an exemption to this requirement pursuant to G.S. 18B-1116(b).

(7) In an area where the sale of any type of alcoholic beverage is authorized by law, sell the brewery's malt beverages or malt beverages manufactured by the permittee in some other state that have been approved by the Commission for sale in North Carolina only at the brewery upon receiving a permit under G.S. 18B-1001(1).

(8) Obtain a malt beverage wholesaler permit to sell, deliver, and ship at wholesale only malt beverages manufactured by the brewery. The authorization of this subdivision applies to a brewery that sells, to consumers at the brewery, to wholesalers, to retailers, and to exporters, fewer than 25,000 barrels, as defined in G.S. 81A-9, of malt beverages produced by it per year. A brewery not exceeding the sales quantity limitations in this subdivision may also sell the malt beverages manufactured by the brewery at not more than three other locations in the State, where the sale is legal, upon obtaining the appropriate permits under G.S. 18B-1001. A brewery operating any additional retail location pursuant to this subdivision shall also offer for sale at that location a reasonable selection of competitive malt beverage products.

A sale or gift under subdivision (5) or (6) shall not be considered a retail or wholesale sale under the ABC laws."

AUTHORIZE THE ABC COMMISSION TO ISSUE GUEST ROOM CABINET PERMITS TO CERTAIN 18-HOLE GOLF COURSES

SECTION 8. G.S. 18B-1001(13) reads as rewritten:

"(13) Guest Room Cabinet Permit. – A guest room cabinet permit authorizes a ~~hotel having a mixed beverages permit or a private club having a mixed beverages permit and management contracts for the rental of living units~~ guest room cabinet permittee to sell to its room guests, from securely locked cabinets, malt beverages, unfortified wine, fortified wine, and spirituous liquor. A permittee shall designate and maintain at least ten percent (10%) of the permittee's guest rooms as rooms that do not have a guest room cabinet. A permittee may dispense alcoholic beverages from a guest room cabinet only in accordance with written policies and procedures filed with and approved by the Commission. A permittee shall provide a reasonable number of vending machines, coolers, or similar machines on premises for the sale of soft drinks to hotel guests.

A guest room cabinet permit may be issued ~~for~~ to any of the following:

a. A hotel (i) holding a mixed beverages permit and (ii) located in a county subject to G.S. 18B-600(f).

b. A hotel (i) holding a mixed beverages permit and (ii) located in a county that has a population in excess of 150,000 by the last federal census.

c. A ~~qualifying~~ private club (i) holding a mixed beverages permit, (ii) having management contracts for the rental of living units, and (iii) located in a county defined in G.S. 18B-101(13a)b.2.

d. An 18-hole golf course (i) holding a mixed beverages permit or located in a county where ABC stores have heretofore been established but in which the sale of mixed beverages has not been approved, (ii) having management contracts for the rental of living units, and (iii) located in a county that has a population in excess of 20,000 people by the last federal census."

EFFECTIVE DATE

SECTION 9. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 8th day of June, 2015.

Became law upon approval of the Governor at 10:05 a.m. on the 19th day of June, 2015.

Session Law 2015-99 **H.B. 163**

AN ACT TO MAKE VARIOUS CLARIFYING AND TECHNICAL CHANGES TO THE NORTH CAROLINA CAPTIVE INSURANCE ACT.

The General Assembly of North Carolina enacts:

SECTION 1. Part 9 of Article 10 of Chapter 58 of the General Statutes reads as rewritten:

"Part 9. Captive Insurance Companies.

"Subpart 1. General Provisions.

…

"§ **58-10-340. Definitions.**

The following definitions apply in this Part:

(1) ~~Affiliated~~ Affiliate or affiliated company. – Any ~~company~~ person in the same corporate system as a parent, an industrial insured, ~~or~~ a member ~~organization~~ organization, or a participant by virtue of common ownership, control, operation, or management.

…

(9) Captive insurance company. – Any pure captive insurance company, association captive insurance company, industrial insured captive insurance company, risk retention group, protected cell captive insurance company, ~~incorporated cell captive insurance company,~~ special purpose captive insurance company, or special purpose financial captive insurance company formed or licensed under this Part.

…

(12) Controlled unaffiliated business. – A person meeting all of the following:

a. The person is ~~not in the corporate system of a parent and its affiliated companies in the case of a pure captive insurance company or is not in the corporate system of an industrial insured and its affiliated companies in the case of an industrial insured captive insurance company.~~not an affiliate.

b. The person has an existing contractual relationship with ~~a parent or one of its affiliated companies in the case of a pure captive insurance company or with an industrial insured or one of its affiliated companies in the case of an industrial insured captive insurance company.~~an affiliate.

c. The person's risks are managed by a ~~pure~~ captive insurance ~~company or an industrial insured captive insurance company, as applicable,~~company, an affiliate of a captive insurance company, a participant, or an affiliate of a participant in accordance with G.S. 58-10-470.

(12a) Core. – A protected cell captive insurance company, excluding its protected cells.

…

(17) Incorporated protected cell. – A protected cell ~~of an incorporated cell captive insurance company~~ that is organized as a corporation or other legal entity separate from the ~~incorporated~~ protected cell captive insurance ~~company.~~company of which it is a part.

~~(18) Incorporated cell captive insurance company. – A protected cell captive insurance company that is established as a corporation or other legal entity separate from its incorporated cells that are also organized as separate legal entities.~~

(17a) Impairment. – When the assets of a captive insurance company or protected cell are less than the sum of its liabilities and required minimum capital and surplus.

…

(25) Mutual insurer. – A company owned by its policyholders where no stock is available for ~~purchase on the stock exchanges.~~purchase.

(26) NAIC. – Defined in G.S. 58-1-5.

(27) Organizational documents. – The documents that must be submitted pursuant to North Carolina law in order to legally form a business in this State or to obtain a ~~certificate of authority~~ license to transact business in this State.

(28) Parent. – An individual, corporation, limited liability company, partnership, association, or other entity, or individual that directly or indirectly ~~owns,~~

~~controls, or holds with power to vote more than fifty percent (50%) of the outstanding voting of any of the following interests:~~controls a captive insurance company.

~~a. Securities of a pure captive insurance company organized as a stock corporation.~~

~~b. Membership interests of a pure captive insurance company organized as a nonprofit corporation.~~

~~c. Membership interests of a pure captive insurance company organized as a limited liability company.~~

~~d. Securities of an SPFC.~~

(29) Participant. – ~~A~~ Any person ~~or an entity authorized to be a participant by G.S. 58-10-515,~~ and any affiliate or any controlled unaffiliated business of ~~a participant,~~ such person that is insured by a protected cell captive insurance company, ~~if~~ where the losses of the participant are limited through a participant contract.

…

(32) Protected cell. – Either of the following:

a. A separate account established by a protected cell captive insurance company ~~formed or~~ licensed under this Part, in which ~~an identified pool of~~ assets and liabilities ~~is~~ are segregated and insulated by means of this Part from the remainder of the protected cell captive insurance company's assets and liabilities, in accordance with the terms of one or more participant contracts to fund the liability of the protected cell captive insurance company, with respect to the participants as set forth in the participant contracts.

b. A separate account established and maintained by an SPFC for one SPFC contract and the accompanying insurance securitization with a counterparty.

(33) Protected cell assets. – All assets, contract rights, and general intangibles identified with and attributable to a specific protected cell of a protected cell captive insurance company.

(34) Protected cell captive insurance company. – Any captive insurance company meeting all of the following:

a. The minimum capital and surplus required by this Part are provided by one or more sponsors.

b. The company is ~~formed or~~ licensed under this Part.

c. The company insures the risks of separate participants through participant contracts.

d. The company funds its liability to each participant through one or more protected cells and segregates the assets of each protected cell from the assets of other protected cells and from the assets of the protected cell captive insurance company's general account.

(35) Protected cell liabilities. – All liabilities and other obligations identified with and attributed to a specific protected cell of a protected cell captive insurance company.

(36) Pure captive insurance company. – Any company that insures risks of its ~~parent and~~parent, affiliated ~~companies or a~~ companies, controlled unaffiliated ~~business or businesses.~~businesses, or any combination of these entities.

…

(39) SPFC or Special Purpose Financial Captive. – A captive insurance company that has received a ~~certificate of authority~~license from the Commissioner for the limited purposes provided for in this Part.

…

(42) Sponsor. – Any person ~~or entity~~ that is approved by the Commissioner to provide all or part of the capital and surplus required by this Part and to organize and operate a protected cell captive insurance company.

…

"§ **58-10-345. Licensing; authority; confidentiality.**

(a) Any business entity, when permitted by its organizational documents, may apply to the Commissioner for a license to do any insurance comprised in G.S. 58-7-15; provided, however, that:

…

(5) No captive insurance company shall provide personal motor vehicle or homeowner's insurance coverage or any component ~~thereof.~~of those coverages on a direct basis.

(6) No captive insurance company shall accept or cede reinsurance except as provided in G.S. 58-10-445 and G.S. 58-10-605.

(7) No captive insurance company shall provide accident and health insurance on a direct basis.

(8) No captive insurance company shall provide workers' compensation and employer's liability insurance on a direct basis.

(9) No captive insurance company shall provide life insurance or annuities on a direct basis.

(10) A special purpose captive insurance company may provide insurance or reinsurance or both for risks as approved by the Commissioner.

…

(h) If the Commissioner is satisfied that the documents and statements filed by an applicant ~~captive insurance company~~ business entity comply with this section, then the Commissioner shall grant a license authorizing it to do insurance business in this State.

…

"§ **58-10-355. Organizational examination.**

In addition to the processing of the application, an organizational investigation or examination may be performed before an ~~applicant~~ applicant business entity is licensed. Such investigation or examination shall consist of a general survey of the ~~applicant's~~ applicant business entity's corporate records, including charters, bylaws, and minute books; verification of capital and surplus; verification of principal place of business; determination of assets and liabilities; and a review of such other factors as the Commissioner deems necessary.

"§ **58-10-360. Designation of captive manager.**

Before licensing, the applicant business entity shall report in writing to the Commissioner the name and address of ~~the~~ any captive manager designated to manage the captive insurance company. The Commissioner shall approve the captive manager and may require the submission of additional information regarding the proposed captive manager in a form and manner as the Commissioner may designate.

…

"§ **58-10-370. Capital and surplus requirements.**

(a) No applicant business entity shall be issued a license unless it possesses and maintains unimpaired paid-in capital and surplus of:

…

(6) In the case of a special purpose captive insurance company, not less than two hundred fifty thousand dollars ~~($250,000).~~($250,000) or such other amount determined by the Commissioner.

…

"§ **58-10-380. Formation of captive insurance companies.**

…

~~(c) A captive insurance company incorporated or organized in this State shall have not less than three incorporators or three organizers of whom not less than one shall be a resident of this State.~~

(b1) A special purpose captive insurance company may be organized and operated in any form of business organization authorized by the Commissioner.

…

(m) With the Commissioner's prior written approval, a captive insurance company may establish one or more separate accounts and may allocate to them amounts to provide for the insurance of risks of certain of its parents, affiliates, controlled unaffiliated businesses, or members, as the case may be, subject to the following:

(1) The income, gains, and losses, realized or unrealized, from assets allocated to a separate account shall be credited to or charged against the account, without regard to other income, gains, or losses of the captive insurance company.

(2) Amounts allocated to a separate account in the exercise of the power granted by this subsection are owned by the captive insurance company, and the captive insurance company may not be nor hold itself out to be a trustee with respect to such amounts.

(3) Unless otherwise approved by the Commissioner, assets allocated to a separate account shall be valued in accordance with the laws or rules otherwise applicable to the captive insurance company's assets.

(4) If and to the extent so provided under the applicable contracts, that portion of the assets of any such separate account equal to the reserves and other contract liabilities with respect to such account shall not be chargeable with liabilities arising out of any other business the captive insurance company may conduct.

(5) No sale, exchange, or other transfer of assets may be made by a captive insurance company between any of its separate accounts or between any other investment account and one or more of its separate accounts unless (i) in the case of a transfer into a separate account, the transfer is made solely to establish the account or to support the operation of the contracts with respect to the separate account to which the transfer is made; and (ii) such transfer, whether into or from a separate account, is made by a transfer of cash or by a transfer of securities having a readily determinable market value, provided that such transfer of securities is approved by the Commissioner. The Commissioner may approve other transfers among such accounts, if, in the Commissioner's opinion, such transfers would be equitable.

(6) To the extent deemed necessary by a captive insurance company in order to comply with any applicable federal or State laws, the captive insurance company, with respect to any separate account, including any separate account which is a management investment company or a unit investment trust, may provide for persons having an interest in the separate account appropriate voting and other rights and special procedures for the conduct of the business of such account, including special rights and procedures relating to investment policy, investment advisory services, selection of independent public accountants, and the selection of a committee, the members of which need not be otherwise affiliated with such company, to manage the business of such account.

"§ **58-10-385. Directors.**

…

(b) No director, officer, or employee of a captive insurance company shall, except on behalf of the captive insurance company, accept or be the beneficiary of, any fee, brokerage, gift, or other compensation because of any investment, loan, deposit, purchase, sale, payment,

or exchange made by or for the captive insurance ~~company,~~company unless otherwise approved in advance by the Commissioner, but such person may receive reasonable compensation for necessary services rendered to the captive insurance company in his or her usual private, professional, or business capacity.

…

"§ **58-10-390. Conflict of interest.**

…

(b) Each officer, director, and key employee shall file such disclosure with the ~~Board of Directors yearly.~~board of directors or other governing body of the captive insurance company annually.

…

"§ **58-10-405. Annual reports.**

…

(b) Prior to ~~March 1 of each year, and prior to~~ March 15 of each ~~year in the case of pure captive insurance companies or industrial insured captive insurance companies,~~ year, each captive insurance company shall submit to the Commissioner a report of its financial ~~condition,~~condition on the preceding December 31, verified by oath of two of its executive officers. Each captive insurance company shall report using generally accepted accounting principles, unless the Commissioner requires, approves, or accepts the use of statutory accounting principles or other comprehensive basis of accounting. The Commissioner may require, approve, or accept any appropriate or necessary modifications of the statutory accounting principles or other comprehensive basis of accounting for the type of insurance and kinds of insurers to be reported upon. The Commissioner may require additional information to supplement such report. Except as otherwise provided, each risk retention group and association captive insurance company shall file its report in the form required by G.S. 58-2-165, and each risk retention group shall comply with the requirements set forth in G.S. 58-4-5. All other captive insurance companies shall report on forms adopted by the Commissioner. G.S. 58-10-345(f) shall apply to each report filed pursuant to this section. Branch captive insurance companies shall file the report required by this section unless otherwise required by G.S. 58-10-545. Special Purpose Financial Captive insurance companies shall report in accordance with G.S. 58-10-625.

…

(d) The Commissioner may require any captive insurance company to file a report on its financial condition semiannually, quarterly, monthly, or any other frequency determined by the Commissioner.

(e) The Commissioner may waive the filing of the annual report required by this section subject to the filing of the annual audit required by G.S. 58-10-415. A captive insurance company must make a written request for exemption from the annual report at least 30 days prior to the annual report due date. The Commissioner may not simultaneously exempt a captive insurance company from both the annual report and the annual audit requirements.

"§ **58-10-415. Annual audit and statement of actuarial ~~certification.~~opinion.**

…

(d) The annual audit shall consist of the following:

(1) Annual audited financial report. –The annual audited financial report shall include the following:

a. Financial statements. – Financial statements shall be prepared in accordance with generally accepted accounting principles, unless the Commissioner requires, approves, or accepts the use of statutory accounting principles or other comprehensive basis of accounting, with useful or necessary modifications or adaptations required, ~~approved~~ approved, or accepted by the Commissioner, and shall be audited by an independent certified public accountant in accordance with generally accepted auditing standards as determined by the

American Institute of Certified Public Accountants. The Commissioner may require that the financial ~~statement~~ statements be supplemented by additional information.

b. Notes to financial statements. – The notes to financial statements shall be those required by generally accepted accounting principles, or as otherwise approved by the Commissioner, and shall also include a reconciliation of differences, if any, between the audited financial report and the report of the captive insurance company's financial condition filed with the Commissioner in accordance with G.S. 58-10-405(b).

c. Related required auditor communications. – Copies of related required auditor communications in accordance with generally accepted auditing standards.

(2) Certified public accountant's affirmation. – The certified public accountant shall furnish a written statement in the engagement letter or other document submitted to the captive insurance company that the certified public accountant is aware ~~of~~ of, and will comply ~~with~~ with, the responsibilities imposed by G.S. 58-10-420(b) and G.S. 58-10-420(c).

~~(5) Certification of loss reserves and loss expense reserves. – The annual audited financial report shall be filed with a Statement of Actuarial Opinion evaluating the captive insurance company's loss reserves and loss expense reserves. The individual who prepares the Statement of Actuarial Opinion shall be a Fellow of the Casualty Actuarial Society, a member in good standing of the American Academy of Actuaries, or an individual who has demonstrated competence in loss reserve evaluation to the Commissioner. Certification shall be in such form as the Commissioner deems appropriate.~~

(e) Every captive insurance company, unless otherwise exempted by the Commissioner, shall annually submit with the annual audited financial report the opinion of an appointed actuary entitled, "Statement of Actuarial Opinion," evaluating the captive insurance company's loss reserves and loss expense reserves. The individual who prepares the Statement of Actuarial Opinion shall be a Fellow of the Casualty Actuarial Society, a member in good standing of the American Academy of Actuaries, or an individual who has demonstrated to the Commissioner competence in loss reserve evaluation.

"§ **58-10-420. Independent certified public accountants.**

(a) A captive insurance company, after becoming subject to this Part, shall within 60 ~~days~~ days, if not already disclosed at the time of application, report to the Commissioner in writing, the name and address of the independent certified public accountant retained to conduct the annual audit set forth in G.S. 58-10-415.

(b) A captive insurance company shall require its independent certified public accountant to immediately notify in writing an officer and all members of the board of directors or other governing body of the captive insurance company of any determination by the independent certified public accountant that the captive insurance company has materially misstated its financial condition in its report to the Commissioner as required in G.S. 58-10-405. A captive insurance company receiving a notification pursuant to this subsection shall forward a copy of the notification to the Commissioner within five business days after receipt of the notification and shall provide the independent certified public accountant with proof that the notification was forwarded to the Commissioner. If the independent certified public accountant fails to receive the proof within the five-day period required by this subsection, the independent certified public accountant shall within the next five business days submit a copy of the notification to the Commissioner.

…

(d) The lead audit partner may not act in that capacity for more than five consecutive years. For purposes of this subsection, lead audit partner means the partner having primary

responsibility for the audit. The person shall be disqualified from acting in that or similar capacity for the captive insurance company for a period of five consecutive years. A captive insurance company may make application to the Commissioner for relief from the above rotation requirement on the basis of unusual circumstances. This application should be made at least 30 days before the end of the ~~calendar~~ fiscal year. The Commissioner may consider the following factors in determining if the relief should be granted:

(1) Number of partners, expertise of the partners, or the number of insurance clients in the firm;

(2) Premium volume of the captive insurance company; or

(3) Number of jurisdictions in which the insurer transacts business.

(e) Risk retention groups shall comply with Part 7 of Article 10 of this Chapter instead of this section.

…

"§ **58-10-430. Examinations.**

(a) Whenever the Commissioner determines it to be prudent, the Commissioner shall ~~visit a captive insurance company and inspect and~~ examine ~~its~~ a captive insurance company's affairs to ascertain its financial condition, its ability to fulfill its obligations, and whether it has complied with this Part. The expenses and charges of the examination shall be paid by the captive insurance company.

…

"§ **58-10-440. Investment requirements.**

…

(b) No pure captive insurance company, industrial insured captive insurance company, protected cell captive insurance company, ~~incorporated cell captive insurance company,~~ special purpose captive insurance company, or special purpose financial captive insurance company shall be subject to any restrictions on allowable investments, provided that the Commissioner may prohibit or limit any investment that threatens the solvency or liquidity of any such company.

(c) No ~~pure~~ captive insurance company or protected cell shall make a loan to or an investment in its parent ~~company or affiliates~~ company, an affiliated company, a controlled unaffiliated business, or a participant without prior written approval of the Commissioner, and any such loan or investment shall be evidenced by documentation approved by the Commissioner. Loans of minimum capital and surplus funds required by G.S. 58-10-370 are prohibited.

…

"§ **58-10-465. Applicable provisions.**

…

(b) The Commissioner may ~~exempt, by rule, regulation, or order,~~exempt special purpose captive insurance companies, on a ~~case by case~~case-by-case basis, from provisions of this Chapter and any rules established under this Chapter that the Commissioner determines to be inappropriate given the nature of the risks to be insured.

"§ **58-10-470. Establishment of standards regarding risk management.**

The Commissioner may adopt rules establishing standards ~~to ensure~~so that a ~~parent or its~~captive insurance company, a participant, or an affiliated ~~company, or an industrial insured or its affiliated company,~~company is able to exercise control of the risk management function of any controlled unaffiliated business to be insured by a ~~pure~~ captive insurance ~~company or an industrial insured captive insurance company, respectively;~~company; provided, however, that until such time as rules under this section are adopted, the Commissioner may approve the coverage of such risks by a ~~pure~~ captive insurance ~~company or an industrial insured captive insurance company.~~company on a case-by-case basis.

"§ **58-10-475. Supervision; rehabilitation; liquidation.**

Except as otherwise provided in this Part, the terms and conditions set forth in Article 30 of this Chapter shall apply in full to captive insurance companies ~~formed or~~ licensed under this Part.

…

"§ **58-10-485. Violations and penalties.**

(a) If, after providing the opportunity for a contested case hearing held in accordance with the provisions of Article 3A of Chapter 150B of the General Statutes, the Commissioner finds that any insurer, person, or entity required to be ~~licensed, permitted,~~licensed or authorized to transact the business of insurance under this Part has violated any provision of this Part or any rule or regulation authorized by this Part, the Commissioner may order:

(1) The insurer, person, or entity to cease and desist from engaging in the act or practice giving rise to the violation.

(2) Payment of a monetary penalty pursuant to G.S. 58-2-70.

(3) The suspension or revocation of the insurer's, person's, or entity's license.

…

"§ **58-10-490. Inactive captive insurance companies.**

(a) As used in this section, unless the context requires otherwise, "inactive captive insurance company" means a captive insurance company which meets both of the following criteria:

(1) The company has ceased transacting the business of insurance.

(2) There are no remaining liabilities associated with policies written or assumed by the company.

(b) The Commissioner may declare a captive insurance company, other than a risk retention group, an inactive captive insurance company, if such captive insurance company meets the criteria of subsection (a) of this section.

(c) An inactive captive insurance company shall possess and maintain unimpaired capital and surplus in an amount determined by the Commissioner.

(d) An inactive captive insurance company shall not be subject to or liable for the payment of any tax under Article 8B of Chapter 105 of the General Statutes.

(e) The Commissioner may exempt an inactive captive insurance company from any of the filing and reporting requirements of this Part.

…

"Subpart 2. Protected Cell Captive Insurance Companies.

…

"§ **58-10-505. Additional filing requirements for applicant protected cell captive insurance companies.**

In addition to the information required by G.S. 58-10-345(c), each applicant protected cell captive insurance company shall file with the Commissioner all of the following:

…

(3) All contracts or sample contracts between the applicant and any participants.

(4) ~~Evidence that~~A statement describing how expenses shall be allocated to each protected cell in a fair and equitable manner.

"§ **58-10-510. Establishment of protected cells.**

(a) A protected cell captive insurance company ~~formed or~~ licensed under this Part may establish and maintain one or more incorporated or unincorporated protected cells, to insure risks of one or more participants, subject to the following conditions:

…

~~(5) An incorporated protected cell may be organized and operated in any form of business organization authorized by the Commissioner. Each incorporated protected cell of a protected cell captive insurer shall be treated as a captive insurer for purposes of this Part. Unless otherwise permitted by the organizational documents of a protected cell captive insurer, each incorporated protected cell of the protected cell captive insurer must have~~

~~the same directors, secretary, and registered office as the protected cell captive insurer.~~

(6) All attributions of assets and liabilities between a protected cell and the general account shall be in accordance with the ~~plan~~ plans of operation and participant contracts approved by the Commissioner. ~~No other attribution of assets or liabilities shall be made by a protected cell captive insurance company between the protected cell captive insurance company's general account and its protected cells.~~ Any attribution of assets ~~and liabilities~~ between the general account and a protected cell shall be in cash or in readily marketable securities with established market values.

…

(j) ~~All attributions of assets and liabilities to the protected cells and the general account shall be in accordance with the plan of operation approved by the Commissioner. No other attribution of assets or liabilities shall be made by a protected cell captive insurance company between its general account and any protected cell, or between any protected cells.~~ The protected cell captive insurance company shall attribute all insurance obligations, assets, and liabilities relating to a reinsurance contract entered into with respect to a protected cell to such protected cell. The performance under such reinsurance contract and any tax benefits, losses, refunds, or credits allocated pursuant to a tax allocation agreement to which the protected cell captive insurance company is a party, including any payments made by or due to be made to the protected cell captive insurance company pursuant to the terms of such agreement, shall reflect the insurance obligations, assets, and liabilities relating to the reinsurance contract that are attributed to such protected cell.

(k) In connection with the ~~conservation, rehabilitation,~~rehabilitation or liquidation of a protected cell or a protected cell captive insurance company, the assets and liabilities of a protected cell shall, to the extent the Commissioner determines they are separable, at all times be kept separate from and shall not be commingled with those of other protected cells and the protected cell captive insurance ~~company.~~company's general account.

(l) Each protected cell captive insurance company shall annually file with the Commissioner such financial reports as required by the Commissioner. Any such financial report shall include without limitation ~~accounting statements~~a consolidating schedule detailing the financial experience of each protected cell.

(m) Each protected cell captive insurance company shall notify the Commissioner in writing within 10 business days of any protected cell that is ~~insolvent~~impaired, insolvent, or otherwise unable to meet its claim or expense obligations.

(n) No participant contract shall take effect without the Commissioner's prior written approval. The addition of each new protected cell, the withdrawal of any participant, or the termination of any existing protected cell shall constitute a change in the plan of operation requiring the Commissioner's prior written approval.

(o) ~~The~~ If required by the Commissioner, the business written by a protected cell captive insurance company, with respect to each protected ~~cell, must be secured by one of the following methods:~~cell shall be:

(1) Fronted by an insurance company ~~licensed under the laws of any state.~~approved by the Commissioner.

(2) Reinsured by a reinsurer ~~authorized or~~ approved by ~~this State.~~the Commissioner.

(3) Secured by a trust fund in the United States for the benefit of policyholders and claimants, funded by an irrevocable letter of credit, or other arrangement that is acceptable to the Commissioner. ~~The amount of security provided shall be no less than the reserves associated with those liabilities which are neither fronted nor reinsured, including reserves for losses, allocated loss adjustment expenses, incurred but not reported losses, and unearned premiums for business written through the participant's protected cell.~~ The

Commissioner may require the protected cell captive insurance company to increase the funding of any security arrangement established under this subdivision. If the form of security is a letter of credit, the letter of credit shall be issued by a bank approved by the Commissioner. A trust maintained pursuant to this subdivision shall be established in a form and upon such terms approved by the Commissioner.

(p) Notwithstanding this Chapter or other laws of this State, and in addition to G.S. 58-10-525, in the event of an insolvency of a protected cell captive insurance company where the Commissioner determines that one or more protected cells remain solvent, the Commissioner may separate such cells from the protected cell captive insurance company and may allow, on application of the protected cell captive insurance ~~company,~~company or a protected cell's participant, for the conversion or transfer of such protected cells into one or more new or existing protected cell captive insurance companies, or one or more other captive insurance companies, pursuant to such plan or plans of operation as the Commissioner deems acceptable.

(q) A protected cell of a protected cell captive insurance company may be transferred to another protected cell captive insurance company or may be converted into another captive insurance company upon the approval of a transfer agreement or conversion plan by the Commissioner. All assets and liabilities of the protected cell immediately before the transfer or conversion shall remain the assets and liabilities after the transfer or conversion. All actions and other legal proceedings which were pending by or against the protected cell immediately prior to the transfer or conversion may be continued by or against the protected cell or the captive into which the protected cell converts.

(r) A protected cell of a protected cell captive insurance company may enter into a contract with its protected cell captive insurance company or with another protected cell of the protected cell captive insurance company that shall be enforceable as if each protected cell of the protected cell captive insurance company were a separate legal entity, even if the protected cell is not organized as an incorporated protected cell.

"§ **58-10-512. Incorporated protected cells.**

(a) A protected cell of a protected cell captive insurance company may be formed as an incorporated protected cell.

(b) The articles of incorporation or articles of organization of an incorporated protected cell shall refer to the protected cell captive insurance company for which it is a protected cell and shall state that the protected cell is incorporated or organized for the limited purposes authorized by the protected cell captive insurance company's license.

(c) An incorporated protected cell may be organized and operated in any form of business organization authorized by the Commissioner. Unless otherwise permitted by the organizational documents of a protected cell captive insurance company, each incorporated protected cell of the protected cell captive insurance company must have the same directors, secretary, and registered office as the protected cell captive insurance company.

(d) In addition to the information required to be filed pursuant to G.S. 58-10-510(a)(1), a protected cell captive insurance company shall meet the requirements of G.S. 58-10-345(c)(1) for each incorporated protected cell. Other documents related to the incorporated protected cell shall be filed with the Commissioner as required before issuing policies of insurance.

(e) It is the intent of the General Assembly under this section to provide protected cell captive insurance companies with the option to establish one or more protected cells as a separate corporation or other legal entity. This section shall not be construed to limit any rights or protections applicable to protected cells that are not incorporated protected cells.

(f) Subject to the prior written approval of the protected cell captive insurance company and of the Commissioner, an incorporated protected cell shall be entitled to enter into contracts and undertake obligations in its own name and for its own account. In the case of a contract or obligation to which the protected cell captive insurance company is not a party, either in its own name and for its own account or on behalf of a protected cell, the counterparty to the

contract or obligation shall have no right or recourse against the protected cell captive insurance company and its assets other than against assets properly attributable to the incorporated protected cell that is a party to the contract or obligation.

"**§ 58-10-513. Cell shares and cell dividends.**

(a) A protected cell captive insurance company may create and issue shares from any of its protected cells, the proceeds of which shall be included in the assets attributable to the cell from which the cell shares were issued.

(b) The proceeds of the issue of shares other than cell shares created and issued by a protected cell captive insurance company shall be included in the protected cell captive insurance company's general account.

(c) A protected cell captive insurance company may pay dividends to cell shareholders from assets attributable to such cell in accordance with the provisions of G.S. 58-10-375.

"**§ 58-10-515. ~~Participation~~ Participants in a protected cell captive insurance company.**

(a) ~~Associations, corporations, limited liability companies, partnerships, trusts, and other business entities~~Any person may be ~~participants~~ a participant in ~~any~~ a protected cell captive insurance company formed or licensed under this Part.

…

(d) ~~A~~ Except as otherwise approved by the Commissioner, a participant shall insure only its own risks and the risks of its affiliates and controlled unaffiliated businesses through a protected cell captive insurance company.

"**§ 58-10-517. Company to inform persons they are dealing with protected cell captive insurance company.**

A protected cell captive insurance company shall inform any person with whom it transacts business that it is a protected cell captive insurance company, and for the purposes of that transaction, identify or specify the protected cell with which that person is transacting, unless that transaction is not a transaction with a particular protected cell, in which case it shall specify that the transaction is with the protected cell captive insurance company's core.

…

"**§ 58-10-525. Application of supervision, rehabilitation, and liquidation provisions to protected cell captive insurance companies.**

(a) Except as otherwise provided in this Part, Article 30 of this Chapter shall apply to a protected cell captive insurance ~~company.~~company and to each protected cell of a protected cell captive insurance company.

(b) Upon any order of supervision, rehabilitation, or liquidation of a protected cell or a protected cell captive insurance company, the Commissioner or receiver shall manage the assets and liabilities of the protected cell captive insurance ~~company~~ company, including assets and liabilities attributed to protected cells, pursuant to this Part.

…

"Subpart 3. Branch Captive Insurance Companies.

…

"**§ 58-10-535. Security for payment of branch captive insurance company liabilities.**

…

(b) Subject to the prior approval of the Commissioner, the amounts required in subsection (a) of this section may be held in the form of:

(1) A trust formed under a trust agreement and funded by assets acceptable to the Commissioner.

(2) An irrevocable letter of credit issued ~~or confirmed~~ by a bank approved by the Commissioner.

…

"~~**§ 58-10-540. Petition for certificate of authority.**~~

~~In the case of an alien captive insurance company seeking to become licensed as a branch captive insurance company, the alien captive insurance company shall petition the Commissioner to issue a certificate setting forth the Commissioner's finding that, after~~

~~considering the character, reputation, financial responsibility, insurance experience, and business qualifications of the officers and directors of the alien captive insurance company, the licensing and maintenance of the branch operations will promote the general good of the State. After the Commissioner issues a certificate of authorization, the alien captive insurance company shall comply with all other applicable State statutes or common law.~~

…

"Subpart 4. Special Purpose Financial Captives.

…

"§ **58-10-560. Controlling provisions when conflict exists; exemptions.**

…

(b) The ~~Commissioner, by rule, regulation, or order,~~ Commissioner may exempt an SPFC or its protected cells, on a case-by-case basis, from this Part if the Commissioner determines regulation under this Part to be inappropriate given the nature of the risks to be insured.

"§ **58-10-565. Application requirements.**

…

(l) To ~~ensure~~ minimize the likelihood that the proposed plan of operation is ~~not~~ hazardous to any counterparty, the Commissioner may require reasonable safeguards in the SPFC's plan of operation where applicable and appropriate in the circumstance, including, without limitation, that certain assets of the SPFC be held in a trust to secure the obligations of the SPFC to a counterparty under an SPFC contract.

…

"§ **58-10-600. Asset management agreements.**

An SPFC may enter into swap agreements, or other forms of asset management agreements, including guaranteed investment contracts, or other transactions that have the objective of leveling timing differences in funding of up-front or ongoing transaction expenses, or managing asset, credit, or interest rate risk of the investments to ~~ensure~~ minimize the likelihood that the investments are not sufficient to assure payment or repayment of the securities, and related interest or principal payments, issued pursuant to an SPFC insurance securitization transaction, or the obligations of the SPFC under the SPFC contract.

…

"§ **58-10-635. Supervision, rehabilitation, or liquidation of SPFC.**

…

(e) Notwithstanding another provision in this Chapter, rules adopted under this Chapter, or another applicable law or regulation, upon any order of rehabilitation or liquidation of a SPFC, or one or more of the SPFC's protected cells, the receiver shall manage the assets and liabilities of the SPFC pursuant to the provisions of this Part. The receiver shall ~~ensure~~ ascertain that the assets linked to one protected cell are not applied to the liabilities linked to another protected cell or to the SPFC generally, unless an asset or liability is linked to more than one protected cell, in which case the receiver shall deal with the asset or liability in accordance with the terms of any relevant governing instrument or contract.

…

"Subpart 5. Other Provisions.

…

"**§ 58-10-655. Commissioner to share information with Department of Revenue.**

Notwithstanding any other provisions of Chapter 58 of the General Statutes, the Commissioner may share confidential and privileged documents, materials, or information with the Department of Revenue. The documents, materials, or information shared shall be considered tax information and subject to the provisions of G.S. 105-259."

SECTION 2. G.S. 105-259(b) is amended by adding the following new subdivision to read:

"(49) To exchange information concerning a tax imposed by Article 8B of this Chapter with the North Carolina Department of Insurance when the information is needed to fulfill a duty imposed on the Department."

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 8th day of June, 2015.

Became law upon approval of the Governor at 10:06 a.m. on the 19th day of June, 2015.

Session Law 2015-100 **H.B. 190**

AN ACT TO MAKE MODIFICATIONS TO THE STATE HEALTH PLAN FOR PUBLIC EMPLOYEES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 135-48.42(e) reads as rewritten:

"(e) Eligible employees and retirees may only change their elections, including adding or removing dependents, during the Plan year due to a qualifying event as defined under federal law. Notwithstanding the preceding sentence, retirees and surviving spouses may disenroll from the Plan during the Plan year without a qualifying event. Retirees and surviving spouses may also disenroll their dependents from the Plan during the Plan year without a qualifying event."

SECTION 2. G.S. 135-48.44(a) reads as rewritten:

"(a) Coverage under this Plan of an employee and his or her surviving spouse or eligible dependent children or of a retired employee and his or her surviving spouse or eligible dependent children shall cease on the earliest of the following dates:

…

(4) The last day of the ~~month~~month, or as soon thereafter as administratively feasible, in which the Plan approves cancellation of coverage for an employee or retired ~~employee requests cancellation of coverage.~~employee.

…

(9) The last day of the month for which a premium is paid in full."

SECTION 3. G.S. 135-48.40(b) reads as rewritten:

"(b) Partially Contributory Coverage. – The following persons are eligible for coverage under the Plan, on a partially contributory basis, subject to the provisions of G.S. 135-48.43:

…

(8) Notwithstanding the provisions of G.S. 135-48.44, employees formerly covered by the provisions of this section, other than retired ~~employees,~~employees eligible for coverage on a noncontributory basis, who have been employed for 12 or more months by an employing unit, or who have completed a contract term of employment of 10 or 11 months and whose employing unit is a local school administrative unit, and whose jobs are eliminated because of a reduction, in total or in part, in the funds used to support the job or its responsibilities, provided the employees were covered by the Plan at the time of separation from service resulting from a job elimination. Employees covered by this subsection shall be covered for a period of up to 12 months following a separation from service because of a job elimination. An employee formerly covered by the provisions of this section shall not be eligible for coverage under this subdivision if the employee is provided health benefit coverage on a non-contributory basis by a subsequent employer.

…."

SECTION 4.(a) G.S. 135-48.40(d) reads as rewritten:

"(d) Fully Contributory Coverage. – The following persons shall be eligible for coverage under the Plan, on a fully contributory basis, subject to the provisions of G.S. 135-48.43:

…

(9) Surviving spouses of deceased retirees and surviving spouses of deceased teachers, State employees, Disability Income Plan beneficiaries, and members of the General Assembly provided the death of the former Plan member occurred after September 30, 1986, and the surviving spouse was covered under the Plan at the time of death.

…."

SECTION 4.(b) G.S. 135-48.41(g) reads as rewritten:

"(g) An eligible surviving spouse and any eligible surviving dependent child of a deceased retiree, teacher, State employee, member of the General Assembly, former member of the General Assembly, or Disability Income Plan beneficiary shall be eligible for group benefits under this section ~~without waiting periods for preexisting conditions~~ provided coverage is elected within 90 days after the death of the former plan member. Coverage may be elected at a later ~~time,~~time during an annual enrollment ~~period, but members 19 years of age and older may be subject to the 12-month waiting period for preexisting conditions and will be effective the first day of the month following receipt of the application.~~period."

SECTION 5. G.S. 135-48.42(a) reads as rewritten:

"(a) Except as otherwise required by applicable federal law, new employees must be given the opportunity to enroll or decline enrollment for themselves and their dependents within 30 days from the date of employment or from first becoming eligible on a partially contributory or other contributory basis. Coverage may become effective on the first day of the month following date of entry on payroll or on the first day of the following month. New employees age 19 and older not enrolling themselves and their dependents age 19 and older within 30 days, or not adding dependents when first eligible as provided herein may enroll during annual enrollment, but may be subject to a 12-month waiting period for preexisting health conditions, except for employees who elect to change their coverage in accordance with rules established by the State Treasurer for optional or alternative plans available under the Plan. Children born to covered employees having coverage type (2) or (3), as outlined in G.S. 135-48.43(d) shall be automatically covered at the time of birth without any waiting period for preexisting health conditions. Children born to covered employees having coverage type (1) shall be automatically covered at birth without any waiting period for preexisting health conditions so long as the claims processor receives notification within 30 days of the date of birth that the employee desires to change from coverage (1) to coverage type (2) or (3), provided that the employee pays any additional premium required by the coverage type selected retroactive to the first day of the month in which the child was born."

SECTION 6. This act becomes effective July 1, 2015.

In the General Assembly read three times and ratified this the 8th day of June, 2015.

Became law upon approval of the Governor at 10:06 a.m. on the 19th day of June, 2015.

Session Law 2015-101 **H.B. 262**

AN ACT TO MODERNIZE THE SURPLUS LINES ACT BY INCLUDING ALIEN INSURERS IN THE DEFINITION OF AN ELIGIBLE SURPLUS LINES INSURER, BY REPEALING COUNTERSIGNING REQUIREMENTS, AND BY PROVIDING GREATER FLEXIBILITY FOR THE MANNER OF COLLECTION AND REFUND OF THE SURPLUS LINES TAX.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-21-10(3) reads as rewritten:

"(3) "Eligible surplus lines insurer" means an alien insurer as defined in G.S. 58-21-17 or a nonadmitted insurer with which a surplus lines licensee may place surplus lines insurance under G.S. 58-21-20."

SECTION 2. G.S. 58-21-35(a) reads as rewritten:

"(a) Within 30 days after the placing of any surplus lines insurance, the surplus lines licensee shall file with the Commissioner or the stamping office, as appropriate, a report in a format prescribed by the Commissioner regarding the insurance and including the following information:

(1) The name of the insured.
(2) The identity of the insurer or insurers.
(3) A description of the subject and location of the risk.
(4) The amount of premium charged for the insurance.
(5) The amount of premium tax for the insurance.
(6) The policy period.
(7) The policy number.
(7a) An acknowledged statement that the surplus lines licensee has complied with G.S. 58-21-15 or G.S. 58-21-16, whichever is applicable.
(8) The name, address, telephone number, facsimile telephone number, and electronic mail address of the licensee, as applicable.
(9) Any other relevant information the Commissioner may reasonably require."

SECTION 3. G.S. 58-21-40 reads as rewritten:

"§ **58-21-40. Surplus lines regulatory support organization.**

(a) A surplus lines regulatory support organization of surplus lines licensees shall be formed ~~to:~~to carry out the following functions:

(1) Facilitate and encourage compliance by resident and nonresident surplus lines licensees with the laws of this State and the rules and regulations of the Commissioner relative to surplus lines ~~insurance;~~insurance.
(2) Communicate with organizations of admitted insurers with respect to the proper use of the surplus lines ~~market;~~market.
(3) Receive and disseminate to surplus lines licensees information about surplus lines insurance, including, without limitation, new electronic filing procedures approved by the Commissioner, changes in the list of eligible surplus lines insurers, and modifications in coverages, procedures, and requirements as may be requested by the ~~Commissioner; and~~Commissioner.
(4) ~~Countersign nonresident produced surplus lines coverages and remit premium taxes for those coverages under G.S. 58-21-70 by means satisfactory to the Commissioner; and charge the nonresident surplus lines licensee a fee for the certification and countersignature as approved by the Commissioner.~~Establish a stamping office to process all surplus lines insurance and remit premium taxes for those coverages under G.S. 58-21-85 by means satisfactory to the Commissioner, and charge surplus lines licensees a fee for such processing.

…

(d) Each ~~resident~~ surplus lines licensee shall maintain active membership in a regulatory support organization as a condition of continued licensure under this Article."

SECTION 4. G.S. 58-21-65(c) reads as rewritten:

"§ **58-21-65. Licensing of surplus lines licensee.**

…

(c) Corporations shall be eligible to be ~~resident~~ surplus lines licensees, upon the following conditions:

(1) The corporate licensee shall list individuals within the corporation who have satisfied all requirements of this Article to become surplus lines licensees; and

(2) Only those individuals listed on the corporate license and who are surplus lines licensees shall transact surplus lines business.

…

(e) Any person who does not renew a surplus lines license and applies for another surplus lines license more than two years after the expiration date of the previous license shall be required to satisfy every condition in this section, including the written exam, before the Commissioner issues another surplus lines license to that person. ~~Nonresident surplus lines licensees shall be licensed in accordance with Article 33 of this Chapter.~~

…."

SECTION 5. G.S. 58-21-70 reads as rewritten:

"§ **58-21-70. Surplus lines licensees may accept business from other agents or ~~brokers; countersignatures required; remittance of premium tax.~~brokers.**

(a) A surplus lines licensee may originate surplus lines insurance or accept such insurance from any other duly licensed agent or broker, and the surplus lines licensee may compensate such agent or broker therefor.

~~(b) Every report filed by a nonresident licensee under G.S. 58-21-35(a) shall, before being filed with the Commissioner, be countersigned by a resident licensee or by a regulatory support organization. The resident licensee or regulatory support organization may charge the nonresident licensee a countersignature fee.~~

~~(c) Every resident licensee and regulatory support organization that countersigns a report under subsection (b) of this section is responsible for remitting the premium tax for the coverage, as specified in G.S. 58-21-85, to the Commissioner.~~"

SECTION 6. G.S. 58-21-85 reads as rewritten:

"§ **58-21-85. Surplus lines tax.**

(a) Gross premiums charged, less any return premiums, for surplus lines insurance on insureds for whom North Carolina is the home state are subject to a premium receipts tax of five percent (5%), which shall be collected ~~by the surplus lines licensee as specified~~ in a manner approved by the Commissioner, in addition to the full amount of the gross premium charged by the insurer for the insurance. The tax on any portion of the premium unearned at termination of insurance having been credited by the State to the licensee shall be returned to the policyholder ~~directly by the surplus lines licensee or through the producing broker, if any.~~directly. The surplus lines licensee is prohibited from absorbing such tax and from rebating for any reason, any part of such tax. To the extent that other states in which portions of the properties, risks, or exposures reside have failed to enter into a compact or reciprocal allocation procedure with this State, the premium tax collected shall be retained by this State.

~~(b) At the same time that he files his quarterly report as set forth in G.S. 58-21-80, each surplus lines licensee shall pay the premium receipts tax due for the period covered by the report.~~

…."

SECTION 7. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 8th day of June, 2015.

Became law upon approval of the Governor at 10:06 a.m. on the 19th day of June, 2015.

Session Law 2015-102 **S.B. 140**

AN ACT TO AUTHORIZE THE TOWN OF LAKE SANTEETLAH TO LEVY AN OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

SECTION 1. Occupancy tax. – (a) Authorization and Scope. – The Town Council of the Town of Lake Santeetlah may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of an accommodation within the town that is subject

to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

SECTION 1.(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 160A-215. The penalties provided in G.S. 160A-215 apply to a tax levied under this section.

SECTION 1.(c) Distribution and Use of Tax Revenue. – The Town of Lake Santeetlah shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Lake Santeetlah Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in the Town of Lake Santeetlah and shall use the remainder for tourism-related expenditures.

The following definitions apply in this section:

(1) Net proceeds. – Gross proceeds less the cost to the town of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars ($500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross proceeds collected each year.

(2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area; the term includes administrative expenses incurred in engaging in the listed activities.

(3) Tourism-related expenditures. – Expenditures that, in the judgment of the Lake Santeetlah Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the town or to attract tourists or business travelers to the town. The term includes tourism-related capital expenditures.

SECTION 1.(d) Tourism Development Authority. – Appointment and Membership. – When the Town Council adopts a resolution levying a room occupancy tax under this section, it shall also adopt a resolution creating the Lake Santeetlah Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The resolution shall provide for the membership of the Authority, including the members' terms of office, and for the filling of vacancies on the Authority. At least one-third of the members shall be individuals who are affiliated with businesses that collect the tax in the town, and at least one-half of the members shall be individuals who are currently active in the promotion of travel and tourism in the town. The Town Council shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The finance officer for the Town of Lake Santeetlah shall be the ex officio finance officer of the Authority.

SECTION 1.(e) Duties. – The Authority shall expend the net proceeds of the tax levied under this section for the purposes provided in subsection (c) of this section. The Authority shall promote travel, tourism, and conventions in the town, sponsor tourist-related events and activities in the town, and finance tourist-related capital projects in the town.

SECTION 1.(f) Reports. – The Authority shall report quarterly and at the close of the fiscal year to the Lake Santeetlah Town Council on its receipts and expenditures for the preceding quarter and for the year in such detail as the Town Council may require.

SECTION 2. G.S. 160A-215(g) reads as rewritten:

"(g) Applicability. – Subsection (c) of this section applies to all cities that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection (c) supersedes that provision. The remainder of this section applies only to Beech Mountain District W, to the Cities of Belmont, Conover, Eden, Elizabeth City, Gastonia, Goldsboro, Greensboro, Hickory, High Point, Jacksonville, Kings Mountain, Lake Santeetlah,

Lenoir, Lexington, Lincolnton, Lowell, Lumberton, Monroe, Mount Airy, Mount Holly, Reidsville, Roanoke Rapids, Salisbury, Shelby, Statesville, Washington, and Wilmington, to the Towns of Ahoskie, Beech Mountain, Benson, Bermuda Run, Blowing Rock, Boiling Springs, Boone, Burgaw, Carolina Beach, Carrboro, Cooleemee, Cramerton, Dallas, Dobson, Elkin, Fontana Dam, Franklin, Grover, Hillsborough, Jonesville, Kenly, Kure Beach, Leland, McAdenville, Mocksville, Mooresville, Murfreesboro, North Topsail Beach, Pembroke, Pilot Mountain, Ranlo, Robbinsville, Selma, Smithfield, St. Pauls, Swansboro, Troutman, Tryon, West Jefferson, Wilkesboro, Wrightsville Beach, Yadkinville, and Yanceyville, and to the municipalities in Avery and Brunswick Counties."

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22nd day of June, 2015.

Became law on the date it was ratified.

Session Law 2015-103 **H.B. 836**

AN ACT TO PROVIDE REGULATORY RELIEF FOR LOCAL GOVERNMENTS BY AUTHORIZING CITIES TO RESERVE CERTAIN EASEMENTS WHEN PERMANENTLY CLOSING STREETS AND ALLEYS; TO REPEAL THE REQUIREMENT FOR LICENSING OF GOING OUT OF BUSINESS SALES BY LOCAL GOVERNMENTS; TO AUTHORIZE ELECTRONIC SUBMISSION OF ABSENTEE BALLOT LISTS BY COUNTY BOARDS OF ELECTIONS; TO AUTHORIZE THE USE OF NEW TECHNOLOGY FOR PAPER BALLOTS; TO EXTEND THE TIME FRAME TO IMPLEMENT THE REQUIREMENT FOR PAPER BALLOTS FROM JANUARY 1, 2018 TO SEPTEMBER 1, 2019, FOR COUNTIES THAT USE DIRECT RECORD ELECTRONIC VOTING MACHINES FOR CURRENT VOTING REQUIREMENTS; TO AUTHORIZE CERTAIN MUNICIPALITIES TO CONDUCT MALT BEVERAGE AND UNFORTIFIED WINE ELECTIONS; TO REQUIRE COUNTY BOARDS OF ELECTIONS TO NOTIFY A REGISTERED VOTER OF THE OPTION TO COMPLETE A WRITTEN REQUEST FOR AN ABSENTEE BALLOT AT A ONE-STOP VOTING LOCATION WHEN THE VOTER PRESENTS WITHOUT AN ELIGIBLE FORM OF PHOTO IDENTIFICATION; TO AUTHORIZE VOTERS WHO SUFFER FROM A REASONABLE IMPEDIMENT PREVENTING THE VOTER FROM OBTAINING PHOTO IDENTIFICATION TO COMPLETE REASONABLE IMPEDIMENT DECLARATIONS WHEN VOTING; TO REMOVE TERM LIMITS FOR SERVICE ON THE BOARD OF EDUCATION OF ALEXANDER COUNTY; AND TO REQUIRE ELECTRONIC POLL BOOKS TO BE CERTIFIED BY THE STATE BOARD OF ELECTIONS.

The General Assembly of North Carolina enacts:

CLARIFY EASEMENT RESERVATION AUTHORITY FOR CITIES CLOSING STREETS AND ALLEYS

SECTION 1. G.S. 160A-299 reads as rewritten:

"§ **160A-299. Procedure for permanently closing streets and alleys.**

…

(f) A city may reserve ~~its~~ a right, title, and interest in any ~~utility improvement~~improvements or ~~easement~~ easements within a street closed pursuant to this section. ~~Such~~ An easement under this subsection shall include utility, drainage, pedestrian, landscaping, conservation, or other easements considered by the city to be in the public interest. The reservation of an easement under this subsection shall be stated in the order of closing. ~~Such~~ The reservation also extends to utility improvements or easements owned by private utilities which at the time of the street closing have a utility agreement or franchise with the city.

…."

REPEAL LICENSING FOR GOING OUT OF BUSINESS/DISTRESS SALES

SECTION 2.(a) G.S. 66-77 is repealed.

SECTION 2.(b) G.S. 66-80 reads as rewritten:

"§ **66-80. Continuation of sale or business beyond termination date.**

No person shall conduct a closing-out sale or a sale of goods, wares or merchandise damaged by fire, smoke, water or otherwise or a distress sale beyond the termination date specified for such ~~sale, except as otherwise provided for in subsection (b) of G.S. 66-77;~~sale; nor shall any person, upon conclusion of such sale, continue that business which had been represented as closing out or going out of business under the same name, or under a different name, at the same location, or elsewhere in the same city or town where the inventory for such sale was filed for a period of 12 months; nor shall any person, upon conclusion of such sale, continue business contrary to the designation of such sale. As used in this section, the term "person" includes individuals, partnerships, corporations, and other business entities. If a business entity that is prohibited from continuing a business under this section reformulates itself as a new entity or as an individual, whether by sale, merger, acquisition, bankruptcy, dissolution, or any other transaction, for the purpose of continuing the business, the successor entity or individual shall be considered the same person as the original entity for the purpose of this section. If an individual who is prohibited from continuing a business under this section forms a new business entity to continue the business, that entity shall be considered the same person as the individual for the purpose of this section."

SECTION 2.(c) This section becomes effective July 1, 2015.

ELECTRONIC REPORTING FOR COUNTY BOARDS OF ELECTIONS

SECTION 3.(a) G.S. 163-232 reads as rewritten:

"§ **163-232. Certified list of executed absentee ballots; distribution of list.**

The county board of elections shall prepare, or cause to be prepared, a list in at least quadruplicate, of all absentee ballots returned to the county board of elections to be counted, which have been approved by the county board of elections, and which have been received as of 5:00 p.m. on the day before the election. At the end of the list, the ~~chairman~~ chair shall execute the following certificate under oath:

"State of North Carolina

County of _____

I, _____, ~~chairman~~ chair of the _____ County board of elections, do hereby certify that the foregoing is a list of all executed absentee ballots to be voted in the election to be conducted on the _____ day of _____, _____, which have been approved by the county board of elections and which have been returned no later than 5:00 p.m. on the day before the election. I certify that the ~~chairman,~~chair, member, officer, or employee of the board of elections has not delivered ballots for absentee voting to any person other than the voter, by mail or by commercial courier service or in person, except as provided by law, and have not mailed or delivered ballots when the request for the ballot was received after the deadline provided by law.

This the _____ day of _____, _____

_____

(Signature of ~~chairman~~ chair of county board of elections)

Sworn to and subscribed before me this _____ day of _____, _____.

Witness my hand and official seal.

_____

(Signature of officer administering oath)

_____

(Title of officer)"

No later than 10:00 a.m. on election day, the county board of elections shall cause one copy of the list of executed absentee ballots, which may be a continuing countywide list or a separate list for each precinct, to be immediately (i) submitted electronically in a manner approved by the State Board of Elections or (ii) deposited as "first-class" mail to the State Board of Elections. The board shall retain one copy in the board office for public inspection and the board shall cause two copies of the appropriate precinct list to be delivered to the chief judge of each precinct in the county. The county board of elections shall be authorized to call upon the sheriff of the county to distribute the list to the precincts. In addition the county board of elections shall, upon request, provide a copy of the complete list to the ~~chairman~~ chair of each political party, recognized under the provisions of G.S. 163-96, represented in the county.

The chief judge shall post one copy of the list immediately in a conspicuous location in the voting place and retain one copy until all challenges of absentee ballots have been heard by the county board of elections. Challenges shall be made to absentee ballots as provided in G.S. 163-89.

After receipt of the list of absentee voters required by this section the chief judge shall call the name of each person recorded on the list and enter an "A" in the appropriate voting square on the voter's permanent registration record, or a similar entry on the computer list used at the polls. If such person is already recorded as having voted in that election, the chief judge shall enter a challenge which shall be presented to the county board of elections for resolution by the board of elections prior to certification of results by the board.

All lists required by this section shall be retained by the county board of elections for a period of 22 months after which they may then be destroyed."

SECTION 3.(b) G.S. 163-232.1(c) reads as rewritten:

"(c) The board shall post one copy of the most current version of each list in the board office in a conspicuous location for public inspection and shall retain one copy until all challenges of absentee ballots have been heard by the county board of elections. The county board of elections shall cause one copy of each of the final lists of executed absentee ballots required under subsection (a) and subsection (b) of this section to be (i) submitted electronically in a manner approved by the State Board of Elections or (ii) deposited as "first-class" mail to the State Board of ~~Elections~~Elections. The final lists shall be electronically submitted or mailed no later than 10:00 a.m. of the next business day following the deadline for receipt of such absentee ballots. Challenges shall be made to absentee ballots as provided in G.S. 163-89. In addition the county board of elections shall, upon request, provide a copy of each of the lists to the ~~chairman~~ chair of each political party, recognized under the provisions of G.S. 163-96, represented in the county."

PAPER BALLOTS AND VOTING SYSTEMS

SECTION 4.(a) G.S. 163-165(1) reads as rewritten:

"(1) "Ballot" means an instrument on which a voter indicates ~~a~~ that voter's choice for a ballot item so that it may be recorded as a vote for or against a certain candidate or referendum proposal. The term "ballot" may include a paper ballot to be counted by hand, a paper ballot to be counted on an electronic scanner, the face of a lever voting machine, the image on a direct record electronic unit, or a ballot used on any other voting system."

SECTION 4.(b) G.S. 163-165.5 reads as rewritten:

"§ **163-165.5. Contents of official ballots.**

(a) ~~Each~~Except as provided in this section, each official ballot shall contain all the following elements:

(1) The heading prescribed by the State Board of Elections. The heading shall include the term "Official Ballot".

(2) The title of each office to be voted on and the number of ~~seats to be filled~~ votes allowed in each ballot item.

(3) The names of the candidates as they appear on their notice of candidacy filed pursuant to G.S. 163-106 or G.S. 163-323, or on petition forms filed in accordance with G.S. 163-122. No title, appendage, or appellation indicating rank, status, or position shall be printed on the official ballot in connection with the candidate's name. Candidates, however, may use the title Mr., Mrs., Miss, or Ms. Nicknames shall be permitted on an official ballot if used in the notice of candidacy or qualifying petition, but the nickname shall appear according to standards adopted by the State Board of Elections. Those standards shall allow the presentation of legitimate nicknames in ways that do not mislead the voter or unduly advertise the candidacy. In the case of candidates for presidential elector, the official ballot shall not contain the names of the candidates for elector but instead shall contain the nominees for President and Vice President which the candidates for elector represent. The State Board of Elections shall establish a review procedure that local boards of elections shall follow to ensure that candidates' names appear on the official ballot in accordance with this subdivision.

(4) Party designations in partisan ballot items.

(5) A means by which the voter may cast write-in votes, as provided in G.S. 163-123. No space for write-ins is required unless a write-in candidate has qualified under G.S. 163-123 or unless the ballot item is exempt from G.S. 163-123.

(6) Instructions to voters, unless the State Board of Elections allows instructions to be placed elsewhere than on the official ballot.

(7) The printed title and facsimile signature of the chair of the county board of elections.

(b) Notwithstanding subsection (a) of this section, an official ballot created and printed by use of a voting system in the voting enclosure shall be counted if all of the following apply:

(1) Each of the following are printed on that official ballot:

a. The date of the election.

b. The precinct name or a unique identification code associated with that ballot style.

c. The choices made by the voter for all ballot items in which the voter cast a vote.

(2) The electronic display of the voting system seen by the voter contains all of the information required by subsection (a) of this section.

(3) The voter is capable of reviewing the printed official ballot, and voiding that ballot, prior to casting that voter's ballot.

(4) The voter's choices in and on the electronic display are removed prior to the next voter using that voting equipment."

SECTION 5.(a) G.S. 163-165, as amended by Section 4(a) of this act, reads as rewritten:

"§ **163-165. Definitions.**

In addition to the definitions stated below, the definitions set forth in Article 15A of Chapter 163 of the General Statutes also apply to this Article. As used in this Article:

(1) "Ballot" means an instrument on which a voter indicates that voter's choice for a ballot item so that it may be recorded as a vote for or against a certain candidate or referendum ~~proposal.~~proposal, and is evidenced by an individual paper document that bears marks made by the voter by hand or through electronic means, whether preprinted or printed in the voting enclosure. ~~The term "ballot" may include a paper ballot to be counted by hand, a paper ballot to be counted on an electronic scanner, or a paper ballot used on any other voting system.~~

(2) "Ballot item" means a single item on a ballot in which the voters are to choose between or among the candidates or proposals listed.

(3) "Ballot style" means the version of a ballot within a jurisdiction that an individual voter is eligible to vote. For example, in a county that uses essentially the same official ballot, a group office such as county commissioner may be divided into districts so that different voters in the same county vote for commissioner in different districts. The different versions of the county's official ballot containing only those district ballot items one individual voter may vote are the county's different ballot styles.

(4) "Election" means the event in which voters cast votes in ballot items concerning proposals or candidates for office in this State or the United States. The term includes primaries, general elections, referenda, and special elections.

(5) "Official ballot" means a ballot that has been certified by the State Board of Elections and produced by or with the approval of the county board of elections. The term does not include a sample ballot or a specimen ballot.

~~(5a) "Paper ballot" means an individual paper document that bears marks made by the voter by hand or through electronic means.~~

(6) "Provisional official ballot" means an official ballot that is voted and then placed in an envelope that contains an affidavit signed by the voter certifying identity and eligibility to vote. Except for its envelope, a provisional official ballot shall not be marked to make it identifiable to the voter.

(7) "Referendum" means the event in which voters cast votes for or against ballot questions other than the election of candidates to office.

(8) "Voting booth" means the private space in which a voter is to mark an official ballot.

(9) "Voting enclosure" means the room within the voting place that is used for voting.

(10) "Voting place" means the building or area of the building that contains the voting enclosure.

(11) "Voting system" means a system of casting and tabulating ballots. The term includes systems of paper ballots counted by hand as well as systems utilizing mechanical and electronic voting equipment."

SECTION 5.(b) Article 14A of Chapter 163 of the General Statutes is amended by adding a new section to read:

"§ **163-165.4B. Prohibited voting systems.**

A voting system that does not use or produce a ballot shall not be used in any referendum, primary, or other election as a means of voting or counting an official ballot."

SECTION 5.(c) This section becomes effective January 1, 2018. Counties authorized to use direct record electronic voting systems pursuant to S.L. 2013-381, as amended by Section 6 of this act, may continue to use direct record electronic voting systems in accordance with that act.

SECTION 6.(a) Section 30.8 of S.L. 2013-381 reads as rewritten:

"**SECTION 30.8.** Any direct record electronic (DRE) voting systems currently certified by the State Board of Elections which do not use paper ballots shall be decertified and shall not be used in any election held on or after ~~January 1, 2018.~~September 1, 2019, for counties that use direct record electronic voting machines on election day as of January 1, 2015, and January 1, 2018, for all other counties. Decertification of a DRE voting system that does not use paper ballots may not be appealed to the Superior Court of Wake County pursuant to G.S. 163-165.7(b)."

SECTION 6.(b) Section 30.9 of S.L. 2013-381 reads as rewritten:

"**SECTION 30.9.** This Part becomes effective ~~January 1, 2018.~~September 1, 2019, for counties that use direct record electronic voting machines on election day as of January 1, 2015. This Part becomes effective for all other counties January 1, 2018."

CERTAIN MUNICIPALITIES AUTHORIZED TO CONDUCT MALT BEVERAGE AND UNFORTIFIED WINE ELECTIONS

SECTION 7. G.S. 18B-600 is amended by adding a new subsection to read:

"(c1) Certain City Malt Beverage and Unfortified Wine Elections. – A city may hold a malt beverage or unfortified wine election only if all of the following criteria are met:

(1) The county in which more than fifty percent (50%) of the area of the primary corporate limits of the city is located has already held such an election, and the vote in the last county election was against the sale of that kind of alcoholic beverage.

(2) The city has a population of 200 or more.

(3) The county in which more than fifty percent (50%) of the area of the primary corporate limits of the city is located also contains three or more other cities that have previously voted to allow malt beverage and unfortified wine sales."

VOTER ID MODIFICATIONS

SECTION 8.(a) G.S. 163-166.13 reads as rewritten:

"§ **163-166.13. Photo identification requirement for voting in person.**

(a) Every qualified voter voting in person in accordance with this Article, G.S. 163-227.2, or G.S. 163-182.1A shall present photo identification bearing any reasonable resemblance to that voter to a local election official at the voting place before voting, except as follows:

(1) For a registered voter voting curbside, that voter shall present identification under G.S. 163-166.9.

(2) For a registered voter who has a sincerely held religious objection to being photographed and has filed a declaration in accordance with G.S. 163-82.7A at least 25 days before the election in which that voter is voting in person, that voter shall not be required to provide photo identification.

(3) For a registered voter who is a victim of a natural disaster occurring within 60 days before election day that resulted in a disaster declaration by the President of the United States or the Governor of this State who declares the lack of photo identification due to the natural disaster on a form provided by the State Board, that voter shall not be required to provide photo identification in any county subject to such declaration. The form shall be available from the State Board of Elections, from each county board of elections in a county subject to the disaster declaration, and at each polling place and one-stop early voting site in that county. The voter shall submit the completed form at the time of voting.

(b) Any voter who complies with subsection (a) of this section shall be permitted to vote.

(c) Any voter who does not comply with subsection (a) of this section shall be notified of the following options:

(1) The voter is permitted to vote a provisional official ballot which shall be counted in accordance with G.S. 163-182.1A.

(2) The voter is permitted to complete a reasonable impediment declaration, as provided in G.S. 163-166.15, and vote a provisional official ballot which shall be counted in accordance with G.S. 163-182.1B.

(3) The voter is permitted to complete a written request for an absentee ballot in accordance with G.S. 163-227.2(b1) until the deadline for submission of requests for absentee ballots provided in G.S. 163-230.1.

(d) The local election official to whom the photo identification is presented shall determine if the photo identification bears any reasonable resemblance to the voter presenting the photo identification. If it is determined that the photo identification does not bear any reasonable resemblance to the voter, the local election official shall comply with G.S. 163-166.14.

(e) Except as provided in subsection (e1) of this section, ~~As~~ as used in this section, "photo identification" means any one of the following that contains a photograph of the registered ~~voter. In addition, the photo identification shall have~~voter, has a printed expiration date, and is ~~date and shall be~~ unexpired, ~~provided that any voter having attained the age of 70 years at the time of presentation at the voting place shall be permitted to present an expired form of any of the following that was unexpired on the voter's 70th birthday:~~unless otherwise noted:

(1) A North Carolina drivers license issued under Article 2 of Chapter 20 of the General Statutes, including a learner's permit or a provisional ~~license.~~ license, provided that it shall be acceptable if it has a printed expiration date that is not more than four years before it is presented for voting.

(2) A special identification card for nonoperators issued under ~~G.S. 20-37.7.~~G.S. 20-37.7, provided that it shall be acceptable if it has a printed expiration date that is not more than four years before it is presented for voting.

(3) A United States passport.

(4) A United States military identification card, except there is no requirement that it have a printed expiration or issuance date.

(5) A Veterans Identification Card issued by the United States Department of Veterans Affairs for use at Veterans Administration medical facilities facilities, except there is no requirement that it have a printed expiration or issuance date.

(6) A tribal enrollment card issued by a federally recognized tribe, provided that if the tribal enrollment card does not contain a printed expiration date, it shall be acceptable if it has a printed issuance date that is not more than eight years before it is presented for voting.

(7) A tribal enrollment card issued by a tribe recognized by this State under Chapter 71A of the General Statutes, provided that card meets all of the following criteria:

a. Is issued in accordance with a process approved by the State Board of Elections that requires an application and proof of identity equivalent to the requirements for issuance of a special identification card by the Division of Motor Vehicles under G.S. 20-7 and G.S. 20-37.7.

b. Is signed by an elected official of the tribe.

(8) A drivers license or nonoperators identification card issued by another state, the District of Columbia, or a territory or commonwealth of the United States, but only if the voter's voter registration was within 90 days of the election.

(e1) Any voter 70 years of age or older shall be permitted to present an expired form of photo identification listed in subsection (e) of this section, if that identification expired at any point after that voter's 70th birthday."

SECTION 8.(b) G.S. 163-227.2 is amended by adding the following new subsection to read:

"(b1) Until the deadline for submission of requests for absentee ballots provided in G.S. 163-230.1, any voter who fails to present an eligible form of photo identification in accordance with G.S. 163-166.13 shall be notified of the option to complete a written request form for an absentee ballot at that one-stop absentee voting location. The county board of elections shall notify the voter of each of the following:

(1) The option to request an absentee ballot to vote in that election, whether requested at that one-stop absentee voting location or as provided in G.S. 163-230.2.

(2) The instructions for completing the absentee ballot request in accordance with G.S. 163-230.1, along with the deadlines for returning the absentee ballot.

(3) The means by which the voter may transmit the executed ballot to the county board of elections as provided in G.S. 163-231, including through delivery in person to an election official at a one-stop voting location.

Upon receiving notice pursuant to this subsection, a voter shall sign a form acknowledging that the voter was notified of the option to request and vote an absentee ballot. The list of names of those voters who signed an acknowledgment is a public record."

SECTION 8.(c) G.S. 163-227.2 is amended by adding the following new subsection to read:

"(j) The State Board of Elections shall adopt rules requiring signage to be displayed until the deadline for submission of requests for absentee ballots provided in G.S. 163-230.1 at all one-stop absentee voting locations notifying voters who do not have eligible photo identification of the option to request an absentee ballot as provided in subsection (b1) of this section."

SECTION 8.(d) Article 14A of Chapter 163 of the General Statutes is amended by adding a new section to read:

"**§ 163-166.15. Reasonable impediment declarations.**

(a) Any voter who does not comply with the photo identification requirement of G.S. 163-166.13(a) due to a reasonable impediment that prevents the voter from obtaining photo identification may vote a provisional official ballot in accordance with this section.

(b) The voter shall complete a reasonable impediment declaration on a form provided by the State Board declaring that the voter meets all of the following criteria:

(1) Is the same individual who personally appeared at the polling place.

(2) Cast the provisional ballot while voting in person in accordance with this Article or G.S. 163-227.2.

(3) Suffers from a reasonable impediment that prevents the voter from obtaining photo identification. The voter also shall list the impediment, as set forth in subsection (e) of this section, unless otherwise prohibited by State or federal law.

(c) The voter shall also present identification in the form of (i) a copy of a document listed in G.S. 163-166.12(a)(2) or the voter registration card issued to the voter by the county board of elections or (ii) the last four digits of the voter's Social Security number and the voter's date of birth. Upon compliance with this section, the voter may cast a provisional ballot. The declaration and a notation on the declaration form that the voter has provided the required identification shall be submitted with the provisional ballot envelope to the county board of elections and shall be counted in accordance with G.S. 163-182.1B.

(d) If a voter fails to present identification, as required in subsection (c) of this section, but completes a reasonable impediment declaration, the voter shall be permitted to vote a provisional official ballot. The declaration and a notation on the declaration form that the voter has not provided the required identification shall be submitted with the provisional ballot envelope to the county board of elections. The ballot shall be counted in accordance with G.S. 163-182.1B if the voter presents the required identification to the county board of elections in accordance with G.S. 163-182.1B.

(e) The reasonable impediment declaration form provided by the State Board shall, at a minimum, include the following:

(1) Separate boxes that a voter may check to identify the reasonable impediment, including at least the following:

a. Lack of transportation.

b. Disability or illness.

c. Lack of birth certificate or other documents needed to obtain photo identification.

d. Work schedule.

e. Family responsibilities.

f. Lost or stolen photo identification.

g. Photo identification applied for but not received by the voter voting in person.

h. Other reasonable impediment. If the voter checks the "other reasonable impediment" box, a further brief written identification of the reasonable impediment shall be required, including the option to indicate that State or federal law prohibits listing the impediment.

(2) A space for the voter to provide the last four digits of the Social Security number and the voter's date of birth, if the voter opts to provide this information as identification in accordance with subsection (c) of this section.

(3) A space to note whether the voter has provided a copy of the document listed in G.S. 163-166.12(a)(2) or the voter registration card issued to the voter by the county board of elections."

SECTION 8.(e) Article 15A of Chapter 163 of the General Statutes is amended by adding a new section to read:

"**§ 163-182.1B. Counting of provisional official ballots cast following completion of a reasonable impediment declaration when voting in person.**

(a) The county board of elections shall find that a voter's provisional official ballot cast following completion of a declaration of reasonable impediment in accordance with G.S. 163-166.15 is valid and direct that the provisional ballot be opened and counted in accordance with this Chapter, unless any of the following apply:

(1) The county board of elections has grounds, including an impediment evidentiary challenge by a voter, as provided in subsection (b) of this section, to believe the declaration is factually false, merely denigrated the photo identification requirement, or made obviously nonsensical statements.

(2) The voter failed to present identification in the form of one of the following:

a. Either a copy of a document listed in G.S. 163-166.12(a)(2) or the voter registration card issued to the voter by the county board of elections when voting or at the county board of elections.

b. The voter's last four digits of the Social Security number and date of birth.

(3) The voter provided the last four digits of the voter's Social Security number and date of birth as the form of identification required under G.S. 163-166.15(c) and the county board of elections could not confirm the voter's registration using that information.

(4) The voter is disqualified for some other reason provided by law.

(b) An impediment evidentiary challenge may be made only on a form developed by the State Board of Elections as follows:

(1) Any registered voter of the county may make the challenge by submitting clear and convincing evidence in writing on a signed form to the county board of elections challenging the factual veracity of the impediment.

(2) Challenges shall be submitted no later than 5:00 P.M. on the third business day following the election.

(3) The county board shall hear evidentiary challenges on the day set for the canvass of the returns.

(4) A voter whose declaration has been challenged may personally, or through an authorized representative, appear before the county board and present evidence supporting the factual veracity of the impediment.

(5) In considering the challenge, the county board shall construe all evidence presented in the light most favorable to the voter submitting the reasonable impediment declaration.

(6) The county board shall not find a challenge valid if it provides only evidence regarding the reasonableness of the impediment.

(7) The county board may find the challenge valid if the evidence demonstrates the declaration merely denigrated the photo identification requirement, made obviously nonsensical statements, or made statements or selected a reasonable impediment check box that was factually false.

(c) A voter who failed to present identification required in G.S. 163-166.15(c) when completing the reasonable impediment affidavit may comply with the identification requirement by appearing in person at the county board of elections to present the identification no later than 12:00 noon the day prior to the time set for the convening of the election canvass pursuant to G.S. 163-182.5.

(d) If the county board of elections determines that a voter has also cast a provisional official ballot for a cause other than the voter's failure to provide photo identification in accordance with G.S. 163-166.13(a), the county board shall do all of the following:

(1) Note on the envelope containing the provisional official ballot that the voter has complied with the reasonable impediment declaration requirement.

(2) Proceed to determine any other reasons for which the provisional official ballot was cast provisionally before ruling on the validity of the voter's provisional official ballot.

(e) Within 60 days after each election, the county board of elections shall provide to the State Board of Elections a report of those reasonable impediments identified in that election by voters. The State Board shall use the information in the reports to identify and address obstacles to obtaining photo identification."

SECTION 8.(f) G.S. 163-82.8(e) reads as rewritten:

"(e) Display of Card May Not Be Required to Vote. – No county board of elections may require that a voter registration card be displayed in order to vote. A county board of elections may notify a voter that the voter's registration card may be used for the required identification in conjunction with a reasonable impediment declaration in accordance with G.S. 163-166.15."

SECTION 8.(g) Section 5.3 of S.L. 2013-381 reads as rewritten:

"**SECTION 5.3.** Education and Publicity Requirements. – The public shall be educated about the photo identification to vote requirements of this act as follows:

(1) As counties use their regular processes to notify voters of assignments and reassignments to districts for election to the United States House of Representatives, State Senate, State House of Representatives, or local office, by including information about the provisions of this act.

(2) As counties send new voter registration cards to voters as a result of new registration, changes of address, or other reasons, by including information about the provisions of this act.

(3) Counties that maintain a board of elections Web site shall include information about the provisions of this act.

(4) Notices of elections published by county boards of elections under G.S. 163-22(8) for the 2014 primary and 2014 general election shall include

a brief statement that photo identification will be required to vote in person beginning in 2016.

(5) The State Board of Elections shall include on its Web site information about the provisions of this act.

(6) Counties shall post at the polls and at early voting sites beginning with the 2014 primary elections information about the provisions of this act.

(7) The State Board of Elections shall distribute information about the photo identification requirements to groups and organizations serving persons with disabilities or the elderly.

(8) The State Board of Elections, the Division of Motor Vehicles, and county boards of elections in counties where there is no Division of Motor Vehicles drivers license office open five days a week shall include information about mobile unit schedules on existing Web sites, shall distribute information about these schedules to registered voters identified without photo identification, and shall publicize information about the mobile unit schedules through other available means.

(9) The State Board of Elections and county boards of elections shall direct volunteers to assist registered voters in counties where there is no Division of Motor Vehicles drivers license office open five days a week.

(10) The State Board of Elections shall educate the public regarding the reasonable impediment declaration and shall use the information on reasonable impediments reported by county boards of election as provided in G.S. 163-182.1B(e) to identify and address obstacles to obtaining voter photo identification."

SECTION 8.(h) Section 8(g) of this section becomes effective when this act becomes law. The remainder of this section becomes effective January 1, 2016, and applies to primaries and elections conducted on or after that date.

REMOVE TERM LIMITS FOR SERVICE ON THE BOARD OF EDUCATION OF ALEXANDER COUNTY

SECTION 9.(a) Sec. 8 of Chapter 774 of the Session Laws of 1969 reads as rewritten:

"**Sec. 8.** Member(s) whose terms of office expire and who desire to become candidates for re-election shall register and be voted upon in the same manner as herein provided and at the general election to be held in the year in which said terms of office ~~expire, provided no member shall serve more than two terms in succession.~~expire."

SECTION 9.(b) This section becomes effective January 1, 2016, and applies to elections conducted on or after that date.

VOTING SYSTEM CERTIFICATIONS

SECTION 10. G.S. 163-165.7(a) reads as rewritten:

"§ **163-165.7. Voting systems: powers and duties of State Board of Elections.**

(a) Only voting systems that have been certified by the State Board of Elections in accordance with the procedures set forth by the State Board of Elections and subject to the standards set forth in this section and that have not been subsequently decertified shall be permitted for use in elections in this State. Those certified voting systems shall be valid in any election held in the State or in any county, municipality, or other electoral district in the State. Subject to all other applicable rules adopted by the State Board of Elections and, with respect to federal elections, subject to all applicable federal regulations governing voting systems, paper ballots marked by the voter and counted by hand shall be deemed a certified voting system. The State Board of Elections shall certify optical scan voting systems, optical scan with ballot markers voting systems, and direct record electronic voting systems if any of those systems meet all applicable requirements of federal and State law. The State Board may certify

~~additional~~ voting systems only if they meet the requirements ~~of the request for proposal process~~ set forth in this section and only if they generate either a paper ballot or a paper record by which voters may verify their votes before casting them and which provides a backup means of counting the vote that the voter casts. Those voting systems may include optical scan and direct record electronic (DRE) voting systems. ~~In consultation with the Office of Information Technology Services, the State Board shall develop the requests for proposal subject to the provisions of this Chapter and other applicable State laws.~~ Among other ~~requirements,~~requirements as set by the State Board of Elections, the ~~request for proposal~~certification requirements shall require at least all of the following elements:

(1) That the vendor post a bond or letter of credit to cover damages resulting from defects in the voting system. Damages ~~shall~~ may include, among other items, any costs of conducting a new election attributable to those defects.

(2) That the voting system comply with all federal requirements for voting systems.

(3) That the voting system must have the capacity to include in voting tabulation district returns the votes cast by voters outside of the voter's voting tabulation district as required by G.S. 163-132.5G.

(4) With respect to electronic voting systems, that the voting system generate a paper record of each individual vote cast, which paper record shall be maintained in a secure fashion and shall serve as a backup record for purposes of any hand-to-eye count, hand-to-eye recount, or other audit. Electronic systems that employ optical scan technology to count paper ballots shall be deemed to satisfy this requirement.

(5) With respect to DRE voting systems, that the paper record generated by the system be viewable by the voter before the vote is cast electronically, and that the system permit the voter to correct any discrepancy between the electronic vote and the paper record before the vote is cast.

(6) With respect to all voting systems using electronic means, that the vendor provide access to all of any information required to be placed in escrow by a vendor pursuant to G.S. 163-165.9A for review and examination by the State Board of Elections; the Office of Information Technology Services; the State chairs of each political party recognized under G.S. 163-96; the purchasing county; and designees as provided in subdivision (9) of subsection (d) of this section.

(7) That the vendor must quote a statewide uniform price for each unit of the equipment.

(8) That the vendor must separately agree with the purchasing county that if it is granted a contract to provide software for an electronic voting system but fails to debug, modify, repair, or update the software as agreed or in the event of the vendor having bankruptcy filed for or against it, the source code described in G.S. 163-165.9A(a) shall be turned over to the purchasing county by the escrow agent chosen under G.S. 163-165.9A(a)(1) for the purposes of continuing use of the software for the period of the contract and for permitting access to the persons described in subdivision (6) of this subsection for the purpose of reviewing the source code.

~~In its request for proposal,~~As part of the certification requirements, the State Board of Elections shall address the mandatory terms of the contract for the purchase of the voting system and the maintenance and training related to that voting system.

~~If a voting system was acquired or upgraded by a county before August 1, 2005, the county shall not be required to go through the purchasing process described in this subsection if the county can demonstrate to the State Board of Elections compliance with the requirements in subdivisions (1) through (6) and subdivision (8) of this subsection, where those requirements are applicable to the type of voting system involved. If the county cannot demonstrate to the~~

~~State Board of Elections that the voting system is in compliance with those subdivisions, the county board shall not use the system in an election during or after 2006, and the county shall be subject to the purchasing requirements of this subsection.~~"

SECTION 11.(a) G.S. 163-165.7 is amended by adding a new subsection to read:

"(a2) Only electronic poll books that have been certified by the State Board in accordance with procedures and subject to standards adopted by the State Board shall be permitted for use in elections in this State."

SECTION 11.(b) This section becomes effective August 1, 2015.

EFFECTIVE DATE

SECTION 12. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22nd day of June, 2015.

Became law upon approval of the Governor at 8:15 p.m. on the 22nd day of June, 2015.

Session Law 2015-104 **S.B. 7**

AN ACT TO ALLOW FOOD STANDS TO PROVIDE TABLES AND CHAIRS FOR CUSTOMERS TO USE WHILE CONSUMING DRINKS OR FOOD UPON THE PREMISES AND TO AUTHORIZE PUSHCARTS OR MOBILE FOOD UNITS TO PREPARE AND SERVE FOOD ON THE PREMISES, PROVIDED THEY ARE BASED FROM A COMMISSARY OR RESTAURANT LOCATED ON THE PREMISES OF A FACILITY CONTAINING THREE THOUSAND PERMANENT SEATS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 130A-248 is amended by adding a new subsection to read:

"(a6) Notwithstanding any provision of this Part or any rules adopted pursuant to G.S. 130A-335(e), a permitted food stand may elect to provide tables and not more than eight seats for customers to use while eating or drinking on the premises. Addition of seats under this subsection shall not require further evaluation of the adequacy of the approved sanitary sewage system."

SECTION 2. G.S. 130A-248(c1) reads as rewritten:

"(c1) The Commission shall adopt rules governing the sanitation of pushcarts and mobile food units. A permitted restaurant or commissary shall serve as a base of operations for a pushcart. A mobile food unit shall meet all of the sanitation requirements of a permitted commissary or shall have a permitted restaurant or commissary that serves as its base of operation. Pushcarts or mobile food units that are based from a permitted commissary or restaurant that is located on the premises of a facility which contains at least 3,000 permanent seats shall be allowed to prepare and serve food on the premises. Raw meat, poultry, and fish shall be prepared in a permitted commissary or restaurant in a pre-portioned or ready-to-cook form. Pushcarts or mobile food units that handle raw ingredients shall be equipped with a handwashing sink. All open food and utensils shall be provided with overhead protection or otherwise equipped with individual covers, such as domes, chafing lids, or cookers with hinged lids. Food equipment and supplies shall be located in enclosed areas and protected from environmental contamination when not in operation."

SECTION 3. Section 1 of this act becomes effective October 1, 2015, the remainder of the act is effective when it becomes law.

In the General Assembly read three times and ratified this the 15th day of June, 2015.

Became law upon approval of the Governor at 10:15 a.m. on the 24th day of June, 2015.

Session Law 2015-105 **S.B. 212**

AN ACT TO ALLOW SUCCESSFUL COMPLETION BY A RETIRED SWORN LAW ENFORCEMENT OFFICER OF THE HANDGUN QUALIFICATIONS FOR ACTIVE SWORN LAW ENFORCEMENT OFFICERS TO BE SUFFICIENT FOR PURPOSES OF A CONCEALED HANDGUN PERMIT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 14-415.12A is amended by adding a new subsection to read:

"(a1) An individual who is a qualified retired law enforcement officer and has met the standards, as approved by the North Carolina Justice Education and Training Standards Commission, for handgun qualification for active law enforcement officers within the last 12 months is deemed to have satisfied the requirement under G.S. 14-415.12(a)(4) that an applicant successfully complete an approved firearms safety and training course."

SECTION 2. This act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 22nd day of June, 2015.

Became law upon approval of the Governor at 10:15 a.m. on the 24th day of June, 2015.

Session Law 2015-106 **S.B. 301**

AN ACT TO EXEMPT THE DEPARTMENT OF TRANSPORTATION FROM THE REQUIRED APPROVAL OF THE COUNCIL OF STATE WHEN PURCHASING CONTAMINATED PROPERTY, AS RECOMMENDED BY THE DEPARTMENT OF TRANSPORTATION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 133-40(a) reads as rewritten:

"(a) For purposes of this Article, the term "public entity" means the State and the Community College ~~System.~~System; provided, however, that the term does not include the Department of Transportation in the exercise of the powers conferred by G.S. 136-19."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 16th day of June, 2015.

Became law upon approval of the Governor at 10:15 a.m. on the 24th day of June, 2015.

Session Law 2015-107 **S.B. 596**

AN ACT TO CLARIFY EXISTING LAW REGARDING THE ENFORCEMENT OF FOREIGN-COUNTRY JUDGMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 1C-1853 reads as rewritten:

"§ **1C-1853. Standards for recognition and nonrecognition of foreign-country judgment.**

(a) Except as otherwise provided in this section, a court of this State shall recognize a foreign-country judgment to which this Article applies.

(b) A court of this State shall not recognize a foreign-country judgment if:

(1) The judgment was rendered under a judicial system that, taken as a whole, does not provide impartial tribunals or procedures compatible with the requirements of due process of law;

(2) The foreign court did not have personal jurisdiction over the defendant;~~ or~~

(3) The foreign court did not have jurisdiction over the subject ~~matter.~~matter; or

(4) The judgment was obtained by a foreign government entity to compensate for the expenditure of public funds for government programs.

(c) If a court of this State finds that any of the following exist with respect to a foreign-country judgment for which recognition is sought, recognition of the judgment shall be denied unless the court determines, as a matter of law, that recognition would nevertheless be reasonable under the circumstances:

(1) The defendant in the proceeding in the foreign court did not receive notice of the proceeding in sufficient time to enable the defendant to defend.

(2) The judgment was obtained by fraud that deprived the losing party of an adequate opportunity to present its case.

(3) The judgment, or the cause of action or claim for relief on which the judgment is based, is repugnant to the public policy of this State or of the United States.

(4) Reserved for future codification.

(5) The proceeding in the foreign court was contrary to an agreement between the parties under which the dispute in question was to be determined otherwise than by proceedings in that foreign court.

(6) In the case of jurisdiction based only on personal service, the foreign court was a seriously inconvenient forum for the trial of the action.

(7) The judgment was rendered in circumstances that raise substantial doubt about the integrity of the rendering court with respect to the judgment.

(8) The specific proceeding in the foreign court leading to the judgment was fundamentally unfair.

(9) The judgment is based on a foreign statute or rule of law which, as applied by the foreign court, would have been contrary to either the United States Constitution or the North Carolina Constitution had it been applied by a court in North Carolina.

(d) If a foreign-country judgment for which recognition is sought is otherwise entitled to recognition under this Article but conflicts with a prior final and conclusive judgment, a court of this State shall recognize the judgment for which recognition is sought unless the court determines that nonrecognition would nevertheless be reasonable under the circumstances.

(e) If a foreign-country judgment for which recognition is sought is otherwise entitled to recognition under this Article but conflicts with a subsequent final and conclusive judgment, a court of this State shall deny recognition of the judgment for which recognition is sought unless the court determines that recognition would nevertheless be reasonable under the circumstances.

(f) A party resisting recognition of a foreign-country judgment has the burden of establishing that a ground for nonrecognition stated in subsection (b) of this section exists.

(g) A party resisting recognition of a foreign-country judgment has the burden of establishing that a ground for nonrecognition stated in subsection (c) of this section exists. The party seeking recognition of the judgment has the burden of establishing that, as a matter of law, recognition would nevertheless be reasonable under the circumstances.

(h) A party resisting recognition of a foreign-country judgment under subsection (d) or (e) of this section has the burden of establishing that another final and conclusive judgment exists and that the other judgment conflicts with the judgment for which recognition is sought. Under subsection (d) of this section, the party resisting recognition also has the burden of establishing that nonrecognition of the judgment for which recognition is sought would be reasonable under the circumstances. Under subsection (e) of this section, the party seeking recognition of the foreign-country judgment has the burden of establishing that recognition would be reasonable under the circumstances.

(i) When a court of this State rules on recognition of a foreign-country judgment, the court shall state the facts specially and state separately its conclusions of law.

(j) If a proceeding in a foreign court is brought by a foreign government entity based upon rules of law adopted for the benefit of the foreign government entity that are applied ex post facto to conduct of the defendant or if the action imposes liability for harms to individuals without requiring individualized proof of each element of the claim for each such individual, the court shall find that the action is fundamentally unfair and its judgment is repugnant to the public policy of this State under G.S. 1C-1853(c)(3) and (5)."

SECTION 2. Article 20 of Chapter 1C of the General Statutes is amended by adding a new section to read:

"**§ 1C-1860. Severability.**

The provisions of this Article are severable. If any part or application of this Article is invalid, then other parts or applications remain valid."

SECTION 3. This act is effective when it becomes law and applies to recognition of foreign-country judgments on or after that date regardless of when the judgment was entered.

In the General Assembly read three times and ratified this the 16th day of June, 2015.

Became law upon approval of the Governor at 10:15 a.m. on the 24th day of June, 2015.

Session Law 2015-108 **S.B. 621**

AN ACT TO AUTHORIZE THE DIVISION OF MOTOR VEHICLES TO SEND MOTOR VEHICLE REGISTRATION RENEWAL NOTIFICATION BY ELECTRONIC MEANS UPON RECEIVING WRITTEN CONSENT FROM THE OWNER OF THE MOTOR VEHICLE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-330.5(b) reads as rewritten:

"(b) Distribution and Collection Fees. – The Property Tax Division of the Department of Revenue or a third-party contractor selected by the Property Tax Division must send a copy of the combined tax and registration notice for a registered classified motor vehicle to the motor vehicle owner, as defined in G.S. 20-4.01. Upon receiving written consent from the motor vehicle owner, the notice required under this subsection may be sent electronically to an e-mail address provided by the motor vehicle owner. The Department must establish a fee equal to the actual cost of preparing, printing, and sending the notice. The Department may receive a fee for each notice generated for a vehicle registered in a county or municipal corporation from the taxes and fees remitted to the county or municipal corporation in which the vehicle is registered. The collecting authority is responsible for collecting county and municipal taxes and fees assessed under this Article and may receive a fee for collecting these taxes and fees. The amount of this fee for an agent contracting with the Division of Motor Vehicles must equal at least the applicable amount set under G.S. 20-63(h). The amount of this fee for the Division of Motor Vehicles is the amount set by the memorandum of understanding entered into under G.S. 105-330.11 but shall not exceed the amount set under G.S. 20-63. The Property Tax Division must establish procedures to ensure that tax payments and fees received pursuant to this Article and Chapter 20 of the General Statutes are properly accounted for and taxes and fees due other taxing units and the Division of Motor Vehicles are remitted at least once each month."

SECTION 2. G.S. 20-66(a) reads as rewritten:

"(a) Annual Renewal. – The registration of a vehicle must be renewed annually. In accordance with G.S. 105-330.5(b), upon receiving written consent from the owner of the vehicle, the Division may send any required notice of renewal electronically to an e-mail address provided by the owner of the vehicle. To renew the registration of a vehicle, the owner of the vehicle must file an application with the Division and pay the required registration fee.

The Division may receive and grant an application for renewal of registration at any time before the registration expires."

SECTION 3. This act becomes effective January 1, 2016.

In the General Assembly read three times and ratified this the 18th day of June, 2015.

Became law upon approval of the Governor at 10:15 a.m. on the 24th day of June, 2015.

Session Law 2015-109 **S.B. 682**

AN ACT TO LIMIT USE OF CONTINGENT-BASED CONTRACTS FOR AUDIT OR ASSESSMENT PURPOSES.

The General Assembly of North Carolina enacts:

SECTION 1. Section 6 of S.L. 2012-152, as amended by Section 61.5(b) of S.L. 2012-194, reads as rewritten:

"**SECTION 6.** Sections 1, 3, and 3.1 of this act become effective October 1, 2012. The Treasurer shall not renew any contingency fee-based contracts for these services after October 1, 2012. The Treasurer shall not assign further audits on a contingency fee basis to an auditing firm under a contract that meets all the following conditions: (i) the contract would have been prohibited under this act had the contract been entered into after October 1, 2012, and (ii) the contract allows the assignment of audits on a discretionary basis by the Treasurer. Sections 2, 4, and 5 of this act become effective July 1, ~~2013, and expire July 1, 2015. From~~2013. After July 1, 2013, ~~until July 1, 2015,~~ cities and counties shall not renew any contingency fee-based contracts for these services. ~~From~~ After July 1, 2013, ~~until July 1, 2015,~~ cities and counties shall not assign further audits on a contingency fee basis to an auditing firm under a contract that meets all the following conditions: (i) the contract would have been prohibited under this act had the contract been entered into after July 1, 2013, and (ii) the contract allows the assignment of audits on a discretionary basis. The remainder of the act is effective when the act becomes law."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 17th day of June, 2015.

Became law upon approval of the Governor at 10:15 a.m. on the 24th day of June, 2015.

Session Law 2015-110 **S.B. 716**

AN ACT TO: (1) DIRECT THE NORTH CAROLINA UTILITIES COMMISSION TO RENDER AN EXPEDITED DECISION, UNDER CERTAIN CONDITIONS, ON AN APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR AN APPLICANT TO CONSTRUCT A GENERATING FACILITY THAT USES NATURAL GAS AS THE PRIMARY FUEL AND (2) MODIFY CERTAIN REQUIREMENTS UNDER THE COAL ASH MANAGEMENT ACT OF 2014 FOR COAL ASH SURFACE IMPOUNDMENTS LOCATED ON SITES AT WHICH ALL COAL-FIRED GENERATING UNITS PRESENT ON THOSE SITES WILL PERMANENTLY CEASE OPERATIONS BY JANUARY 31, 2020.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding G.S. 62-110.1, the Commission shall provide an expedited decision on an application for a certificate to construct a generating facility that uses natural gas as the primary fuel if the application meets the requirements of this section. A public utility shall provide written notice to the Commission of the date the utility intends to

file an application under this section no less than 30 days prior to the submission of the application. When the public utility applies for a certificate as provided in this section, it shall submit to the Commission an estimate of the costs of construction of the gas-fired generating unit in such detail as the Commission may require. G.S. 62-110.1(e) and G.S. 62-82(a) shall not apply to a certificate applied for under this section. The Commission shall hold a single public hearing on the application applied for under this section and require the applicant to publish a single notice of the public hearing in a newspaper of general circulation in Buncombe County. The Commission shall render its decision on an application for a certificate, including any related transmission line located on the site of the new generation facility, within 45 days of the date the application is filed if all of the following apply:

(1) The application for a certificate is for a generating facility to be constructed at the site of the Asheville Steam Electric Generating Plant located in Buncombe County.

(2) The public utility will permanently cease operations of all coal-fired generating units at the site on or before the commercial operation of the generating unit that is the subject of the certificate application.

(3) The new natural gas-fired generating facility has no more than twice the generation capacity as the coal-fired generating units to be retired.

SECTION 2.(a) Section 3(b) of S.L. 2014-122 reads as rewritten:

"**SECTION 3.(b)** Notwithstanding G.S. 130A-309.211 or G.S. 130A-309.212, as enacted by Section 3(a) of this act, and except as otherwise preempted by the requirements of federal law, the following coal combustion residuals surface impoundments shall be deemed high-priority ~~and, as soon as practicable, but no later than August 1, 2019,~~ and shall be closed in conformance with Section 3(c) of this ~~act:~~act as follows:

(1) Coal combustion residuals surface impoundments located at the Dan River Steam Station, owned and operated by Duke Energy Progress, and located in Rockingham ~~County.~~County, as soon as practicable, but no later than August 1, 2019.

(2) Coal combustion residuals surface impoundments located at the Riverbend Steam Station, owned and operated by Duke Energy Carolinas, and located in Gaston ~~County.~~County, as soon as practicable, but no later than August 1, 2019.

(3) Coal combustion residuals surface impoundments located at the Asheville Steam Electric Generating Plant, owned and operated by Duke Energy Progress, and located in Buncombe ~~County.~~County, as soon as practicable, but no later than August 1, 2022.

(4) Coal combustion residuals surface impoundments located at the Sutton Plant, owned and operated by Duke Energy Progress, and located in New Hanover ~~County.~~County, as soon as practicable, but no later than August 1, 2019."

SECTION 2.(b) The requirements of subsections (c) through (f) of G.S. 130A-309.210 shall not apply to coal combustion residuals surface impoundments and electric generating facilities located at the Asheville Steam Electric Generating Plant in Buncombe County.

SECTION 2.(c) This section becomes effective August 1, 2016, if, on or before that date, the North Carolina Utilities Commission has issued a certificate of public convenience and necessity to Duke Energy Progress for a new natural gas-fired generating facility, pursuant to Section 1 of this act, based upon written notice submitted to the Commission from Duke Energy Progress that it will permanently cease operations of all coal-fired generating units at the Asheville Steam Electric Generating Plant located in Buncombe County no later than January 31, 2020.

SECTION 3. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 15th day of June, 2015.

Became law upon approval of the Governor at 10:15 a.m. on the 24th day of June, 2015.

Session Law 2015-111 **H.B. 86**

AN ACT TO REQUIRE THE DEPARTMENT OF TRANSPORTATION TO PAY THE NONBETTERMENT COST OF RELOCATING WATER AND SEWER LINES OWNED BY LOCAL BOARDS OF EDUCATION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 136-27.1 reads as rewritten:

"§ **136-27.1. Relocation of water and sewer lines of ~~municipalities and~~municipalities, nonprofit water or sewer corporations or ~~associations.~~associations, and local boards of education.**

The Department of Transportation shall pay the nonbetterment cost for the relocation of water and sewer lines, located within the existing State transportation project right-of-way, that are necessary to be relocated for a State transportation improvement project and that are owned by: (i) a municipality with a population of 5,500 or less according to the latest decennial census; (ii) a nonprofit water or sewer association or corporation; (iii) any water or sewer system organized pursuant to Chapter 162A of the General Statutes; (iv) a rural water system operated by a County as an enterprise system; (v) any sanitary district organized pursuant to Part 2 of Article 2 of Chapter 130A of the General Statutes; ~~or~~ (vi) constructed by a water or sewer system organized pursuant to Chapter 162A of the General Statutes and then sold or transferred to a municipality with a population of greater than 5,500 according to the latest decennial ~~census.~~census; or (vii) a local board of education."

SECTION 2. This act becomes effective July 1, 2015, and applies to relocations of water and sewer lines on or after that date.

In the General Assembly read three times and ratified this the 15th day of June, 2015.

Became law upon approval of the Governor at 10:15 a.m. on the 24th day of June, 2015.

Session Law 2015-112 **H.B. 154**

AN ACT TO AUTHORIZE UNITS OF LOCAL GOVERNMENT TO ENROLL THEIR EMPLOYEES AND DEPENDENTS IN THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES, AND TO AUTHORIZE PIONEER SPRINGS COMMUNITY SCHOOL TO ELECT TO PARTICIPATE IN THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 135-48.8(b) reads as rewritten:

"(b) The State of North Carolina deems it to be in the public interest for ~~certain~~ local government units to be allowed to join the State Health Plan for Teachers and State Employees and to participate in the Plan."

SECTION 2. G.S. 135-48.47 reads as rewritten:

"§ **135-48.47. Participation in State Health Plan by ~~certain~~ local government employees and dependents.**

(a) Eligibility. – The employees and dependents of employees of ~~the following~~ local government units are eligible to participate in the State Health ~~Plan:~~Plan, as provided in this section.

~~(1) Montgomery County.~~

~~(2) Towns of Elizabethtown and Matthews.~~

Employees and dependents participating under this section are not guaranteed participation in the Plan, and participation is contingent on their respective local government units (i) electing to participate in the Plan and (ii) complying with the provisions of this section and this Article, as well as any policies adopted by the Plan.

(b) Participation Requirements. – ~~The participation of a local government unit listed in subsection (a) of this section in the State Health Plan~~A local government unit may elect to participate in the State Health Plan. Participation shall be governed by the following:

(1) In order to participate, a local government unit ~~must, at least 60 days prior to joining the Plan, enter~~ must do the following:

a. Pass a valid resolution expressing the local government's desire to participate in the Plan.

b. Enter into a memorandum of understanding with the Plan that acknowledges the conditions of this section and this Article.

c. Provide at least 90 days' notice to the Plan prior to entry and complete the requirements of this subdivision at least 60 days prior to entry.

(2) ~~The~~ In order to participate, a local government unit and its employees must meet the federal requirements to participate in a governmental plan. The Plan may refuse participation to persons who would jeopardize the Plan's qualification as a governmental plan under federal law.

(2a) The Plan shall admit any local government unit that meets the administrative and legal requirements of this section, regardless of the claims experience of the local government unit group or the financial impact on the Plan.

(3) ~~The~~ A local government unit shall determine the eligibility of its employees and employees' dependents and what portion of the premiums employees will pay to the local government unit.

(4) Premiums for coverage and Plan options shall be the same as those offered to State employees and dependents on a fully contributory basis.

(5) The local government unit shall pay all premiums for all covered individuals directly to the Plan or the Plan's designee.

(c) Enrollment Limitation. – Local governments may elect to participate until the number of employees and dependents of employees of local governments enrolled in the Plan reaches 10,000, after which time no additional local governments may join the Plan. Any local government electing to participate must have less than 1,000 employees and dependents enrolled in health coverage at the time the local government provides notice to the Plan of its desire to participate."

SECTION 3. Notwithstanding any prior session law, any action taken by a Board of Trustees of the State Health Plan for Teachers and State Employees or of the predecessor plan to the current State Health Plan, or any other law, any local government unit that participates in the State Health Plan as of the effective date of this act may elect to be subject to the new requirements in G.S. 135-48.47, as enacted by this act. Local government units electing to participate in the Plan under G.S. 135-48.47 shall cease monthly contributions to the Retiree Health Benefit Fund in the month in which coverage begins under G.S. 135-48.47. Local government units shall not be entitled to a refund of any prior contributions to the Retiree Health Benefit Fund. Nothing in this section, nor an election to participate in the State Health Plan under G.S. 135-48.47, shall impact any existing debt to the Retiree Health Benefit Fund owed by any local government unit.

SECTION 4. Notwithstanding the time limitation contained in G.S. 135-48.54, the Board of Directors of Pioneer Springs Community School, a charter school located in Charlotte, may elect to become a participating employing unit in the State Health Plan for Teachers and State Employees in accordance with Article 3B of Chapter 135 of the General

Statutes. The election authorized by this act shall be made no later than 30 days after the effective date of this act and shall be made in accordance with all other requirements of G.S. 135-48.54.

SECTION 5. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22nd day of June, 2015.

Became law upon approval of the Governor at 10:15 a.m. on the 24th day of June, 2015.

Session Law 2015-113 **H.B. 339**

AN ACT TO AUTHORIZE THE ADDITION OF THE FONTA FLORA LOOP TRAIL IN BURKE COUNTY TO THE STATE PARKS SYSTEM.

The General Assembly of North Carolina enacts:

SECTION 1. The General Assembly finds that a hiking and biking trail around Lake James in Burke County would provide a multitude of economic, recreational, health, environmental, community and transportation benefits. The General Assembly further finds that a number of federal, State, local and private partners have expressed substantial interest in completing such a trail; that such a trail would be a recreational resource of statewide significance; and that including such a trail in the State Parks System as a State Trail would be beneficial to the people of North Carolina and further the development of North Carolina as "The Great Trails State."

SECTION 2. The General Assembly authorizes the Department of Environment and Natural Resources to add the Fonta Flora Loop Trail to the State Parks System as provided in G.S. 113-44.14(b). The Department shall support, promote, encourage, and facilitate the establishment of trail segments on State park lands and on lands of other federal, State, local, and private landowners. On segments of the Fonta Flora Loop Trail that cross property controlled by agencies or owners other than the Department's Division of Parks and Recreation, the laws, rules, and policies of those agencies or owners shall govern the use of the property.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 15th day of June, 2015.

Became law upon approval of the Governor at 10:15 a.m. on the 24th day of June, 2015.

Session Law 2015-114 **H.B. 812**

AN ACT TO ENSURE THAT INFORMATION ON GRANT FUNDS AWARDED BY STATE AGENCIES IS READILY AVAILABLE ON STATE AGENCY WEB SITES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143C-2-5 reads as rewritten:

"§ **143C-2-5. Grants and contracts database.**

(a) The Director of the Budget shall require the Office of State Budget and Management, with the support of the Office of Information Technology Services, to build and maintain a database and Web site for providing a single, searchable Web site on State spending for grants and contracts to be known as NC OpenBook.

(b) ~~Each head of a principal department listed in G.S. 143B-6~~ The head of each State institution, department, bureau, agency, or commission, or a designee, shall conduct a quarterly review ~~monthly~~ of all State contracts and grants administered by that ~~principal department.~~agency.

(c) All State institutions, departments, bureaus, agencies, or commissions ~~subject to the authority of the Director of the Budget~~ that maintain a Web site shall be required to include an access link to the NC OpenBook Web site on the home page of the agency Web site. Each agency shall also prominently display a search engine on the agency Web site home page to allow for ease of searching for information, including contracts and grants, on the agency's Web site."

SECTION 2. The State Chief Information Officer, through the Digital Commons Project, shall ensure that the data on grants or awards of public funds to non-State entities that is available on the NC OpenBook Web site is displayed in a consistent and easily accessible manner on the Web sites of all State institutions, departments, bureaus, agencies, and commissions.

The State Chief Information Officer shall fully implement this act by December 31, 2015.

The State Chief Information Officer shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division prior to August 1, 2015, on a time line for implementing this act.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 15th day of June, 2015.

Became law upon approval of the Governor at 10:15 a.m. on the 24th day of June, 2015.

Session Law 2015-115 **S.B. 43**

AN ACT TO EXTEND THE PERIOD IMMEDIATELY PRECEDING THE DATE OF APPLICATION FROM 90 DAYS TO ONE YEAR IN WHICH A MILITARY VETERAN SEEKING A WAIVER OF THE COMMERCIAL SKILLS TEST MUST HAVE BEEN REGULARLY EMPLOYED AND TO PROVIDE A MILITARY VETERAN WITH AN ADDITIONAL METHOD FOR SATISFYING THE CERTIFICATION REQUIREMENT IN G.S. 20-37.13.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-37.13 reads as rewritten:

"§ **20-37.13. Commercial drivers license qualification standards.**

…

(c1) The Division may waive the skills test for any qualified military applicant at the time the applicant applies for a commercial drivers license if the applicant is currently licensed at the time of application and meets all of the following:

…

(3) The applicant certifies, and provides satisfactory evidence on the date of application, that the applicant is a retired, discharged, or current member of an active or reserve component of the Armed Forces of the United States and is regularly employed or was regularly employed within the ~~90-day~~one-year period immediately preceding the date of application in a military position requiring the operation of a commercial motor vehicle, and the applicant meets either of the following requirements:

a. Repealed by Session Laws 2013-201, s. 1, effective June 26, 2013.

b. Has operated for the two-year period immediately preceding the date of application a vehicle representative of the class and, if applicable, the type of commercial motor vehicle for which the applicant seeks to be licensed, and has taken and successfully completed a skills test administered by the military.

c. For an applicant who is a retired or discharged member of an active or reserve component of the Armed Forces of the United States, the applicant (i) has operated for the two-year period immediately preceding the date of retirement or discharge a vehicle representative of the class and, if applicable, the type of commercial motor vehicle for which the applicant seeks to be licensed, and has taken and successfully completed a skills test administered by the military, (ii) has retired or received either an honorable or general discharge, and (iii) has retired or been discharged from the Armed Forces within the ~~90-day~~one-year period immediately preceding the date of application.

(c2) The one-year period referenced in subdivision (3) of subsection (c1) of this section applies unless a different period is provided by federal law. An applicant may provide his or her Form DD 214, "Certificate of Release or Discharge from Active Duty," and his or her drivers license issued by the military, to satisfy the certification required by subdivision (3) of subsection (c1) of this section. An applicant who is retired or discharged must provide a drivers license issued by the military that was valid at the time of his or her retirement or discharge when using the process in this subsection to satisfy the certification required by subdivision (3) of subsection (c1) of this section.

…."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 18th day of June, 2015.

Became law upon approval of the Governor at 1:05 p.m. on the 24th day of June, 2015.

Session Law 2015-116 **S.B. 478**

AN ACT TO MAKE CERTAIN VETERANS AND OTHER INDIVIDUALS ENTITLED TO FEDERAL EDUCATIONAL BENEFITS UNDER 38 U.S.C. CHAPTER 30 OR 38 U.S.C. CHAPTER 33 WHO ENROLL IN ANY OF THE STATE'S PUBLIC INSTITUTIONS OF HIGHER EDUCATION ELIGIBLE FOR IN-STATE TUITION BY WAIVING THE TWELVE-MONTH STATE RESIDENCY REQUIREMENT AND TO REPEAL THE REQUIREMENTS REGARDING THE YELLOW RIBBON PROGRAM.

The General Assembly of North Carolina enacts:

SECTION 1. Article 14 of Chapter 116 of the General Statutes is amended by adding a new section to read:

"**§ 116-143.3A. Waiver of 12-month residency requirement for certain veterans and other individuals entitled to federal education benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33.**

(a) Definitions. – The following definitions apply in this section:

(1) Abode. – Has the same meaning as G.S. 116-143.3(a)(1).

(2) Armed Forces. – Has the same meaning as G.S. 116-143.3(a)(2).

(3) Veteran. – A person who served active duty for not less than 90 days in the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration and who was discharged or released from such service under conditions other than dishonorable.

(b) Waiver of 12-Month Residency Requirement for Veteran. – Any veteran who qualifies for admission to an institution of higher education as defined in G.S. 116-143.1(a)(3) is eligible to be charged the in-State tuition rate and applicable mandatory fees for enrollment

without satisfying the 12-month residency requirement under G.S. 116-143.1, provided the veteran meets all of the following criteria:

(1) The veteran applies for admission to the institution of higher education and enrolls within three years of the veteran's discharge or release from the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration.

(2) The veteran qualifies for and uses educational benefits pursuant to 38 U.S.C. Chapter 30 (Montgomery G.I. Bill Active Duty Education Assistance Program) or 38 U.S.C. Chapter 33 (Post-9/11 Educational Assistance), as administered by the U.S. Department of Veterans Affairs.

(3) The veteran's abode is North Carolina.

(4) The veteran provides the institution of higher education at which the veteran intends to enroll a letter of intent to establish residence in North Carolina.

(c) Eligibility of Other Individuals Entitled to Federal Educational Benefits Under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33. – Any person who is entitled to federal educational benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 is also eligible to be charged the in-State tuition rate and applicable mandatory fees for enrollment without satisfying the 12-month residency requirement under G.S. 116-143.1, if the person meets all of the following criteria:

(1) The person qualifies for admission to the institution of higher education as defined in G.S. 116-143.1(a)(3) and enrolls in the institution of higher education within three years of the veteran's discharge or release from the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration.

(2) The person is the recipient of federal educational benefits pursuant to 38 U.S.C. Chapter 30 (Montgomery G.I. Bill Active Duty Education Assistance Program) or 38 U.S.C. Chapter 33 (Post-9/11 Educational Assistance), as administered by the U.S. Department of Veterans Affairs.

(3) The person's abode is North Carolina.

(4) The person provides the institution of higher education at which the person intends to enroll a letter of intent to establish residence in North Carolina.

(d) After the expiration of the three-year period following discharge or death as described in 38 U.S.C. § 3679(c), any enrolled veteran entitled to federal educational benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 and any other enrolled individual entitled to federal educational benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 who is eligible for in-State tuition under this section shall continue to be eligible for the in-State tuition rate so long as the covered individual remains continuously enrolled (other than during regularly scheduled breaks between courses, quarters, terms, or semesters) at that institution of higher education."

SECTION 2. G.S. 116-143.8 is repealed.

SECTION 3. This act becomes effective July 1, 2015, and applies to qualifying veterans and other individuals entitled to federal educational benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 who are enrolled or who enroll in institutions of higher education for any academic quarter, term, or semester that begins on or after that date.

In the General Assembly read three times and ratified this the 23rd day of June, 2015.

Became law upon approval of the Governor at 1:05 p.m. on the 24th day of June, 2015.

Session Law 2015-117 **S.B. 488**

AN ACT TO AMEND THE UNIFORM INTERSTATE FAMILY SUPPORT ACT (UIFSA) AND TO MAKE CHANGES TO THE ADMINISTRATION OF CHILD SUPPORT

SERVICES THAT WILL RESULT IN MORE EFFECTIVE AND EFFICIENT COLLECTION AND PAYMENT OF CHILD SUPPORT TO FAMILIES.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 52C of the General Statutes reads as rewritten:

"**Chapter 52C.**

"**Uniform Interstate Family Support Act.**

"Article 1.

"General Provisions.

…

"§ **52C-1-101. Definitions.**

As used in this ~~Article, unless the context clearly requires otherwise, the term:~~Chapter:

(1) "Child" means an individual, whether over or under the age of majority, who is or is alleged to be owed a duty of support by the individual's parent or who is or is alleged to be the beneficiary of a support order directed to the parent.

(2) "Child support order" means a support order for a child, including a child who has attained the age of majority under the law of the issuing ~~state.~~state or foreign country.

(2a) "Convention" means the Convention on the International Recovery of Child Support and Other Forms of Family Maintenance, concluded at The Hague on November 23, 2007.

(2b) "Department" means the North Carolina Department of Health and Human Services, Division of Social Services.

(3) "Duty of support" means an obligation imposed or imposable by law to provide support for a child, spouse, or former spouse, including an unsatisfied obligation to provide support.

(3a) "Foreign country" means a country, including a political subdivision thereof, other than the United States, that authorizes the issuance of support orders and:

a. Which has been declared under the law of the United States to be a foreign reciprocating country;

b. Which has established a reciprocal arrangement for child support with this State as provided in G.S. 52C-3-308;

c. Which has enacted a law or established procedures for the issuance and enforcement of support orders which are substantially similar to the procedures under this Chapter; or

d. In which the Convention is in force with respect to the United States.

(3b) "Foreign support order" means a support order of a foreign tribunal.

(3c) "Foreign tribunal" means a court, administrative agency, or quasi-judicial entity of a foreign country which is authorized to establish, enforce, or modify support orders or to determine parentage of a child. The term includes a competent authority under the Convention.

(4) "Home state" means the state or foreign country in which a child lived with a parent or a person acting as parent for at least six consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than six-months old, the state or foreign country in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the six-month or other period.

(5) "Income" includes earnings or other periodic entitlements to money from any source and any other property subject to withholding for support under the law of this State.

(6) "Income-withholding order" means an order or other legal process directed to ~~a payer of income~~an obligor's employer, other debtor, or payor as defined under Chapter 110 of the General Statutes, to withhold support from the income of the obligor.

~~(7) "Initiating state" means a state from which a proceeding is forwarded or in which a proceeding is filed for forwarding to a responding state under this Act or a law or procedure substantially similar to this Act, the Uniform Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement of Support Act.~~

(8) "Initiating tribunal" means the ~~authorized tribunal in an initiating state.~~tribunal of a state or foreign country from which a petition or comparable pleading is forwarded or in which a petition or comparable pleading is filed for forwarding to another state or foreign country.

(8a) "Issuing foreign country" means the foreign country in which a tribunal issues a support order or a judgment determining parentage of a child.

(9) "Issuing state" means the state in which a tribunal issues a support order or ~~renders~~ a judgment determining ~~parentage.~~parentage of a child.

(10) "Issuing tribunal" means the tribunal of a state or foreign country that issues a support order or ~~renders~~ a judgment determining ~~parentage.~~parentage of a child.

(11) "Law" includes decisional and statutory law and rules and regulations having the force of law.

(12) "Obligee" means:

a. An individual to whom a duty of support is or is alleged to be owed or in whose favor a support order ~~has been issued~~ or a judgment determining parentage of a child has been ~~rendered;~~issued;

b. A ~~state~~ foreign country, state, or political subdivision of a state to which the rights under a duty of support or support order have been assigned or which has independent claims based on financial assistance provided to an individual ~~obligee; or~~obligee in place of child support;

c. An individual seeking a judgment determining parentage of the individual's ~~child.~~child; or

d. A person that is a creditor in a proceeding under Article 7 of this Chapter.

(13) "Obligor" means an ~~individual,~~individual who, or the estate of a ~~decedent:~~decedent that:

a. ~~Who owes~~Owes or is alleged to owe a duty of support;

b. ~~Who is~~Is alleged but has not been adjudicated to be a parent of a child; ~~or~~

c. ~~Who is~~Is liable under a support ~~order.~~order; or

d. Is a debtor in a proceeding under Article 7 of this Chapter.

(13a) "Outside this State" means a location in another state or country other than the United States, whether or not the country is a foreign country.

(13b) "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

(13c) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(14) "Register" means to file in a tribunal of this State a support order or judgment determining ~~paternity in the appropriate location for the recording~~

~~or filing of foreign judgments generally or foreign support orders specifically.~~parentage of a child issued in another state or a foreign country.

(15) "Registering tribunal" means a tribunal in which a support order or judgment determining parentage of a child is registered.

(16) "Responding state" means a state in which a ~~proceeding~~ petition or comparable pleading for support or to determine parentage of a child is filed or to which a ~~proceeding~~ petition or comparable pleading is forwarded for filing from ~~an initiating state under this Act or a law or procedure substantially similar to this Act, the Uniform Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement of Support Act.~~another state or a foreign country.

(17) "Responding tribunal" means the authorized tribunal in a responding ~~state.~~state or a foreign country.

(18) "Spousal-support order" means a support order for a spouse or former spouse of the obligor.

(19) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession ~~subject to~~under the jurisdiction of the United States. The term ~~includes:~~includes an Indian nation or tribe.

~~a. An Indian tribe; and~~

~~b. A foreign jurisdiction that has enacted a law or established procedures for issuance and enforcement of support orders which are substantially similar to the procedures under this Act, the Uniform Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement of Support Act.~~

(20) "Support enforcement agency" means a public ~~official~~ official, governmental entity, or private agency authorized ~~to seek:~~to:

a. ~~Enforcement~~ Seek enforcement of support orders or duties of support;

b. ~~Establishment~~ Seek establishment or modification of child support;

c. ~~Determination of parentage; or~~Request determination of parentage of a child;

d. ~~To~~ Attempt to locate obligors or their ~~assets.~~assets; or

e. Request determination of the controlling child support order.

(21) "Support order" means a judgment, decree, ~~or~~ order, decision, or directive, whether temporary, final, or subject to modification, issued in a state or a foreign country for the benefit of a child, a spouse, or a former spouse, which provides for monetary support, health care, ~~arrears,~~arrearages, retroactive support, or ~~reimbursement, and~~reimbursement for financial assistance provided to an individual obligee in place of child support. The term may include related costs and fees, interest, income withholding, automatic adjustment, reasonable attorneys' fees, and other relief.

(22) "Tribunal" means a court, administrative agency, or quasi-judicial entity authorized to establish, enforce, or modify support orders or to determine ~~paternity, except that, for matters heard in this State, tribunal means the General Court of Justice, District Court Division.~~parentage of a child.

"§ **52C-1-102. ~~District court has jurisdiction under this Act.~~State tribunal and support enforcement agency.**

(a) The General Court of Justice, District Court ~~Division~~ Division, is the ~~court authorized to hear matters under this Act.~~tribunal of this State.

(b) The Department and the county child support agencies under G.S. 110-141 are the support enforcement agencies of this State.

"§ **52C-1-103. ~~Remedies.~~Remedies cumulative.**

(a) Remedies provided by this ~~Act~~ Chapter are cumulative and do not affect the availability of remedies under other ~~law.~~law or the recognition of a foreign support order on the basis of comity.

(b) This Chapter does not:

(1) Provide the exclusive method of establishing or enforcing a support order under the law of this State; or

(2) Grant a tribunal of this State jurisdiction to render judgment or issue an order relating to child custody or visitation in a proceeding under this Chapter.

"§ **52C-1-104. Application of Chapter to resident of foreign country and foreign support proceeding.**

(a) A tribunal of this State shall apply Articles 1 through 6 and, as applicable, Article 7 of this Chapter, to a support proceeding involving:

(1) A foreign support order;

(2) A foreign tribunal; or

(3) An obligee, obligor, or child residing in a foreign country.

(b) A tribunal of this State that is requested to recognize and enforce a support order on the basis of comity may apply the procedural and substantive provisions of Articles 1 through 6 of this Chapter.

(c) Article 7 of this Chapter applies only to a support proceeding under the Convention. In such a proceeding, if a provision of Article 7 is inconsistent with Articles 1 through 6 of this Chapter, Article 7 controls.

"Article 2.

"Jurisdiction.

"~~Part 1. Extended Personal Jurisdiction.~~

"§ **52C-2-201. Bases for jurisdiction over nonresident.**

(a) In a proceeding to ~~establish, enforce, or modify~~establish or enforce a support order or to determine ~~parentage,~~parentage of a child, a tribunal of this State may exercise personal jurisdiction over a nonresident individual or the individual's guardian or conservator if:

(1) The individual is personally served with a summons and complaint within this State;

(2) The individual submits to the jurisdiction of this State by ~~consent,~~ consent in a record, by entering a general appearance, or by filing a responsive document having the effect of waiving any contest to personal jurisdiction;

(3) The individual resided with the child in this State;

(4) The individual resided in this State and provided prenatal expenses or support for the child;

(5) The child resides in this State as a result of the acts or directives of the individual;

(6) The individual engaged in sexual intercourse in this State and the child may have been conceived by that act of intercourse; or

~~(7) The individual asserted paternity in an affidavit which has been filed with the clerk of superior court; or~~

(8) There is any other basis consistent with the constitutions of this State and the United States for the exercise of personal jurisdiction.

(b) The bases of personal jurisdiction set forth in subsection (a) of this section or in any other law of this State may not be used to acquire personal jurisdiction for a tribunal of the State to modify a child support order of another state unless the requirements of G.S. 52C-6-611 are met, or, in the case of a foreign support order, unless the requirements of G.S. 52C-6-615 are met.

"§ **52C-2-202. ~~Procedure when exercising jurisdiction over nonresident.~~Duration of personal jurisdiction.**

~~A court of this State exercising personal jurisdiction over a nonresident under G.S. 52C-2-201 may apply G.S. 52C-3-315 to receive evidence from another state, and G.S. 52C-3-317 to obtain discovery through a tribunal of another state. In all other respects, Articles 3 through 7 of this Chapter do not apply and the tribunal shall apply the procedural and substantive law of this State, including the rules on choice of law other than those established by this Chapter.~~

Personal jurisdiction acquired by a tribunal of this State in a proceeding under this Chapter or other law of this State relating to a support order continues as long as a tribunal of this State has continuing, exclusive jurisdiction to modify its order or continuing jurisdiction to enforce its order as provided by G.S. 52C-2-205, 52C-2-206, and 52C-2-211.

"~~Part 2. Proceedings Involving Two or More States.~~

"§ **52C-2-203. Initiating and responding tribunal of state.**

Under this Chapter, a tribunal of this State may serve as an initiating tribunal to forward proceedings to a tribunal of another state and as a responding tribunal for proceedings initiated in another ~~state.~~state or foreign country.

"§ **52C-2-204. Simultaneous ~~proceedings in another state.~~proceedings.**

(a) A tribunal of this State may exercise jurisdiction to establish a support order if the petition or comparable pleading is filed after a petition or comparable pleading is filed in another state or foreign country only if:

(1) The petition or comparable pleading in this State is filed before the expiration of the time allowed in the other state or the foreign country for filing a responsive pleading challenging the exercise of jurisdiction by the other ~~state;~~state or the foreign country;

(2) The contesting party timely challenges the exercise of jurisdiction in the other ~~state;~~state or the foreign country; and

(3) If relevant, this State is the home state of the child.

(b) A tribunal of this State may not exercise jurisdiction to establish a support order if the petition or comparable pleading is filed before a petition or comparable pleading is filed in another state or a foreign country if:

(1) The petition or comparable pleading in the other state or foreign country is filed before the expiration of the time allowed in this State for filing a responsive pleading challenging the exercise of jurisdiction by this State;

(2) The contesting party timely challenges the exercise of jurisdiction in this State; and

(3) If relevant, the other state or foreign country is the home state of the child.

"§ **52C-2-205. Continuing, exclusive ~~jurisdiction.~~jurisdiction to modify child support order.**

(a) A tribunal of this State ~~issuing~~that has issued a child support order consistent with the law of this State has and shall exercise continuing, exclusive jurisdiction ~~over a~~to modify its child support ~~order:~~order if the order is the controlling order and:

(1) ~~As long as this State remains~~At the time of the filing of a request for modification, this State is the residence of the obligor, the individual obligee, or the child for whose benefit the support order is issued; or

(2) ~~Until all of the parties who are individuals have filed written consents with the tribunal of this State for a tribunal of another state to modify the order and assume continuing, exclusive jurisdiction.~~Even if this State is not the residence of the obligor, the individual obligee, or the child for whose benefit the support order is issued, the parties consent in a record or in open court that the tribunal of this State may continue to exercise jurisdiction to modify its order.

(b) A tribunal of this State ~~issuing~~that has issued a child support order consistent with the law of this State may not exercise ~~its continuing~~ continuing, exclusive jurisdiction to

modify the order ~~if the order has been modified by a tribunal of another state pursuant to a law substantially similar to this Chapter.~~if:

(1) All of the parties who are individuals file consent in a record with the tribunal of this State that a tribunal of another state that has jurisdiction over at least one of the parties who is an individual or that is located in the state of residence of the child may modify that order and assume continuing, exclusive jurisdiction; or

(2) Its order is not the controlling order.

~~(c) If a child support order of this State is modified by a tribunal of another state pursuant to a law substantially similar to this Chapter, a tribunal of this State loses its continuing, exclusive jurisdiction with regard to prospective enforcement of the order issued in this State, and may only:~~

~~(1) Enforce the order that was modified as to amounts accruing before the modification;~~

~~(2) Enforce nonmodifiable aspects of that order; and~~

~~(3) Provide other appropriate relief for violations of that order which occurred before the effective date of the modification.~~

(d) ~~A tribunal of this State shall recognize the continuing, exclusive jurisdiction of~~If a tribunal of another state ~~which~~ has issued a child support order pursuant to the Uniform Interstate Family Support Act or a law substantially similar to ~~this Chapter.~~that Act that modifies a child support order of a tribunal of this State, tribunals of this State shall recognize the continuing, exclusive jurisdiction of the tribunal of the other state.

(d1) A tribunal of this State that lacks continuing, exclusive jurisdiction to modify a child support order may serve as an initiating tribunal to request a tribunal of another state to modify a support order issued in that state.

(e) A temporary support order issued ex parte or pending resolution of a jurisdictional conflict does not create continuing, exclusive jurisdiction in the issuing tribunal.

~~(f) A tribunal of this State issuing a support order consistent with the law of this State has continuing, exclusive jurisdiction over a spousal support order throughout the existence of the support obligation. A tribunal of this State may not modify a spousal support order issued by a tribunal of another state having continuing, exclusive jurisdiction over that order under the law of that state.~~

"§ **52C-2-206. ~~Enforcement and modification of support order by tribunal having continuing jurisdiction.~~Continuing jurisdiction to enforce child support order.**

(a) A tribunal of this State that has issued a child support order consistent with the law of this State may serve as an initiating tribunal to request a tribunal of another state to ~~enforce or modify a support order issued in that state.~~enforce:

(1) The order if the order is the controlling order and has not been modified by a tribunal of another state that assumed jurisdiction pursuant to the Uniform Interstate Family Support Act; or

(2) A money judgment for arrears of support and interest on the order accrued before a determination that an order of a tribunal of another state is the controlling order.

(b) A tribunal of this State having ~~continuing, exclusive~~continuing jurisdiction over a support order may act as a responding tribunal to enforce ~~or modify~~ the order. ~~If a party subject to the continuing, exclusive jurisdiction of the tribunal no longer resides in the issuing state, in subsequent proceedings the tribunal may apply G.S. 52C-3-315 to receive evidence from another state and G.S. 52C-3-317 to obtain discovery through a tribunal of another state.~~

~~(c) A tribunal of this State which lacks continuing, exclusive jurisdiction over a spousal support order may not serve as a responding tribunal to modify a spousal support order of another state.~~

~~"Part 3. Reconciliation of Multiple Orders.~~

"§ **52C-2-207. ~~Recognition~~ Determination of controlling child support order.**

(a) If a proceeding is brought under this Chapter and only one tribunal has issued a child support order, the order of that tribunal controls and must be ~~so~~ recognized.

(b) If a proceeding is brought under this Chapter, and two or more child support orders have been issued by tribunals of this ~~State or another state~~State, another state, or a foreign country with regard to the same obligor and same child, a tribunal of this State having personal jurisdiction over both the obligor and individual obligee shall apply the following rules ~~in determining~~and by order shall determine which order ~~to recognize for purposes of continuing, exclusive jurisdiction:~~controls and must be recognized:

(1) If only one of the tribunals would have continuing, exclusive jurisdiction under this Chapter, the order of that tribunal ~~controls and must be so recognized.~~controls.

(2) If more than one of the tribunals would have continuing, exclusive jurisdiction under this ~~Chapter,~~Chapter:

a. ~~an~~ An order issued by a tribunal in the current home state of the child ~~controls and must be so recognized, but if~~controls; or

b. If an order has not been issued in the current home state of the child, the order most recently issued ~~controls and must be so recognized.~~controls.

(3) If none of the tribunals would have continuing, exclusive jurisdiction under this Chapter, the tribunal of this State ~~having jurisdiction over the parties~~ shall issue a child support order, which ~~controls and must be so recognized.~~controls.

(c) If two or more child support orders have been issued for the same obligor and ~~child and if the obligor or the individual obligee resides in this State,~~same child, upon request of a party ~~may request~~who is an individual or that is a support enforcement agency, a tribunal of this ~~to~~ State having personal jurisdiction over both the obligor and the obligee who is an individual shall determine which order controls ~~and must be so recognized~~ under subsection (b) of this section. ~~The request must be accompanied by a certified copy of every support order in effect. The requesting party shall give notice of the request to each party whose rights may be affected by a certified copy of every support order in the effect. The requesting party shall give notice of the request to each party whose rights may be affected by the determination.~~The request may be filed with a registration for enforcement or registration for modification pursuant to Article 6 of this Chapter or may be filed as a separate proceeding.

(c1) A request to determine which is the controlling order must be accompanied by a copy of every child support order in effect and the applicable record of payments. The requesting party shall give notice of the request to each party whose rights may be affected by the determination.

(d) The tribunal that issued the controlling order under subsection (a), (b), or (c) of this section ~~is the tribunal that has continuing, exclusive~~has continuing jurisdiction ~~under G.S. 52C-2-205.~~to the extent provided in G.S. 52C-2-205 or G.S. 52C-2-206.

(e) A tribunal of this State ~~which~~ that determines by order ~~the identity of~~which is the controlling order under subdivision (b)(1) or (2) or subsection (c) of this ~~section~~ section, or ~~which~~ that issues a new controlling order under subdivision (b)(3) of this ~~section~~ section, shall state in that ~~order the~~order:

(1) The basis upon which the tribunal made its ~~determination.~~determination;

(2) The amount of the prospective support, if any; and

(3) The total amount of consolidated arrears and accrued interest, if any, under all of the orders after all payments made are credited as provided by G.S. 52C-2-209.

(f) Within 30 days after issuance of an order determining ~~the identity of~~ which is the controlling order, the party obtaining the order shall file a certified copy of ~~it with~~ the order in each tribunal that issued or registered an earlier order of child support. A party ~~who obtains~~or support enforcement agency obtaining the order ~~and~~ that fails to file a certified copy is subject

to appropriate sanctions by a tribunal in which the issue of failure to file arises. The failure to file does not affect the validity or enforceability of the controlling order.

(g) An order that has been determined to be the controlling order, or a judgment for consolidated arrears of support and interest, if any, made pursuant to this section must be recognized in proceedings under this Chapter.

"§ **52C-2-208. ~~Multiple child~~Child support orders for two or more obligees.**

In responding to ~~multiple~~ registrations or petitions for enforcement of two or more child support orders in effect at the same time with regard to the same obligor and different individual obligees, at least one of which was issued by a tribunal of another ~~state,~~state or a foreign country, a tribunal of this State shall enforce those orders in the same manner as if the ~~multiple~~ orders had been issued by a tribunal of this State.

"§ **52C-2-209. Credit for payments.**

~~Amounts collected and credited~~A tribunal of this State shall credit amounts collected for a particular period pursuant to ~~a support order~~any child support order against the amounts owed for the same period under any other child support order for support of the same child issued by a tribunal of ~~another state must be credited against the amounts accruing or accrued for the same period under a support order issued by the tribunal of this State.~~this State, another state, or a foreign country.

"§ **52C-2-210. Application of this Chapter to nonresident subject to personal jurisdiction.**

A tribunal of this State exercising personal jurisdiction over a nonresident in a proceeding under this Chapter, under other law of this State relating to a support order, or recognizing a foreign support order may receive evidence from outside this State pursuant to G.S. 52C-3-316, communicate with a tribunal outside this State pursuant to G.S. 52C-3-317, and obtain discovery through a tribunal outside this State pursuant to G.S. 52C-3-318. In all other respects, Articles 3 through 6 of this Chapter do not apply and the tribunal shall apply the procedural and substantive law of this State.

"§ **52C-2-211. Continuing, exclusive jurisdiction to modify spousal support order.**

(a) A tribunal of this State issuing a spousal support order consistent with the law of this State has continuing, exclusive jurisdiction to modify the spousal support order throughout the existence of the support obligation.

(b) A tribunal of this State may not modify a spousal support order issued by a tribunal of another state or a foreign country having continuing, exclusive jurisdiction over that order under the law of that state or foreign country.

(c) A tribunal of this State that has continuing, exclusive jurisdiction over a spousal support order may serve as:

(1) An initiating tribunal to request a tribunal of another state to enforce the spousal support order issued in this State; or

(2) A responding tribunal to enforce or modify its own spousal support order.

"Article 3.

"Civil Provisions of General Application.

"§ **52C-3-301. Proceedings under this Chapter.**

(a) Except as otherwise provided in this Chapter, this Article applies to all proceedings under this Chapter.

~~(b) This Chapter provides for the following proceedings:~~

~~(1) Establishment of an order for spousal support or child support pursuant to Article 4 of this Chapter;~~

~~(2) Enforcement of a support order and income withholding order of another state without registration pursuant to Article 5 of this Chapter;~~

~~(3) Registration of an order for spousal support or child support of another state or enforcement pursuant to Article 6 of this Chapter;~~

~~(4) Modification of an order for child support or spousal support issued by a tribunal of this State pursuant to Article 2, Part 2 of this Chapter;~~

~~(5) Registration of an order for child support of another state for modification pursuant to Article 6 of this Chapter;~~

~~(6) Determination of paternity pursuant to Article 7 of this Chapter; and~~

~~(7) Assertion of jurisdiction over nonresidents pursuant to Article 2, Part 1 of this Chapter.~~

(c) An individual petitioner or a support enforcement agency may ~~commence~~ initiate a proceeding authorized under this Chapter by filing a petition in an initiating tribunal for forwarding to a responding tribunal or by filing a petition or a comparable pleading directly in a tribunal of another state or a foreign country which has or can obtain personal jurisdiction over the respondent.

"§ **52C-3-302. ~~Action~~ Proceeding by minor parent.**

A minor parent, or a guardian or other legal representative of a minor parent, may maintain a proceeding on behalf of or for the benefit of the minor's child.

"§ **52C-3-303. Application of law of this State.**

Except as otherwise provided ~~by~~ in this Chapter, a responding tribunal of this State shall:

(1) ~~Shall apply~~Apply the procedural and substantive ~~law, including the rules on choice of law,~~law generally applicable to similar proceedings originating in this State and may exercise all powers and provide all remedies available in those proceedings; and

(2) ~~Shall determine~~Determine the duty of support and the amount payable in accordance with the law and support guidelines of this State.

"§ **52C-3-304. Duties of initiating tribunal.**

(a) Upon the filing of a petition authorized by this Chapter, an initiating tribunal of this State shall forward ~~three copies of~~ the petition and its accompanying documents:

(1) To the responding tribunal or appropriate support enforcement agency in the responding state; or

(2) If the identity of the responding tribunal is unknown, to the state information agency of the responding state with a request that they be forwarded to the appropriate tribunal and that receipt be acknowledged.

(b) If ~~a responding state has not enacted this act or a law or procedure substantially similar to this act,~~requested by the responding tribunal, a tribunal of this State ~~may~~shall issue a certificate or other document and make findings required by the law of the responding state. If the responding ~~State~~ tribunal is in a foreign ~~jurisdiction, the tribunal may~~country, upon request, the tribunal of this State shall specify the amount of support ~~sought~~ sought, convert that amount into the equivalent amount in the foreign currency under applicable official or market exchange rate as publicly reported, and provide any other documents necessary to satisfy the requirements of the responding ~~state.~~foreign tribunal.

"§ **52C-3-305. Duties and powers of responding tribunal.**

(a) When a responding tribunal of this State receives a petition or comparable pleading from an initiating tribunal or directly pursuant to G.S. 52C-3-301(c) it shall cause the petition or pleading to be filed and notify the petitioner where and when it was filed.

(b) A responding tribunal of this State, to the extent ~~otherwise authorized~~not prohibited by law, may do one or more of the following:

(1) ~~Issue~~ Establish or enforce a support order, modify a child support order, determine the controlling child support order, or ~~render a judgment to~~ determine ~~parentage;~~parentage of a child;

(2) Order an obligor to comply with a support order, specifying the amount and the manner of compliance;

(3) Order income withholding;

(4) Determine the amount of any arrears, and specify a method of payment;

(5) Enforce orders by civil or criminal contempt, or both;

(6) Set aside property for satisfaction of the support order;

(7) Place liens and order execution on the obligor's property;

(8) Order an obligor to keep the tribunal informed of the obligor's current residential address, electronic-mail address, telephone number, employer, address of employment, and telephone number at the place of employment;

(9) Issue an order for arrest for an obligor who has failed after proper notice to appear at a hearing ordered by the tribunal and enter the order for arrest in any local and State computer systems for criminal warrants;

(10) Order the obligor to seek appropriate employment by specified methods;

(11) Award reasonable attorneys' fees and other fees and costs; and

(12) Grant any other available remedy.

(c) A responding tribunal of this State shall include in a support order issued under this Chapter, or in the documents accompanying the order, the calculations on which the support order is based.

(d) A responding tribunal of this State may not condition the payment of a support order issued under this Chapter upon compliance by a party with provisions for visitation.

(e) If a responding tribunal of this State issues an order under this Chapter, the tribunal shall send a copy of the order to the petitioner and the respondent and to the initiating tribunal, if any.

(f) If requested to enforce a support order, arrears, or judgment or modify a support order stated in a foreign currency, a responding tribunal of this State shall convert the amount stated in the foreign currency to the equivalent amount in dollars under the applicable official or market exchange rate as publicly reported.

"§ **52C-3-306. Inappropriate tribunal.**

If a petition or comparable pleading is received by an inappropriate tribunal of this State, ~~it~~ the tribunal shall forward the pleading and accompanying documents to an appropriate tribunal ~~in this~~ of this State or another state and notify the petitioner where and when the pleading was sent.

"§ **52C-3-307. Duties of support enforcement agency.**

(a) ~~A support enforcement agency of this State, upon request, shall provide services to a petitioner in a proceeding under this Chapter.~~In a proceeding under this Chapter, a support enforcement agency of this State, upon request, shall provide the following:

(1) Services to a petitioner residing in a state.

(2) Services to a petitioner requesting services through a central authority of a foreign country as described in G.S. 52C-1-102(3a)a. or d.

A support enforcement agency of this State may provide services to a petitioner who is an individual not residing in a state.

(b) A support enforcement agency of this State that is providing services to the petitioner ~~as appropriate~~ shall:

(1) Take all steps necessary to enable an appropriate tribunal ~~in this State or another state~~of this State, another state, or a foreign country to obtain jurisdiction over the respondent;

(2) Request an appropriate tribunal to set a date, time, and place for a hearing;

(3) Make a reasonable effort to obtain all relevant information, including information as to income and property of the parties;

(4) Within two days, exclusive of Saturdays, Sundays, and legal holidays, after receipt of ~~a written~~ notice in a record from an initiating, responding, or registering tribunal, send a copy of the notice to the petitioner;

(5) Within two days, exclusive of Saturdays, Sundays, and legal holidays, after receipt of ~~a written~~ communication in a record from the respondent or the respondent's attorney, send a copy of the communication to the petitioner; and

(6) Notify the petitioner if jurisdiction over the respondent cannot be obtained.

(b1) A support enforcement agency of this State that requests registration of a child support order in this State for enforcement or for modification shall make reasonable efforts to:

(1) Ensure that the order to be registered is the controlling order; or

(2) If two or more child support orders exist and the identity of the controlling order has not been determined, ensure that a request for such a determination is made in a tribunal having jurisdiction to do so.

(b2) A support enforcement agency of this State that requests registration and enforcement of a support order, arrears, or judgment stated in a foreign currency shall convert the amounts stated in the foreign currency into the equivalent amounts in dollars under the applicable official or market exchange rate as publicly reported.

(b3) A support enforcement agency of this State shall issue or request a tribunal of this State to issue a child support order and an income-withholding order that redirect payment of current support, arrears, and interest if requested to do so by a support enforcement agency of another state pursuant to G.S. 52C-3-318.

(c) This Chapter does not create or negate a relationship of attorney and client or other fiduciary relationship between a support enforcement agency or the attorney for the agency and the individual being assisted by the agency.

"§ **52C-3-308. ~~Representation of obligee.~~Duty of Department.**

~~It shall be the duty of the district attorney to represent the obligee in proceedings authorized by this Chapter unless alternative arrangements are made by the obligee. An obligee may employ private counsel to represent the obligee in proceedings authorized by this Chapter.~~

(a) If the Department determines that the support enforcement agency is neglecting or refusing to provide services to an individual, the Department may order the agency to perform its duties under this Chapter or may provide those services directly to the individual.

(b) The Department may determine that a foreign country has established a reciprocal arrangement for child support with this State and take appropriate action for notification of the determination.

"§ **52C-3-308.1. Private counsel.**

An individual may employ private counsel to represent the individual in proceedings authorized by this Chapter.

"§ **52C-3-309. Duties of State information agency.**

(a) The Department ~~of Health and Human Services, Division of Social Services, is designated as the~~ is the State information agency under this Chapter.

(b) The State information agency shall:

(1) Compile and maintain a current list, including addresses, of the tribunals in this State which have jurisdiction under this Chapter and any support enforcement agencies in this State and transmit a copy to the state information agency of every other state;

(2) Maintain a register of names and addresses of tribunals and support enforcement agencies received from other states;

(3) Forward to the appropriate tribunal in the ~~place~~ county in this State in which the ~~individual~~ obligee who is an individual or the obligor resides, or in which the obligor's property is believed to be located, all documents concerning a proceeding under this Chapter received from ~~an initiating tribunal or the state information agency of the initiating state;~~ another state or a foreign country; and

(4) Obtain information concerning the location of the obligor and the obligor's property within this State not exempt from execution, by such means as postal verification and federal or state locator services, examination of telephone directories, requests for the obligor's address from employers, and examination of governmental records, including, to the extent not prohibited by other law, those relating to real property, vital statistics, law enforcement, taxation, motor vehicles, drivers licenses, and social security.

"§ **52C-3-310. Pleadings and accompanying documents.**

(a) ~~A~~ In a proceeding under this Chapter, a petitioner seeking to establish ~~or modify a support order or~~a support order, to determine parentage ~~in a proceeding under this Chapter~~of a child, or to register and modify a support order of a tribunal of another state or a foreign country must ~~verify the~~ file a petition. Unless otherwise ordered under G.S. 52C-3-311, the petition or accompanying documents must provide, so far as known, the name, residential address, and social security numbers of the obligor and the ~~obligee,~~obligee or the parent and alleged parent, and the name, sex, residential address, social security number, and date of birth of each child for ~~whom~~ whose benefit support is ~~sought.~~sought or whose parentage is to be determined. ~~The~~ Unless filed at the time of registration, the petition must be accompanied by a ~~certified~~ copy of any support order ~~in effect.~~known to have been issued by another tribunal. The petition may include any other information that may assist in locating or identifying the respondent.

(b) The petition must specify the relief sought. The petition and accompanying documents must conform substantially with the requirements imposed by the forms mandated by federal law for use in cases filed by a support enforcement agency.

"§ **52C-3-311. Nondisclosure of information in exceptional circumstances.**

~~Upon a finding, which may be made ex parte, that the health, safety, or liberty of a party or child would be unreasonably put at risk by the disclosure of identifying information, or if an existing order so provides, a tribunal shall order that the address of the child or party or other identifying information not be disclosed in a pleading or other document filed in a proceeding under this Chapter.~~ If a party alleges in an affidavit or a pleading under oath that the health, safety, or liberty of a party or child would be jeopardized by disclosure of specific identifying information, that information must be sealed and may not be disclosed to the other party or the public. After a hearing in which a tribunal takes into consideration the health, safety, or liberty of the party or child, the tribunal may order disclosure of information that the tribunal determines to be in the interest of justice.

"§ **52C-3-312. Costs and fees.**

(a) The petitioner shall not be required to pay a filing fee or other costs.

(b) If an obligee prevails, a responding tribunal of this State may assess against an obligor filing fees, reasonable attorneys' fees, other costs, and necessary travel and other reasonable expenses incurred by the obligee and the obligee's witnesses. The tribunal may not assess fees, costs, or expenses against the obligee or the support enforcement agency of either the initiating or the responding ~~state,~~state or foreign country, except as provided by other law. Attorneys' fees may be taxed as costs, and may be ordered paid directly to the attorney, who may enforce the order in the attorney's own name. Payment of support owed to the obligee has priority over fees, costs, and expenses.

(c) The tribunal shall order the payment of costs and reasonable attorneys' fees if it determines that a hearing was requested primarily for delay. In a proceeding under Article 6 of this Chapter, a hearing is presumed to have been requested primarily for delay if a registered support order is confirmed or enforced without change.

"§ **52C-3-313. Limited immunity of petitioner.**

(a) Participation by a petitioner in a proceeding under this Chapter before a responding tribunal, whether in person, by private attorney, or through services provided by the support enforcement agency, does not confer personal jurisdiction over the petitioner in another proceeding.

(b) A petitioner is not amenable to service of civil process while physically present in this State to participate in a proceeding under this Chapter.

(c) The immunity granted by this section does not extend to civil litigation based on acts unrelated to a proceeding under this Chapter committed by a party while present in this State to participate in the proceeding.

…

"§ **52C-3-315. Special rules of evidence and procedure.**

(a) The physical presence of ~~the petitioner in a responding~~a nonresident party who is an individual in a tribunal of this State is not required for the establishment, enforcement, or modification of a support order or the rendition of a judgment determining ~~parentage.~~parentage of a child.

(b) ~~A verified petition,~~An affidavit, a document substantially complying with federally mandated forms, ~~and~~ or a document incorporated by reference in any of them, which would not be excluded under the hearsay rule if given in person, is admissible in evidence if given under ~~oath~~ penalty of perjury by a party or witness residing ~~in another state.~~outside this State.

(c) A copy of the record of child support payments certified as a true copy of the original by the custodian of the record may be forwarded to a responding tribunal. The copy is evidence of facts asserted in it and is admissible to show whether payments were made.

(d) Copies of bills for testing for ~~parentage,~~parentage of a child, and for prenatal and postnatal health care of the mother and child, furnished to the adverse party at least 10 days before trial, are admissible in evidence to prove the amount of the charges billed and that the charges were reasonable, necessary, and customary.

(e) Documentary evidence transmitted from ~~another state~~ outside this State to a tribunal of this State by telephone, telecopier, or other electronic means that do not provide an original ~~writing~~ record may not be excluded from evidence on an objection based on the means of transmission.

(f) In a proceeding under this Chapter, a tribunal of this State ~~may~~shall permit a party or witness residing ~~in another state~~ outside this State to be deposed or to testify under penalty of perjury by telephone, audiovisual means, or other electronic means at a designated tribunal or other ~~location in that state.~~location. A tribunal of this State shall cooperate with other tribunals ~~of other states~~ in designating an appropriate location for the deposition or testimony.

(g) If a party called to testify at a civil hearing refuses to answer on the ground that the testimony may be self-incriminating, the trier of fact may draw an adverse inference from the refusal.

(h) A privilege against disclosure of communication between spouses does not apply in a proceeding under this Chapter.

(i) The defense of immunity based on the relationship of ~~husband and wife~~marital partners or parent and child does not apply in a proceeding under this Chapter.

(j) A voluntary acknowledgement of paternity, certified as a true copy, is admissible to establish parentage of the child.

"§ **52C-3-316. Communications between tribunals.**

A tribunal of this State may communicate with a tribunal ~~of another state~~ outside this State in ~~writing, or by telephone~~a record or by telephone, electronic mail, or other means, to obtain information concerning the ~~laws of that state,~~laws, the legal effect of a judgment, decree, or order of that tribunal, and the status of a ~~proceeding in the other state.~~proceeding. A tribunal of this State may furnish similar information by similar means to a tribunal ~~of another state.~~outside this State.

"§ **52C-3-317. Assistance with discovery.**

A tribunal of this State ~~may request~~ may:

(1) Request a tribunal ~~of another state~~ outside this State to assist in obtaining ~~discovery,~~discovery; and

(2) ~~upon~~ Upon request, may compel a person over whom it has jurisdiction to respond to a discovery order issued by a tribunal ~~of another state.~~outside this State.

"§ **52C-3-318. Receipt and disbursement of payments.**

(a) A support enforcement agency or tribunal of this State shall disburse promptly any amounts received pursuant to a support order, as directed by the order. The agency or tribunal shall furnish to a requesting party or tribunal of another state or a foreign country a certified statement by the custodian of the record of the amounts and dates of all payments received.

(b) If neither the obligor, nor the obligee who is an individual, nor the child resides in this State, upon request from the support enforcement agency of this State or another state, the support enforcement agency of this State or a tribunal of this State shall:

(1) Direct that the support payment be made to the support enforcement agency in the state in which the obligee is receiving services; and

(2) Issue and send to the obligor's employer a conforming income-withholding order or an administrative notice of change of payee, reflecting the redirected payments.

(c) The support enforcement agency of this State receiving redirected payments from another state pursuant to a law similar to subsection (b) of this section shall furnish to a requesting party or tribunal of the other state a certified statement by the custodian of the record of the amount and dates of all payments received.

"Article 4.

"Establishment of Support ~~Order.~~Order or Determination of Parentage.

"§ **52C-4-401. ~~Petition to establish~~Establishment of support order.**

(a) If a support order entitled to recognition under this Chapter has not been issued, a responding tribunal of this State with personal jurisdiction over the parties may issue a support order if:

(1) The individual seeking the order resides ~~in another state;~~ outside this State; or

(2) The support enforcement agency seeking the order is located ~~in another state.~~outside this State.

(b) The tribunal may issue a temporary child support order ~~if:~~if the tribunal determines that such an order is appropriate and the individual ordered to pay is any of the following:

(1) ~~The respondent has signed a verified statement acknowledging parentage;~~A presumed father of the child.

(2) ~~The respondent has been determined by or pursuant to law to be the parent; or~~Petitioning to have his paternity adjudicated.

(3) ~~There is other clear and convincing evidence that the respondent is the child's parent.~~Identified as the father of the child through genetic testing.

(4) An alleged father who has declined to submit to genetic testing.

(5) Shown by clear and convincing evidence to be the father of the child.

(6) An acknowledged father as provided by Chapter 110 of the General Statutes.

(7) The mother of the child.

(8) An individual who has been ordered to pay child support in a previous proceeding and the order has not been reversed or vacated.

(c) Upon finding, after notice and opportunity to be heard, that an obligor owes a duty of support, the tribunal shall issue a support order directed to the obligor and may issue other orders pursuant to G.S. 52C-3-305.

"**§ 52C-4-402. Proceeding to determine parentage.**

A tribunal of this State authorized to determine parentage of a child may serve as a responding tribunal in a proceeding to determine parentage of a child brought under this Chapter or a law or procedure substantially similar to this Chapter.

"Article 5.

"Enforcement of Order of Another State Without Registration.

"§ **52C-5-501. Employer's receipt of income-withholding order of another state.**

(a) An income-withholding order issued in another state may be sent by or on behalf of the obligee, or by the support enforcement agency, to the person ~~or entity~~ defined or identified as the obligor's employer or payor under the income-withholding provisions of Chapter 50 or Chapter 110 of the General Statutes, as applicable, without first filing a petition or comparable pleading or registering the order with a tribunal of this State. ~~In the event that an obligor is receiving unemployment compensation benefits from the Division of Employment Security (DES) in accordance with G.S. 96-17, an income-withholding order issued in another state may~~

~~be sent to the DES without first filing a petition or comparable pleading or registering the order with a tribunal of this State. Upon receipt of the order, the employer or the DES shall:~~

~~(1) Treat an income-withholding order issued in another state which appears regular on its face as if it had been issued by a tribunal of this State;~~

~~(2) Immediately provide a copy of the order to the obligor; and~~

~~(3) Distribute the funds as directed in the withholding order. The DES shall not withhold an amount to exceed twenty-five percent (25%) of the unemployment compensation benefits.~~

(b) Repealed by Session Laws 1997-433, s. 10.8.

"§ **52C-5-502. Employer's compliance with income-withholding order of another state.**

(a) Upon receipt of an income-withholding order, the obligor's employer shall immediately provide a copy of the order to the obligor.

(b) The employer shall treat an income-withholding order issued in another state which appears regular on its face as if it had been issued by a tribunal of this State.

(c) Except as otherwise provided in subsection (d) of this section and G.S. 52C-5-503, the employer shall withhold and distribute the funds as directed in the income-withholding order by complying with terms of the order which specify:

(1) The duration and amount of periodic payments of current child support, stated as a sum certain;

(2) The person ~~or agency~~ designated to receive payments and the address to which the payments are to be forwarded;

(3) Medical support, whether in the form of periodic cash payment, stated as a sum certain, or ordering the obligor to provide health insurance coverage for the child under a policy available through the obligor's employment;

(4) The amount of periodic payments of fees and costs for a support enforcement agency, the issuing tribunal, and the obligee's attorney, stated as sums certain; and

(5) The amount of periodic payments of arrearages and interest on arrearages, stated as sums certain.

(d) An employer shall comply with the law of the state of the obligor's principal place of employment for withholding from income with respect to:

(1) The employer's fee for processing an income-withholding order;

(2) The maximum amount permitted to be withheld from the obligor's income; and

(3) The times within which the employer must implement the income-withholding order and forward the child support payment.

"§ **52C-5-503. ~~Compliance with multiple~~Employer's compliance with two or more income-withholding orders.**

If an obligor's employer receives ~~multiple~~ two or more income-withholding orders with respect to the earnings of the same obligor, the employer satisfies the terms of the ~~multiple~~ orders if the employer complies with the law of the state of the obligor's principal place of employment to establish the priorities for withholding and allocating income withheld for ~~multiple~~ two or more child support obligees.

"§ **52C-5-504. Immunity from civil liability.**

An employer ~~who~~ that complies with an income-withholding order issued in another state in accordance with this Article is not subject to civil liability to an individual or agency with regard to the employer's withholding of child support from the obligor's income.

"§ **52C-5-505. Penalties for noncompliance.**

An employer ~~who~~ that willfully fails to comply with an income-withholding order issued ~~by~~ in another state and received for enforcement is subject to the same penalties that may be imposed for noncompliance with an order issued by a tribunal of this State.

"§ **52C-5-506. Contest by obligor.**

(a) An obligor may contest the validity or enforcement of an income-withholding order issued in another state and received directly by an employer in this State by registering the order in a tribunal of this State and filing a contest to that order as provided in Article 6 of this Chapter, or otherwise contesting the order in the same manner as if the order had been issued by a tribunal of this State. ~~G.S. 52C-6-604 applies to the contest.~~

(b) The obligor shall give notice of the contest to:

(1) A support enforcement agency providing services to the obligee;

(2) Each employer that has directly received an income-withholding ~~order;~~order relating to the obligor; and

(3) The person ~~or agency~~ designated to receive payments in the income-withholding order or, if no person ~~or agency~~ is designated, to the obligee.

"§ **52C-5-507. Administrative enforcement of orders.**

(a) A party or support enforcement agency seeking to enforce a support order or an income-withholding order, or both, issued ~~by a tribunal of~~in another state or a foreign support order may send the documents required for registering the order to a support enforcement agency of this State.

(b) Upon receipt of the documents, the support enforcement agency, without initially seeking to register the order, shall consider and, if appropriate, use any administrative procedure authorized by the law of this State to enforce a support order or an income-withholding order, or both. If the obligor does not contest administrative enforcement, the order need not be registered. If the obligor contests the validity or administrative enforcement of the order, the support enforcement agency shall register the order pursuant to this Chapter.

"Article 6.

"~~Enforcement~~ Registration, Enforcement, and Modification of Support ~~Order After Registration.~~Order.

"Part 1. Registration ~~and~~ for Enforcement of Support Order.

"§ **52C-6-601. Registration of order for enforcement.**

A support order or ~~an~~ income-withholding order issued ~~by a tribunal of~~in another state or a foreign support order may be registered in this State for enforcement.

"§ **52C-6-602. Procedure to register order for enforcement.**

(a) ~~A~~ Except as otherwise provided in G.S. 52C-7-706, a support order or income-withholding order of another state or a foreign support order may be registered in this State by sending the following ~~documents and information~~records to the appropriate tribunal ~~for the county in which the obligor resides~~ in this State:

(1) A letter of transmittal to the tribunal requesting registration and enforcement;

(2) Two copies, including one certified copy, of ~~all orders~~the order to be registered, including any modification of ~~an~~ the order;

(3) A sworn statement by the ~~party seeking~~person requesting registration or a certified statement by the custodian of the records showing the amount of any arrearage;

(4) The name of the obligor and, if known:

a. The obligor's address and social security number;

b. The name and address of the obligor's employer and ~~another~~ any other source of income of the obligor; and

c. A description and the location of property of the obligor in this State not exempt from execution; and

(5) ~~The~~ Except as otherwise provided in G.S. 52C-3-311, the name and address of the obligee and, if applicable, the ~~agency or~~ person to whom support payments are to be remitted.

(b) On receipt of a request for registration, the registering tribunal shall cause the order to be filed as ~~a~~ an order of another state or a foreign support order, together with one copy of the documents and information, regardless of their form.

(c) A petition or comparable pleading seeking a remedy that must be affirmatively sought under other law of this State may be filed at the same time as the request for registration or later. The pleading must specify the grounds for the remedy sought.

(d) If two or more orders are in effect, the person requesting registration shall do each of the following:

(1) Furnish to the tribunal a copy of every support order asserted to be in effect in addition to the documents specified in this section.

(2) Specify the order alleged to be the controlling order, if any.

(3) Specify the amount of consolidated arrears, if any.

(e) A request for a determination of which is the controlling order may be filed separately or with a request for registration and enforcement or for registration and modification. The person requesting registration shall give notice of the request to each party whose rights may be affected by the determination.

"§ **52C-6-603. Effect of registration for enforcement.**

(a) A support order or income-withholding order issued in another state or a foreign support order is registered when the order is filed in the registering tribunal of this State.

(b) A registered support order issued in another state or a foreign country is enforceable in the same manner and is subject to the same procedures as an order issued by a tribunal of this State.

(c) Except as otherwise provided in this ~~Article,~~Chapter, a tribunal of this State shall recognize and enforce, but may not modify, a registered support order if the issuing tribunal had jurisdiction.

"§ **52C-6-604. Choice of law.**

(a) ~~The~~ Except as otherwise provided in subsection (d) of this section, the law of the issuing state or foreign country governs all of the following:

(1) The nature, extent, amount, and duration of current payments ~~and other obligations of support and the~~ under a registered support order.

(2) The computation and payment of ~~arrears~~ arrearages and accrual of interest on the arrearages under the ~~order.~~support order.

(3) The existence and satisfaction of other obligations under the support order.

(b) In a proceeding for ~~arrears,~~arrears under a registered support order, the statute of limitations ~~under the laws~~ of this ~~State~~State, or of the issuing ~~state,~~state or foreign country, whichever is longer, applies.

(c) A responding tribunal of this State shall apply the procedures and remedies of this State to enforce current support and collect arrears and interest due on a support order of another state or a foreign country registered in this State.

(d) After a tribunal of this State or another state determines which is the controlling order and issues an order consolidating arrears, if any, a tribunal of this State shall prospectively apply the law of the state or foreign country issuing the controlling order, including its law on interest on arrears, on current and future support, and on consolidated arrears.

"Part 2. Contest of Validity ~~of~~ or Enforcement.

"§ **52C-6-605. Notice of registration of order.**

(a) When a support order or income-withholding order issued in another state or a foreign support order is registered, the registering tribunal of this State shall notify the nonregistering party. The notice must be accompanied by a copy of the registered order and the documents and relevant information accompanying the order.

(b) ~~The~~ A notice must inform the nonregistering party:

(1) That a registered order is enforceable as of the date of registration in the same manner as an order issued by a tribunal of this State.

(2) That a hearing to contest the validity or enforcement of the registered order must be requested within 20 days after ~~notice;~~notice, unless the registered order is under G.S. 52C-7-707;

(3) That failure to contest the validity or enforcement of the registered order in a timely manner will result in confirmation of the order and enforcement of the order and the alleged ~~arrears and precludes further contest of that order with respect to any matter that could have been asserted;~~arrearages; and

(4) Of the amount of any alleged ~~arrears.~~arrearages.

(b1) If the registering party asserts that two or more orders are in effect, a notice must also do each of the following:

(1) Identify the two or more orders and the order alleged by the registering party to be the controlling order and the consolidated arrears, if any.

(2) Notify the nonregistering party of the right to a determination of which is the controlling order.

(3) State that the procedures provided in subsection (b) of this section apply to the determination of which is the controlling order.

(4) State that failure to contest the validity or enforcement of the order alleged to be the controlling order in a timely manner may result in confirmation that the order is the controlling order.

(c) Upon registration of an income-withholding order for enforcement, the support enforcement agency or the registering tribunal shall notify the obligor's employer pursuant to the income-withholding provisions of Chapter 50 or Chapter 110 of the General Statutes, as applicable.

"§ **52C-6-606. Procedure to contest validity or enforcement of registered support order.**

(a) A nonregistering party seeking to contest the validity or enforcement of a registered order in this State shall request a hearing within ~~20 days after notice of the registration.~~the time required by G.S. 52C-6-605. The nonregistering party may seek to vacate the registration, to assert any defense to an allegation of noncompliance with the registered order, or to contest the remedies being sought or the amount of any alleged arrears pursuant to G.S. 52C-6-607.

(b) If the nonregistering party fails to contest the validity or enforcement of the registered support order in a timely manner, the order is confirmed by operation of law.

(c) If a nonregistering party requests a hearing to contest the validity or enforcement of the registered support order, the registering tribunal shall schedule the matter for hearing and give notice to the parties of the date, time, and place of the hearing.

"§ **52C-6-607. Contest of registration or enforcement.**

(a) A party contesting the validity or enforcement of a registered support order or seeking to vacate the registration has the burden of proving one or more of the following defenses:

(1) The issuing tribunal lacked personal jurisdiction over the contesting party;

(2) The order was obtained by fraud;

(3) The order has been vacated, suspended, or modified by a later order;

(4) The issuing tribunal has stayed the order pending appeal;

(5) There is a defense under the law of this State to the remedy sought;

(6) Full or partial payment has been made; ~~or~~

(7) The statute of limitations under G.S. 52C-6-604 precludes enforcement of some or all of the ~~arrears.~~alleged arrearages; or

(8) The alleged controlling order is not the controlling order.

(b) If a party presents evidence establishing a full or partial defense under subsection (a) of this section, a tribunal may stay enforcement of ~~the~~ a registered support order, continue the proceeding to permit production of additional relevant evidence, and issue other appropriate orders. An uncontested portion of the registered order may be enforced by all remedies available under the law of this State.

(c) If the contesting party does not establish a defense under subsection (a) of this section to the validity or enforcement of ~~the~~ a registered support order, the registering tribunal shall issue an order confirming the order.

"§ **52C-6-608. Confirmed order.**

Confirmation of a registered support order, whether by operation of law or after notice and hearing, precludes further contest of the order with respect to any matter that could have been asserted at the time of registration.

"Part. 3. Registration and Modification of Child Support ~~Order.~~Order of Another State.

"§ **52C-6-609. Procedure to register child support order of another state for modification.**

A party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another state shall register that order in this State in the same manner provided in ~~Part 1 of this Article~~G.S. 52C-6-601 through G.S. 52C-6-608 if the order has not been registered. A petition for modification may be filed at the same time as a request for registration, or later. The pleading must specify the grounds for modification.

"§ **52C-6-610. Effect of registration for modification.**

A tribunal of this State may enforce a child support order of another state registered for purposes of modification, in the same manner as if the order had been issued by a tribunal of this State, but the registered support order may be modified only if the requirements of G.S. 52C-6-611 or G.S. 52C-6-613 have been met.

"§ **52C-6-611. Modification of child support order of another state.**

(a) ~~After~~ If G.S. 52C-6-613 does not apply, upon petition, a tribunal of this State may modify a child support order issued in another state ~~has been~~ which is registered in this ~~State, the responding tribunal of this State may modify that order only if G.S. 52C-6-613 does not apply and~~State if, after notice and ~~hearing it~~ hearing, the tribunal finds that:

(1) The following requirements are met:

a. ~~The~~ Neither the child, nor the ~~individual obligee,~~obligee who is an individual, ~~and the obligor do not reside~~nor the obligor resides in the issuing state;

b. A petitioner who is a nonresident of this State seeks modification; and

c. The respondent is subject to the personal jurisdiction of the tribunal of this State; or

(2) ~~The~~ This State is the residence of the child, or a party who is an individual, is subject to the personal jurisdiction of the tribunal of this State and all of the parties who are individuals have filed ~~a written consent~~consents in a record in the issuing tribunal for a tribunal of this State to modify the support order and assume continuing, exclusive ~~jurisdiction over the order. However, if the issuing state is a foreign jurisdiction that has not enacted a law or established procedures substantially similar to the procedures under this act, the consent otherwise required of an individual residing in this State is not required for the tribunal to assume jurisdiction to modify the child support order.~~jurisdiction.

(b) Modification of a registered child support order is subject to the same requirements, procedures, and defenses that apply to the modification of an order issued by a tribunal of this State, and the order may be enforced and satisfied in the same manner.

(c) A tribunal of this State may not modify any aspect of a child support order that may not be modified under the law of the issuing ~~state.~~state, including the duration of the obligation of support. If two or more tribunals have issued child support orders for the same obligor and same child, the order that controls and must be so recognized under G.S. 52C-2-207 establishes the aspects of the support order which are nonmodifiable.

(c1) In a proceeding to modify a child support order, the law of the state that is determined to have issued the initial controlling order governs the duration of the obligation of

support. The obligor's fulfillment of the duty of support established by that order precludes imposition of a further obligation of support by a tribunal of this State.

(d) On the issuance of an order by a tribunal of this State modifying a child support order issued in another state, ~~a~~ the tribunal of this State becomes the tribunal of continuing, exclusive jurisdiction.

(d1) Notwithstanding subsections (a) through (d) of this section and G.S. 52C-2-201(b), a tribunal of this State retains jurisdiction to modify an order issued by a tribunal of this State if:

(1) One party resides in another state; and

(2) The other party resides outside the United States.

(e) Repealed by Session Laws 1997-443, s. 10.12.

"§ **52C-6-612. Recognition of order modified in another state.**

~~A~~ If a child support order issued by a tribunal of this State ~~shall recognize a modification of its earlier child support order~~is modified by a tribunal of another state which assumed jurisdiction pursuant to ~~a law substantially similar to this Chapter and, upon request, except as otherwise provided in this Chapter, shall:~~the Uniform Interstate Family Support Act, a tribunal of this State:

(1) ~~Enforce the~~ May enforce its order that was modified only as to ~~amounts~~ arrears and interest accruing before the modification;

~~(2) Enforce only nonmodifiable aspects of that order;~~

(3) ~~Provide~~ May provide other appropriate relief ~~only~~ for violations of ~~that~~ its order which occurred before the effective date of the modification; and

(4) ~~Recognize~~ Shall recognize the modifying order of the other state, upon registration, for the purpose of enforcement.

"§ **52C-6-613. Jurisdiction to modify child support order of another state when individual parties reside in this State.**

(a) If all of the parties who are individuals reside in this State and the child does not reside in the issuing state, a tribunal of this State has jurisdiction to enforce and to modify the issuing state's child support order in a proceeding to register that order.

(b) A tribunal of this State exercising jurisdiction under this section shall apply the provisions of Articles 1 and 2 of this Chapter, this Article, and the procedural and substantive law of this State to the proceeding for enforcement or modification. Articles 3, 4, 5, 7, and 8 of this Chapter do not apply.

…

"Part 4. Registration and Modification of Foreign Child Support Order.

"§ **52C-6-615. Jurisdiction to modify child support order of foreign country.**

(a) Except as otherwise provided in G.S. 52C-7-711, if a foreign country lacks or refuses to exercise jurisdiction to modify its child support order pursuant to its laws, a tribunal of this State may assume jurisdiction to modify the child support order and bind all individuals subject to the personal jurisdiction of the tribunal whether the consent to modification of a child support order otherwise required of the individual pursuant to G.S. 52C-6-611 has been given or whether the individual seeking modification is a resident of this State or of the foreign country.

(b) An order issued by a tribunal of this State modifying a foreign child support order pursuant to this section is the controlling order.

"§ **52C-6-616. Procedure to register child support order of foreign country for modification.**

A party or support enforcement agency seeking to modify, or to modify and enforce, a foreign child support order not under the Convention may register that order in this State under G.S. 52C-6-601 through G.S. 52C-6-608 if the order has not been registered. A petition for modification may be filed at the same time as a request for registration, or at another time. The petition must specify the grounds for modification.

"Article 7.

"~~Determination of Parentage.~~Support Proceeding Under Convention.

"§ **52C-7-701. ~~Proceeding to determine parentage.~~Definitions.**

~~(a) A tribunal of this State may serve as an initiating or responding tribunal in a proceeding brought under this Chapter or a law substantially similar to this Chapter, the Uniform Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement of Support Act to determine that the petitioner is a parent of a particular child or to determine that a respondent is a parent of that child.~~

~~(b) In a proceeding to determine parentage, a responding tribunal of this State shall apply the procedural and substantive law of this State and the rules of this State on choice of law.~~

As used in this Article:

(1) "Application" means a request under the Convention by an obligee or obligor, or on behalf of a child, made through a central authority for assistance from another central authority.

(2) "Central authority" means the entity designated by the United States or a foreign country described in G.S. 52C-1-101(3a)d. to perform the functions specified in the Convention.

(3) "Convention support order" means a support order of a tribunal of a foreign country described in G.S. 52C-1-101(3a)d.

(4) "Direct request" means a petition filed by an individual in a tribunal of this State in a proceeding involving an obligee, obligor, or child residing outside the United States.

(5) "Foreign central authority" means the entity designated by a foreign country described in G.S. 52C-1-101(3a)d. to perform the functions specified in the Convention.

(6) "Foreign support agreement" means an agreement for support in a record that:

a. Is enforceable as a support order in the country of origin;

b. Has been (i) formally drawn up or registered as an authentic instrument by a foreign tribunal or (ii) authenticated by or concluded, registered, or filed with a foreign tribunal; and

c. May be reviewed and modified by a foreign tribunal.

The term includes a maintenance arrangement or authentic instrument under the Convention.

(7) "United States central authority" means the Secretary of the United States Department of Health and Human Services.

"§ **52C-7-702. Applicability.**

This Article applies only to a support proceeding under the Convention. In such a proceeding, if a provision of this Article is inconsistent with Articles 1 through 6 of this Chapter, this Article controls.

"§ **52C-7-703. Relationship of Department to United States central authority.**

The Department is recognized as the agency designated by the United States central authority to perform specific functions under the Convention.

"§ **52C-7-704. Initiation by Department of support proceeding under Convention.**

(a) In a support proceeding under this Article, the Department shall do the following:

(1) Transmit and receive applications.

(2) Initiate or facilitate the institution of a proceeding regarding an application in a tribunal of this State.

(b) The following support proceedings are available to an obligee under the Convention:

(1) Recognition or recognition and enforcement of a foreign support order.

(2) Enforcement of a support order issued or recognized in this State.

(3) Establishment of a support order if there is no existing order, including, if necessary, determination of parentage of a child.

(4) Establishment of a support order if recognition of a foreign support order is refused under G.S. 52C-7-708(b)(2), (4), or (9).

(5) Modification of a support order of a tribunal of this State.

(6) Modification of a support order of a tribunal of another state or foreign country.

(c) The following support proceedings are available under the Convention to an obligor against which there is an existing support order:

(1) Recognition of an order suspending or limiting enforcement of an existing support order of a tribunal of this State.

(2) Modification of a support order of a tribunal of this State.

(3) Modification of a support order of a tribunal of another state or a foreign country.

(d) A tribunal of this State may not require security, bond, or deposit, however described, to guarantee the payment of costs and expenses in proceedings under the Convention.

"**§ 52C-7-705. Direct request.**

(a) A petitioner may file a direct request seeking establishment or modification of a support order or determination of parentage of a child. In the proceeding, the law of this State applies.

(b) A petitioner may file a direct request seeking recognition and enforcement of a support order or support agreement. In the proceeding, G.S. 52C-7-706 through G.S. 52C-7-713 apply.

(c) In a direct request for recognition and enforcement of a Convention support order or foreign support agreement:

(1) A security, bond, or deposit is not required to guarantee the payment of costs and expenses; and

(2) An obligee or obligor that in the issuing country has benefited from free legal assistance is entitled to benefit, at least to the same extent, from any free legal assistance provided for by the law of this State under the same circumstances.

(d) A petitioner filing a direct request is not entitled to assistance from the Department or the county child support agency.

(e) This Article does not prevent the application of laws of this State that provide simplified, more expeditious rules regarding a direct request for recognition and enforcement of a foreign support order or foreign support agreement.

"**§ 52C-7-706. Registration of Convention support order.**

(a) Except as otherwise provided in this Article, a party who is an individual or a support enforcement agency seeking recognition of a Convention support order shall register the order in this State as provided in Article 6 of this Chapter.

(b) Notwithstanding G.S. 52C-3-310 and G.S. 52C-6-602(a), a request for registration of a Convention support order must be accompanied by:

(1) A complete text of the support order or an abstract or extract of the support order drawn up by the issuing foreign tribunal, which may be in the form recommended by the Hague Conference on Private International Law;

(2) A record stating that the support order is enforceable in the issuing country;

(3) If the respondent did not appear and was not represented in the proceedings in the issuing country, a record attesting, as appropriate, either that the respondent had proper notice of the proceedings and an opportunity to be heard or that the respondent had proper notice of the support order and an opportunity to be heard in a challenge or appeal on fact or law before a tribunal;

(4) A record showing the amount of arrears, if any, and the date the amount was calculated;

(5) A record showing a requirement for automatic adjustment of the amount of support, if any, and the information necessary to make the appropriate calculations; and

(6) If necessary, a record showing the extent to which the applicant received free legal assistance in the issuing country.

(c) A request for registration of a Convention support order may seek recognition and partial enforcement of the order.

(d) A tribunal of this State may vacate the registration of a Convention support order without the filing of a contest under G.S. 52C-7-707 only if, acting on its own motion, the tribunal finds that recognition and enforcement of the order would be manifestly incompatible with public policy.

(e) The tribunal shall promptly notify the parties of the registration or the order vacating the registration of a Convention support order.

"**§ 52C-7-707. Contest of registered Convention support order.**

(a) Except as otherwise provided in this Article, G.S. 52C-6-605 through G.S. 52C-6-608 apply to a contest of a registered Convention support order.

(b) A party contesting a registered Convention support order shall file a contest not later than 30 days after notice of the registration, but if the contesting party does not reside in the United States, the contest must be filed not later than 60 days after notice of the registration.

(c) If the nonregistering party fails to contest the registered Convention support order by the time specified in subsection (b) of this section, the order is enforceable.

(d) A contest of a registered Convention support order may be based only on grounds set forth in G.S. 52C-7-708. The contesting party bears the burden of proof.

(e) In a contest of a registered Convention support order, a tribunal of this State:

(1) Is bound by the findings of fact on which the foreign tribunal based its jurisdiction; and

(2) May not review the merits of the order.

(f) A tribunal of this State deciding a contest of a registered Convention support order shall promptly notify the parties of its decision.

(g) A challenge or appeal, if any, does not stay the enforcement of a Convention support order unless there are exceptional circumstances.

"**§ 52C-7-708. Recognition and enforcement of registered Convention support order.**

(a) Except as otherwise provided in subsection (b) of this section, a tribunal of this State shall recognize and enforce a registered Convention support order.

(b) The following grounds are the only grounds on which a tribunal of this State may refuse recognition and enforcement of a registered Convention support order:

(1) Recognition and enforcement of the order is manifestly incompatible with public policy, including the failure of the issuing tribunal to observe minimum standards of due process, which include notice and an opportunity to be heard.

(2) The issuing tribunal lacked personal jurisdiction consistent with G.S. 52C-2-201.

(3) The order is not enforceable in the issuing country.

(4) The order was obtained by fraud in connection with a matter of procedure.

(5) A record transmitted in accordance with G.S. 52C-7-706 lacks authenticity or integrity.

(6) A proceeding between the same parties and having the same purpose is pending before a tribunal of this State and that proceeding was the first to be filed.

(7) The order is incompatible with a more recent support order involving the same parties and having the same purpose if the more recent support order is entitled to recognition and enforcement under this Chapter in this State.

(8) Payment, to the extent alleged arrears have been paid in whole or in part.

(9) In a case in which the respondent neither appeared nor was represented in the proceeding in the issuing foreign country:

a. If the law of that country provides for prior notice of proceedings, the respondent did not have proper notice of the proceedings and an opportunity to be heard; or

b. If the law of that country does not provide for prior notice of the proceedings, the respondent did not have proper notice of the order and an opportunity to be heard in a challenge or appeal on fact or law before a tribunal.

(10) The order was made in violation of G.S. 52C-7-711.

(c) If a tribunal of this State does not recognize a Convention support order under subdivision (b)(2), (4), or (9) of this section, then:

(1) The tribunal may not dismiss the proceeding without allowing a reasonable time for a party to request the establishment of a new Convention support order; and

(2) The Department and the county child support agency shall take all appropriate measures to request a child support order for the obligee if the application for recognition and enforcement was received under G.S. 52C-7-704.

"**§ 52C-7-709. Partial enforcement.**

If a tribunal of this State does not recognize and enforce a Convention support order in its entirety, it shall enforce any severable part of the order. An application or direct request may seek recognition and partial enforcement of a Convention support order.

"**§ 52C-7-710. Foreign support agreement.**

(a) Except as otherwise provided in subsections (c) and (d) of this section, a tribunal of this State shall recognize and enforce a foreign support agreement registered in this State.

(b) An application or direct request for recognition and enforcement of a foreign support agreement must be accompanied by each of the following:

(1) A complete text of the foreign support agreement.

(2) A record stating that the foreign support agreement is enforceable as an order of support in the issuing country.

(c) A tribunal of this State may vacate the registration of a foreign support agreement only if, acting on its own motion, the tribunal finds that recognition and enforcement would be manifestly incompatible with public policy.

(d) In a contest of a foreign support agreement, a tribunal of this State may refuse recognition and enforcement of the agreement if it finds any of the following:

(1) Recognition and enforcement of the agreement is manifestly incompatible with public policy.

(2) The agreement was obtained by fraud or falsification.

(3) The agreement is incompatible with a support order involving the same parties and having the same purpose in this State, another state, or a foreign country if the support order is entitled to recognition and enforcement under this Chapter in this State.

(4) The record submitted under subsection (b) of this section lacks authenticity or integrity.

(e) A proceeding for recognition and enforcement of a foreign support agreement must be suspended during the pendency of a challenge to or appeal of the agreement before a tribunal of another state or a foreign country.

"**§ 52C-7-711. Modification of Convention child support order.**

(a) A tribunal of this State may not modify a Convention child support order if the obligee remains a resident of the foreign country where the support order was issued unless:

(1) The obligee submits to the jurisdiction of a tribunal of this State, either expressly or by defending on the merits of the case without objecting to the jurisdiction at the first available opportunity; or

(2) The foreign tribunal lacks or refuses to exercise jurisdiction to modify its support order or issue a new support order.

(b) If a tribunal of this State does not modify a Convention child support order because the order is not recognized in this State, G.S. 52C-7-708(c) applies.

"**§ 52C-7-712. Personal information; limit on use.**

Personal information gathered or transmitted under this Article may be used only for the purposes for which it was gathered or transmitted.

"**§ 52C-7-713. Record in original language; English translation.**

A record filed with a tribunal of this State under this Article must be in the original language and, if not in English, must be accompanied by an English translation.

"Article 8.

"Interstate Rendition.

"**§ 52C-8-801. Grounds for rendition.**

(a) For purposes of this Article, "governor" includes an individual performing the functions of governor or the executive authority of a state covered by this Chapter.

(b) The Governor of this State may:

(1) Demand that the governor of another state surrender an individual found in the other state who is charged criminally in this State with having failed to provide for the support of an obligee; or

(2) On the demand ~~by~~ of the governor of another state, surrender an individual found in this State who is charged criminally in the other state with having failed to provide for the support of an obligee.

(c) A provision for extradition of individuals not inconsistent with this Chapter applies to the demand even if the individual whose surrender is demanded was not in the demanding state when the crime was allegedly committed and has not fled therefrom.

"**§ 52C-8-802. Conditions of rendition.**

(a) Before making demand that the governor of another state surrender an individual charged criminally in this State with having failed to provide for the support of an obligee, the Governor of this State may require a prosecutor of this State to demonstrate that at least 60 days previously the obligee has initiated proceedings for support pursuant to this Chapter or that the proceeding would be of no avail.

(b) If, under this Chapter or a law substantially similar to this ~~Chapter, the Uniform Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement of Support Act,~~Chapter, the governor of another state makes a demand that the Governor of this State surrender an individual charged criminally in that state with having failed to provide for the support of a child or other individual to whom a duty of support is owed, the governor may require a prosecutor to investigate the demand and report whether a proceeding for support has been initiated or would be effective. If it appears that a proceeding would be effective but has not been initiated, the governor may delay honoring the demand for a reasonable time to permit the initiation of a proceeding.

(c) If a proceeding for support has been initiated and the individual whose rendition is demanded prevails, the governor may decline to honor the demand. If the petitioner prevails and the individual whose rendition is demanded is subject to a support order, the governor may decline to honor the demand if the individual is complying with the support order.

"Article 9.

"Miscellaneous Provisions.

"**§ 52C-9-901. Uniformity of application and construction.**

~~This Chapter shall be applied and construed to effectuate its general purpose to make uniform~~In applying and construing this uniform act, consideration must be given to the need to promote uniformity of the law with respect to ~~the~~ its subject ~~of this Chapter~~matter among states ~~enacting~~ that enact it.

"**§ 52C-9-901.1. Transitional provision.**

This Chapter applies to proceedings begun on or after the effective date of this Chapter to establish a support order or determine parentage of a child or to register, recognize, enforce, or modify a prior support order, determination, or agreement, whenever issued or entered.

…."

SECTION 2. The Revisor of Statutes shall cause to be printed, as annotations to the published General Statutes, all relevant portions of the Official Comments to the Uniform Interstate Family Support Act, as amended, as the Revisor may deem appropriate.

SECTION 3. G.S. 110-130.1(d) reads as rewritten:

"(d) Any fee imposed by the North Carolina Department of Revenue or the Secretary of the Treasury to cover their costs of withholding for non-Work First arrearages certified for the collection of past due support from State or federal income tax refunds or administrative offsets, as defined by 31 C.F.R. § 285.1(a), shall be borne by the client by deducting the fee from the amount collected.

Any income tax refund offset amounts or administrative offsets, as defined by 31 C.F.R. § 285.1(a), which are subsequently determined to have been incorrectly withheld and distributed to a client, and which must be refunded by the State to a responsible parent or the nondebtor spouse, shall constitute a debt to the State owed by the client."

SECTION 4. G.S. 110-136.4 reads as rewritten:

"**§ 110-136.4. Implementation of withholding in IV-D cases.**

(a) Withholding based on arrearages or obligor's request.

(1) Advance notice of withholding. When an obligor in a IV-D case becomes subject to income withholding, the obligee shall, after verifying the obligor's current employer or other payor, wages or other disposable income, and mailing address, serve the obligor with advance notice of withholding in accordance with G.S. 1A-1, Rule 4, Rules of Civil Procedure.

(2) Contents of advance notice. The advance notice to the obligor shall contain, at a minimum, the following information:

a. Whether the proposed withholding is based on the obligor's failure to make legally obligated child support, alimony or postseparation support payments on the obligor's request for withholding, on the obligee's request for withholding, or on the obligor's eligibility for withholding under G.S. 110-136.3(b)(3);

b. The amount of overdue child support, overdue alimony or postseparation support payments, the total amount to be withheld, and when the withholding will occur;

c. The name of each child or person for whose benefit the child support, alimony or postseparation support payments are due and information sufficient to identify the court order under which the obligor has a duty to support the child, spouse, or former spouse;

d. The amount and sources of disposable income;

e. That the withholding will apply to the obligor's wages or other sources of disposable income from current payors and all subsequent payors once the procedures under this section are invoked;

f. An explanation of the obligor's rights and responsibilities pursuant to this section;

g. That withholding will be continued until terminated pursuant to G.S. 110-136.10.

(3) Contested withholding. The obligor may contest the withholding only on the basis of a mistake of fact, except that G.S. 110-129(10)(a) is not applicable if withholding is based on the obligor's or obligee's request for withholding. To contest the withholding, the obligor must, within 10 days of receipt of the advance notice of withholding, request a hearing in the county where the support order was entered before the district court and give notice to the obligee specifying the mistake of fact upon which the hearing request is based. If the asserted mistake of fact can be resolved by agreement between the obligee and the obligor, no hearing shall occur. Otherwise, a hearing shall be held and a determination made, within 30 days of the obligor's receipt of the advance notice of withholding, as to whether the asserted mistake of fact is valid. No withholding shall occur pending the hearing decision. The failure to hold a hearing within 30 days shall not invalidate an otherwise properly entered order. If it is determined that a mistake of fact exists, no withholding shall occur. Otherwise, within 45 days of the obligor's receipt of the advance notice of withholding, the obligee shall serve the payor, pursuant to G.S. 1A-1, Rule 5, Rules of Civil Procedure, or by electronic transmission in compliance with the federal Office of Child Support Enforcement (OCSE) electronic income withholding (e-IWO) procedures, with notice of his obligation to withhold, and shall mail a copy of such notice to the obligor and file a copy with the clerk. In the event of appeal, withholding shall not be stayed. If the appeal is concluded in favor of the obligor, the obligee shall promptly repay sums wrongfully withheld and notify the payor to cease withholding.

(4) Uncontested withholding. If the obligor does not contest the withholding within the 10-day response period, the obligee shall serve the payor, pursuant to G.S. 1A-1, Rule 5, Rules of Civil Procedure, or by electronic transmission in compliance with the federal Office of Child Support Enforcement (OCSE) electronic income withholding (e-IWO) procedures, with notice of his obligation to withhold, and shall mail a copy of such notice to the obligor and file a copy with the clerk.

(5) Payment not a defense to withholding. The payment of overdue support shall not be a basis for terminating or not implementing withholding.

(6) Inability to implement withholding. When an obligor is subject to withholding, but withholding under this section cannot be implemented because the obligor's location is unknown, because the extent and source of his disposable income cannot be determined, or for any other reason, the obligee shall either request the clerk of superior court to initiate enforcement proceedings under G.S. 15A-1344.1(d) or G.S. 50-13.9(d) or take other appropriate available measures to enforce the support obligation.

(b) Immediate income withholding. When a new or modified child support order is entered, the district court judge shall, after hearing evidence regarding the obligor's disposable income, place the obligor under an order for immediate income withholding. The IV-D agency shall serve the payor pursuant to G.S. 1A-1, Rule 5, Rules of Civil Procedure, or by electronic transmission in compliance with the federal Office of Child Support Enforcement (OCSE) electronic income withholding (e-IWO) procedures, with a notice of his obligation to withhold, and shall mail a copy of such notice to the obligor and file a copy with the clerk. If information is unavailable regarding an obligor's disposable income, or the obligor is unemployed, or an agreement is reached between both parties which provides for an alternative arrangement, immediate income withholding shall not apply. The obligor, however, is subject to income withholding pursuant to G.S. 110-136.4(a).

(c) Subsequent payors. If the obligor changes employment or source of disposable income, notice to subsequent payors of their obligation to withhold shall be served as required

by G.S. 1A-1, Rule 5, Rules of Civil ~~Procedure.~~ Procedure or by electronic transmission in compliance with the federal Office of Child Support Enforcement (OCSE) electronic income withholding (e-IWO) procedures. Copies of such notice shall be filed with the clerk of court and served upon the obligor by first class mail.

(d) Multiple withholdings. The obligor must notify the obligee if the obligor is currently subject to another withholding for child support. In the case of two or more withholdings against one obligor, the obligee or obligees shall attempt to resolve any conflict between the orders in a manner that is fair and equitable to all parties and within the limits specified by G.S. 110-136.6. If the conflict cannot be so resolved, an injured party, upon request, shall be granted a hearing in accordance with the procedure specified in G.S. 110-136.4(c). The conflict between the withholding orders shall be resolved in accordance with G.S. 110-136.7.

(e) Modification of withholding. When an order for withholding has been entered under this section, the obligee may modify the withholding based on changed circumstances. The obligee shall proceed as is provided in this section.

(f) Applicability of section. The provisions of this section apply to IV-D cases only."

SECTION 5. G.S. 110-139.2(b1) reads as rewritten:

"(b1) The Department of Health and Human Services Child Support Enforcement Agency may notify any financial institution doing business in this State that an obligor who maintains an identified account with the financial institution has a child support obligation that may be eligible for levy on the account in an amount that satisfies some or all of the amount of unpaid support owed. In order to be able to attach a lien on and levy an obligor's account, the amount of unpaid support owed shall be an amount not less than the amount of support owed for six months or one thousand dollars ($1,000), whichever is less.

Upon certification of the amount of unpaid support owed in accordance with G.S. 44-86(c), the Child Support Agency shall serve or cause to be served upon the obligor, and when the matched account is owned jointly, any other nonliable owner of the account, and the financial institution a notice as provided by this subsection. The notice shall include the name of the obligor, the financial institution where the account is located, the account number of the account to be levied to satisfy the lien, the certified amount of unpaid support, information for the obligor or account owner on how to remove the lien or contest the lien in order to avoid the levy, and a ~~copy of~~ reference to the applicable law, G.S. 110-139.2. The notice shall be served on the obligor, and any nonliable account owner, in any manner provided in Rule 4 of the North Carolina Rules of Civil Procedure. The financial institution shall be served notice in accordance with Rule 5 of the North Carolina Rules of Civil Procedure. Upon service of the notice, the financial institution shall proceed in the following manner:

(1) Immediately attach a lien to the identified account.

(2) Notify the Child Support Agency of the balance of the account and date of the lien or that the account does not meet the requirement for levy under this subsection.

In order for an obligor or account owner to contest the lien, within 10 days after the obligor or account owner is served with the notice, the obligor or account owner shall send written notice of the basis of the contest to the Child Support Agency and shall request a hearing before the district court in the county where the support order was entered. The obligor account holder may contest the lien only on the basis that the amount owed is an amount less than the amount of support owed for six months, or is less than one thousand dollars ($1,000), whichever is less, or the contesting party is not the person subject to the court order of support. The district court may assess court costs against the nonprevailing party. If no response is received from the obligor or account owner within 10 days of the service of the notice, the Child Support Agency shall notify the financial institution to submit payment, up to the total amount of the child support arrears, if available. This amount is to be applied to the debt of the obligor.

A financial institution shall not be liable to any person for complying in good faith with this subsection. The remedy set forth in this section shall be in addition to all other remedies

available to the State for the reduction of the obligor's child support arrears. This remedy shall not prevent the State from taking any and all other concurrent measures available by law.

This levy procedure is to be available for direct use by all states' child support programs to financial institutions in this State without involvement of the Department."

SECTION 6. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 15th day of June, 2015.

Became law upon approval of the Governor at 10:15 a.m. on the 24th day of June, 2015.

Session Law 2015-118 **S.B. 455**

AN ACT TO ENACT THE IRAN DIVESTMENT ACT.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 143C of the General Statutes is amended by adding a new Article to read:

"Article 6A.
"Iran Divestment Act.

"**§ 143C-6A-1. Article title.**

This Article may be cited as the "Iran Divestment Act of 2015."

"**§ 143C-6A-2. Findings.**

The General Assembly finds that:

(1) Congress and the President have determined that the illicit nuclear activities of the Government of Iran, combined with its development of unconventional weapons and ballistic missiles and its support of international terrorism, represent a serious threat to the security of the United States, Israel, and other United States allies in Europe, the Middle East, and around the world.

(2) The International Atomic Energy Agency has repeatedly called attention to Iran's unlawful nuclear activities, and, as a result, the United Nations Security Council has adopted a range of sanctions designed to encourage the Government of Iran to cease those activities and comply with its obligations under the Treaty on the Non-Proliferation of Nuclear Weapons.

(3) On July 1, 2010, President Barack Obama signed into law H.R. 2194, the "Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010" (Public Law 111-195), which expressly authorizes states and local governments to prevent investment in, including prohibiting entry into or renewing contracts with, companies operating in Iran's energy sector with investments that have the result of directly or indirectly supporting the efforts of the Government of Iran to achieve nuclear weapons capability.

(4) The serious and urgent nature of the threat from Iran demands that states, local governments, and private institutions work together with the federal government and American allies to do everything possible diplomatically, politically, and economically to prevent Iran from acquiring nuclear weapons capability.

(5) Respect for human rights in Iran has steadily deteriorated as demonstrated by transparently fraudulent elections and the brutal repression and murder, arbitrary arrests, and show trials of peaceful dissidents.

(6) The concerns of the State regarding Iran are strictly the result of the actions of the Government of Iran and should not be construed as enmity towards the Iranian people.

(7) In order to effectively address the need for this State to respond to the policies of Iran in a uniform fashion, prohibiting contracts with persons engaged in investment activities in the energy sector of Iran must be accomplished on a statewide basis.

(8) It is the intent of the General Assembly to fully implement the authority granted under Section 202 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111-195).

"§ **143C-6A-3. Definitions.**

As used in this Article:

(1) "Energy sector of Iran" means activities to develop petroleum or natural gas resources or nuclear power in Iran.

(2) "Financial institution" means the term as used in Section 14 of the Iran Sanctions Act of 1996, as amended (Public Law 104-172; 50 U.S.C. 1701 § note).

(3) "Investment" means a commitment or contribution of funds or property, whatever the source, a loan or other extension of credit, and the entry into or renewal of a contract for goods or services. It does not include indirect beneficial ownership through index funds, commingled funds, limited partnerships, derivative instruments, or the like.

(4) "Investment activities in Iran" means a person engages in investment activities in Iran if:

a. The person provides goods or services of twenty million dollars ($20,000,000) or more within any 12-month period in the energy sector of Iran, including a person that provides oil or liquefied natural gas tankers, or products used to construct or maintain pipelines used to transport oil or liquefied natural gas, for the energy sector of Iran; or

b. The person is a financial institution that extends twenty million dollars ($20,000,000) or more in credit to another person, for 45 days or more, if (i) the financial institution knows, or reasonably should know, that person will use the credit to provide goods or services in the energy sector in Iran, and (ii) the person receiving credit is identified on a list created pursuant to G.S. 143C-6A-6 as a person engaging in investment activities in Iran as described in this section.

(5) "Iran" includes the Government of Iran and any agency or instrumentality of Iran.

(6) "Person" means any of the following:

a. A natural person, corporation, company, limited liability company, business association, partnership, society, trust, or any other nongovernmental entity, organization, or group.

b. Any governmental entity or instrumentality of a government, including a multilateral development institution, as defined in section 1701(c)(3) of the International Financial Institutions Act (22 U.S.C. § 262r(c)(3)).

c. Any successor, parent entity owning more than 20%, or majority-owned subunit or subsidiary of any entity described in sub-subdivisions (a) and (b) of this subdivision.

(7) "State agency" means any board, commission, department, executive department, officer, institution, and any political subdivision of the State.

"§ **143C-6A-4. Prohibitions on State investment.**

No more than 30 days after the effective date of this act, the State Treasurer shall adopt a policy prohibiting the North Carolina Retirement Systems or the Department of the State

Treasurer from investing funds with a person engaging in investment activities in Iran. At a minimum, the policy shall provide:

(1) List of persons engaged in investment. – Within 120 days of adoption of the policy, the State Treasurer shall develop and make publically available, using federal sanctions lists and any other credible information available to the public, a list of persons it determines engage in investment activities in Iran. The State Treasurer shall make every effort to avoid erroneously including a person on the list. The State Treasurer shall update the list every 180 days. Before finalizing an initial list or an updated list, the State Treasurer must do all of the following before a person is included on the list:

a. Provide 90 days' written notice of the State Treasurer's intent to include the person on the list. The notice shall inform the person that inclusion on the list would make the person ineligible for State investment and may affect the person's ability to conduct other business with the State and its subdivisions. The notice shall specify that the person, if it ceases its engagement in investment activities in Iran, may be removed from the list.

b. The State Treasurer shall provide a person with an opportunity to comment in writing that it is not engaged in investment activities in Iran. If the person demonstrates to the State Treasurer that the person is not engaged in investment activities in Iran, the person shall not be included on the list.

(2) Investments prohibited. – Neither the North Carolina Retirement Systems nor the State Treasurer may invest funds with a person that is identified on a list created pursuant to subdivision (1) of this section as a person engaging in investment activities in Iran.

(3) Existing investments. – Any existing investment with a person that is identified on a list created pursuant to subdivision (1) of this section as a person engaging in investment activities in Iran must be divested within 180 days of the adoption of the policy.

(4) Fiduciary duties. – Nothing in the policy or in this Article shall require the North Carolina Retirement Systems or the State Treasurer to take action unless it is determined by the State Treasurer, in good faith, that the action is consistent with the fiduciary responsibilities of the Retirement Systems and the State Treasurer.

(5) Exceptions. – Notwithstanding the policy, an investment may be made in a person engaged in investment activities in Iran if:

a. The person is eligible to contract with the State under the exception in G.S. 143C-6A-7(b).

b. The State Treasurer makes a good-faith determination, on a case-by-case basis, that the investments are necessary to perform its functions.

"§ **143C-6A-5. Certification required.**

(a) A State agency shall require a person that attempts to contract with the State or political subdivision of the State, including a contract renewal or assumption, to certify, at the time the bid is submitted or the contract is entered into, renewed, or assigned, that the person or the assignee is not identified on a list created by the State Treasurer pursuant to G.S. 143C-6A-4. A State agency shall include certification information in the procurement record.

(b) A person that contracts with the State or a political subdivision of the State, including a contract renewal or assumption, shall not utilize on the contract with the State agency any subcontractor that is identified on a list created pursuant to G.S. 143C-6A-4.

(c) Upon receiving information that a person who has made the certification required by subsection (a) of this section is in violation thereof, the State agency shall review the information and offer the person an opportunity to respond. If the person fails to demonstrate that the person should not have been identified on the list created pursuant to G.S. 143C-6A-4 within 90 days after the determination of the violation, then the State agency shall take action as may be appropriate and provided for by law, rule, or contract.

"**§ 143C-6A-6. Restrictions on contracts with the State or subdivisions of the State.**

(a) A person that is identified on a list created by the State Treasurer pursuant to G.S. 143C-6A-4 as a person engaging in investment activities in Iran is ineligible to contract with the State or any political subdivision of the State.

(b) Any contract entered into with a person that is ineligible to contract with the State or any political subdivision of the State is void ab initio.

(c) Existing contracts with persons made ineligible to contract with the State or any political subdivision of the State under this Article shall be allowed to expire in accordance with the terms of the contract.

"**§ 143C-6A-7. Exceptions.**

(a) G.S. 143C-6A-6 does not apply to contracts valued at one thousand dollars ($1,000) or less.

(b) Persons engaged in substantial positive action. – Notwithstanding any other provision of this Article, a person engaged in investment activities in Iran may contract with the State or a political subdivision of the State if the State Treasurer determines, using U.S. government statements and any other credible information available to the public, that the person's investment activities in Iran were made before the effective date of this act, the investment activities in Iran have not been expanded or renewed after the effective date of this act, and the person has adopted, publicized, and is implementing a detailed plan to cease the investment activities in Iran and to refrain from engaging in any new investments in Iran. The State Treasurer shall develop and make publically available a "Substantial Positive Action Exception List" of these persons. The State Treasurer shall update the list every 180 days. Once a person has not engaged in investment activities in Iran within the previous five years, the State Treasurer shall remove that person from the list created pursuant to G.S. 143C-6A-4.

(c) Necessary commodities or services. – Notwithstanding any other provision of this Article, a person engaged in investment activities in Iran may contract with the State or a political subdivision of the State, on a case-by-case basis, if the State agency or political subdivision makes a good-faith determination that the commodities or services are necessary to perform its functions and that, absent such an exemption, the State agency would be unable to obtain the commodities or services for which the contract is offered. The determination shall be entered into the procurement record.

"**§ 143C-6A-8. Report; application.**

(a) The State Treasurer shall report to the Joint Legislative Commission on Governmental Operations and the Governor annually by October 1 on the status of the federal "Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010" (Public Law 111-195), the "Iran Divestment Act of 2015," and any rules or regulations adopted thereunder.

(b) The restrictions provided for in this Article apply only until:

(1) The President or Congress of the United States, by means including, but not limited to, legislation, executive order, or written certification, declares that divestment of the type provided for in this Article interferes with the conduct of United States foreign policy; or with respect to restrictions on any particular investment activities in Iran, those activities have been specifically exempted from U.S. government sanctions by an affirmative declaration authorized by the Congress of the United States; or

(2) Congress revokes authority to divest in the manner provided for in this Article.

"**§ 143-C-6A-9. No private right of action.**

(a) This Article does not create or authorize a private right of action to enforce the provisions of the Article.

(b) A person may challenge being included on the lists established in this Article using the procedures in Article 3 of Chapter 150B of the General Statutes, except that no person may file a contested case more than once every 365 days, and no attorneys' fees may be awarded under G.S. 150B-33(b)(11)."

SECTION 2. Nothing in this act is intended to create a fiduciary relationship between the State Treasurer and any party who uses the list or any fiduciary duty on the part of the State Treasurer where one does not otherwise exist by law.

SECTION 3. The State Treasurer shall submit to the Attorney General of the United States a written notice describing this act within 30 days after the effective date of this act.

SECTION 4.(a) Pursuant to G.S. 147-69.3(g), the State Treasurer is authorized to retain the services of consultants, professional individuals, analysts, data collection firms, or other persons possessing specialized skills or knowledge necessary for the proper implementation and administration of the requirements of this act.

SECTION 4.(b) This section is effective when it becomes law.

SECTION 5. Except as otherwise provided, this act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 25th day of June, 2015.

Became law upon approval of the Governor at 3:30 p.m. on the 29th day of June, 2015.

Session Law 2015-119 **S.B. 88**

AN ACT TO ASSIGN POLE ATTACHMENT DISPUTES TO THE NORTH CAROLINA UTILITIES COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 62-350(a) reads as rewritten:

"(a) A municipality, or a membership corporation organized under Chapter 117 of the General Statutes, that owns or controls poles, ducts, or ~~conduits~~ conduits, but which is exempt from regulation under section 224 of the Communications Act of 1934, as amended, shall allow any communications service provider to utilize its poles, ducts, and conduits at just, reasonable, and nondiscriminatory rates, terms, and conditions adopted pursuant to negotiated or adjudicated agreements. A request to utilize poles, ducts, or conduits under this section may be denied only if there is insufficient capacity or for reasons of safety, reliability, and generally applicable engineering principles, and those limitations cannot be remedied by rearranging, expanding, or otherwise reengineering the facilities at the reasonable and actual cost of the municipality or membership corporation to be reimbursed by the communications service provider. In granting a request under this section, a municipality or membership corporation shall require the requesting entity to comply with applicable safety requirements, including the National Electrical Safety Code and the applicable rules and regulations issued by the Occupational Safety and Health Administration. Any fees due from a communications service provider accessing or attaching to poles, ducts, or conduits under this section must be billed by separate invoice and shall not be bundled with charges for electric service."

SECTION 2. G.S. 62-350(c) reads as rewritten:

"(c) In the event the parties are unable to reach an agreement within 90 days of a request to negotiate pursuant to subsection (b) of this section, or if either party believes in good faith that an impasse has been reached prior to the expiration of the 90-day period, either party may ~~bring an action in Business Court in accordance with the procedures for a mandatory business case set forth in G.S. 7A-45.4, and the Business Court~~initiate proceedings to resolve the dispute

before the Commission. The Commission shall have exclusive jurisdiction over ~~such actions.~~proceedings arising under this section and shall adjudicate disputes arising under this section on a case-by-case basis. The Commission shall not exercise general rate-making authority over communication service provider utilization of municipal or membership corporation facilities. This section does not impact or expand the Commission's authority under G.S. 62-133.5(h) or (m). The Public Staff may, at the discretion of the Commission, be made a party to any proceedings under this section as may be appropriate to serve the using and consuming public. The parties shall identify with specificity in their respective ~~pleadings~~ filings the issues in ~~dispute, and the Business Court shall (i) establish a procedural schedule which, unless otherwise agreed by the parties, is intended to resolve the action within a time period not to exceed 180 days of the commencement of the action, (ii)~~ dispute. The Commission, in its discretion, may consider any evidence or rate-making methodologies offered or proposed by the parties and shall resolve any dispute identified in the ~~pleadings~~ filings consistent with the public interest and necessity so as to derive just and reasonable rates, terms, and ~~conditions, taking into consideration and applying such other factors or evidence that may be presented by a party, including without limitation the rules and regulations applicable to attachments by each type of communications service provider under section 224 of the Communications Act of 1934, as amended, and (iii)~~ conditions. The Commission shall apply any new rate adopted as a result of the action retroactively to the date immediately following the expiration of the 90-day negotiating period or initiation of the ~~lawsuit,~~proceeding, whichever is earlier. If the new rate is for the continuation of an existing agreement, the new rate shall apply retroactively to the date immediately following the end of the existing agreement. Prior to ~~commencing any action~~initiating any proceedings under this subsection, a party must pay any undisputed fees related to the use of poles, ducts, or conduits which are due and owing under a preexisting agreement with the municipality or membership corporation. In any ~~action~~ proceeding brought under this subsection, the ~~court~~ Commission may resolve any existing disputes regarding fees alleged to be owing under a preexisting agreement or regarding safety compliance arising under subsection (d) of this section. The provisions of this section do not apply to an entity whose poles, ducts, and conduits are subject to regulation under section 224 of the Communications Act of 1934, as amended."

SECTION 3. G.S. 62-350(d)(4) reads as rewritten:

"(4) All attaching parties shall work cooperatively to determine the causation of, and to effectuate any remedy for, noncompliant lines, equipment, and attachments. In the event of disputes under this subsection, the involved municipality or membership corporation or any attaching party may ~~bring an action in the Business Court in accordance with the procedures for a mandatory business case set forth in G.S. 7A-45.4, and the Business Court~~ initiate proceedings to resolve any dispute before the Commission. The Commission shall have exclusive jurisdiction over ~~such actions.~~ proceedings arising under this section and shall adjudicate disputes arising under this section on a case-by-case basis. The Commission shall not exercise general rate-making authority over communication service provider utilization of municipal or membership corporation facilities. This section does not impact or expand the Commission's authority under G.S. 62-133.5(h) or (m). The Public Staff may, at the discretion of the Commission, be made a party to any proceedings under this section as may be appropriate to serve the using and consuming public. The ~~Business Court~~Commission shall resolve such disputes consistent with the public interest and necessity. Nothing herein shall prevent a municipality or membership corporation from taking such action as may be necessary to remedy any exigent issue which is an imminent threat of death or injury to persons or damage to property."

SECTION 4. G.S. 62-350(f) reads as rewritten:

"(f) The ~~Business Court~~Commission may adopt such rules as it deems necessary to ~~implement its jurisdiction and authority under this section.~~exercise its responsibility to adjudicate any disputes arising under this section."

SECTION 5. G.S. 62-350 is amended by adding a new subsection to read:

"(h) As part of final adjudication, the Commission may assess the costs, not to exceed ten thousand dollars ($10,000), of adjudicating a dispute under this section against the parties to the dispute proceeding. If the Public Staff is a party to a dispute proceeding and the Executive Director of the Public Staff deems it necessary to hire expert witnesses or other individuals with professional expertise to assist the Public Staff in the dispute proceeding, the Commission may assess such additional costs incurred by the Public Staff by allocating such costs against the parties to the dispute proceeding."

SECTION 6. G.S. 7A-45.4(b)(3) is repealed.

SECTION 7. Notwithstanding the deletion of language referencing the factors or evidence that may be presented by a party in Section 2 of this act, the Commission may consider any evidence presented by a party, including any methodologies previously applied.

SECTION 8. This act is effective when it becomes law and applies to any action filed on or after that date.

In the General Assembly read three times and ratified this the 25th day of June, 2015.

Became law upon approval of the Governor at 4:00 p.m. on the 29th day of June, 2015.

Session Law 2015-120 **S.B. 174**

AN ACT TO PROVIDE THAT THE CITY OF WILMINGTON MAY LEASE FROM THE DEPARTMENT OF TRANSPORTATION THE DEPARTMENT'S INTEREST IN A PORTION OF THE FORMER CSX TRANSPORTATION RAIL CORRIDOR WITHIN THE LIMITS OF THAT CITY.

The General Assembly of North Carolina enacts:

SECTION 1. The City of Wilmington and the North Carolina Department of Transportation are authorized to enter into a lease agreement for interim public recreation use of that portion of the Department's interest in the portion of the right-of-way of the former CSX Transportation corridor known as the Wilmington Downtown Lead from its intersection with 3rd Street to its intersection with McRae Street, provided that all of the following conditions are met:

(1) The City of Wilmington will examine title to the real property comprising the above described portion of rail corridor and identify all persons owning an interest in the real property comprising the rail corridor portion to be leased.

(2) All persons owning an interest in the real property comprising the rail corridor portion to be leased will be parties to the lease.

(3) The City of Wilmington has requested use of the portion of the rail corridor described in this act for interim public recreational trail use and agrees in writing to assume all development costs as well as management, security, and liability responsibilities as defined by the Department of Environment and Natural Resources and the Department of Transportation.

(4) The Department of Transportation determines that there will not likely be a need to resume active rail service in the leased portion of the rail corridor for at least 10 years.

(5) The lease agreement allowing trail use includes terms for resumption of active rail use which will assure unbroken continuation of the corridor's perpetual use for railroad purposes and interim compatible uses.

(6) Use of the rail corridor or portions thereof as a recreational trail does not interfere with the ultimate transportation purposes of the corridor as determined by the Department of Transportation.

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 25th day of June, 2015.

Became law upon approval of the Governor at 4:00 p.m. on the 29th day of June, 2015.

Session Law 2015-121 **S.B. 284**

AN ACT TO EXTEND THE SUNSET PROVISION ON THE AUTHORITY GRANTED TO COUNTIES AND CITIES TO USE SPECIAL ASSESSMENTS TO ADDRESS CRITICAL INFRASTRUCTURE NEEDS AND TO SHORTEN THE NUMBER OF ANNUAL INSTALLMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 153A-210.1 reads as rewritten:

"§ **153A-210.1. Purpose; sunset.**

(a) Purpose. – This Article enables counties that face increased demands for infrastructure improvements as a result of rapid growth and development to issue revenue bonds payable from special assessments imposed under this Article on benefited property. This Article supplements the authority counties have in Article 9 of this Chapter. The provisions of Article 9 of this Chapter apply to this Article, to the extent they do not conflict with this Article.

(a1) Purpose of Dam Repair. – The General Assembly finds that dam repair is a public purpose promoting flood control and public safety.

(b) Sunset. – This Article expires ~~July 1, 2015.~~ July 1, 2020. For projects authorized in G.S. 153A-210.2(a1), this Article expires July 1, 2019. The expiration does not affect the validity of assessments imposed or bonds issued or authorized under the provisions of this Article prior to the effective date of the expiration."

SECTION 2. G.S. 160A-239.1 reads as rewritten:

"§ **160A-239.1. Purpose; sunset.**

(a) Purpose. – This Article enables cities that face increased demands for infrastructure improvements as a result of rapid growth and development to issue revenue bonds payable from special assessments imposed under this Article on benefited property. This Article supplements the authority cities have in Article 10 of this Chapter. The provisions of Article 10 of this Chapter apply to this Article, to the extent they do not conflict with this Article.

(b) Sunset. – This Article expires ~~July 1, 2015.~~ July 1, 2020. The expiration does not affect the validity of assessments imposed or bonds issued or authorized under the provisions of this Article prior to the effective date of the expiration."

SECTION 3. G.S. 153A-210.5 reads as rewritten:

"§ **153A-210.5. Payment of assessments by installments.**

An assessment imposed under this Article is payable in annual installments. The board of commissioners must set the number of annual installments, which may not be more than ~~30.~~25. The installments are due on the date that property taxes are due."

SECTION 4. G.S. 160A-239.5 reads as rewritten:

"§ **160A-239.5. Payment of assessments by installments.**

An assessment imposed under this Article is payable in annual installments. The city council must set the number of annual installments, which may not be more than ~~30.~~25. The installments are due on the date that property taxes are due."

SECTION 5. This act becomes effective June 30, 2015, and applies to assessments made on or after July 1, 2015.

In the General Assembly read three times and ratified this the 25th day of June, 2015.

Became law upon approval of the Governor at 4:00 p.m. on the 29th day of June, 2015.

Session Law 2015-122 **S.B. 462**

AN ACT TO CLARIFY THAT A PUBLIC AUTHORITY MAY ESTABLISH, CONTROL, AND OPERATE A NONPROFIT CORPORATION WITH TAX EXEMPT STATUS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 3 of Chapter 159 of the General Statutes is amended by adding a new Part to read as follows:

"PART 8. NONPROFIT CORPORATION ESTABLISHED BY PUBLIC AUTHORITY.

"**§ 159-42.1. Establishment of nonprofit corporation by public authority authorized.**

A public authority may establish, control, and operate a nonprofit corporation that is created under Chapter 55A of the General Statutes and is a tax-exempt organization under the Internal Revenue Code to further the authorized purposes of the public authority. A nonprofit corporation established as provided in this section shall not have regulatory or enforcement powers and shall not engage in partisan political activity."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 24th day of June, 2015.

Became law upon approval of the Governor at 4:00 p.m. on the 29th day of June, 2015.

Session Law 2015-123 **S.B. 578**

AN ACT TO TRANSITION ABUSE AND NEGLECT INVESTIGATIONS IN CHILD CARE FACILITIES TO THE DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION WITHIN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 7B-101(3) reads as rewritten:

"§ **7B-101. Definitions.**

As used in this Subchapter, unless the context clearly requires otherwise, the following words have the listed meanings:

…

(3) Caretaker. – Any person other than a parent, guardian, or custodian who has responsibility for the health and welfare of a juvenile in a residential setting. A person responsible for a juvenile's health and welfare means a stepparent, foster parent, an adult member of the juvenile's household, an adult relative entrusted with the juvenile's care, any person such as a house parent or cottage parent who has primary responsibility for supervising a juvenile's health and welfare in a residential child care facility or residential educational facility, or any employee or volunteer of a division, institution, or school operated by the Department of Health and Human Services. ~~"Caretaker" also means any person who has the responsibility for the care of a juvenile in a child care facility as defined in Article 7 of Chapter 110 of the General Statutes and includes any person who has the approval of the care provider to assume responsibility for the juveniles under the care of the care provider.~~ Nothing in this subdivision shall be construed to impose a legal duty of support under Chapter 50 or Chapter 110 of the General Statutes.

The duty imposed upon a caretaker as defined in this subdivision shall be for the purpose of this Subchapter only."

SECTION 2. G.S. 7B-300 reads as rewritten:

"§ **7B-300. Protective services.**

The director of the department of social services in each county of the State shall establish protective services for juveniles alleged to be abused, neglected, or dependent.

Protective services shall include the screening of reports, the performance of an assessment using either a family assessment response or an investigative assessment response, casework, or other counseling services to parents, guardians, or other caretakers as provided by the director to help the parents, guardians, or other caretakers and the court to prevent abuse or neglect, to improve the quality of child care, to be more adequate parents, guardians, or caretakers, and to preserve and stabilize family life.

~~The provisions of this Article shall also apply to child care facilities as defined in G.S. 110-86.~~"

SECTION 3. G.S. 7B-301 reads as rewritten:

"§ **7B-301. Duty to report abuse, neglect, dependency, or death due to maltreatment.**

(a) Any person or institution who has cause to suspect that any juvenile is abused, neglected, or dependent, as defined by G.S. 7B-101, or has died as the result of maltreatment, shall report the case of that juvenile to the director of the department of social services in the county where the juvenile resides or is found. The report may be made orally, by telephone, or in writing. The report shall include information as is known to the person making it including the name and address of the juvenile; the name and address of the juvenile's parent, guardian, or caretaker; the age of the juvenile; the names and ages of other juveniles in the home; the present whereabouts of the juvenile if not at the home address; the nature and extent of any injury or condition resulting from abuse, neglect, or dependency; and any other information which the person making the report believes might be helpful in establishing the need for protective services or court intervention. If the report is made orally or by telephone, the person making the report shall give the person's name, address, and telephone number. Refusal of the person making the report to give a name shall not preclude the department's assessment of the alleged abuse, neglect, dependency, or death as a result of maltreatment.

~~Upon receipt of any report of sexual abuse of the juvenile in a child care facility, the director shall notify the State Bureau of Investigation within 24 hours or on the next workday. If sexual abuse in a child care facility is not alleged in the initial report, but during the course of the assessment there is reason to suspect that sexual abuse has occurred, the director shall immediately notify the State Bureau of Investigation. Upon notification that sexual abuse may have occurred in a child care facility, the State Bureau of Investigation may form a task force to investigate the report.~~

(b) Any person or institution who knowingly or wantonly fails to report the case of a juvenile as required by subsection (a) of this section, or who knowingly or wantonly prevents another person from making a report as required by subsection (a) of this section, is guilty of a Class 1 misdemeanor.

~~(c) A director of social services who receives a report of sexual abuse of a juvenile in a child care facility and who knowingly fails to notify the State Bureau of Investigation of the report pursuant to subsection (a) of this section is guilty of a Class 1 misdemeanor.~~"

SECTION 4. G.S. 7B-302(a) reads as rewritten:

"(a) When a report of abuse, neglect, or dependency is received, the director of the department of social services shall make a prompt and thorough assessment, using either a family assessment response or an investigative assessment response, in order to ascertain the facts of the case, the extent of the abuse or neglect, and the risk of harm to the juvenile, in order to determine whether protective services should be provided or the complaint filed as a petition. When the report alleges abuse, the director shall immediately, but no later than 24 hours after receipt of the report, initiate the assessment. When the report alleges neglect or dependency, the director shall initiate the assessment within 72 hours following receipt of the report. When the

report alleges abandonment, the director shall immediately initiate an assessment, take appropriate steps to assume temporary custody of the juvenile, and take appropriate steps to secure an order for nonsecure custody of the juvenile. The assessment and evaluation shall include a visit to the place where the juvenile ~~resides, except when the report alleges abuse or neglect in a child care facility as defined in Article 7 of Chapter 110 of the General Statutes. When a report alleges abuse or neglect in a child care facility as defined in Article 7 of Chapter 110 of the General Statutes, a visit to the place where the juvenile resides is not required.~~ resides. When the report alleges abandonment, the assessment shall include a request from the director to law enforcement officials to investigate through the North Carolina Center for Missing Persons and other national and State resources whether the juvenile is a missing child."

SECTION 5. G.S. 7B-307 reads as rewritten:

"§ **7B-307. Duty of director to report evidence of abuse, neglect; investigation by local law enforcement; notification of Department of Health and Human ~~Services and State Bureau of Investigation.~~Services.**

(a) If the director finds evidence that a juvenile may have been abused as defined by G.S. 7B-101, the director shall make an immediate oral and subsequent written report of the findings to the district attorney or the district attorney's designee and the appropriate local law enforcement agency within 48 hours after receipt of the report. The local law enforcement agency shall immediately, but no later than 48 hours after receipt of the information, initiate and coordinate a criminal investigation with the protective services assessment being conducted by the county department of social services. Upon completion of the investigation, the district attorney shall determine whether criminal prosecution is appropriate and may request the director or the director's designee to appear before a magistrate.

If the director receives information that a juvenile may have been physically harmed in violation of any criminal statute by any person other than the juvenile's parent, guardian, custodian, or caretaker, the director shall make an immediate oral and subsequent written report of that information to the district attorney or the district attorney's designee and to the appropriate local law enforcement agency within 48 hours after receipt of the information. The local law enforcement agency shall immediately, but no later than 48 hours after receipt of the information, initiate a criminal investigation. Upon completion of the investigation, the district attorney shall determine whether criminal prosecution is appropriate.

If the report received pursuant to G.S. 7B-301 involves abuse or neglect of a juvenile or child maltreatment, as defined in G.S. 110-105.3, in child care, the director shall notify the Department of Health and Human Services within 24 hours or on the next working day of receipt of the report.

~~(b) If the director finds evidence that a juvenile has been abused or neglected as defined by G.S. 7B-101 in a child care facility, the director shall immediately so notify the Department of Health and Human Services and, in the case of sexual abuse, the State Bureau of Investigation, in such a way as does not violate the law guaranteeing the confidentiality of the records of the department of social services.~~

~~(c) Upon completion of the assessment, the director shall give the Department written notification of the results of the assessment required by G.S. 7B-302. Upon completion of an assessment of sexual abuse in a child care facility, the director shall also make written notification of the results of the assessment to the State Bureau of Investigation.~~

The director of the department of social services shall submit a report of alleged abuse, neglect, or dependency cases or child fatalities that are the result of alleged maltreatment to the central registry under the policies adopted by the Social Services Commission."

SECTION 6. G.S. 110-105 reads as rewritten:

"§ **110-105. Authority to inspect facilities.**

(a) The Department shall have authority to inspect facilities without notice when it determines there is cause to believe that an emergency situation exists or there is a complaint alleging a violation of licensure law. When the Department is notified by the county director of social services that the director has received a report of child maltreatment in a child care

facility, or when the Department is notified by any other person that alleged child maltreatment has occurred in a facility, the Commission's rules shall provide for an inspection conducted without notice to the child care facility to determine whether the alleged child maltreatment has occurred. The inspection shall be conducted within seven calendar days of receipt of the report. Additional visits shall be conducted, as warranted.

(a1) The Commission shall adopt standards and rules under this subsection which provide for the following types of inspections:

(1) An initial licensing inspection, which shall not occur until the administrator of the facility receives prior notice of the initial inspection visit;

(2) A plan for visits to all facilities, including announced and unannounced visits, which shall be confidential unless a court orders its disclosure;

(3) An inspection that may be conducted without notice, if there is ~~probable~~ cause to believe that an emergency situation exists or there is a complaint alleging a violation of licensure law. ~~When the Department is notified by the county director of social services that the director has received a report of child abuse or neglect in a child care facility, or when the Department is notified by any other person that alleged abuse or neglect has occurred in a facility, the Commission's rules shall provide for an inspection conducted without notice to the child care facility to determine whether the alleged abuse or neglect has occurred. This inspection shall be conducted within seven calendar days of receipt of the report, and when circumstances warrant, additional visits shall be conducted.~~

The ~~Secretary or the Secretary's designee,~~Department, upon presenting appropriate credentials to the operator of the child care facility, may perform inspections in accordance with the standards and rules promulgated under this subsection. The ~~Secretary or the Secretary's designee~~Department may inspect any area of a building in which there is reasonable evidence that children are in ~~care.~~care or in which the Department has cause to believe that conditions in that area of a building pose a potential risk to the health, safety, or well-being of children in care.

(b) If an operator refuses to allow the Secretary or the Secretary's designee to inspect the child care facility, the Secretary shall seek an administrative warrant in accordance with G.S. 15-27.2."

SECTION 7. G.S. 110-105.2 is repealed.

SECTION 8. Article 7 of Chapter 110 of the General Statutes is amended by adding the following new sections to read:

"§ **110-105.3. Child maltreatment.**

(a) The purpose of this section is to assign the authority to investigate instances of child maltreatment in child care facilities to the Department of Health and Human Services, Division of Child Development and Early Education. The General Assembly recognizes that the ability to properly investigate child maltreatment in licensed child care facilities is dependent upon the cooperation of State and local law enforcement agencies, as well as county departments of social services.

(b) The following definitions shall apply in this Article:

(1) Caregiver. – The operator of a licensed child care facility or religious-sponsored child care facility, a child care provider, as defined in G.S. 110-90.2(a)(2), a volunteer, or any person who has the approval of the provider to assume responsibility for children under the care of the provider.

(2) Child care facilities. – Any of the following:

a. All facilities required to be licensed under this Article.

b. All religious-sponsored facilities operating pursuant to G.S. 110-106.

c. All locations where children are being cared for by someone other than their parent or legal guardian that require a license under this Article but have not been issued a license by the Department.

(3) Child maltreatment. – Any act or series of acts of commission or omission by a caregiver that results in harm, potential for harm, or threat of harm to a child. Acts of commission include, but are not limited to, physical, sexual, and psychological abuse. Acts of omission include, but are not limited to, failure to provide for the physical, emotional, or medical well-being of a child, and failure to properly supervise children, which results in exposure to potentially harmful environments.

(c) The Department, local departments of social services, and local law enforcement personnel shall cooperate with the medical community to ensure that reports of child maltreatment in child care facilities are properly investigated.

(d) When a report of child maltreatment is received, the Department shall make a prompt and thorough assessment to ascertain the facts of the case, the extent of the maltreatment, and the risk of harm to children enrolled at the child care facility. When the report alleges maltreatment meeting the definition of abuse or neglect as defined in G.S. 14-318.2 and G.S. 14-318.4, the Department shall contact local law enforcement officials to investigate the report.

(e) During the pendency of an investigation, the Department may issue a protection plan restricting an individual alleged to have maltreated a child from being on the premises of the facility while children are in care. The Department may also suspend activities at a facility under investigation, including, but not limited to, transportation, aquatic activities, and field trips.

(f) At any time during the pendency of a child maltreatment investigation, the Department may order immediate corrective action as required to protect the health, safety, or welfare of children in care. If the corrective action does not occur within the period specified in the corrective action order, the Department may take administrative action to protect the health, safety, or welfare of the children at the child care facility.

(g) The Department may, in accordance with G.S. 150B-3(c), summarily suspend the license of a child care facility if the Department determines that emergency action is required to protect the health, safety, or welfare of the children in a child care facility regulated by the Department.

(h) In the event the Department determines child maltreatment did not occur in a child care facility, nothing in this section shall prevent the Department from citing a violation or issuing an administrative action based upon violations of child care licensure law or rules based upon its investigation. Citations of violations or administrative actions issued pursuant to this subsection shall not be confidential.

(i) During the pendency of an investigation, all matters regarding the investigation, including, but not limited to, any complaint, allegation, or documentation regarding inspections or the identity of the reporter, shall be held in strictest confidence as provided by subsection (j) of this section. Following a determination that maltreatment has occurred, the investigation findings shall be made public, as well as the date of any visits made pursuant to the investigation, and any corrective action taken, if applicable. DCDEE shall not post on its Internet Web site that a maltreatment investigation occurred if the allegation of maltreatment was unsubstantiated.

(j) Regardless of the Department's final determination regarding child maltreatment, all information received by the Department during the course of its investigation shall be held in the strictest confidence by the Department, except for the following:

(1) The Department shall disclose confidential information, other than the identity of the reporter, to any federal, State, or local government entity or its agent in order to protect a juvenile from child maltreatment, abuse, or neglect. Any confidential information disclosed to any federal, State, or local government entity or its agent pursuant to this subdivision shall remain confidential with the other government entity or its agent and shall only be

redisclosed for purposes directly connected with carrying out that entity's mandated responsibilities.

(2) The Department shall only disclose information identifying the reporter pursuant to a court order, except that the Department may disclose information identifying the reporter without a court order only to a federal, State, or local government entity that demonstrates a need for the reporter's name to carry out the entity's mandated responsibilities.

(3) A district court, superior court, or administrative law judge of this State presiding over a civil matter in which the Department is not a party may order the Department to release confidential information. The court may order the release of confidential information after providing the Department with reasonable notice and an opportunity to be heard and then determining that the information is relevant, necessary to the trial of the matter before the court, and unavailable from any other source.

(k) When a report of child maltreatment alleges facts that indicate that a report is required under G.S. 7B-301, the Department shall contact the local department of social services in the county where the juvenile resides or is found and make the necessary report.

(l) In performing any duties related to the assessment of a report of child maltreatment, the Department may consult with any public or private agencies or individuals, including the available State or local law enforcement officers, probation and parole officers, and the director of any county department of social services who shall assist in the assessment and evaluation of the seriousness of any report of child maltreatment when requested by the Department. The Department or the Department's representatives may make a written demand for any information or reports, whether or not confidential, that may in the Department's opinion be relevant to the assessment of the report. Upon the Department or the Department's representative's request and unless protected by attorney-client privilege, any public or private agency or individual shall provide access to and copies of this confidential information and the records required by this subsection, to the extent permitted by federal law and regulations.

(m) The North Carolina Child Care Commission shall adopt, amend, and repeal all rules necessary for the implementation of this section. Rules promulgated subject to this section shall be exempt from the provisions of G.S. 150B-19.1(e) and (f).

"**§ 110-105.4. Duty to report child maltreatment.**

(a) Any person who has cause to suspect that a child in a child care facility has been maltreated, as defined by G.S. 110-105.3, or has died as the result of maltreatment occurring in a child care facility, shall report the case of that child to the Department. The report may be made orally, by telephone, or in writing. The report shall include information as is known to the person making the report, including (i) the name and address of the child care facility where the child was allegedly maltreated, (ii) the name and address of the child's parent, guardian, or caretaker, (iii) the age of the child, (iv) the present whereabouts of the child if not at the home address, (v) the nature and extent of any injury or condition resulting from maltreatment, and (vi) any other information the person making the report believes might assist in the investigation of the report. If the report is made orally or by telephone, the person making the report shall give the person's name, address, and telephone number. Refusal of the person making the report to give a name shall not preclude the Department's assessment of the alleged maltreatment.

(b) Upon receipt of any report of maltreatment involving sexual abuse of the child in a child care facility, the Department shall notify the State Bureau of Investigation within 24 hours or on the next workday. If sexual abuse in a child care facility is not alleged in the initial report, but during the course of the assessment there is reason to suspect that sexual abuse has occurred, the Department shall immediately notify the State Bureau of Investigation. Upon notification that sexual abuse may have occurred in a child care facility, the State Bureau of Investigation may form a task force to investigate the report.

"**§ 110-105.5. Child maltreatment registry.**

(a) The Department shall establish and maintain a registry containing the names of all caregivers who have been confirmed by the Department of having maltreated a child pursuant to G.S. 110-105.3.

(b) Individuals who wish to contest findings under subsection (a) of this section are entitled to an administrative hearing as provided by the Administrative Procedure Act under Chapter 150B of the General Statutes. A petition for a contested case shall be filed within 30 days of the mailing of the written notice of the Department's intent to place its findings about the person in the Child Maltreatment Registry.

(c) Individuals whose names are listed on the Registry shall not be a caregiver as defined in G.S. 110-105.3(b)(2) at any licensed child care facility or religious-sponsored child care facility.

(d) No person shall be liable for providing any information for the Child Maltreatment Registry if the information is provided in good faith. Neither an employer, potential employer, nor the Department shall be liable for using any information from the Child Maltreatment Registry if the information is used in good faith for the purpose of screening prospective applicants for employment or reviewing the employment status of an employee. The immunity established by this subsection does not extend to malicious conduct or intentional wrongdoing.

(e) Upon request, a child care facility, as defined in G.S. 110-105.3, is permitted to provide confidential or other identifying information to the Department, including social security numbers, taxpayer identification numbers, parent's legal surname prior to marriage, and dates of birth, for the purpose of verifying the identity of the accused caregiver.

(f) With the exception of the names of individuals listed on the Child Maltreatment Registry, all other information received by or pertaining to the Child Maltreatment Registry shall be confidential and is not a public record under Chapter 132 of the General Statutes.

(g) In order to determine an individual's fitness to care for or adopt a child, information from the Child Maltreatment Registry may be used by any of the Department's divisions responsible for licensing homes or facilities that care for children, and the Department may provide information from this list to child-caring institutions, child-placing agencies, group home facilities, and other providers of foster care, child care, or adoption services.

(h) The North Carolina Child Care Commission shall adopt, amend, and repeal all rules necessary for the implementation of this section.

"**§ 110-105.6. Penalties for child maltreatment.**

(a) For purposes of this Article, child maltreatment occurring in child care facilities is a violation of this Article, licensure standards, and licensure laws.

(b) Pursuant to G.S. 110-105.3, when an investigation confirms that child maltreatment did occur in a child care facility, the Department may issue an administrative action up to and including summary suspension and revocation of the facility's child care license.

(c) If the facility is permitted to remain open after an administrative action has been issued, the administrative action shall specify any corrective action to be taken by the operator.

(d) The Department shall make unannounced visits to determine whether the corrective action has occurred. If the corrective action has not occurred, then the Department may take further action against the facility as necessary to protect the health, safety, or welfare of the children at the child care facility.

(e) Administrative actions issued shall include a statement of the reasons for the action and shall specify corrective action that shall be taken by the operator.

(f) Under the terms of the administrative action, the Department may limit enrollment of new children until satisfied the situation giving rise to the confirmation of child maltreatment no longer exists.

(g) Specific corrective action required by an administrative action authorized by this Article may include the removal of the individual responsible for child maltreatment from child care pending a final determination or appeal of the individual's placement on the Child Maltreatment Registry.

(h) Nothing in this section shall restrict the Department from using any other statutory or administrative remedies available."

SECTION 9. This act becomes effective January 1, 2016.

In the General Assembly read three times and ratified this the 24th day of June, 2015.

Became law upon approval of the Governor at 4:00 p.m. on the 29th day of June, 2015.

Session Law 2015-124 **H.B. 55**

AN ACT TO AMEND THE LAW REGARDING PYROTECHNIC EXHIBITIONS AUTHORIZED BY NORTH CAROLINA STATE UNIVERSITY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 14-410(a1) reads as rewritten:

"(a1) It shall be permissible for pyrotechnics to be exhibited, used, handled, manufactured, or discharged within the State, provided all of the following apply:

(1) The exhibition, use, or discharge is at a concert or public exhibition.

(2) All individuals who exhibit, use, handle, or discharge pyrotechnics in connection with a concert or public exhibition have completed the training and licensing required under Article 82A of Chapter 58 of the General Statutes. The display operator or proximate audience display operator, as required under Article 82A of Chapter 58 of the General Statutes, must be present at the concert or public exhibition and must personally direct all aspects of exhibiting, using, handling, or discharging the pyrotechnics. Notwithstanding this subdivision, the display operator for the University of North Carolina School of the Arts may appoint an on-site representative to supervise any performances that include a proximate audience display subsequent to the opening performance, provided that the representative (i) is a minimum of 21 years of age and (ii) is properly trained in the safe discharge of proximate audience displays.

(3) The display operator has secured written authority under G.S. 14-413 from the board of county commissioners of the county, or the city if authorized under G.S. 14-413(a1), in which the pyrotechnics are to be exhibited, used or discharged. Written authority from the board of commissioners or city is not required under this subdivision for a concert or public exhibition provided the display operator has secured written authority from (i) The University of North Carolina or the University of North Carolina at Chapel Hill under G.S. 14-413, and pyrotechnics are exhibited on lands or buildings in Orange County owned by The University of North Carolina or the University of North Carolina at Chapel ~~Hill or~~ Hill, (ii) the University of North Carolina School of the Arts and pyrotechnics are exhibited on lands or in buildings owned by the State and used by the University of North Carolina School of the ~~Arts.~~ Arts, or (iii) The University of North Carolina or North Carolina State University under G.S. 14-413, and pyrotechnics are exhibited on lands or buildings in Wake County owned by The University of North Carolina or North Carolina State University."

SECTION 2. G.S. 14-413 reads as rewritten:

"§ **14-413. Permits for use at public exhibitions.**

(a) For the purpose of enforcing the provisions of this Article, the board of county commissioners of any county, or the governing board of a city authorized pursuant to subsection (a1) of this section, may issue permits for use in connection with the conduct of concerts or public exhibitions, such as fairs, carnivals, shows of all descriptions and public

celebrations, but only after satisfactory evidence is produced to the effect that said pyrotechnics will be used for the aforementioned purposes and none other. Provided that no such permit shall be required for a public exhibition under any of the following circumstances:

(1) The exhibition is authorized by The University of North Carolina or the University of North Carolina at Chapel Hill and conducted on lands or in buildings in Orange County owned by The University of North Carolina or the University of North Carolina at Chapel Hill.

(2) The exhibition is authorized by the University of North Carolina School of the Arts and conducted on lands or in buildings owned by the State and used by the University of North Carolina School of the Arts.

(3) The exhibition is authorized by The University of North Carolina or North Carolina State University and conducted on lands or in buildings in Wake County owned by The University of North Carolina or North Carolina State University.

(a1) For the purpose of enforcing the provisions of this Article, a board of county commissioners may authorize the governing body of any city in the county to issue permits pursuant to the provisions of this Article for pyrotechnics to be exhibited, used, or discharged within the corporate limits of the city for use in connection with the conduct of concerts or public exhibitions. The board of county commissioners shall adopt a resolution granting the authority to the city, and it shall remain in effect until withdrawn by the board of county commissioners adopting a subsequent resolution withdrawing the authority. If a city lies in more than one county, the board of county commissioners of each county in which the city lies must adopt an authorizing resolution. If any county in which the city lies withdraws the authority of the city to issue permits for the use of pyrotechnics, the authority of the city to issue permits for the use of pyrotechnics will end, and all counties within which the city lies must resume their authority to issue the permits.

(b) For any indoor use of pyrotechnics at a concert or public exhibition, the board of commissioners or the governing body of an authorized city may not issue any permit unless the local fire marshal or the State Fire Marshal (or in the case of The University of North ~~Carolina or~~Carolina, the University of North Carolina at Chapel ~~Hill~~ Hill, or North Carolina State University it may not authorize such concert or public exhibition unless the State Fire Marshal) has certified that:

(1) Adequate fire suppression will be used at the site.

(2) The structure is safe for the use of such pyrotechnics with the type of fire suppression to be used.

(3) Adequate egress from the building is available based on the size of the expected crowd.

(c) The requirements of subsection (b) of this section also apply to any city authorized to grant pyrotechnic permits by local act and to the officer delegated the power to grant such permits by local act.

(d) A board of county commissioners or the governing board of a city shall not issue a permit under this section unless the display operator provides proof of insurance in the amount of at least five hundred thousand dollars ($500,000) or the minimum amount required under the North Carolina State Building Code pursuant to G.S. 143-138(e), whichever is greater. A board of county commissioners or the governing board of a city may require proof of insurance that exceeds these minimum requirements."

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 25th day of June, 2015.

Became law upon approval of the Governor at 4:00 p.m. on the 29th day of June, 2015.

Session Law 2015-125 **H.B. 148**

AN ACT TO REQUIRE OWNERS OF MOPEDS TO HAVE IN FULL FORCE AND EFFECT A POLICY OF FINANCIAL RESPONSIBILITY AND TO MAKE CLARIFYING CHANGES RELATED TO THE LAW REQUIRING THE REGISTRATION OF MOPEDS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-4.01(23) reads as rewritten:

"(23) Motor Vehicle. – Every vehicle which is self-propelled and every vehicle designed to run upon the highways which is pulled by a self-propelled vehicle. ~~This~~Except as specifically provided otherwise, this term shall not include mopeds as defined in G.S. 20-4.01(27)d1."

SECTION 2. G.S. 20-279.1 is amended by adding a new subdivision to read:

"(6a) Motor vehicle. – This term includes mopeds, as that term is defined in G.S. 20-4.01."

SECTION 3. G.S. 20-309(a) reads as rewritten:

"(a) No motor vehicle shall be registered in this State unless the owner at the time of registration provides proof of financial responsibility for the operation of such motor vehicle, as provided in this Article. The owner of each motor vehicle registered in this State shall maintain financial responsibility continuously throughout the period of registration. For purposes of this Article, the term "motor vehicle" includes mopeds, as that term is defined in G.S. 20-4.01."

SECTION 4. G.S. 58-36-3 reads as rewritten:

"§ **58-36-3. Limitation of scope; motorcycle and moped endorsements allowed; Department of Insurance report.**

(a) The Bureau has no jurisdiction over:

…

(7) Personal excess liability or personal "umbrella" insurance.

(8) Liability insurance and theft or physical damage insurance on mopeds, as defined in G.S. 105-164.3.

(b) Member companies writing motorcycle liability insurance under this Article and writing insurance against theft of or physical damage to motorcycles under Article 40 of this Chapter may incorporate motorcycle theft and physical damage coverage as an endorsement to the liability policy issued under this Article. Member companies writing moped liability insurance or theft and physical damage insurance under Article 40 of this Chapter may incorporate either or both types of insurance as an endorsement to liability and physical damage policies issued under this Article.

…."

SECTION 5. G.S. 58-37-1(6) reads as rewritten:

"(6) "Motor vehicle" means every self-propelled vehicle that is designed for use upon a highway, including trailers and semitrailers designed for use with such vehicles (except traction engines, road rollers, farm tractors, tractor cranes, power shovels, and well drillers). "Motor vehicle" also means a motorcycle, as defined in G.S. 20-4.01(27)d. "Motor vehicle" does not mean a moped, as defined in G.S. 105-164.3. Notwithstanding any other provisions of this Article, liability insurance on a moped is not eligible for cession to the Facility."

SECTION 6. G.S. 58-40-10(1) reads as rewritten:

"(1) "Private passenger motor vehicle" means:

a. A motor vehicle of the private passenger or station wagon type that is owned or hired under a long-term contract by the policy named insured and that is neither used as a public or livery conveyance for passengers nor rented to others without a driver; or

b. A motor vehicle that is a pickup truck or van that is owned by an individual or by husband and wife or individuals who are residents of the same household if it:
   1. Has a gross vehicle weight as specified by the manufacturer of less than 14,000 pounds; and
   2. Is not used for the delivery or transportation of goods or materials unless such use is (i) incidental to the insured's business of installing, maintaining, or repairing furnishings or equipment, or (ii) for farming or ranching. Such vehicles owned by a family farm copartnership or a family farm corporation shall be considered owned by an individual for the purposes of this section; or

c. A motorcycle, motorized scooter or other similar motorized vehicle not used for commercial purposes. A moped, as defined in G.S. 105-164.3, is not considered a motorcycle, motorized scooter, or other similar motorized vehicle."

SECTION 7. G.S. 58-40-15 reads as rewritten:

"§ **58-40-15. Scope of application.**

The provisions of this Article shall apply to all insurance on risks or on operations in this State, ~~except:~~except for all of the following:

(1) Reinsurance, other than joint reinsurance to the extent stated in ~~G.S. 58-40-60;~~G.S. 58-40-60.
(2) Any policy of insurance against loss or damage to or legal liability in connection with property located outside this State, or any motor vehicle or aircraft principally garaged and used outside of this State, or any activity wholly carried on outside this ~~State;~~State.
(3) Insurance of vessels or craft, their cargoes, marine builders' risks, marine protection and indemnity, or other risks commonly insured under marine, as distinguished from inland marine, insurance ~~policies;~~policies.
(4) Accident, health, or life ~~insurance;~~insurance.
(5) ~~Annuities;~~Annuities.
(6) Repealed by Session Laws 1985, c. 666, s. 43.
(7) Mortgage guaranty ~~insurance;~~insurance.
(8) Workers' compensation and employers' liability insurance written in connection ~~therewith;~~therewith.
(9) For private passenger (nonfleet) motor vehicle liability insurance, automobile medical payments insurance, uninsured motorists' coverage and other insurance coverages written in connection with the sale of such liability insurance; except this Article applies to motor vehicle liability insurance, automobile medical payments insurance, uninsured motorists' coverage, and theft or physical damage insurance on mopeds, as defined in G.S. 105-164.3.
(10) Theft of or physical damage to nonfleet private passenger motor vehicles; except this Article applies to insurance against theft of or physical damage to motorcycles, as defined in ~~G.S. 20-4.01(27)d.; and~~G.S. 20-4.01(27)d.
(11) Insurance against loss to residential real property with not more than four housing units located in this State or any contents thereof or valuable interest therein and other insurance coverages written in connection with the sale of such property insurance. Provided, however, that this Article shall apply to insurance against loss to farm dwellings, farm buildings and their appurtenant structures, farm personal property and other coverages written in connection with farm real or personal property; travel or camper trailers designed to be pulled by private passenger motor vehicles unless insured

under policies covering nonfleet private passenger motor vehicles; residential real and personal property insured in multiple line insurance policies covering business activities as the primary insurable interest; and marine, general liability, burglary and theft, glass, and animal collision insurance except when such coverages are written as an integral part of a multiple line insurance policy for which there is an indivisible premium.

The provisions of this Article shall not apply to hospital service or medical service corporations, investment companies, mutual benefit associations, or fraternal beneficiary associations."

SECTION 8. G.S. 20-286(10) reads as rewritten:

"(10) Motor vehicle. – Any motor propelled vehicle, trailer or semitrailer, required to be registered under the laws of this State. This term does not include mopeds, as that term is defined in G.S. 20-4.01.

a. "New motor vehicle" means a motor vehicle that has never been the subject of a completed, successful, or conditional sale that was subsequently approved other than between new motor vehicle dealers, or between manufacturer and dealer of the same franchise.

b. "Used motor vehicle" means a motor vehicle other than described in paragraph (10)a above."

SECTION 9. G.S. 20-53.4 reads as rewritten:

"§ **20-53.4. Registration of ~~Mopeds.~~mopeds; certificate of title.**

(a) Registration. – Mopeds shall be registered with the Division. The owner of the moped shall pay the same base fee and be issued the same type of registration card and plate issued for a motorcycle. In order to be registered with the Division and operated upon a highway or public vehicular area, a moped must meet the following requirements:

(1) The moped has a manufacturer's certificate of origin.

(2) The moped was designed and manufactured for use on highways or public vehicular areas.

(b) Certificate of Title. – Notwithstanding G.S. 20-52 and G.S. 20-57, the owner of a moped is not required to apply for, and the Division is not required to issue, a certificate of title."

SECTION 10. Sections 8 and 9 of this act become effective July 1, 2015. The remainder of this act becomes effective July 1, 2016, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 24th day of June, 2015.

Became law upon approval of the Governor at 4:00 p.m. on the 29th day of June, 2015.

Session Law 2015-126 **S.B. 333**

AN ACT TO REQUIRE THAT THE STATE BOARD OF EDUCATION INCLUDE SPECIFIC DATA IN ITS ANNUAL REPORT ON THE TEACHING PROFESSION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-12(22) reads as rewritten:

"(22) Duty to Monitor the ~~Decisions of Teachers to Leave the Teaching Profession.~~ State of the Teaching Profession in North Carolina. – The State Board of Education shall monitor and compile an annual report on the state of the teaching profession in North Carolina that includes data on the decisions of teachers to leave the teaching profession. The State Board shall adopt standard procedures for each local board of education to use in requesting the information from teachers who are not continuing to work as

teachers in the local school administrative unit and shall require each local board of education to report the information to the State Board in a standard format adopted by the State Board.

a. The annual teacher transition report shall include data on the following:
   1. The number of teachers who left the profession without remaining in the field of education and the reasons for teachers leaving the profession.
   2. The number of teachers who left their employment to teach in other states.
   3. The number of teachers who left their employment to work in another school in North Carolina, including nonpublic schools and charter schools.
   4. The number of teachers who left a classroom position for another type of educational position.
   5. The number of teachers who left employment in hard-to-staff schools. A hard-to-staff school shall be any school identified as low-performing, as provided in G.S. 115C-105.37.
   6. The number of teachers who left employment in hard-to-staff subject areas. A hard-to-staff subject area is either of the following:
      I. As defined by the United States Department of Education.
      II. A subject area that has resulted in a long-term vacancy of 16 months or more at a particular school in a local school administrative unit.

b. The annual teacher transition report by the State Board of Education shall disaggregate the data included in sub-subdivision a. of this subdivision by teacher effectiveness status at a statewide level. The report shall not disaggregate data on teacher effectiveness status at a local school administrative unit level.
   1. Notwithstanding Article 21A of this Chapter, local school administrative units shall provide to the State Board of Education for the purposes of this report any North Carolina Educator Evaluation System (NCEES) effectiveness status assigned to teachers who left employment.
   2. The State Board of Education shall not report disaggregated data that reveals confidential information in a teacher's personnel file, as defined by Article 21A of this Chapter, such as making the effectiveness status personally identifiable to an individual teacher."

SECTION 2. This act is effective when it becomes law and applies beginning with the annual report compiled in 2017 using data from the 2016-2017 school year. Beginning in 2016, the annual report compiled as required by G.S. 115C-12(22) shall be titled "State of the Teaching Profession in North Carolina."

In the General Assembly read three times and ratified this the 24th day of June, 2015.

Became law upon approval of the Governor at 4:10 p.m. on the 29th day of June, 2015.

Session Law 2015-127 **H.B. 307**

AN ACT AMENDING THE CHARTER OF THE TOWN OF ZEBULON TO REMOVE RESTRICTIONS ON THE USE OF CERTAIN FEES COLLECTED BY THE TOWN.

The General Assembly of North Carolina enacts:

SECTION 1. Section 8.30 of the Charter of the Town of Zebulon, being Chapter 386 of the 1973 Session Laws, as amended by Chapter 606 of the 1989 Session Laws, and renumbered as Section 6.29 by Town Ordinance No. 2015-09 adopted pursuant to G.S. 160A-496, reads as rewritten:

"Sec. 6.29. Road or Drainage Projects Fees.

…

(c) Requirements and limitations.

…

(3) The amount of each fee imposed and collected hereunder shall be based upon reasonable and uniform considerations of capital costs to be incurred by the Town as a result of new construction and shall bear a reasonable relationship to such capital costs. In addition, the fee shall be rationally related to and no greater than the amount roughly proportional to the impact reasonably expected to be generated by the new construction. Such fee shall be based upon reasonable classifications and rates which shall be uniformly applied to all members of a class; however, the fees may differ within zones which may be established depending on the special needs and costs of road and drainage projects in such zones. To the extent that the developer installs and dedicates road or public storm drainage improvements for which the use of the fee is designated, which immediately become the property of the Town or another unit of government, and which are not otherwise reimbursed by the Town, the fee shall be reduced by an amount equal to the value of the improvements or dedications.

(4) All monies from fees collected hereunder shall be placed in a separate trust fund. ~~Expenditures from such trust fund for any one road or drainage project shall not exceed fifty percent (50%) of the capital costs of such individual project.~~ No expenditures from such trust fund shall be made for any purpose other than a road or drainage project undertaken by the Town, or by the Town in conjunction with other units of government. All expenditures from the trust fund for any road or drainage project shall be in accordance with the general laws of the State of North Carolina. Road or drainage project fees shall be spent for those community service facilities authorized by this ~~Section 8.30 which the Town provides within six years after its collection and within 10 years for those community service facilities authorized by this Section 8.30 which the Town provides in conjunction with other units of government~~section within 10 years after its collection."

SECTION 2. Section 8.31 of the Charter of the Town of Zebulon, being Chapter 386 of the 1973 Session Laws, as amended by Chapter 606 of the 1989 Session Laws, and renumbered as Section 6.30 by Town Ordinance No. 2015-09 adopted pursuant to G.S. 160A-496, reads as rewritten:

"Sec. 6.30. Open Space Project Fees.

…

(c) Requirements and limitations.

…

(3) The amount of each fee imposed and collected hereunder shall be based upon reasonable and uniform considerations of capital costs to be incurred by the Town as a result of new construction and shall bear a reasonable

relationship to such capital costs. In addition, the fee shall be rationally related to and no greater than the amount roughly proportional to the impact reasonably expected to be generated by the new construction. Such fee shall be based upon reasonable classifications and rates which shall be uniformly applied to all members of a class; however, the fees may differ within zones which may be established depending on the special needs and costs of open space projects in such zones. To the extent that the developer acquires and dedicates open space for open space projects for which the use of the fee is designated, which immediately becomes the property of the Town, or another unit of government, and which is not otherwise reimbursed by the Town, the fee shall be reduced by an amount equal to the value of the open space dedications.

(4) All monies from fees collected hereunder shall be placed in a separate trust fund. ~~Expenditures from such trust fund for any one open space project shall not exceed fifty percent (50%) of the capital costs of such individual project.~~ No expenditures from such trust fund shall be made for any purpose other than an open space project undertaken by the Town, or by the Town in conjunction with other units of government. All expenditures from the trust fund for any open space project shall be in accordance with the general laws of the State of North Carolina. Open space project fees shall be spent for those community service facilities authorized by this ~~Section 8.31 which the Town provides within six years after its collection and within 10 years for those community service facilities authorized by this Section 8.31 which the Town provides in conjunction with other units of government.~~section within 10 years after its collection."

SECTION 3. Section 8.32 of the Charter of the Town of Zebulon, being Chapter 386 of the 1973 Session Laws, as amended by Chapter 606 of the 1989 Session Laws, and renumbered as Section 6.31 by Town Ordinance No. 2015-09 adopted pursuant to G.S. 160A-496, reads as rewritten:

"Sec. 6.31. Recreation Project Fees.

…

(c) Requirements and limitations.

…

(3) The amount of each fee imposed and collected hereunder shall be based upon reasonable and uniform considerations of capital costs to be incurred by the Town as a result of new construction and shall bear a reasonable relationship to such capital costs. In addition, the fee shall be rationally related to and no greater than the amount roughly proportional to the impact reasonably expected to be generated by the new construction. Such fee shall be based upon reasonable classifications and rates which shall be uniformly applied to all members of a class; however, the fees may differ within zones which may be established depending on the special needs and costs of recreational projects in such zones. To the extent that the developer acquires and dedicates recreational land or recreational facilities for which the use of the fee is designated, which immediately become the property of the Town, or another unit of government, and which are not otherwise reimbursed by the Town, the fee shall be reduced by an amount equal to the value of the land and recreational facilities so dedicated.

(4) All monies from fees collected hereunder shall be placed in a separate trust fund. ~~Expenditures from such trust fund for any one recreational project shall not exceed fifty percent (50%) of the capital costs of such individual project.~~ No expenditures from such trust fund shall be made for any purpose other than recreation projects undertaken by the Town, or by the Town in

conjunction with other units of government. All expenditures from the trust fund for any recreation project shall be in accordance with the general laws of the State of North Carolina. Recreation project fees shall be spent for those community service facilities authorized by this ~~Section 8.32 which the Town provides within six years after its collection and within 10 years for those community service facilities authorized by this Section 8.32 which the Town provides in conjunction with other units of government.~~section within 10 years after its collection."

SECTION 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2015.

Became law on the date it was ratified.

Session Law 2015-128 **H.B. 347**

AN ACT TO MODIFY THE AUTHORIZATION TO GRAHAM COUNTY TO LEVY AN OCCUPANCY TAX, TO AUTHORIZE BUNCOMBE COUNTY TO INCREASE ITS ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX TO SIX PERCENT AND TO MAKE OTHER ADMINISTRATIVE CHANGES, AND TO AUTHORIZE THE GUILFORD COUNTY COMMISSIONERS AND ROCKINGHAM COUNTY COMMISSIONERS TO CALL A SPECIAL ELECTION IN THE STOKESDALE FIRE PROTECTION DISTRICT FOR THE PURPOSE OF SUBMITTING TO THE QUALIFIED VOTERS THEREIN THE QUESTION OF INCREASING THE ALLOWABLE SPECIAL TAX FOR FIRE PROTECTION WITHIN THAT DISTRICT FROM TEN CENTS ON THE ONE HUNDRED DOLLARS VALUATION TO FIFTEEN CENTS ON THE ONE HUNDRED DOLLARS VALUATION ON ALL TAXABLE PROPERTY WITHIN SUCH DISTRICT.

The General Assembly of North Carolina enacts:

SECTION 1. Section 1 of Chapter 969 of the 1985 Session Laws, as amended by Chapters 118 and 195 of the 1987 Session Laws and Section 21(k) of S.L. 2007-527, and only as it applies to Graham County, is rewritten and recodified as Sections 2 and 3 of this act. This act does not affect the rights or liabilities of the county, a taxpayer, or another person arising under the law rewritten and recodified by this act before the effective date of this act, nor does it affect the right to any refund or credit of a tax that accrued under the law rewritten and recodified by this act before the effective date of this act.

SECTION 2. Occupancy tax. – (a) Authorization and Scope. – The Graham County Board of Commissioners may levy a room occupancy tax of three percent (3%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the county that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious organizations when furnished in furtherance of their nonprofit purpose.

SECTION 2.(b) Administration. – A tax levied under this act shall be levied, administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax levied under this Part.

SECTION 2.(c) Definitions. – The following definitions apply in this act:

(1) Net proceeds. – Gross proceeds less the cost to the county of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars ($500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross proceeds collected each year.

(2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.

(3) Tourism-related expenditures. – Expenditures that, in the judgment of the Graham County Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the county or to attract tourists or business travelers to the county. The term includes tourism-related capital expenditures.

SECTION 2.(d) Distribution and Use of Tax Revenue. – Graham County shall, on a quarterly basis, remit the net proceeds of the occupancy tax levied under this act to the Graham County Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Graham County and shall use the remainder for tourism-related expenditures.

SECTION 3. Tourism Development Authority. – (a) Appointment and Membership. – The Graham County Board of Commissioners shall adopt a resolution modifying the Graham County Tourism Development Authority to conform with the requirements of this section. The Authority shall be a public authority under the Local Government Budget and Fiscal Control Act. The resolution adopted by the Board of Commissioners shall provide for the membership of the Authority, including the members' terms of office, and for the filling of vacancies on the Authority. At least one-third of the members shall be individuals who are affiliated with businesses that collect the tax in the county, and at least one-half of the members shall be individuals who are currently active in the promotion of travel and tourism in the county. The Board of Commissioners shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The Finance Officer for Graham County shall be the ex officio finance officer of the Authority.

SECTION 3.(b) Duties. – The Authority shall expend the net proceeds of the tax levied under Section 2 of this act for the purposes provided in this act. The Authority shall promote travel, tourism, and conventions in the county, sponsor tourist-related events and activities in the county, and finance tourist-related capital projects in the county.

SECTION 3.(c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to the Graham County Board of Commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the Board of Commissioners may require.

SECTION 3.(d) The Graham County Board of Commissioners shall adopt the resolution required by this section within 60 days of the effective date of this act.

SECTION 4. Section 3 of Chapter 969 of the 1985 Session Laws, as amended by S.L. 2011-170, reads as rewritten:

"**Sec. 3.** This act applies only to the following counties: ~~Graham,~~ Clay, Durham, Macon, Polk, and Transylvania."

SECTION 5. Section 3 of Chapter 118 of the 1987 Session Laws, as amended by S.L. 2011-170, reads as rewritten:

"**Sec. 3.** This act applies only to the following counties: ~~Clay, Graham,~~Clay and Macon."

SECTION 6. Section 2 of Chapter 195 of the 1987 Session Laws, as amended by S.L. 2011-170, reads as rewritten:

"**Sec. 2.** This act applies only to the following counties: ~~Clay, Graham,~~Clay and Macon."

SECTION 7. G.S. 153A-155(g) reads as rewritten:

"(g) Applicability. – Subsection (c) of this section applies to all counties and county districts that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of

a local act, subsection (c) supersedes that provision. The remainder of this section applies only to Alleghany, Anson, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell, Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin, Durham, Edgecombe, Forsyth, Franklin, Graham, Granville, Halifax, Haywood, Henderson, Jackson, Madison, Martin, McDowell, Montgomery, Moore, Nash, New Hanover, Northampton, Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham, Rowan, Rutherford, Sampson, Scotland, Stanly, Swain, Transylvania, Tyrrell, Vance, Washington, and Wilson Counties, to New Hanover County District U, to Surry County District S, to Watauga County District U, to Wilkes County District K, to Yadkin County District Y, and to the Township of Averasboro in Harnett County and the Ocracoke Township Taxing District."

SECTION 8.(a) Part VI of Chapter 908 of the 1983 Session Laws, as amended by Section 1 of Chapter 942 of the 1985 Session Laws, S.L. 2001-162, and Section 60(a) of S.L. 2013-414, reads as rewritten:

"PART VI. BUNCOMBE OCCUPANCY TAX.

"Sec. 17. Authorization and ~~Scope.~~Scope. – (a) The Board of Commissioners of Buncombe County may levy a room occupancy and tourism development tax of up to two percent (2%) of the gross receipts derived from the rental of accommodations within the county that are subject to sales tax imposed by the State under G.S. 105-164.4(a)(3).

"Sec. 18. Repealed.

"Sec. 19. Administration of ~~Tax.~~Tax. – A tax levied under this act shall be levied, administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax levied under this act.

"Sec. 20. Repealed.

"Sec. 21. Disposition of Taxes ~~Collected.~~ Collected. – (a) Buncombe County shall remit the net proceeds of the occupancy tax to the county Tourism Development Authority in Buncombe County. "Net proceeds" means gross proceeds less the cost to the county of administering and collecting the tax. The Authority may not use more than ten percent (10%) of the funds distributed to it pursuant to this subsection for administrative expenses of the Authority.

(b) The Authority may expend any funds distributed to it pursuant to subsection (a) of this section only as follows:

(1) Three-fourths of the funds may be used only to further the development of travel, tourism, and conventions in the county through State, national, and international advertising and promotion.

(2) The Authority shall create a Tourism Product Development Fund and, in order to further economic development in the county, shall credit the remainder of the funds to the Tourism Product Development Fund. The purpose of the fund shall be to provide financial assistance for major tourism projects in order to significantly increase patronage of lodging facilities in Buncombe County.

(c) The Authority shall administer and spend the funds in the Tourism Product Development Fund as follows:

(1) The Authority shall create a Product Development Committee to review and evaluate proposals from applicants for tourism capital projects and to make recommendations to the Authority regarding use and disposition of funds derived from the Tourism Product Development Fund. A for-profit entity is not eligible to receive funds or loans from the Product Development Fund. Only upon recommendation of the Product Development Committee, the Authority may award funds to qualified projects in the form of outright grants of money and may guarantee loans and participate in pledges of debt service for these projects. Projects must be located in Buncombe County unless the Commissioners of Buncombe County give specific approval to projects outside the county. Applicants must provide a feasibility study

satisfactory to the Product Development Committee demonstrating the project's economic value to the area and the number of estimated new room nights it will generate.

(2) To be a qualified project, a project must be expected to significantly increase patronage of lodging facilities in Buncombe County.

(3) The Authority is not required to exhaust all of the funds generated each year and may accumulate money in order to create a revolving fund to further the purposes of this section. The Authority may not commit for purposes of debt service in excess of thirty-three percent (33%) of net funds received in any one year for a period of time in excess of 10 years. The Authority may not commit for purposes of debt service in excess of ten percent (10%) of net funds received in any one year for any single project.

(4) The Product Development Committee need not be comprised solely of members of the Authority. A majority of the members of the Product Development Committee must be persons who are owners or operators of hotels, motels, or other taxable tourist accommodations.

"Sec. 22. Appointment, Duties of Tourism Development ~~Authority.~~Authority. – (a) When the board of county commissioners adopts a resolution levying a room occupancy tax pursuant to this Part, it shall also adopt a resolution creating a county Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act and shall be composed of the following ~~nine~~ 11 members:

(1) ~~a~~ A county commissioner appointed by the board of county commissioners, who shall serve as an ex officio, nonvoting member;

(2) ~~a~~ A member of the Asheville City Council appointed by the board of county commissioners, who shall serve as an ex officio, nonvoting member;

(3) ~~four~~ Six owners or operators of hotels, motels, bed and breakfasts, or vacation rental management companies, ~~or other taxable tourist accommodations, two~~ four of which own or operate hotels, motels, bed and breakfasts, or vacation rental management companies, ~~or other accommodations~~ with more than 100 rental units, ~~one~~ two of whom shall be appointed by the Asheville City Council and ~~one~~ two by the board of county commissioners; and two of which own or operate hotels, motels, bed and breakfasts, or vacation rental management companies, ~~or other accommodations~~ with 100 or fewer rental units, one of whom shall be appointed by the Asheville City Council and one by the board of county commissioners;

(4) ~~three~~ Three individuals actively involved in the tourist business who have ~~demonstrated an interest in tourist development~~ participated in tourism promotion and do not own or operate hotels, motels, or other taxable tourist accommodations, appointed as follows: one by the Asheville City Council, one by the Asheville Area Chamber of Commerce, and one by the board of county commissioners.

All members of the Authority shall serve without compensation. Vacancies in the Authority shall be filled by the appointing authority of the member creating the vacancy. Members appointed to fill vacancies shall serve for the remainder of the unexpired term for which they are appointed to fill. Members shall serve three-year terms, except the initial members who shall serve the following terms:

(1) members appointed pursuant to subdivisions (1) and (2) above shall serve one-year terms;

(2) of the members appointed pursuant to subdivision (3) above, one appointee of the city council and the board of commissioners shall serve a two-year term and one appointee of the city council and the board of commissioners

shall serve a three-year term, as designated by the city council and board of county commissioners;

(3) of the three members appointed pursuant to subdivision (4) above, the appointee of the Asheville City Council shall serve a one-year term, the appointee of the Asheville Area Chamber of Commerce shall serve a two-year term, and the appointee of the board of county commissioners shall serve a three-year term.

Members may serve no more than two consecutive terms. The members shall elect a chair, who shall serve for a term of two years. The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The finance officer for Buncombe County shall be the ex officio finance officer of the Authority.

(b) The Tourism Development Authority may contract with any person, firm, or agency to advise and assist it in the promotion of travel, tourism, and conventions and may recommend to the board of county commissioners that county staff be employed for this advice and assistance. Any county staff employed under this Part shall be hired and supervised by the Tourism Development Authority, which shall pay the salaries and expenses of this staff.

(c) The Tourism Development Authority shall report quarterly and at the close of the fiscal year to the board of county commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the board may require.

"Sec. 23. Repealed.

"Sec. 23.1. First Additional ~~Tax.~~Tax. – In addition to the tax authorized by Section 17 of this Part, the Buncombe County Board of Commissioners may levy an additional room occupancy and tourism development tax of one percent (1%) of the gross receipts derived from the rental of accommodations taxable under that section. The levy, collection, administration, and repeal of the tax authorized by this section, and the use of tax revenue from a tax levied under this section, shall be in accordance with Sections 17 through ~~23~~22 of this Part. Buncombe County may not levy a tax under this section unless it also levies a tax under Section 17 of this Part.

"Sec. 23.2. Second Additional ~~Tax.~~Tax. – In addition to the tax authorized by Sections 17 and 23.1 of this Part, the Buncombe County Board of Commissioners may levy an additional room occupancy and tourism development tax of one percent (1%) of the gross receipts derived from the rental of accommodations taxable under those sections. The levy, collection, administration, and repeal of the tax authorized by this section, and the use of tax revenue from a tax levied under this section, shall be in accordance with Sections 17 through ~~23~~22 of this Part. Buncombe County may not levy a tax under this section unless it also levies the taxes under Sections 17 and 23.1 of this Part.

"Sec. 23.3. Third Additional Occupancy Tax. – In addition to the tax authorized by Sections 17, 23.1, and 23.2 of this Part, the Buncombe County Board of Commissioners may levy an additional room occupancy and tourism development tax of two percent (2%) of the gross receipts derived from the rental of accommodations taxable under those sections. The levy, collection, administration, and repeal of the tax authorized by this section, and the use of tax revenue from a tax levied under this section, shall be in accordance with Sections 17 through 22 of this Part. Buncombe County may not levy a tax under this section unless it also levies the taxes under Sections 17, 23.1, and 23.2 of this Part."

SECTION 8.(b) This section is effective when it becomes law and applies to grants awarded on or after that date.

SECTION 9.(a) G.S. 69-25.1 reads as rewritten:

"§ **69-25.1. Election to be held upon petition of voters.**

Upon the petition of thirty-five percent (35%) of the resident freeholders living in an area lying outside the corporate limits of any city or town, which area is described in the petition and designated as "_____

(Here insert name)

Fire District," the board of county commissioners of the county shall call a special election in said district for the purpose of submitting to the qualified voters therein the question of levying and collecting a special tax on all taxable property in said district, of not exceeding fifteen cents (15¢) on the one hundred dollars ($100.00) valuation of property, for the purpose of providing fire protection in said district. The county tax office shall be responsible for checking the freeholder status of those individuals signing the petition and confirming the location of the property owned by those individuals. Unless specifically excluded by other law, the provisions of Chapter 163 of the General Statutes concerning petitions for referenda and special elections shall apply. If the voters reject the special tax under the first paragraph of this section, then no new election may be held under the first paragraph of this section within two years on the question of levying and collecting a special tax under the first paragraph of this section in that district, or in any proposed district which includes a majority of the land within the district in which the tax was rejected.

~~Upon the petition of thirty-five percent (35%) of the resident freeholders living in an area which has previously been established as a fire protection district and in which there has been authorized by a vote of the people a special tax not exceeding ten cents (10¢) on the one hundred dollars ($100.00) valuation of property within the area,~~ Upon request of the Town Council of the Town of Stokesdale, or upon its own motion, the board of county commissioners ~~shall~~ may call a special election in ~~said area~~ an area which has previously been established as a fire protection district and in which there has been authorized by a vote of the people a special tax not exceeding ten cents (10¢) on the one hundred dollars ($100.00) valuation of property within the area for the purpose of submitting to the qualified voters therein the question of increasing the allowable special tax for fire protection within said district from ten cents (10¢) on the one hundred dollars ($100.00) valuation to fifteen cents (15¢) on the one hundred dollars ($100.00) valuation on all taxable property within such district. Special elections on the question of increasing the allowable tax rate for fire protection shall not be held within the same district at intervals less than two years."

SECTION 9.(b) G.S. 69-25.9 reads as rewritten:

"§ **69-25.9. Procedure when area lies in more than one county.**

In the event that an area ~~petitioning for a tax election under this Article~~ lies in more than one ~~county~~ county, ~~said petition shall be submitted to the board of county commissioners of all the counties in which said area lies and~~the election ~~shall be called which~~ shall be conducted jointly by the county board of elections and the cost of same shall be shared equally by all counties.

Upon passage, the tax herein provided shall be levied and collected by each county on all of the taxable property in its portion of the fire protection district; the tax collected shall be paid into a special fund and used for the purpose of providing fire protection for the district."

SECTION 9.(c) The special elections authorized by this section shall be held on the same date in each county.

SECTION 9.(d) This section applies to the Stokesdale Fire Protection District only, which lies in Guilford and Rockingham Counties.

SECTION 10. Section 9 of this act is effective when it becomes law and expires December 1, 2016, or upon conclusion of the special elections authorized by this act. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2015.

Became law on the date it was ratified.

Session Law 2015-129 **H.B. 266**

AN ACT TO ADD CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE CITY OF LENOIR.

The General Assembly of North Carolina enacts:

SECTION 1. The following described property, referenced by the Caldwell County Tax Office Parcel Identification Number, is added to the corporate limits of the City of Lenoir: 09-164-1-2.

SECTION 2. This act becomes effective June 30, 2015.

In the General Assembly read three times and ratified this the 30th day of June, 2015.

Became law on the date it was ratified.

Session Law 2015-130 **H.B. 322**

AN ACT GRANTING AUTHORITY TO THE TOWN OF MORRISVILLE TO REQUIRE DEVELOPERS OF MULTIFAMILY UNITS TO PROVIDE FUNDS FOR RECREATIONAL LAND TO SERVE MULTIFAMILY DEVELOPMENTS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Section 1 of S.L. 2007-321 reads as rewritten:

"**SECTION 1.** The ~~town~~ Towns of Cary and Morrisville may, by ordinance, provide that a developer of multifamily units that are not subject to the subdivision ordinance shall provide funds to the town whereby the town may acquire recreational land or areas to serve the multifamily development, including the purchase of land that may be used to serve more than one multifamily development or residential subdivision within the immediate area. All funds received by the town pursuant to this section may be combined with funds received from residential subdivisions under G.S. 160A-372, and shall be used only for the acquisition or development of recreation, park, or open space sites. Any formula enacted to determine the amount of funds that are to be provided under this section shall be based on a flat fee per unit. The ordinance may allow a combination or partial payment of funds and partial dedication of land when the town council determines that this combination is in the best interests of the citizens of the area to be served."

SECTION 1.(b) Section 2 of S.L. 2007-321 reads as rewritten:

"**SECTION 2.** This act applies to the ~~town~~ Towns of Cary and Morrisville only."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of June, 2015.

Became law on the date it was ratified.

Session Law 2015-131 **H.B. 400**

AN ACT ADDING CERTAIN DESCRIBED PROPERTY TO THE CORPORATE LIMITS OF THE TOWN OF MINT HILL.

The General Assembly of North Carolina enacts:

SECTION 1. The following described property is added to the corporate limits of the Town of Mint Hill:

TRACT #1

Being all of the property shown on the plat recorded in Map Book 48, Page 489 of the Mecklenburg County Register of Deeds, entitled "Final Plat for Irongate of Mint Hill, LLC," and also shown on the plat recorded in Map Book 48, Page 894, aforesaid registry entitled "Revision of Final Plat for Reserve Properties, Inc., (owner) of (Map Book 48/489) Irongate, Map 1", reference to said plats is hereby made for a more particular description.

TRACT #2

Being all of the property shown on the plat recorded in Map Book 46, Page 525 of the Mecklenburg County Register of Deeds, entitled "Plantation Falls Map 1," and also shown

on the plat recorded in Map Book 46, Page 561, aforesaid registry entitled "Revision Plantation Falls Map 1", reference to said plats is hereby made for a more particular description.

TRACT #3

Being all of the property shown on the plat recorded in Map Book 44, Page 183 of the Mecklenburg County Register of Deeds, entitled "Revision of Map Book 34 Page 593 Pleasant Valley Subdivision", reference to said plat is hereby made for a more particular description.

SECTION 2. This act becomes effective June 30, 2015.

In the General Assembly read three times and ratified this the 30th day of June, 2015.

Became law on the date it was ratified.

Session Law 2015-132 **H.B. 426**

AN ACT TO REMOVE CERTAIN DESCRIBED PROPERTY FROM THE CORPORATE LIMITS OF THE TOWN OF WELDON.

The General Assembly of North Carolina enacts:

SECTION 1. The following described property is removed from the corporate limits of the Town of Weldon:

James R. Medlin Property

TRACT ONE

That certain tract or parcel of land in Weldon Township, Halifax County, North Carolina, and described as follows: Beginning at a point on the Southern edge of the Chantilly Road at the Northeast corner of the lands of James R. Medlin; thence South 44 degrees 27 minutes East 187.2 feet along the Southern edge of said road; thence South 36 degrees 17 minutes West 555 feet to a corner; thence North 50 degrees 46 minutes West 184.8 feet to a corner; thence North 36 degrees 17 minutes East 575.8 feet to the point of beginning, containing 2.04 acres and shown as Lot #4 on map prepared by J.W. Traylor, R.L.S., March 21, 1973, and recorded at Map Book 16, Page 12, Halifax Public Registry; and being the identical real property conveyed unto James R. Medlin by deed of Joyce M. Harris et vir, dated October 12, 1992, and recorded in Book 1548, Page 353, Halifax Public Registry.

TRACT TWO

Beginning at the point of intersection of the centerline of a State Highway running between Halifax and Roanoke Rapids, North Carolina, with the centerline of a State Highway running between Weldon and Darlington, North Carolina, said intersection being known as Days Cross Roads; thence running along the centerline of the State Highway between Halifax and Roanoke Rapids, North Carolina, S. 45° 30' E. 694.60 feet; thence S. 40° 47' E. 929.10 feet to the beginning of the tract hereinafter described; thence continuing along the said centerline S. 40° 47' E. 234.90 feet; thence S. 45° 56' E. 211.10 feet; thence S. 52° 53' E. 818.50 feet; thence S. 48° 48' E. 275.01 feet; thence leaving the centerline of the said road and running S. 41° 12' W. 236.00 feet; thence S. 48° 48' E. 213.00 feet; thence N. 41° 12' E. 236.00 feet to the centerline of the State Highway running between Halifax and Roanoke Rapids, North Carolina; thence along the centerline of the said road S. 48° 48' E. 146.50 feet; thence leaving the centerline of the said road and running S. 36° 17' W. 2118.74 feet; thence N. 53° 43' W. 1890.00 feet; thence N. 36° 17' E. 2265.99 feet to the point of beginning, containing 93.293 acres, more or less.

LESS AND EXCEPT FROM THE ABOVE DESCRIBED REAL PROPERTY:

1. That tract conveyed to Robie L. Harris et ux int Book 552, Page 217, Halifax Public Registry.
2. That tract conveyed to Robert H. Medlin in Book 841, Page 233, Halifax Public Registry.

3. That tract conveyed to Joseph Benjamin Medlin in Book 841, Page 235, Halifax Public Registry.
4. That tract conveyed to Dorothy M. Carr in Book 829, Page 117, Halifax Public Registry.
5. That tract conveyed to Joyce M. Harris in Book 829, Page 119, Halifax Public Registry.
6. That tract conveyed to James R. Medlin in Book 829, Page 121, Halifax Public Registry.

The above described real property was conveyed to James R. Medlin by deed of Robert H. Medlin et ux et al dated October 12, 1992, and recorded in Book 1548, Page 341, Halifax Public Registry.

TRACT THREE

That certain lot or parcel of land lying, being and situate in Weldon Township, Halifax County, North Carolina, and being on the South side of State Highway leading from Day's Cross Roads to Halifax, North Carolina, and more particularly described as follows: Beginning at a stake on the South side of said highway said stake being 104.17 feet East from the Northeast corner of the property line of Vernon H. Daughtry; thence along said highway S. 40 deg. 47' E. 104.16 feet to a stake; thence S. 36 deg. 17' W. 239.11 feet to a stake, thence N. 40 deg. 47' W. 104.17 feet to a stake; thence N. 36 deg. 17' E. 239.11 feet to a stake, the point of beginning. The above described real property was surveyed and platted August 18, 1962, by J.W. Traylor, R.L.S., Roanoke Rapids, North Carolina. The above described real property is the identical real property conveyed to James R. Medlin by deed of Irving G. Medlin et ux, dated August 23, 1962, and recorded in Book 668, Page 560, Halifax Public Registry. Reference to said map and deed being hereby made for a greater certainty of description.

TRACT FOUR

That certain tract or parcel of land in Weldon Township, Halifax County, North Carolina, and described as follows: Beginning at a point on the Southern edge of Chantilly Road, a corner for the lands now or formerly belonging to Vernon Daughtry; thence South 40 degrees 17 min. East 208.3 feet along the Southern edge of Chantilly Road to a corner; thence South 36 degrees 17 min. West 575.8 feet; thence North 48 degrees 52 min. West 203.6 feet to an iron; thence North 36 degrees 17 min. East 607.0 feet to the point of beginning, containing 2.77 acres and shown as Lot #5 on map of the property of Irving G. Medlin prepared by J.W. Traylor, R.L.S., March 21, 1973, and recorded in Book 17, Page 3, Halifax Public Registry.

There is excluded from the above described lands that portion of said lands conveyed unto James R. Medlin by deed recorded in Book 668, Page 560, Halifax Public Registry.

The above described real property was conveyed to James R. Medlin by deed of Irving Medlin et ux, dated May 21, 1973, and recorded in Book 829, Page 121, Halifax Public Registry.

TRACT FIVE

Those eight (8) certain lots or parcels of land lying, situate and being in Weldon Township, Halifax County, North Carolina, designated and shown as Lots Nos. One (1), Two (2), Three (3), Four (4), Five (5), Six (6), Seven (7), and Eight (8), Block "A", according to "Map Showing Property of Vernon H. Daughtry Known as 'Trading Post'", Weldon Township, Halifax County, N.C., which map or plat was prepared by J.W. Traylor, R.L.S., June 30, 1960, and is duly recorded in the Office of the Register of Deeds for Halifax County in Plat Book 9 at Page 84. The above described real property is the identical real property conveyed to James R. Medlin et ux by deed of Gilmer C. Lassiter et ux, dated October 9, 1972, and recorded in Book 806, Page 81, Halifax Public Registry. Reference to said map and deed hereby made for a greater certainty of description.

Being all of Halifax County Tax Parcel Nos. 12-01680; 12-01681; 12-01682; 12-03390; 12-03393.

Joyce M. Harris Property

That certain tract or parcel of land in Weldon Township, Halifax County, North Carolina, and described as follows: Beginning at a new iron pipe in the Southern right of way of N.C. State Highway #125, said beginning point being located S. 52° 23' E. 105.0 feet from the Northeastern corner for that property conveyed to Joseph B. Medlin in Book 878, Page 275, Halifax Public Registry; thence along the Southern right of way of said State Highway #125, S. 51° 02' E. 164.3 feet to a new iron pipe; thence a new made line, S. 32° 45' W. 543.9 feet to a new iron pipe; thence another new made line, N. 51° 02' W. 164.3 feet to a new iron pipe, Southeastern corner for property conveyed this date to Joseph B. Medlin; thence along the Eastern line of said Medlin property N. 32° 45' E. 543.9 feet to the point of beginning, and being shown and designated as "Lot B" containing 2.04 acres, according to "Plat Showing Property Surveyed for James R. Medlin" by Cyril C. Waters, Registered Land Surveyor, under date of September 14, 1992, and being the identical real property conveyed to Joyce M. Harris by deed of James R. Medlin et ux, dated October 12, 1992, and recorded in Book 1548, Page 349, Halifax Public Registry. Being all of Halifax County Tax Parcel No. 12-03464.

Robert H. Medlin Property

That certain tract or parcel of land situate in Weldon Township, Halifax County, North Carolina, more particularly described as follows: Beginning at a point on the Southern edge of Chantilly Road, which said point is 812.40 feet Southeast of the lands of Vernon Daughtry; thence South 30° 00' West 544.9 feet to a corner; thence South 57° 02' West 290.1 feet to a corner; thence North 36° 17' East 562.0 feet to Chantilly Road; thence South 52° 46' East 229.7 feet along said road to the point of beginning, containing 3.29 acres, and shown as Tract #2 on map showing property of Irvin G. Medlin et ux, prepared by J.W. Traylor, R.L.S., dated March 21, 1973. This being the identical real property conveyed to Robert H. Medlin by deed of Joseph Benjamin Medlin et ux, dated October 8, 1974, and recorded in Book 878, Page 278, Halifax Public Registry. Being all of Halifax County Tax Parcel No. 12-03391.

Joseph Benjamin Medlin Property

Those certain lots or parcels of land situate in Weldon Township, Halifax County, North Carolina, more particularly described as follows: Beginning at a point on the South side of Chantilly Road, which said point is 1047.7 feet Southeast of the lands of Vernon Daughtry; thence leaving said road South 32° 54' West 544.9 feet to a corner; thence North 52° 00' West 207.9 feet to a corner; thence North 30° 00' East 544.9 feet to the Southern edge of Chantilly Road; thence South 52° 46' East 235.3 feet along said road to the point of beginning, containing 2.77 aces and shown as Tract #1 on map showing property of Irvin G. Medlin et ux prepared by J.W. Traylor, R.L.S., dated March 21, 1973. Being all of Halifax County Tax Parcel No. 12-01691.

Shelly M. Strickland Property

That certain tract or parcel of land in Weldon Township, Halifax County, North Carolina, and described as follows: Beginning at an existing iron pipe in the Southern right of way of N.C. State Highway #125, said beginning point being the Northeastern corner for that property conveyed to Joseph B. Medlin in Book 878, Page 275, Halifax Public Registry; thence along the Southern right of way of said State Highway #125, S. 52° 23' E. 105.0 feet to a new iron pipe; thence another new made line S. 32° 45' E. 543.9 feet to a new iron pipe; thence another new made line N. 52° 30' W. 105.0 feet to an existing iron pipe in the line of said Joseph B. Medlin; thence along the Eastern line of said Medlin property N. 32° 45' E. 543.9 feet to the point of beginning, and being shown and designated as "Lot A", containing 1.31 Acres, according to "Plat Showing Property Surveyed for James R. Medlin" by Cyril C. Waters, Registered Land Surveyor, under date of September 14, 1992; and being the identical real property conveyed to Shelly M. Strickland by deed of Joseph B. Medlin, dated April 9, 1997, and recorded in Book 1702, Page 633, Halifax Public Registry. Being all of Halifax County Tax Parcel No. 12-03463.

David Earl Carr Property

That certain tract or parcel of land in Weldon Township, Halifax County, North Carolina, and described as follows: Beginning at a point on the Southern edge of the Chantilly

Road at the Northeast corner of the lands conveyed unto Joyce M. Harris; thence South 51 degrees 48 min. East 187.2 feet along the Southern edge of said road; thence South 36 degrees 17 min. West 562.0 feet; thence North 49 degrees 40 min. West 187.5 feet; thence North 36 degrees 17 min. East 555 feet to the point of beginning, containing 2.40 acres and shown as Lot #3 on map prepared by J.W. Traylor, R.L.S., March 21, 1973. The above described real property is the identical real property conveyed to Peggy Louise Carr et al by deed of James M. Carr, by and through Betty K. Williams Carr, his attorney in fact, and his wife, Betty K. Williams Carr, dated November 18, 1999, and recorded in Book 1814, Page 210, Halifax County Public Registry. Being all of Halifax County Tax Parcel No. 12-03392.

SECTION 2. This act has no effect upon the validity of any liens of the Town of Weldon for ad valorem taxes or special assessments outstanding before the effective date of this act. Such liens may be collected or foreclosed upon after the effective date of this act as though the property were still within the corporate limits of the Town of Weldon.

SECTION 3. This act becomes effective June 30, 2015.

In the General Assembly read three times and ratified this the 30th day of June, 2015.

Became law on the date it was ratified.

Session Law 2015-133 **S.B. 534**

AN ACT AUTHORIZING THE DIRECTOR OF THE BUDGET TO CONTINUE EXPENDITURES FOR THE OPERATION OF GOVERNMENT AT THE LEVEL IN EFFECT ON JUNE 30, 2015.

The General Assembly of North Carolina enacts:

BUDGET CONTINUATION

SECTION 1.(a) The Director of the Budget may continue to allocate funds for recurring expenditures for current operations by State departments, institutions, and agencies at the level at which these operations were authorized on a recurring basis in S.L. 2014-100, as amended, except that current operations funded on a nonrecurring basis in the 2014-2015 fiscal year that are funded at the same level in House Bill 97, 5th edition, and House Bill 97, 7th edition, may continue to receive funds, unless the items are capital expenditures or related to capital grants. The Director of the Budget may continue to allocate funds for the Department of Transportation, Division of Motor Vehicles Tag and Tax Together program for the forty-four (44) time-limited positions established in S.L. 2012-142, Section 24.10. The Director of the Budget shall implement the budget reductions set out in House Bill 97, 5th edition, and House Bill 97, 7th edition, that are not in controversy. The Director of the Budget shall not implement any transfers set out in House Bill 97, 5th edition, House Bill 97, 7th edition, or both.

SECTION 1.(b) To the extent necessary to implement this authorization, there is appropriated from the appropriate State funds and cash balances, federal receipts, and departmental receipts for 2015-2016 fiscal year funds necessary to carry out this section, except that cash balances subject to proposed transfer in House Bill 97, 5th edition, House Bill 97, 7th edition, or both shall not be expended.

SECTION 1.(c) Vacant positions subject to proposed budget reductions in House Bill 97, 5th edition, House Bill 97, 7th edition, or both shall not be filled after June 30, 2015.

SECTION 1.(d) State employees employed in positions subject to elimination in both House Bill 97, 5th edition, and House Bill 97, 7th edition, because of a reduction, in total or in part, in the funds used to support the job or its responsibilities shall, as soon as practicable and in accordance with reduction in force policies, be provided written notification of termination of employment 30 days prior to the effective date of the termination.

SECTION 1.(e) State agencies shall not make grant awards with that portion of funds that is subject to proposed budget reductions in House Bill 97, 5th edition, House Bill 97, 7th edition, or both.

SECTION 1.(f) Except as otherwise provided by this act, the limitations and directions for the 2014-2015 fiscal year in S.L. 2013-360, as amended, and in S.L. 2014-100, as amended, that applied to appropriations to particular agencies or for particular purposes apply to the funds appropriated and authorized for expenditure under this section.

SECTION 1.(g) Funds that would not otherwise revert that were appropriated on a nonrecurring basis in prior fiscal years shall remain available for expenditure in the 2015-2016 fiscal year.

EMPLOYEE SALARIES

SECTION 2.(a) The salary schedules and specific salaries established for the 2014-2015 fiscal year by or under S.L. 2014-100 and in effect on June 30, 2015, for offices and positions shall remain in effect until the effective date of the Current Operations and Capital Improvements Appropriations Act of 2015.

SECTION 2.(b) State employees subject to G.S. 7A-102(c), 7A-171.1, or 20-187.3 shall not move up on salary schedules or receive automatic increases, including automatic step increases, until authorized by the General Assembly.

SECTION 2.(c) State employees, including those exempt from the classification and compensation rules established by the State Human Resources Commission, shall not receive any automatic step increases, annual, performance, merit, bonuses, or other increments until authorized by the General Assembly.

SECTION 2.(d) Public school employees paid on the teacher salary schedule or school-based administrator salary schedule and other employees shall not move up on salary schedules or receive automatic step increases, annual, performance, merit, or other increments until authorized by the General Assembly, except that effective July 1, 2015, (i) the monthly salary on the "A" salary schedule that corresponds to zero to four years of experience shall be three thousand five hundred dollars ($3,500) rather than three thousand three hundred dollars ($3,300), (ii) a teacher who received a bonus under section 9.1(e) of S.L. 2014-100 shall not be paid less pursuant to this section than the teacher was paid in salary and bonus for the 2014-2015 school year, and (iii) a school administrator who received a bonus under section 9.11(i) of S.L. 2014-100 shall not be paid less pursuant to this section than the school administrator was paid in salary and bonus for the 2014-2015 school year.

SALARY-RELATED CONTRIBUTIONS

SECTION 3.(a) The State's employer contribution rates budgeted for retirement and related benefits for the 2015-2016 fiscal year shall be as provided for in Section 35.15 of S.L. 2013-360 and Section 35.13 of S.L. 2014-100.

SECTION 3.(b) The State's employer contribution rates established by this section are effective until the Current Operations and Capital Improvements Appropriations Act of 2015 becomes law and are subject to revision in that act. If the Current Operations and Capital Improvements Appropriations Act of 2015 modifies these rates, the Director of the Budget shall further modify the rates set in that act for the remainder of the 2015-2016 fiscal year so as to compensate for the different amount contributed between July 1, 2015, and the date the Current Operations and Capital Improvements Appropriations Act of 2015 becomes law so that the effective rates for the entire year reflect the rates set in the Current Operations and Capital Improvements Appropriations Act of 2015.

FUNDS SHALL NOT REVERT

SECTION 4.(a) If the provisions of either House Bill 97, 5th edition, House Bill 97, 7th edition, or both direct that funds shall not revert, the funds shall not revert on June 30,

2015. Unless these funds are encumbered on or before June 30, 2015, these funds shall not be expended after June 30, 2015, except as provided by a law enacted after June 30, 2015.

SECTION 4.(b) This section becomes effective June 30, 2015.

STATE CONTROLLER SHALL NOT TRANSFER FUNDS ON JUNE 30

SECTION 5.(a) Notwithstanding G.S. 143C-4-3, for the 2014-2015 fiscal year only, funds shall not be reserved to the Repairs and Renovations Reserve Account, and the State Controller shall not transfer funds from the unreserved credit balance to the Repairs and Renovation Reserve Account on June 30, 2015.

SECTION 5.(b) Notwithstanding G.S. 143C-4-2, for the 2014-2015 fiscal year only, funds shall not be reserved to the Savings Reserve Account, and the State Controller shall not transfer funds from the unreserved credit balance to the Savings Reserve Account on June 30, 2015.

SECTION 5.(c) This section becomes effective June 30, 2015.

FEDERAL BLOCK GRANTS

SECTION 6. The Director of the Budget shall continue to allocate federal block grant funds at the levels provided in Section 12J.1 of S.L. 2014-100, Section 15.14 of S.L. 2013-360, and as otherwise provided by law, and appropriations from federal block grants are hereby made.

PUBLIC SCHOOLS

SECTION 7.(a) Effective July 1, 2015, there is appropriated from the General Fund to the Department of Public Instruction the sum of one hundred million two hundred thirty-six thousand five hundred forty-two dollars ($100,236,542) for the 2015-2016 fiscal year to fully fund changes in average daily membership in public schools, subject to adjustment by the General Assembly. Local boards of education shall use funds available to them, including a fee for instruction charged to students pursuant to G.S. 115C-216(g), to offer noncredit driver education courses in high schools. Local school administrative units may transfer funds between allotment categories under G.S. 115C-105.25.

SECTION 7.(b) Notwithstanding G.S. 115C-238.51A(c) and G.S. 115C-238.54, the Watauga Career Academy, Pitt Early College, Wilson Academy of Applied Technology, Academy at High Point Central, the Academy at Ben L. Smith High School, STEM Early College at NC A&T State University, Middle College at the University of North Carolina at Greensboro, Vernon Malone College and Career Academy, and the Northeast Regional School of Biotechnology and Agriscience shall be permitted to operate in accordance with G.S. 115C-238.53 and G.S. 115C-238.54 as cooperative innovative high schools approved under G.S. 115C-238.51A(c) and shall be subject to the evaluation requirements of G.S. 115C-238.55.

MEDICAID STATE PLAN AMENDMENTS AND WAIVERS

SECTION 8. To achieve the proposed budget reductions or expansions for the 2015-2017 fiscal biennium, the Department of Health and Human Services (Department) shall prepare the necessary State plan amendments and waivers for the Centers for Medicare and Medicaid Services (CMS) that reflect the Medicaid reduction or expansion items in House Bill 97, 5th edition, and House Bill 97, 7th edition, so that the State plan amendments and waivers can be submitted to CMS at the earliest possible date after the Current Operations and Capital Improvements Appropriations Act of 2015 becomes law.

EFFECTIVE DATE

SECTION 9. Except as otherwise provided, this act becomes effective July 1, 2015, and expires August 14, 2015, at 11:59 P.M.

In the General Assembly read three times and ratified this the 30th day of June, 2015.

Became law upon approval of the Governor at 11:45 a.m. on the 30th day of June, 2015.

Session Law 2015-134 **H.B. 356**

AN ACT TO CLARIFY THE CAP ON THE UTILITIES REGULATORY FEE RESERVE, TO SET THE REGULATORY FEE IN STATUTE, AND TO ALLOW THE COMMISSION TO RAISE OR LOWER THE FEE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 62-302(a) reads as rewritten:

"(a) Fee Imposed. – It is the policy of the State of North Carolina to provide fair regulation of public utilities in the interest of the public, as provided in G.S. 62-2. The cost of regulating public utilities is a burden incident to the privilege of operating as a public utility. Therefore, for the purpose of defraying the cost of regulating public utilities, every public utility subject to the jurisdiction of the Commission shall pay a quarterly regulatory fee, in addition to all other fees and taxes, as provided in this section. The fees collected shall be used only to pay the expenses of the Commission and the Public Staff in regulating public utilities in the interest of the ~~public.~~public and to maintain a reasonable margin for a reserve fund. The amount of the reserve may not exceed one-half of the cost of operating the Commission and the Public Staff as reflected in the certified budget for the previous fiscal year.

It is also the policy of the State to provide limited oversight of certain electric membership corporations as provided in G.S. 62-53. Therefore, for the purpose of defraying the cost of providing the oversight authorized by G.S. 62-53 and G.S. 117-18.1, each fiscal year each electric membership corporation whose principal purpose is to furnish or cause to be furnished bulk electric supplies at wholesale as provided in G.S. 117-16 shall pay an annual fee as provided in this section.

…."

SECTION 1.(b) Subdivisions 14.19(e1)(4), (5), (6), and (10) of S.L. 2009-451 are repealed.

SECTION 2. G.S. 62-302, as amended by Section 1.(a) of this act, reads as rewritten:

"(a) Fee Imposed. – It is the policy of the State of North Carolina to provide fair regulation of public utilities in the interest of the public, as provided in G.S. 62-2. The cost of regulating public utilities is a burden incident to the privilege of operating as a public utility. Therefore, for the purpose of defraying the cost of regulating public utilities, every public utility subject to the jurisdiction of the Commission shall pay a quarterly regulatory fee, in addition to all other fees and taxes, as provided in this section. The fees collected shall be used only to pay the expenses of the Commission and the Public Staff in regulating public utilities in the interest of the public and to maintain a reasonable margin for a reserve fund. The amount of the reserve may not exceed one-half of the cost of operating the Commission and the Public Staff as reflected in the certified budget for the previous fiscal year.

It is also the policy of the State to provide limited oversight of certain electric membership corporations as provided in G.S. 62-53. Therefore, for the purpose of defraying the cost of providing the oversight authorized by G.S. 62-53 and G.S. 117-18.1, each fiscal year each electric membership corporation whose principal purpose is to furnish or cause to be furnished bulk electric supplies at wholesale as provided in G.S. 117-16 shall pay an annual fee as provided in this section.

(b) Public Utility Rate. –

(1) Repealed by Session Laws 2000-140, s. 56, effective July 21, 2000.

(2) Unless adjusted under subdivision (3) of this subsection, the public utility fee is a percentage of a utility's jurisdictional revenues as follows:

Noncompetitive jurisdiction revenues	0.148%
Subsection (h) competitive jurisdictional revenues	0.06%
Subsection (m) competitive jurisdictional revenues	0.05%

~~For noncompetitive jurisdictional revenues as defined in sub-subdivision (4)a. of this subsection, the public utility regulatory fee for each fiscal year is the greater of (i) a percentage rate, established by the General Assembly, of each public utility's noncompetitive jurisdictional revenues for each quarter or (ii) six dollars and twenty-five cents ($6.25) each quarter. For subsection (h) competitive jurisdictional revenues as defined in sub-subdivision (4)b. of this subsection, and subsection (m) competitive jurisdictional revenues as defined in sub-subdivision (4)c. of this subsection, the public utility regulatory fee for each fiscal year is a percentage rate established by the General Assembly of each public utility's competitive jurisdictional revenues for each quarter.~~

~~When the Commission prepares its budget request for the upcoming fiscal year, the Commission shall propose a percentage rate of the public utility regulatory fee. For fiscal years beginning in an odd-numbered year, that proposed rate shall be included in the budget message the Governor submits to the General Assembly pursuant to G.S. 143C-3-5. For fiscal years beginning in an even-numbered year, that proposed rate shall be included in a special budget message the Governor shall submit to the General Assembly. The General Assembly shall set the percentage rate of the public utility regulatory fee by law.~~

~~The percentage rate may not exceed the amount necessary to generate funds sufficient to defray the estimated cost of the operations of the Commission and the Public Staff for the upcoming fiscal year, including a reasonable margin for a reserve fund. The amount of the reserve may not exceed the estimated cost of operating the Commission and the Public Staff for the upcoming fiscal year. In calculating the amount of the reserve, the General Assembly shall consider all relevant factors that may affect the cost of operating the Commission or the Public Staff or a possible unanticipated increase or decrease in North Carolina jurisdictional revenues.~~

(3) In the first half of each calendar year, the Commission shall review the estimated cost of operating the Commission and the Public Staff for the next fiscal year, including a reasonable margin for the reserve fund allowed under this section. In making this determination, the Commission shall consider all relevant factors that may affect the cost of operating the Commission or the Public Staff or a possible unanticipated change in competitive and noncompetitive jurisdictional revenues. If the estimated receipts provided for under this section are less than the estimated cost of operating the Commission and the Public Staff for the next fiscal year, including the reasonable margin for the reserve fund, then ~~If the Commission, the Public Staff, or both experience a revenue shortfall,~~ the Commission ~~shall~~ may ~~implement a temporary~~increase the public utility regulatory fee ~~surcharge~~ on noncompetitive jurisdictional revenues effective for the next fiscal year.~~to avert the deficiency that would otherwise occur.~~ In no event may the ~~total~~ percentage rate of the public utility regulatory fee on noncompetitive jurisdiction revenues ~~plus any surcharge established by the Commission~~ exceed ~~twenty-five hundredths percent (0.25%).~~seventeen and one-half hundredths of one percent (0.175%). If the estimated receipts provided for under this section are more than the estimated cost of operating the

Commission and the Public Staff for the next fiscal year, including the reasonable margin for the reserve fund, then the Commission shall decrease the public utility regulatory fee on noncompetitive jurisdictional revenues effective for the next fiscal year.

(4) As used in this section:

a. "Noncompetitive jurisdictional revenues" means all revenues derived or realized from intrastate tariffs, rates, and charges approved or allowed by the Commission or collected pursuant to Commission order or rule, but not including tap-on fees or any other form of contributions in aid of construction.

b. "Subsection (h) competitive jurisdictional revenues" means all revenues derived from retail services provided by local exchange companies and competing local providers that have elected to operate under G.S. 62-133.5(h).

c. "Subsection (m) competitive jurisdictional revenues" means all revenues derived from retail services provided by local exchange companies and competing local providers that have elected to operate under G.S. 62-133.5(m).

(b1) Electric Membership Corporation Rate. – The electric membership corporation regulatory fee for each fiscal year ~~shall be a dollar amount as established by the General Assembly by law.~~is two hundred thousand dollars ($200,000).

~~When the Commission prepares its budget request for the upcoming fiscal year, the Commission shall propose the amount of the electric membership corporation regulatory fee. For fiscal years beginning in an odd-numbered year, the proposed amount shall be included in the budget message the Governor submits to the General Assembly pursuant to G.S. 143C-3-5. For fiscal years beginning in an even-numbered year, the proposed amount shall be included in a special budget message the Governor shall submit to the General Assembly.~~

~~The amount of the electric membership corporation regulatory fee proposed by the Commission may not exceed the amount necessary to defray the estimated cost of the operations of the Commission and the Public Staff for the regulation of the electric membership corporations in the upcoming fiscal year, including a reasonable margin for a reserve fund. The amount of the reserve may not exceed the estimated cost of the Commission and the Public Staff for the regulation of the electric membership corporations for the upcoming fiscal year.~~

…

(e) ~~Recovery of fee increase.~~Fee changes. – If a utility's regulatory fee obligation is ~~increased,~~changed, the Commission shall either adjust the utility's rates to reflect the change ~~allow for the recovery of the increased fee obligation,~~ or approve the utility's request for an accounting order allowing deferral of the ~~increase~~ change in the fee obligation."

SECTION 3. G.S. 62-302(b)(2), as amended by Section 2 of this act, reads as rewritten:

"(2) Unless adjusted under subdivision (3) of this subsection, the public utility fee is a percentage of a utility's jurisdictional revenues as follows:

Noncompetitive jurisdiction revenues	0.148%
Subsection (h) competitive jurisdictional revenues	~~0.06%~~0.04%
Subsection (m) competitive jurisdictional revenues	~~0.05%~~0.02%"

SECTION 4. Section 2 is effective July 1, 2015, and applies to jurisdictional revenues earned in each quarter that begins on or after July 1, 2015. Section 3 is effective July 1, 2016, and applies to jurisdictional revenues earned in each quarter that begins on or after July 1, 2016. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of June, 2015.

Became law upon approval of the Governor at 11:45 a.m. on the 30th day of June, 2015.

Session Law 2015-135 **S.B. 423**

AN ACT TO ALIGN STATE LAW WITH FEDERAL LAW BY PROVIDING FOR THE SUPPORT OF HEALTHY DEVELOPMENT OF YOUTH IN FOSTER CARE THROUGH IMPLEMENTATION OF A REASONABLE AND PRUDENT PARENT STANDARD FOR DECISIONS MADE BY A FOSTER PARENT OR A DESIGNATED OFFICIAL FOR A CHILD CARE INSTITUTION AND REVISING THE LAWS PERTAINING TO ABUSE, NEGLECT, AND DEPENDENCY REGARDING JUVENILE PLACEMENT UNDER THE JUVENILE CODE; TO PROVIDE LIABILITY INSURANCE FOR FOSTER PARENTS; TO REDUCE BARRIERS TO OBTAINING A DRIVERS LICENSE FOR FOSTER CHILDREN AND BY CLARIFYING THAT FOSTER PARENTS DO NOT VIOLATE FINANCIAL RESPONSIBILITY REQUIREMENTS BY ALLOWING FOSTER CHILDREN WITH THEIR OWN INSURANCE COVERAGE TO OPERATE A VEHICLE OWNED BY THE FOSTER PARENT; AND TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO STUDY A MEDICAID WAIVER FOR CHILDREN WITH SERIOUS EMOTIONAL DISTURBANCE.

The General Assembly of North Carolina enacts:

PART I. SHORT TITLE

SECTION 1.1. This act shall be known and may be cited as the "Foster Care Family Act."

PART II. REASONABLE AND PRUDENT PARENT STANDARD IN FOSTER CARE

SECTION 2.1. Part 1 of Article 1A of Chapter 131D of the General Statutes is amended by adding a new section to read:

"**§ 131D-10.2A. Reasonable and prudent parent standard.**

(a) The reasonable and prudent parent standard is the standard characterized by careful and sensible parental decisions that are reasonably intended to maintain the health, safety, and best interests of the child while at the same time encouraging the emotional and developmental growth of the child that a caregiver shall use when determining whether to allow a child in foster care under the responsibility of the State to participate in extracurricular, enrichment, cultural, and social activities.

(b) Every child care institution shall designate an on-site official who is authorized to apply the reasonable and prudent parent standard pursuant to this section.

(c) A caregiver, including the child's foster parent, whether the child is in a family foster home or a therapeutic foster home, or the designated official at a child care institution where the child is placed, or the county department of social services, must use the reasonable and prudent parent standard when determining whether to allow a child in foster care to participate in extracurricular, enrichment, and social activities.

(d) A caregiver, including the child's foster parent, whether the child is in a family foster home or a therapeutic foster home, may be held liable for an act or omission of the child if the caregiver fails to act in accordance with the reasonable and prudent parent standard under this section. To the extent it may be applicable, the liability of a county department of social services, or the Department of Health and Human Services, shall be strictly adjudicated according to and in compliance with the terms of G.S. 153A-435, et seq., or G.S. 143-291, et seq., as applicable. Nothing in this subsection is intended to abrogate or diminish the qualified immunities of public officials acting in the course and scope of their employment.

(e) Unless otherwise ordered by a court with jurisdiction pursuant to G.S. 7B-200, a caregiver, including the child's foster parent, whether the child is in a family foster home or a therapeutic foster home, exercising the reasonable and prudent parent standard has the authority to provide or withhold permission, without prior approval of the court or a county department of social services, to allow a child in foster care, in the custody of a county department of social

services, or under the placement authority of a county department of social services through a voluntary placement agreement to participate in normal childhood activities. Normal childhood activities shall include, but are not limited to, extracurricular, enrichment, and social activities and may include overnight activities outside the direct supervision of the caregiver for periods of over 24 hours and up to 72 hours.

(f) The caregiver, including the child's foster parent, whether the child is in a family foster home or a therapeutic foster home, or the designated official at a child care institution where the child is placed, shall not be liable for injuries to the child that occur as a result of acting in accordance with the reasonable and prudent parent standard.

(g) The immunity provided in subsection (f) of this section does not apply if it is determined that the injuries to the child were caused by gross negligence, willful and wanton conduct, or intentional wrongdoing, or arose out of the operation of a motor vehicle. Any liability under this subsection that may be attributable to either the county department of social services or the Department of Health and Human Services shall be strictly adjudicated according to and in compliance with the terms of G.S. 153A-435, et seq., or G.S. 143-291, et seq., as applicable. Nothing in this subsection is intended to abrogate or diminish the qualified immunities of public officials acting in the course and scope of their employment.

(h) For any action under this section, the burden of proof with respect to a breach of the reasonable and prudent parent standard shall be by clear and convincing evidence."

SECTION 2.2. G.S. 7B-505(b) reads as rewritten:

"(b) The court shall order the department of social services to make diligent efforts to notify relatives and any custodial parents of the juvenile's siblings that the juvenile is in nonsecure custody and of any hearings scheduled to occur pursuant to G.S. 7B-506, unless the court finds such notification would be contrary to the best interests of the juvenile. In placing a juvenile in nonsecure custody under this section, the court shall first consider whether a relative of the juvenile is willing and able to provide proper care and supervision of the juvenile in a safe home. If the court finds that the relative is willing and able to provide proper care and supervision in a safe home, then the court shall order placement of the juvenile with the relative unless the court finds that placement with the relative would be contrary to the best interests of the juvenile."

SECTION 2.3. G.S. 7B-800.1(a)(4) reads as rewritten:

"(a) Prior to the adjudicatory hearing, the court shall consider the following:

…

(4) Whether ~~relatives~~relatives, parents, or other persons with legal custody of a sibling of the juvenile have been identified and notified as potential resources for placement or support."

SECTION 2.4. G.S. 7B-901 reads as rewritten:

"§ **7B-901. Dispositional hearing.**

The dispositional hearing shall take place immediately following the adjudicatory hearing and shall be concluded within 30 days of the conclusion of the adjudicatory hearing. The dispositional hearing may be informal and the court may consider written reports or other evidence concerning the needs of the juvenile. The juvenile and the juvenile's parent, guardian, or custodian shall have the right to present evidence, and they may advise the court concerning the disposition they believe to be in the best interests of the juvenile. The court may consider any evidence, including hearsay evidence as defined in G.S. 8C-1, Rule 801, including testimony or evidence from any person who is not a party, that the court finds to be relevant, reliable, and necessary to determine the needs of the juvenile and the most appropriate disposition. The court may exclude the public from the hearing unless the juvenile moves that the hearing be open, which motion shall be granted.

At the dispositional hearing, the court shall inquire as to the identity and location of any missing parent and whether paternity is at issue. The court shall include findings of the efforts undertaken to locate the missing parent and to serve that parent and efforts undertaken to establish paternity when paternity is an issue. The order may provide for specific efforts in

determining the identity and location of any missing parent and specific efforts in establishing paternity. The court shall also inquire about efforts made to identify and notify ~~relatives~~ relatives, parents, or other persons with legal custody of a sibling of the juvenile, as potential resources for placement or support."

SECTION 2.5. Article 9 of Chapter 7B of the General Statutes is amended by adding a new section to read:

"**§ 7B-903.1. Juvenile placed in custody of a department of social services.**

(a) Except as prohibited by federal law, the director of a county department of social services with custody of a juvenile shall be authorized to make decisions about matters not addressed herein that are generally made by a juvenile's custodian, including, but not limited to, educational decisions and consenting to the sharing of the juvenile's information. The court may delegate any part of this authority to the juvenile's parent, foster parent, or another individual.

(b) When a juvenile is in the custody or placement responsibility of a county department of social services, the placement provider may, in accordance with G.S. 131D-10.2A, provide or withhold permission, without prior approval of the court or county department of social services, to allow a juvenile to participate in normal childhood activities. If such authorization is not in the juvenile's best interest, the court shall set out alternative parameters for approving normal childhood activities.

(c) If a juvenile is removed from the home and placed in the custody or placement responsibility of a county department of social services, the director shall not allow unsupervised visitation with or return physical custody of the juvenile to the parent, guardian, custodian, or caretaker without a hearing at which the court finds that the juvenile will receive proper care and supervision in a safe home.

(d) When a county department of social services having custody or placement responsibility of a juvenile intends to change the juvenile's placement, the department shall give the guardian ad litem for the juvenile notice of its intention unless precluded by emergency circumstances from doing so. Where emergency circumstances exist, the department of social services shall notify the guardian ad litem or the attorney advocate within 72 hours of the placement change, unless local rules require notification within a shorter time period."

SECTION 2.6. Article 9 of Chapter 7B of the General Statutes is amended by adding a new section to read:

"**§ 7B-912. Juveniles 14 years of age and older; Another Planned Permanent Living Arrangement.**

(a) In addition to the permanency planning requirements under G.S. 7B-906.1, at every permanency planning hearing for a juvenile in the custody of a county department of social services who has attained the age of 14 years, the court shall inquire and make written findings regarding each of the following:

(1) The services provided to assist the juvenile in making a transition to adulthood.

(2) The steps the county department of social services is taking to ensure that the foster family or other licensed placement provider follows the reasonable and prudent parent standard as provided in G.S. 131D-10.2A.

(3) Whether the juvenile has regular opportunities to engage in age-appropriate or developmentally appropriate activities.

(b) At or before the last scheduled permanency planning hearing, but at least 90 days before a juvenile attains 18 years of age, the court shall (i) inquire as to whether the juvenile has a copy of the juvenile's birth certificate, Social Security card, health insurance information, drivers license or other identification card, and any educational or medical records the juvenile requests and (ii) determine the person or entity that should assist the juvenile in obtaining these documents before the juvenile attains the age of 18 years.

(c) If the court finds each of the following conditions applies, the court shall approve Another Planned Permanent Living Arrangement (APPLA) as defined by P.L. 113-183, as the juvenile's primary permanent plan:

(1) The juvenile is 16 or 17 years old.

(2) The county department of social services has made diligent efforts to place the juvenile permanently with a parent or relative or in a guardianship or adoptive placement.

(3) Compelling reasons exist that it is not in the best interest of the juvenile to be placed permanently with a parent or relative or in a guardianship or adoptive placement.

(4) APPLA is the best permanency plan for the juvenile.

(d) If the court approves APPLA as the juvenile's permanent plan, the court shall, after questioning the juvenile, make written findings addressing the juvenile's desired permanency outcome."

PART III. LIABILITY INSURANCE FOR FOSTER PARENTS

SECTION 3.1. Article 36 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"**§ 58-36-44. Development of policy form or endorsement for personal liability insurance for foster parents.**

(a) The Rate Bureau shall develop an optional policy form or endorsement to be filed with the Commissioner for approval no later than May 1, 2016, that provides liability insurance for foster parents licensed under Article 1A of Chapter 131D of the General Statutes to provide foster care in a family foster home or therapeutic foster home. The policy form or endorsement shall provide coverage for acts or omissions of the foster parent while the parent is acting in the foster parent's capacity as a foster parent in a licensed family foster home or therapeutic foster home licensed under Article 1A of Chapter 131D of the General Statutes.

(b) Nothing in this section is intended to require that the liability insurance policy or endorsement required by this section cover an act or omission that results from any action or inaction of gross negligence, willful and wanton conduct, or intentional wrongdoing that results in injury to the child."

PART IV. REDUCE DRIVING BARRIERS FOR FOSTER CHILDREN

SECTION 4.1. Article 1 of Chapter 48A of the General Statutes is amended by adding a new section to read:

"**§ 48A-4. Certain minors competent to contract.**

A minor who is 16 years of age or older and who is in the legal custody of the county department of social services shall be qualified and competent to contract for the purchase of an automobile insurance policy with the consent of the court with continuing jurisdiction over the minor's placement under G.S. 7B-1000(b). The minor shall be responsible for paying the costs of the insurance premiums and shall be liable for damages caused by the minor's negligent operation of a motor vehicle. No State or local government agency, foster parent, or entity providing services to the minor under contract or at the direction of a State or local government agency shall be responsible for paying any insurance premiums or liable for damages of any kind as a result of the operation of a motor vehicle by the minor."

SECTION 4.2. G.S. 20-11(i) reads as rewritten:

"(i) Application. — An application for a permit or license authorized by this section must be signed by both the applicant and another person. That person must be:

(1) The applicant's parent or guardian;

(2) A person approved by the applicant's parent or guardian; or

(3) A person approved by the Division.

(4) With respect to minors in the legal custody of the county department of social services, any of the following:

a. A guardian ad litem or attorney advocate appointed to advocate for the minor under G.S. 7B-601.

b. The director of the county department of social services or the director's designee.

c. If no person listed in sub-subdivision a. or b. of this subdivision is available, the court with continuing jurisdiction over the minor's placement under G.S. 7B-1000(b)."

SECTION 4.3. G.S. 20-309 is amended by adding a new subsection to read:

"(a2) Notwithstanding any other provision of this Chapter, an owner's policy of liability insurance issued to a foster parent or parents, which policy includes an endorsement excluding coverage for one or more foster children residing in the foster parent's or parents' household, may be certified as proof of financial responsibility, provided that each foster child for whom coverage is excluded is insured in an amount equal to or greater than the minimum limits required by G.S. 20-279.21 under some other owner's policy of liability insurance or a named nonowner's policy of liability insurance. The North Carolina Rate Bureau shall establish, with the approval of the Commissioner of Insurance, a named driver exclusion endorsement or endorsements for foster children as described herein."

SECTION 4.4. G.S. 20-279.21(b) reads as rewritten:

"(b) ~~Such~~ Except as provided in G.S. 20-309(a2), such owner's policy of liability insurance:

…."

PART V. STUDY MEDICAID WAIVER FOR CHILDREN WITH SERIOUS EMOTIONAL DISTURBANCE

SECTION 5.1.(a) The Department of Health and Human Services, Division of Medical Assistance, shall design and draft, but not submit, a 1915(c) Medicaid waiver to serve children with Serious Emotional Disturbance in home and community-based settings. The Department may submit drafts of the waiver to the Centers for Medicare and Medicaid Services (CMS) to solicit feedback but shall not submit the waiver for CMS approval until authorized by the General Assembly.

SECTION 5.1.(b) The Department shall report the draft waiver, other findings, and any other options or recommendations to best serve children with Serious Emotional Disturbance to the Joint Legislative Oversight Committee on Health and Human Services by December 1, 2015. Specifically, the report shall provide an in-depth analysis of the cost per slot, including an analysis of the estimated number of waiver recipients who would be transitioned from a facility to a home and community-based setting and the estimated number of waiver recipients who would avoid placement in a facility.

PART VI. EFFECTIVE DATE

SECTION 6.1. Parts 2 and 4 of this act become effective October 1, 2015. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 24th day of June, 2015.

Became law upon approval of the Governor at 9:00 a.m. on the 2nd day of July, 2015.

Session Law 2015-136 **H.B. 669**

AN ACT TO MAKE VARIOUS CHANGES TO THE JUVENILE LAWS PERTAINING TO ABUSE, NEGLECT, AND DEPENDENCY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 7B-101 is amended by adding the following new subdivisions to read:

"§ **7B-101. Definitions.**

As used in this Subchapter, unless the context clearly requires otherwise, the following words have the listed meanings:

…

~~(2) Aggravated circumstances. – Any circumstance attending to the commission of an act of abuse or neglect which increases its enormity or adds to its injurious consequences, including, but not limited to, abandonment, torture, chronic abuse, or sexual abuse.~~

…

(8a) Department. – Each county's child welfare agency. Unless the context clearly implies otherwise, when used in this Subchapter, "department" or "department of social services" shall refer to the county agency providing child welfare services, regardless of the name of the agency or whether the county has consolidated human services, pursuant to G.S. 153A-77.

…

(15a) Nonrelative kin. – An individual having a substantial relationship with the juvenile. In the case of a juvenile member of a State-recognized tribe as set forth in G.S. 143B-407(a), nonrelative kin also includes any member of a State-recognized tribe or a member of a federally recognized tribe, whether or not there is a substantial relationship with the juvenile.

…."

SECTION 2. G.S. 7B-401.1 reads as rewritten:

"§ **7B-401.1. Parties.**

(a) Petitioner. – Only a county director of social services or the director's authorized representative may file a petition alleging that a juvenile is abused, neglected, or dependent. The petitioner shall remain a party until the court terminates its jurisdiction in the case.

(b) Parents. – The juvenile's parent shall be a party unless one of the following applies:

(1) The parent's rights have been terminated.

(2) The parent has relinquished the juvenile for adoption, unless the court orders that the parent be made a party.

(3) The parent has been convicted under G.S. 14-27.2 or G.S. 14-27.3 for an offense that resulted in the conception of the juvenile.

(c) Guardian. – A person who is the child's court-appointed guardian of the person or general guardian when the petition is filed shall be a party. A person appointed as the child's guardian pursuant to G.S. 7B-600 shall automatically become a party but only if the court has found that the guardianship is the permanent plan for the juvenile.

(d) Custodian. – A person who is the juvenile's custodian, as defined in G.S. 7B-101(8), when the petition is filed shall be a party. A person to whom custody of the juvenile is awarded in the juvenile proceeding shall automatically become a party but only if the court has found that the custody arrangement is the permanent plan for the juvenile.

(e) Caretaker. – A caretaker shall be a party only if (i) the petition includes allegations relating to the caretaker, (ii) the caretaker has assumed the status and obligation of a parent, or (iii) the court orders that the caretaker be made a party.

(e1) Foster Parent. – A foster parent as defined in G.S. 131D-10.2(9a) providing foster care for the juvenile is not a party to the case and may be allowed to intervene only if the foster parent has authority to file a petition to terminate the parental rights of the juvenile's parents pursuant to G.S. 7B-1103.

(f) The Juvenile. – The juvenile shall be a party.

(g) Removal of a Party. – If a guardian, custodian, or caretaker is a party, the court may discharge that person from the proceeding, making the person no longer a party, if the court finds that the person does not have legal rights that may be affected by the action and that the person's continuation as a party is not necessary to meet the juvenile's needs.

(h) Intervention. – Except as provided in ~~G.S. 7B-1103(b),~~ G.S. 7B-1103(b) and subsection (e1) of this section, the court shall not allow intervention by a person who is not the juvenile's parent, guardian, custodian, or caretaker but may allow intervention by another county department of social services that has an interest in the proceeding. This section shall not prohibit the court from consolidating a juvenile proceeding with a civil action or claim for custody pursuant to G.S. 7B-200."

SECTION 3. G.S. 7B-502 reads as rewritten:

"§ **7B-502. Authority to issue custody orders; delegation.**

(a) In the case of any juvenile alleged to be within the jurisdiction of the court, the court may order that the juvenile be placed in nonsecure custody pursuant to criteria set out in G.S. 7B-503 when custody of the juvenile is necessary. The order for nonsecure custody may be entered ex parte. Unless the petition is being filed pursuant to G.S. 7B-404, telephonic communication that the department will be seeking nonsecure custody shall be given to counsel, or if unavailable, to a partner or employee at the attorney's office when any of the following occur:

(1) The department has received written notification that a respondent has counsel for the juvenile matter.

(2) The respondent is represented by counsel in a juvenile proceeding within the same county involving another juvenile of the respondent.

Notice is not required to provisional counsel appointed pursuant to G.S. 7B-602.

(b) Any district court judge shall have the authority to issue nonsecure custody orders pursuant to G.S. 7B-503. The chief district court judge may delegate the court's authority to persons other than district court judges by administrative order which shall be filed in the office of the clerk of superior court. The administrative order shall specify which persons shall be contacted for approval of a nonsecure custody order pursuant to G.S. 7B-503."

SECTION 4. G.S. 7B-505 reads as rewritten:

"§ **7B-505. Placement while in nonsecure custody.**

(a) A juvenile meeting the criteria set out in G.S. 7B-503 may be placed in nonsecure custody with the department of social services or a person designated in the order for temporary residential placement in:

(1) A licensed foster home or a home otherwise authorized by law to provide such care; or

(2) A facility operated by the department of social services; or

(3) Any other home or facility, including a relative's home approved by the court and designated in the order.

(b) The court shall order the department to make diligent efforts to notify relatives and other persons with legal custody of a sibling of the juvenile that the juvenile is in nonsecure custody and of any hearings scheduled to occur pursuant to G.S. 7B-506, unless the court finds the notification would be contrary to the best interests of the juvenile. In placing a juvenile in nonsecure custody under this section, the court shall first consider whether a relative of the juvenile is willing and able to provide proper care and supervision of the juvenile in a safe home. If the court finds that the relative is willing and able to provide proper care and supervision in a safe home, then the court shall order placement of the juvenile with the relative unless the court finds that placement with the relative would be contrary to the best interests of the juvenile.

(c) If the court does not place the juvenile with a relative, the court may consider whether nonrelative kin or other persons with legal custody of a sibling of the juvenile ~~is~~ are willing and able to provide proper care and supervision of the juvenile in a safe home. ~~Nonrelative kin is an individual having a substantial relationship with the juvenile. In the case of a juvenile member of a State-recognized tribe as set forth in G.S. 143B-407(a), nonrelative kin also includes any member of a State-recognized tribe or a member of a federally recognized tribe, whether or not there is a substantial relationship with the juvenile.~~ The court may order the ~~Department~~ department to notify the juvenile's State-recognized tribe of the need for

nonsecure custody for the purpose of locating relatives or nonrelative kin for placement. The court may order placement of the juvenile with nonrelative kin if the court finds the placement is in the juvenile's best interests.

(d) In placing a juvenile in nonsecure custody under this section, the court shall also consider whether it is in the juvenile's best interest to remain in the juvenile's community of residence. In placing a juvenile in nonsecure custody under this section, the court shall consider the Indian Child Welfare Act, Pub. L. No. 95-608, 25 U.S.C. §§ 1901, et seq., as amended, and the Howard M. Metzenbaum Multiethnic Placement Act of 1994, Pub. L. No. 103-382, 108 Stat. 4056, as amended, as they may apply. Placement of a juvenile with a relative outside of this State must be in accordance with the Interstate Compact on the Placement of Children, Article 38 of this Chapter."

SECTION 5. Article 5 of Chapter 7B of the General Statutes is amended by adding a new section to read:

"**§ 7B-505.1. Juvenile placed in nonsecure custody of a department of social services.**

(a) Unless the court orders otherwise, when a juvenile is placed in the nonsecure custody of a county department of social services, the director may arrange for, provide, or consent to any of the following:

(1) Routine medical and dental care or treatment.

(2) Emergency medical, surgical, psychiatric, psychological, or mental health care or treatment.

(3) Testing and evaluation in exigent circumstances.

(b) When placing a juvenile in nonsecure custody of a county department of social services pursuant to G.S. 7B-502, the court may authorize the director to consent to a Child Medical Evaluation upon written findings that demonstrate the director's compelling interest in having the juvenile evaluated prior to the hearing required by G.S. 7B-506.

(c) The director shall obtain consent from the juvenile's parent, guardian, or custodian for all care or treatment not covered by subsection (a) or (b) of this section, except that the court may authorize the director to provide consent after a hearing at which the court finds by clear and convincing evidence that the care, treatment, or evaluation requested is in the juvenile's best interest. Care and treatment covered by this subsection includes:

(1) Prescriptions for psychotropic medications.

(2) Participation in clinical trials.

(3) Immunizations when it is known that the parent has a bona fide religious objection to the standard schedule of immunizations.

(4) Child Medical Evaluations not governed by subsection (b) of this section, comprehensive clinical assessments, or other mental health evaluations.

(5) Surgical, medical, or dental procedures or tests that require informed consent.

(6) Psychiatric, psychological, or mental health care or treatment that requires informed consent.

(d) For any care or treatment provided, the director shall make reasonable efforts to promptly notify the parent, guardian, or custodian that care or treatment will be or has been provided and give the parent or guardian frequent status reports on the juvenile's treatment and the care provided. Upon request of the juvenile's parent, guardian, or custodian, the director shall make available to the parent, guardian, or custodian any results or records of the aforementioned evaluations, except when prohibited by G.S. 122C-53(d). The results of a Child Medical Evaluation shall only be disclosed according to the provisions of G.S. 7B-700.

(e) Except as prohibited by federal law, the department may disclose confidential information deemed necessary for the juvenile's assessment and treatment to a health care provider serving the juvenile.

(f) Unless the court has ordered otherwise, except as prohibited by federal law, a health care provider shall disclose confidential information about a juvenile to a director of a county department of social services with custody of the juvenile and a parent, guardian, or custodian."

SECTION 6. G.S. 7B-506(h)(2a) reads as rewritten:

"(h) At each hearing to determine the need for continued custody, the court shall determine the following:

…

(2a) If the court does not place the juvenile with a relative, the court may consider whether nonrelative kin or other persons with legal custody of a sibling of the juvenile is willing and able to provide proper care and supervision of the juvenile in a safe home. ~~Nonrelative kin is an individual having a substantial relationship with the juvenile. In the case of a juvenile member of a State-recognized tribe as set forth in G.S. 143B-407(a), nonrelative kin also includes any member of a State-recognized tribe or a member of a federally recognized tribe, whether or not there is a substantial relationship with the juvenile.~~ The court may order the ~~Department~~ department to notify the juvenile's State-recognized tribe of the need for nonsecure custody for the purpose of locating relatives or nonrelative kin for placement. The court may order placement of the juvenile with nonrelative kin or other persons with legal custody of a sibling of the juvenile if the court finds the placement is in the juvenile's best interests."

SECTION 7. G.S. 7B-507 reads as rewritten:

"§ **7B-507. ~~Reasonable efforts.~~Juvenile placed in nonsecure custody of a department of social services.**

(a) An order placing or continuing the placement of a juvenile in the nonsecure custody ~~or placement responsibility~~ of a county department of social ~~services, whether an order for continued nonsecure custody, a dispositional order, or a review order:~~services:

(1) Shall contain a finding that the juvenile's continuation in or return to the juvenile's own home would be contrary to the juvenile's ~~best interest;~~health and safety.

(2) Shall contain specific findings as to whether a county department of social services has made reasonable efforts to ~~either~~ prevent the need for placement ~~or eliminate the need for placement of the juvenile, unless the court has previously determined under subsection (b) of this section that such efforts are not required or shall cease;~~of the juvenile. In determining whether efforts to prevent the placement of the juvenile were reasonable, the juvenile's health and safety shall be the paramount concern. The court may find that efforts to prevent the need for the juvenile's placement were precluded by an immediate threat of harm to the juvenile. A finding that reasonable efforts were not made by a county department of social services shall not preclude the entry of an order authorizing the juvenile's placement when the court finds that placement is necessary for the protection of the juvenile.

~~(3) Shall contain findings as to whether a county department of social services should continue to make reasonable efforts to prevent or eliminate the need for placement of the juvenile, unless the court has previously determined or determines under subsection (b) of this section that such efforts are not required or shall cease;~~

(4) Shall specify that the juvenile's placement and care are the responsibility of the county department of social services and that the department is to provide or arrange for the foster care or other placement of the ~~juvenile. After~~ juvenile, unless after considering the department's recommendations, the court ~~may order~~ orders a specific placement the court finds to be in the juvenile's best ~~interest; and~~interests.

(5) May ~~provide for~~ order services or other efforts aimed at returning the juvenile to a safe ~~home or at achieving another permanent plan for the juvenile.~~home.

~~A finding that reasonable efforts have not been made by a county department of social services shall not preclude the entry of an order authorizing the juvenile's placement when the court finds that placement is necessary for the protection of the juvenile. Where efforts to prevent the need for the juvenile's placement were precluded by an immediate threat of harm to the juvenile, the court may find that the placement of the juvenile in the absence of such efforts was reasonable.~~

~~(b) In any order placing a juvenile in the custody or placement responsibility of a county department of social services, whether an order for continued nonsecure custody, a dispositional order, or a review order, the court may direct that reasonable efforts to eliminate the need for placement of the juvenile shall not be required or shall cease if the court makes written findings of fact that:~~

~~(1) Such efforts clearly would be futile or would be inconsistent with the juvenile's health, safety, and need for a safe, permanent home within a reasonable period of time;~~

~~(2) A court of competent jurisdiction has determined that the parent has subjected the child to aggravated circumstances as defined in G.S. 7B-101;~~

~~(3) A court of competent jurisdiction has terminated involuntarily the parental rights of the parent to another child of the parent; or~~

~~(4) A court of competent jurisdiction has determined that: the parent has committed murder or voluntary manslaughter of another child of the parent; has aided, abetted, attempted, conspired, or solicited to commit murder or voluntary manslaughter of the child or another child of the parent; has committed a felony assault resulting in serious bodily injury to the child or another child of the parent; has committed sexual abuse against the child or another child of the parent; or has been required to register as a sex offender on any government-administered registry.~~

~~(c) When the court determines that reunification efforts are not required or shall cease, the court shall order a plan for permanence as soon as possible, after providing each party with a reasonable opportunity to prepare and present evidence. If the court's determination to cease reunification efforts is made in a hearing that was duly and timely noticed as a permanency planning hearing, then the court may immediately proceed to consider all of the criteria contained in G.S. 7B-906.1(e), make findings of fact, and set forth the best plan of care to achieve a safe, permanent home within a reasonable period of time. If the court's decision to cease reunification efforts arises in any other hearing, the court shall schedule a subsequent hearing within 30 days to address the permanent plan in accordance with G.S. 7B-906.1. At any hearing at which the court orders that reunification efforts shall cease, the affected parent, guardian, or custodian may give notice to preserve the right to appeal that order in accordance with G.S. 7B-1001. The party giving notice shall be permitted to make a detailed offer of proof as to any evidence that party sought to offer in opposition to cessation of reunification that the court refused to admit.~~

~~(d) In determining reasonable efforts to be made with respect to a juvenile and in making such reasonable efforts, the juvenile's health and safety shall be the paramount concern. Reasonable efforts to preserve or reunify families may be made concurrently with efforts to plan for the juvenile's adoption, to place the juvenile with a legal guardian, or to place the juvenile in another permanent arrangement.~~"

SECTION 8. G.S. 7B-800.1(a)(4) reads as rewritten:

"(a) Prior to the adjudicatory hearing, the court shall consider the following:

…

(4) Whether ~~relatives~~relatives, parents, or other persons with legal custody of a sibling of the juvenile have been identified and notified as potential resources for placement or support."

SECTION 9. G.S. 7B-901 reads as rewritten:

"§ **7B-901. ~~Dispositional~~ Initial dispositional hearing.**

(a) The dispositional hearing shall take place immediately following the adjudicatory hearing and shall be concluded within 30 days of the conclusion of the adjudicatory hearing. The dispositional hearing may be informal and the court may consider written reports or other evidence concerning the needs of the juvenile. The juvenile and the juvenile's parent, guardian, or custodian shall have the right to present evidence, and they may advise the court concerning the disposition they believe to be in the best interests of the juvenile. The court may consider any evidence, including hearsay evidence as defined in G.S. 8C-1, Rule 801, including testimony or evidence from any person who is not a party, that the court finds to be relevant, reliable, and necessary to determine the needs of the juvenile and the most appropriate disposition. ~~The court may exclude the public from the hearing unless the juvenile moves that the hearing be open, which motion shall be granted.~~

(b) At the dispositional hearing, the court shall inquire as to the identity and location of any missing parent and whether paternity is at issue. The court shall include findings of the efforts undertaken to locate the missing parent and to serve that parent and efforts undertaken to establish paternity when paternity is an issue. The order may provide for specific efforts in determining the identity and location of any missing parent and specific efforts in establishing paternity. The court shall also inquire about efforts made to identify and notify ~~relatives~~ relatives, parents, or other persons with legal custody of a sibling of the juvenile, as potential resources for placement or support.

(c) If the disposition order places a juvenile in the custody of a county department of social services, the court shall direct that reasonable efforts for reunification as defined in G.S. 7B-101 shall not be required if the court makes written findings of fact pertaining to any of the following:

(1) A court of competent jurisdiction has determined that the parent has committed or encouraged the commission of, or allowed the continuation of, any of the following upon the juvenile:

a. Sexual abuse.

b. Chronic physical or emotional abuse.

c. Torture.

d. Abandonment.

e. Chronic or toxic exposure to alcohol or controlled substances that causes impairment of or addiction in the juvenile.

f. Any other act, practice, or conduct that increased the enormity or added to the injurious consequences of the abuse or neglect.

(2) A court of competent jurisdiction has terminated involuntarily the parental rights of the parent to another child of the parent.

(3) A court of competent jurisdiction has determined that (i) the parent has committed murder or voluntary manslaughter of another child of the parent; (ii) has aided, abetted, attempted, conspired, or solicited to commit murder or voluntary manslaughter of the child or another child of the parent; (iii) has committed a felony assault resulting in serious bodily injury to the child or another child of the parent; (iv) has committed sexual abuse against the child or another child of the parent; or (v) has been required to register as a sex offender on any government-administered registry.

(d) When the court determines that reunification efforts are not required, the court shall order a permanent plan as soon as possible, after providing each party with a reasonable opportunity to prepare and present evidence. The court shall schedule a subsequent hearing within 30 days to address the permanent plans in accordance with G.S. 7B-906.1 and G.S. 7B-906.2."

SECTION 10. G.S. 7B-903 reads as rewritten:

"§ **7B-903. Dispositional alternatives for abused, neglected, or dependent juvenile.**

(a) The following alternatives for disposition shall be available to any court exercising jurisdiction, and the court may combine any of the applicable alternatives when the court finds the disposition to be in the best interests of the juvenile:

(1) ~~The court may dismiss~~ Dismiss the case or continue the case in order to allow the parent, guardian, custodian, caretaker or others to take appropriate action.

(2) ~~In the case of any juvenile who needs more adequate care or supervision or who needs placement, the court may:~~Require that the juvenile be supervised in the juvenile's own home by the department of social services in the juvenile's county or by another individual as may be available to the court, subject to conditions applicable to the parent, guardian, custodian, or caretaker as the court may specify.

~~a. Require that the juvenile be supervised in the juvenile's own home by the department of social services in the juvenile's county, or by other personnel as may be available to the court, subject to conditions applicable to the parent, guardian, custodian, or caretaker as the court may specify; or~~

~~b. Place the juvenile in the custody of a parent, relative, private agency offering placement services, or some other suitable person; or~~

~~c. Place the juvenile in the custody of the department of social services in the county of the juvenile's residence, or in the case of a juvenile who has legal residence outside the State, in the physical custody of the department of social services in the county where the juvenile is found so that agency may return the juvenile to the responsible authorities in the juvenile's home state. The director may, unless otherwise ordered by the court, arrange for, provide, or consent to, needed routine or emergency medical or surgical care or treatment. In the case where the parent is unknown, unavailable, or unable to act on behalf of the juvenile, the director may, unless otherwise ordered by the court, arrange for, provide, or consent to any psychiatric, psychological, educational, or other remedial evaluations or treatment for the juvenile placed by a court or the court's designee in the custody or physical custody of a county department of social services under the authority of this or any other Chapter of the General Statutes. Prior to exercising this authority, the director shall make reasonable efforts to obtain consent from a parent or guardian of the affected juvenile. If the director cannot obtain such consent, the director shall promptly notify the parent or guardian that care or treatment has been provided and shall give the parent frequent status reports on the circumstances of the juvenile. Upon request of a parent or guardian of the affected juvenile, the results or records of the aforementioned evaluations, findings, or treatment shall be made available to such parent or guardian by the director unless prohibited by G.S. 122C-53(d). If a juvenile is removed from the home and placed in custody or placement responsibility of a county department of social services, the director shall not allow unsupervised visitation with, or return physical custody of the juvenile to, the parent, guardian, custodian, or caretaker without a hearing at which the court finds that the juvenile will receive proper care and supervision in a safe home.**

~~In placing a juvenile in out-of-home care under this section, the court shall first consider whether a relative of the juvenile is willing~~

and able to provide proper care and supervision of the juvenile in a safe home. If the court finds that the relative is willing and able to provide proper care and supervision in a safe home, then the court shall order placement of the juvenile with the relative unless the court finds that the placement is contrary to the best interests of the juvenile. In placing a juvenile in out-of-home care under this section, the court shall also consider whether it is in the juvenile's best interest to remain in the juvenile's community of residence. Placement of a juvenile with a relative outside of this State must be in accordance with the Interstate Compact on the Placement of Children.

(3) In any case, the court may order that the juvenile be examined by a physician, psychiatrist, psychologist, or other qualified expert as may be needed for the court to determine the needs of the juvenile:

a. Upon completion of the examination, the court shall conduct a hearing to determine whether the juvenile is in need of medical, surgical, psychiatric, psychological, or other treatment and who should pay the cost of the treatment. The county manager, or such person who shall be designated by the chairman of the county commissioners, of the juvenile's residence shall be notified of the hearing, and allowed to be heard. If the court finds the juvenile to be in need of medical, surgical, psychiatric, psychological, or other treatment, the court shall permit the parent or other responsible persons to arrange for treatment. If the parent declines or is unable to make necessary arrangements, the court may order the needed treatment, surgery, or care, and the court may order the parent to pay the cost of the care pursuant to G.S. 7B-904. If the court finds the parent is unable to pay the cost of treatment, the court shall order the county to arrange for treatment of the juvenile and to pay for the cost of the treatment. The county department of social services shall recommend the facility that will provide the juvenile with treatment.

b. If the court believes, or if there is evidence presented to the effect that the juvenile is mentally ill or is developmentally disabled, the court shall refer the juvenile to the area mental health, developmental disabilities, and substance abuse services director for appropriate action. A juvenile shall not be committed directly to a State hospital or mental retardation center; and orders purporting to commit a juvenile directly to a State hospital or mental retardation center except for an examination to determine capacity to proceed shall be void and of no effect. The area mental health, developmental disabilities, and substance abuse director shall be responsible for arranging an interdisciplinary evaluation of the juvenile and mobilizing resources to meet the juvenile's needs. If institutionalization is determined to be the best service for the juvenile, admission shall be with the voluntary consent of the parent or guardian. If the parent, guardian, custodian, or caretaker refuses to consent to a mental hospital or retardation center admission after such institutionalization is recommended by the area mental health, developmental disabilities, and substance abuse director, the signature and consent of the court may be substituted for that purpose. In all cases in which a regional mental hospital refuses admission to a juvenile referred for admission by a court and an area mental health, developmental disabilities, and substance abuse

~~director or discharges a juvenile previously admitted on court referral prior to completion of treatment, the hospital shall submit to the court a written report setting out the reasons for denial of admission or discharge and setting out the juvenile's diagnosis, indications of mental illness, indications of need for treatment, and a statement as to the location of any facility known to have a treatment program for the juvenile in question.~~

(4) Place the juvenile in the custody of a parent, relative, private agency offering placement services, or some other suitable person. If the court determines that the juvenile should be placed in the custody of an individual other than a parent, the court shall verify that the person receiving custody of the juvenile understands the legal significance of the placement and will have adequate resources to care appropriately for the juvenile.

(5) Appoint a guardian of the person for the juvenile as provided in G.S. 7B-600.

(6) Place the juvenile in the custody of the department of social services in the county of the juvenile's residence. In the case of a juvenile who has legal residence outside the State, the court may place the juvenile in the physical custody of the department of social services in the county where the juvenile is found so that agency may return the juvenile to the responsible authorities in the juvenile's home state.

(a1) In placing a juvenile in out-of-home care under this section, the court shall first consider whether a relative of the juvenile is willing and able to provide proper care and supervision of the juvenile in a safe home. If the court finds that the relative is willing and able to provide proper care and supervision in a safe home, then the court shall order placement of the juvenile with the relative unless the court finds that the placement is contrary to the best interests of the juvenile. In placing a juvenile in out-of-home care under this section, the court shall also consider whether it is in the juvenile's best interest to remain in the juvenile's community of residence. Placement of a juvenile with a relative outside of this State must be in accordance with the Interstate Compact on the Placement of Children.

(a2) An order under this section placing or continuing the placement of the juvenile in out-of-home care shall contain a finding that the juvenile's continuation in or return to the juvenile's own home would be contrary to the juvenile's health and safety.

(a3) An order under this section placing the juvenile in out-of-home care shall contain specific findings as to whether the department has made reasonable efforts to prevent the need for placement of the juvenile. In determining whether efforts to prevent the placement of the juvenile were reasonable, the juvenile's health and safety shall be the paramount concern.

The court may find that efforts to prevent the need for the juvenile's placement were precluded by an immediate threat of harm to the juvenile. A finding that reasonable efforts were not made by a county department of social services shall not preclude the entry of an order authorizing the juvenile's placement when the court finds that placement is necessary for the protection of the juvenile.

(b) When the court has found that a juvenile has suffered physical abuse and that the individual responsible for the abuse has a history of violent behavior against people, the court shall consider the opinion of the mental health professional who performed an evaluation under G.S. 7B-503(b) before returning the juvenile to the custody of that individual.

~~(c) If the court determines that the juvenile shall be placed in the custody of an individual other than the parents, the court shall verify that the person receiving custody of the juvenile understands the legal significance of the placement and will have adequate resources to care appropriately for the juvenile.~~

(d) The court may order that the juvenile be examined by a physician, psychiatrist, psychologist, or other qualified expert as may be needed for the court to determine the needs of the juvenile. Upon completion of the examination, the court shall conduct a hearing to

determine whether the juvenile is in need of medical, surgical, psychiatric, psychological, or other treatment and who should pay the cost of the treatment. The county manager, or such person who shall be designated by the chairman of the county commissioners, of the juvenile's residence shall be notified of the hearing and allowed to be heard. Subject to G.S. 7B-903.1, if the court finds the juvenile to be in need of medical, surgical, psychiatric, psychological, or other treatment, the court shall permit the parent or other responsible persons to arrange for treatment. If the parent declines or is unable to make necessary arrangements, the court may order the needed treatment, surgery, or care and the court may order the parent to pay the cost of the care pursuant to G.S. 7B-904. If the court finds the parent is unable to pay the cost of treatment, the court shall order the county to arrange for treatment of the juvenile and to pay for the cost of the treatment. The county department of social services shall recommend the facility that will provide the juvenile with treatment.

(e) If the court determines that the juvenile may be mentally ill or developmentally disabled, the court may order the county department of social services to coordinate with the appropriate representative of the area mental health, developmental disabilities, and substance abuse services authority or other managed care organization responsible for managing public funds for mental health and developmental disabilities to develop a treatment plan for the juvenile. The court shall not commit a juvenile directly to a State hospital or developmental center for persons with intellectual and developmental disabilities and orders purporting to commit a juvenile directly to a State hospital or developmental center for persons with intellectual and developmental disabilities shall be void and of no effect. If the court determines that institutionalization is the best service for the juvenile, admission shall be with the voluntary consent of the parent, guardian, or custodian. If the parent, guardian, or custodian refuses to consent to admission to a mental hospital or developmental center for persons with intellectual and developmental disabilities, the signature and consent of the court may be substituted for that purpose. A State hospital or developmental center for persons with intellectual and developmental disabilities that refuses admission to a juvenile referred for admission by a court, or discharges a juvenile previously admitted on court referral prior to completion of treatment, shall submit to the court a written report setting out the reasons for denial of admission or discharge and setting out the juvenile's diagnosis, indications of mental illness or intellectual and developmental disabilities, indications of need for treatment, and a statement as to the location of any facility known to have a treatment program for the juvenile in question."

SECTION 11. Article 9 of Chapter 7B of the General Statutes is amended by adding a new section to read:

"**§ 7B-903.1. Juvenile placed in custody of a department of social services.**

(a) Except as prohibited by federal law, the director of a county department of social services with custody of a juvenile shall be authorized to make decisions about matters not addressed herein that are generally made by a juvenile's custodian, including, but not limited to, educational decisions and consenting to the sharing of the juvenile's information. The court may delegate any part of this authority to the juvenile's parent, foster parent, or another individual.

(b) When a juvenile is in the custody or placement responsibility of a county department of social services, the placement provider may, in accordance with G.S. 131D-10.2A, provide or withhold permission, without prior approval of the court or county department of social services, to allow a juvenile to participate in normal childhood activities. If such authorization is not in the juvenile's best interest, the court shall set out alternative parameters for approving normal childhood activities.

(c) If a juvenile is removed from the home and placed in the custody or placement responsibility of a county department of social services, the director shall not allow unsupervised visitation with or return physical custody of the juvenile to the parent, guardian, custodian, or caretaker without a hearing at which the court finds that the juvenile will receive proper care and supervision in a safe home.

(d) When a county department of social services having custody or placement responsibility of a juvenile intends to change the juvenile's placement, the department shall give the guardian ad litem for the juvenile notice of its intention unless precluded by emergency circumstances from doing so. Where emergency circumstances exist, the department of social services shall notify the guardian ad litem or the attorney advocate within 72 hours of the placement change, unless local rules require notification within a shorter time period.

(e) When a juvenile is placed in the custody of a county department of social services, the provisions of G.S. 7B-505.1 apply."

SECTION 12. G.S. 7B-905 reads as rewritten:

"§ **7B-905. Dispositional order.**

(a) The dispositional order shall be in writing, signed, and entered no later than 30 days from the completion of the hearing, and shall contain appropriate findings of fact and conclusions of law. The court shall state with particularity, both orally and in the written order of disposition, the precise terms of the disposition including the kind, duration, and the person who is responsible for carrying out the disposition and the person or agency in whom custody is vested. If the order is not entered within 30 days following completion of the hearing, the clerk of court for juvenile matters shall schedule a subsequent hearing at the first session of court scheduled for the hearing of juvenile matters following the 30-day period to determine and explain the reason for the delay and to obtain any needed clarification as to the contents of the order. The order shall be entered within 10 days of the subsequent hearing required by this subsection.

(b) A dispositional order under which a juvenile is removed from the custody of a parent, guardian, custodian, or caretaker shall direct that the review hearing required by G.S. 7B-906.1 be held within 90 days from of the date of the dispositional hearing and, if practicable, shall set the date and time for the review hearing.

~~(c) Any dispositional order shall comply with the requirements of G.S. 7B-507.~~

~~(d) When a county department of social services having custody or placement responsibility of a juvenile intends to change the juvenile's placement, the department shall give the guardian ad litem for the juvenile notice of its intention unless precluded by emergency circumstances from doing so. Where emergency circumstances exist, the department of social services shall notify the guardian ad litem or the attorney advocate within 72 hours of the placement change, unless local rules require notification within a shorter time period.~~"

SECTION 13. G.S. 7B-906.1(g) reads as rewritten:

"(g) At the conclusion of each permanency planning hearing, the judge shall make specific findings as to the best plan of care to achieve a safe, permanent home for the juvenile within a reasonable period of time. The judge shall inform the parent, guardian, or custodian that failure or refusal to cooperate with the plan may result in an order of the court in a subsequent permanency planning hearing that reunification efforts may cease."

SECTION 14. Article 9 of Chapter 7B of the General Statutes is amended by adding a new section to read:

"§ **7B-906.2. Permanent plans; concurrent planning.**

(a) At any permanency planning hearing pursuant to G.S. 7B-906.1, the court shall adopt one or more of the following permanent plans the court finds is in the juvenile's best interest:

(1) Reunification as defined by G.S. 7B-101.
(2) Adoption under Article 3 of Chapter 48 of the General Statutes.
(3) Guardianship pursuant to G.S. 7B-600(b).
(4) Custody to a relative or other suitable person.
(5) Another Planned Permanent Living Arrangement (APPLA) pursuant to G.S. 7B-912.
(6) Reinstatement of parental rights pursuant to G.S. 7B-1114.

(b) At any permanency planning hearing, the court shall adopt concurrent permanent plans and shall identify the primary plan and secondary plan. Reunification shall remain a

primary or secondary plan unless the court made findings under G.S. 7B-901(c) or makes written findings that reunification efforts clearly would be unsuccessful or would be inconsistent with the juvenile's health or safety. The court shall order the county department of social services to make efforts toward finalizing the primary and secondary permanent plans and may specify efforts that are reasonable to timely achieve permanence for the juvenile.

(c) At the first permanency planning hearing held pursuant to G.S. 7B-906.1, the court shall make a finding about whether the efforts of the county department of social services toward reunification were reasonable, unless reunification efforts were ceased in accordance with G.S. 7B-901(c) or this section. In every subsequent permanency planning hearing held pursuant to G.S. 7B-906.1, the court shall make written findings about the efforts the county department of social services has made toward the primary permanent plan and any secondary permanent plans in effect prior to the hearing. The court shall make a conclusion about whether efforts to finalize the permanent plan were reasonable to timely achieve permanence for the juvenile.

(d) At any permanency planning hearing under subsections (b) and (c) of this section, the court shall make written findings as to each of the following, which shall demonstrate lack of success:

(1) Whether the parent is making adequate progress within a reasonable period of time under the plan.

(2) Whether the parent is actively participating in or cooperating with the plan, the department, and the guardian ad litem for the juvenile.

(3) Whether the parent remains available to the court, the department, and the guardian ad litem for the juvenile.

(4) Whether the parent is acting in a manner inconsistent with the health or safety of the juvenile.

(e) If the juvenile is 14 years of age or older, the court shall make written findings in accordance with G.S. 7B-912(a), regardless of the juvenile's permanent plan."

SECTION 15. Article 9 of Chapter 7B of the General Statutes is amended by adding a new section to read:

"**§ 7B-912. Juveniles 14 years of age and older; Another Planned Permanent Living Arrangement.**

(a) In addition to the permanency planning requirements under G.S. 7B-906.1, at every permanency planning hearing for a juvenile in the custody of a county department of social services who has attained the age of 14 years, the court shall inquire and make written findings regarding each of the following:

(1) The services provided to assist the juvenile in making a transition to adulthood.

(2) The steps the county department of social services is taking to ensure that the foster family or other licensed placement provider follows the reasonable and prudent parent standard as provided in G.S. 131D-10.2A.

(3) Whether the juvenile has regular opportunities to engage in age-appropriate or developmentally appropriate activities.

(b) At or before the last scheduled permanency planning hearing, but at least 90 days before a juvenile attains 18 years of age, the court shall (i) inquire as to whether the juvenile has a copy of the juvenile's birth certificate, Social Security card, health insurance information, drivers license or other identification card, and any educational or medical records the juvenile requests and (ii) determine the person or entity that should assist the juvenile in obtaining these documents before the juvenile attains the age of 18 years.

(c) If the court finds each of the following conditions applies, the court shall approve Another Planned Permanent Living Arrangement (APPLA) as defined by P.L. 113-183, as the juvenile's primary permanent plan:

(1) The juvenile is 16 or 17 years old.

(2) The county department of social services has made diligent efforts to place the juvenile permanently with a parent or relative or in a guardianship or adoptive placement.

(3) Compelling reasons exist that it is not in the best interest of the juvenile to be placed permanently with a parent or relative or in a guardianship or adoptive placement.

(4) APPLA is the best permanency plan for the juvenile.

(d) If the court approves APPLA as the juvenile's permanent plan, the court shall, after questioning the juvenile, make written findings addressing the juvenile's desired permanency outcome."

SECTION 16. G.S. 7B-1001 reads as rewritten:

"§ **7B-1001. Right to appeal.**

(a) In a juvenile matter under this Subchapter, appeal of a final order of the court in a juvenile matter shall be made directly to the Court of Appeals. Only the following juvenile matters may be appealed:

(1) Any order finding absence of jurisdiction.

(2) Any order, including the involuntary dismissal of a petition, which in effect determines the action and prevents a judgment from which appeal might be taken.

(3) Any initial order of disposition and the adjudication order upon which it is based.

(4) Any order, other than a nonsecure custody order, that changes legal custody of a juvenile.

(5) An order entered under ~~G.S. 7B-507(c)~~ G.S. 7B-906.2(b) with rights to appeal properly preserved, as follows:

a. The Court of Appeals shall review the order ~~to cease reunification~~ eliminating reunification as a permanent plan together with an appeal of the termination of parental rights order if all of the following apply:

1. A motion or petition to terminate the parent's rights is heard and granted.

2. The order terminating parental rights is appealed in a proper and timely manner.

3. The order ~~to cease reunification~~ eliminating reunification as a permanent plan is identified as an issue in the record on appeal of the termination of parental rights.

b. A party who is a parent shall have the right to appeal the order if no termination of parental rights petition or motion is filed within 180 days of the order.

c. A party who is a custodian or guardian shall have the right to immediately appeal the order.

(6) Any order that terminates parental rights or denies a petition or motion to terminate parental rights.

(b) Notice of appeal and notice to preserve the right to appeal shall be given in writing by a proper party as defined in G.S. 7B-1002 and shall be made within 30 days after entry and service of the order in accordance with G.S. 1A-1, Rule 58.

(c) Notice of appeal shall be signed by both the appealing party and counsel for the appealing party, if any. In the case of an appeal by a juvenile, notice of appeal shall be signed by the guardian ad litem attorney advocate."

SECTION 17. G.S. 7B-906.1 reads as rewritten:

"§ **7B-906.1. Review and permanency planning hearings.**

…

(f) In the case of a juvenile who is in the custody or placement responsibility of a county department of social services and has been in placement outside the home for 12 of the most recent 22 months, or a court of competent jurisdiction has determined that the parent (i) has abandoned the child, (ii) has committed murder or voluntary manslaughter of another child of the parent, or (iii) has aided, abetted, attempted, conspired, or solicited to commit murder or voluntary manslaughter of the child or another child of the parent, the director of the department of social services shall initiate a proceeding to terminate the parental rights of the parent unless the court finds any of the following:

(1) The primary permanent plan for the juvenile is guardianship or custody with a relative or some other suitable person.

(2) The court makes specific findings as to why the filing of a petition for termination of parental rights is not in the best interests of the child.

(3) The department of social services has not provided the juvenile's family with services the department deems necessary when reasonable efforts are still required to enable the juvenile's return to a safe home.

(g) At the conclusion of each permanency planning hearing, the judge shall make specific findings as to the best ~~plan of care~~ permanent plans to achieve a safe, permanent home for the juvenile within a reasonable period of time.

…

(l) If the court continues the juvenile's placement in the custody or placement responsibility of a county department of social services, the provisions of ~~G.S. 7B-507~~ G.S. 7B-903.1 shall apply to any order entered under this section.

(m) If the court finds that a proceeding to terminate the parental rights of the juvenile's parents is necessary in order to perfect the primary permanent plan for the juvenile, the director of the department of social services shall file a petition to terminate parental rights within 60 calendar days from the date of the entry of the order unless the court makes written findings regarding why the petition cannot be filed within 60 days. If the court makes findings to the contrary, the court shall specify the time frame in which any needed petition to terminate parental rights shall be filed.

(n) Notwithstanding other provisions of this Article, the court may waive the holding of hearings required by this section, may require written reports to the court by the agency or person holding custody in lieu of review hearings, or order that review hearings be held less often than every six months if the court finds by clear, cogent, and convincing evidence each of the following:

(1) The juvenile has resided in the placement for a period of at least one year.

(2) The placement is stable and continuation of the placement is in the juvenile's best interests.

(3) Neither the juvenile's best interests nor the rights of any party require that review hearings be held every six months.

(4) All parties are aware that the matter may be brought before the court for review at any time by the filing of a motion for review or on the court's own motion.

(5) The court order has designated the relative or other suitable person as the juvenile's permanent custodian or guardian of the person.

The court may not waive or refuse to conduct a review hearing if a party files a motion seeking the review. However, if a guardian of the person has been appointed for the juvenile and the court has also made findings in accordance with subsection (n) of this section that guardianship is the permanent plan for the juvenile, the court shall proceed in accordance with G.S. 7B-600(b)."

SECTION 18. Section 3 of this act is effective when it becomes law. The remainder of this act becomes effective October 1, 2015, and applies to actions filed or pending on or after that date.

In the General Assembly read three times and ratified this the 1st day of July, 2015.

Became law upon approval of the Governor at 9:00 a.m. on the 2nd day of July, 2015.

Session Law 2015-137 **H.B. 652**

AN ACT ESTABLISHING A RIGHT TO TRY ACT TO PROVIDE EXPANDED ACCESS TO INVESTIGATIONAL DRUGS, BIOLOGICAL PRODUCTS, AND DEVICES FOR PATIENTS DIAGNOSED WITH TERMINAL ILLNESS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 90 of the General Statutes is amended by adding a new Article to read:

"Article 23A.

"Right to Try Act.

"§ **90-325. Short title; purpose.**

(a) This Article shall be known and may be cited as the Right to Try Act.

(b) The purpose of this Article is to authorize access to and use of experimental treatments for patients with a terminal illness; to establish conditions for use of experimental treatment; to prohibit sanctions of health care providers solely for recommending or providing experimental treatment; to clarify duties of a health insurer with regard to experimental treatment authorized under this Article; to prohibit certain actions by State officials, employees, and agents; and to restrict certain causes of action arising from experimental treatment.

"§ **90-325.1. Definitions.**

The following definitions apply in this Article, unless the context requires otherwise:

(1) Eligible patient. – An individual who meets all of the following criteria:

a. Has a terminal illness, attested to by a treating physician.

b. Has, in consultation with a treating physician, considered all other treatment options currently approved by the United States Food and Drug Administration.

c. Has received a recommendation from the treating physician for use of an investigational drug, biological product, or device for treatment of the terminal illness.

d. Has given informed consent in writing to use of the investigational drug, biological product, or device for treatment of the terminal illness or, if the individual is a minor or is otherwise incapable of providing informed consent, the parent or legal guardian has given informed consent in writing to use of the investigational drug, biological product, or device.

e. Has documentation from the treating physician that the individual meets all of the criteria for this definition. This documentation shall include an attestation from the treating physician that the treating physician was consulted in the creation of the written, informed consent required under this Article.

(2) Investigational drug, biological product, or device. – A drug, biological product, or device that has successfully completed Phase I of a clinical trial but has not yet been approved for general use by the United States Food and Drug Administration and remains under investigation in a clinical trial approved by the United States Food and Drug Administration.

(3) Terminal illness. – A progressive disease or medical or surgical condition that (i) entails significant functional impairment, (ii) is not considered by a treating physician to be reversible even with administration of available

treatments approved by the United States Food and Drug Administration, and (iii) will soon result in death without life-sustaining procedures.

(4) Written, informed consent. – A written document that is signed by an eligible patient; or if the patient is a minor, by a parent or legal guardian; or if the patient is incapacitated, by a designated health care agent pursuant to a health care power of attorney, that at a minimum includes all of the following:

a. An explanation of the currently approved products and treatments for the eligible patient's terminal illness.

b. An attestation that the eligible patient concurs with the treating physician in believing that all currently approved treatments are unlikely to prolong the eligible patient's life.

c. Clear identification of the specific investigational drug, biological product, or device proposed for treatment of the eligible patient's terminal illness.

d. A description of the potentially best and worst outcomes resulting from use of the investigational drug, biological product, or device to treat the eligible patient's terminal illness, along with a realistic description of the most likely outcome. The description shall be based on the treating physician's knowledge of the proposed treatment in conjunction with an awareness of the eligible patient's terminal illness and shall include a statement acknowledging that new, unanticipated, different, or worse symptoms might result from, and that death could be hastened by, the proposed treatment.

e. A statement that eligibility for hospice care may be withdrawn if the eligible patient begins treatment of the terminal illness with an investigational drug, biological product, or device and that hospice care may be reinstated if such treatment ends and the eligible patient meets hospice eligibility requirements.

f. A statement that the eligible patient's health benefit plan or third-party administrator and provider are not obligated to pay for any care or treatments consequent to the use of the investigational drug, biological product, or device, unless specifically required to do so by law or contract.

g. A statement that the eligible patient understands that he or she is liable for all expenses consequent to the use of the investigational drug, biological product, or device and that this liability extends to the eligible patient's estate, unless a contract between the patient and the manufacturer of the drug, biological product, or device states otherwise.

h. A statement that the eligible patient or, for an eligible patient who is a minor or lacks capacity to provide informed consent, that the parent or legal guardian consents to the use of the investigational drug, biological product, or device for treatment of the terminal condition.

"**§ 90-325.2. Authorized access to and use of investigational drugs, biological products, and devices.**

(a) A manufacturer of an investigational drug, biological product, or device may make available to an eligible patient, and an eligible patient may request, the manufacturer's investigational drug, biological product, or device. However, nothing in this Article shall be construed to require a manufacturer of an investigational drug, biological product, or device to make such investigational drug, biological product, or device available to an eligible patient.

(b) A manufacturer of an investigational drug, biological product, or device may provide the investigational drug, biological product, or device to an eligible patient without

receiving compensation or may require the eligible patient to pay the costs of, or the costs associated with, the manufacture of the investigational drug, biological product, or device.

"**§ 90-352.3. No liability to heirs for outstanding debt related to use of investigational drugs, biological products, or devices.**

If an eligible patient dies while being treated with an investigational drug, biological product, or device, the eligible patient's heirs are not liable for any outstanding debt related to the treatment, including any costs attributed to lack of insurance coverage for the treatment.

"**§ 90-325.4. Sanctions against health care providers prohibited.**

(a) A licensing board shall not revoke, fail to renew, suspend, or take any other disciplinary action against a health care provider licensed under this Chapter, based solely on the health care provider's recommendations to an eligible patient regarding access to or treatment with an investigational drug, biological product, or device.

(b) An entity responsible for Medicare certification shall not take action against a health care provider's Medicare certification based solely on the health care provider's recommendation that a patient have access to an investigational drug, biological product, or device.

"**§ 90-325.5. Prohibited conduct by State officials.**

No official, employee, or agent of this State shall block or attempt to block an eligible patient's access to an investigational drug, biological product, or device. Counseling, advice, or a recommendation consistent with medical standards of care from a licensed health care provider does not constitute a violation of this section.

"**§ 90-325.6. No private right of action against manufacturers of investigational drugs, biological products, or devices.**

No private right of action may be brought against a manufacturer of an investigational drug, biological product, or device, or against any other person or entity involved in the care of an eligible patient using an investigational drug, biological product, or device, for any harm caused to the eligible patient resulting from use of the investigational drug, biological product, or device as long as the manufacturer or other person or entity has made a good-faith effort to comply with the provisions of this Article and has exercised reasonable care in actions undertaken pursuant to this Article.

"**§ 90-325.7. Insurance coverage of clinical trials.**

Nothing in this Article shall be construed to affect a health benefit plan's obligation to provide coverage for an insured's participation in a clinical trial pursuant to G.S. 58-3-255."

SECTION 2. This act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 24th day of June, 2015.

Became law upon approval of the Governor at 9:15 a.m. on the 2nd day of July, 2015.

Session Law 2015-138 **H.B. 263**

AN ACT TO MODIFY THE FORM OF GOVERNMENT IN THE CITY OF TRINITY AND TO CLARIFY THE FORM OF GOVERNMENT, METHOD OF ELECTION, AND DETERMINATION OF ELECTION RESULTS IN THE CITY OF GREENSBORO.

The General Assembly of North Carolina enacts:

CITY OF TRINITY ELECTIONS

SECTION 1.(a) Chapter III of the Charter of the City of Trinity, as enacted by S.L. 1997-44, reads as rewritten:

"**CHAPTER III.**

"**GOVERNING BODY.**

"Section 3-1. **Structure of the Governing Body; Number of Members.** The governing body of the City of Trinity is the City Council which has ~~eight~~ five members.

"Section 3-2. **Manner of Electing Council.** The city is divided into four wards, each with ~~two members,~~ one member, and the qualified voters of the entire city elect candidates who reside in that ward for the seats apportioned to that ward. Each ward shall have the same number of persons as nearly as practicable. Additionally, one member who resides in the city shall be elected at large by all the qualified voters of the entire city.

"Section 3-3. **Term of Office of Council Members.** Members of the Council are elected to ~~four-year~~ two-year terms. ~~In 1997, two persons shall be elected for each ward. The candidate in each ward receiving the highest number of votes is elected to a four-year term, and the candidate receiving the next highest number of votes is elected to a two-year term. In 1999 and biennially thereafter, one member shall be elected from each ward for a four-year term.~~

"Section 3-4. **Mayor; Term of Office.** In ~~1997~~ 2017 and ~~quadrennially~~ biennially thereafter, the Mayor shall be selected by the qualified voters of the city for a ~~four-year~~ two-year term.

"Section 3-5. **Vacancies.** ~~Notwithstanding G.S. 160A-63, any~~ Any person appointed to fill a vacancy in the City Council or as Mayor shall serve for the remainder of the unexpired term."

SECTION 1.(b) In the 2015 election, no member shall be elected from any ward. In the 2015 election, the member to be elected at-large by all the qualified voters of the City of Trinity, as established by Section 1(a) of this act, shall be elected.

SECTION 1.(c) This section applies only to the City of Trinity.

CITY OF GREENSBORO ELECTIONS

SECTION 2.(a) Notwithstanding any other provision of law, the City of Greensboro shall operate under the Council-Manager form of government in accordance with Part 2 of Article 7 of Chapter 160A of the General Statutes.

SECTION 2.(b) Notwithstanding Part 4 of Article 5 of Chapter 160A of the General Statutes and G.S. 160A-23, the City of Greensboro shall not alter or amend the form of government for the City. Upon the return of the 2020 federal decennial census, the North Carolina General Assembly shall revise the districts set out in this section, if needed. The City of Greensboro may submit proposed changes to the districts set out in this section to the North Carolina General Assembly.

SECTION 2.(c) Section 3.01 of the Charter of the City of Greensboro, as set forth in Section 1 of Chapter 1137 of the Session Laws of 1959, as amended by Chapter 213 of the Session Laws of 1973 and by Ordinances 82-113 and 83-7 adopted by the City Council, is amended by rewriting that section to read:

"Section 3.01. **Composition and Term of the Mayor and City Council.** The City Council shall consist of eight members, each residing in and elected from districts, who shall be elected for a term of four years beginning in 2015 in the manner provided by Chapter II. In addition, there shall be a mayor who shall be elected for a term of four years in the manner provided by Chapter II. The eight single-member districts are as follows:

District 1: Guilford County: VTD: FEN1: Block(s) 0810128041019, 0810128041027, 0810128041028, 0810128041029, 0810128041030, 0810128041032, 0810128041033, 0810128041034, 0810128041035, 0810128041036, 0810128051050, 0810128051065, 0810128051066, 0810168001015, 0810168001016, 0810168001017, 0810168001018, 0810168001019, 0810168001020, 0810168001021, 0810168001022, 0810168001023, 0810168001024, 0810168001025, 0810168002001, 0810168002002, 0810168002039, 0810168002040, 0810168002041, 0810168002042, 0810168002043, 0810168002044, 0810168002046, 0810168002071, 0810168002073, 0810168002074, 0810168002091, 0810171001010, 0810171001011, 0810171001012, 0810171001013, 0810171001014, 0810171001031, 0810171001033, 0810171001034, 0810171001035, 0810171001036, 0810171001037, 0810171001044, 0810171001046, 0810171001047, 0810171001048, 0810171001049, 0810171001050, 0810171001051, 0810171001059, 0810171001060, 0810171001061; VTD: G01, VTD: G02, VTD: G04, VTD: G07, VTD: G11, VTD: G67, VTD: G68, VTD: G71, VTD: G72, VTD: G74, VTD: G75: Block(s) 0810113002015,

0810113004013, 0810128032038, 0810128032039, 0810128032085, 0810128032086, 0810128032087, 0810128041000, 0810128041001, 0810128041002, 0810128041003, 0810128041004, 0810128041005, 0810128041018, 0810128051000, 0810128051001, 0810128051002, 0810128051003, 0810128051004, 0810128051005, 0810128051006, 0810128051007, 0810128051008, 0810128051009, 0810128051010, 0810128051011, 0810128051012, 0810128051013, 0810128051014, 0810128051015, 0810128051016, 0810128051017, 0810128051018, 0810128051019, 0810128051020, 0810128051021, 0810128051022, 0810128051023, 0810128051024, 0810128051025, 0810128051026, 0810128051027, 0810128051028, 0810128051029, 0810128051030, 0810128051031, 0810128051032, 0810128051033, 0810128051034, 0810128051035, 0810128051036, 0810128051037, 0810128051038, 0810128051039, 0810128051040, 0810128051044, 0810128051045, 0810128051048, 0810128051052, 0810128051053, 0810128051054, 0810128051055, 0810128051056, 0810128051060, 0810128051061, 0810128051062, 0810128051063, 0810128051064; VTD: JEF1: 0810128031062, 0810128031063, 0810128031064, 0810153002020, 0810153002022, 0810153002028, 0810153002031, 0810153002037, 0810153002038, 0810154021017, 0810154021022, 0810154021023, 0810154021029, 0810154021031, 0810154021032, 0810154021033, 0810154021036; VTD: JEF2: 0810111021019, 0810111021022, 0810111021023, 0810111021024, 0810111021025, 0810128031025, 0810128031032, 0810128031037, 0810128031040, 0810128031041, 0810128031050, 0810128031051, 0810128031054, 0810128031055, 0810128031056, 0810128031068, 0810128031070, 0810128031071, 0810128031072, 0810128031073, 0810128031089, 0810128031090, 0810128031096, 0810128032000, 0810128032001, 0810128032002, 0810128032003, 0810128032008, 0810128032009, 0810128032014, 0810128032020, 0810128032021, 0810128032025, 0810128032094, 0810153003026, 0810153003027, 0810153003035, 0810153003037, 0810153003042, 0810153003047, 0810153003048, 0810153003050, 0810153003051, 0810153003052, 0810153003053, 0810153003054, 0810153003055, 0810153003056, 0810153003057, 0810153003058, 0810153003059, 0810153003060, 0810153003061, 0810153003064, 0810153003065, 0810153003066, 0810153003067, 0810153003081, 0810153003087, 0810153003088, 0810153003089, 0810153003092; VTD: JEF3: 0810128032022, 0810128032023, 0810128032024, 0810128032030, 0810128032033, 0810128032034, 0810128032044, 0810128032057, 0810128032060, 0810128032061, 0810128032068, 0810128032069, 0810128032070, 0810128032071, 0810128032076, 0810128032078, 0810128032079, 0810128032080, 0810128032081, 0810128032082, 0810128032088, 0810128032089, 0810128032090, 0810128032093, 0810128032095, 0810172001061, 0810172001065, 0810172001068, 0810172001069, 0810172001070, 0810172001071, 0810172001072, 0810172001118; VTD: JEF4: 0810172001001, 0810172001002, 0810172001003, 0810172001004, 0810172001005, 0810172001006, 0810172001008, 0810172001009, 0810172001010, 0810172001012, 0810172001013, 0810172001014, 0810172001015, 0810172001017, 0810172001018, 0810172001019, 0810172001020, 0810172001021, 0810172001022, 0810172001025, 0810172001026, 0810172001027, 0810172001050, 0810172001051, 0810172001052, 0810172001053, 0810172001056, 0810172001057, 0810172001058, 0810172001060, 0810172001064, 0810172001079, 0810172001083, 0810172001084, 0810172001093, 0810172001094, 0810172001095, 0810172001103, 0810172001104, 0810172001105, 0810172001119, 0810172001120, 0810172001121, 0810172002030; VTD: PG1: 0810168004000.

District 2: Guilford County: VTD: G03, VTD: G05, VTD: G06: Block(s) 0810127052000, 0810127052011, 0810127052012, 0810127052013, 0810127052014, 0810127052015, 0810127052016, 0810127052022, 0810127052023, 0810127062000, 0810127062001, 0810127062002, 0810127062003, 0810127062009, 0810127062010, 0810127062017, 0810127071000, 0810127071001, 0810127071002, 0810127071003, 0810127071017, 0810127071018, 0810127071019, 0810127071020, 0810127071021, 0810127071022, 0810127071023, 0810128031001, 0810128031004, 0810128031005, 0810128031009,

0810128031010, 0810128031012, 0810128031013, 0810128031014, 0810128031015, 0810128031023, 0810128031026, 0810128031027, 0810128031028, 0810128031091, 0810154021016; VTD: G08, VTD: G09, VTD: G10, VTD: G24, VTD: G26: Block(s) 0810155001044, 0810155001045, 0810155001046, 0810155001050, 0810155001051, 0810155001059, 0810155001060, 0810155001061, 0810155001082, 0810157032000, 0810157032001, 0810157032002, 0810157032003, 0810157032004, 0810157032005, 0810157032006, 0810157032007, 0810157032008, 0810157032009, 0810157032010, 0810157032011, 0810157032012, 0810157032013, 0810157032014, 0810157032015, 0810157032016, 0810157032017, 0810157032018, 0810157032024, 0810157032025, 0810157032026, 0810157032027, 0810157032032, 0810157032033, 0810157032034, 0810157032035, 0810157061056, 0810157061060, 0810157061061, 0810157061062, 0810157062019, 0810157062023, 0810157062024, 0810157062025, 0810157062026, 0810157062028, 0810157062029, 0810157062030, 0810157062031, 0810157062032, 0810157062034, 0810157062039, 0810157062040, 0810157062041, 0810157062042, 0810157062043, 0810157062044, 0810157062045, 0810157062046, 0810157062047, 0810157062048, 0810157062049, 0810157062050, 0810157062051; VTD: JEF1: 0810128031021, 0810128031034, 0810128031095, 0810154021007, 0810154021008, 0810154021009, 0810154021010, 0810154021011; VTD: MON1: 0810154022015, 0810154023001, 0810154023018, 0810154024000, 0810154024002, 0810154024004, 0810154024008, 0810154024009, 0810154024010, 0810154024012, 0810154024013, 0810154024024, 0810154024028, 0810154024041, 0810154024047, 0810154024050, 0810154024051, 0810154024060, 0810154024064; VTD: MON2: 0810154011021, 0810154011024, 0810154011025, 0810154011026, 0810154011027, 0810154011028, 0810154011029, 0810154011030, 0810154011031, 0810154011032, 0810154011033, 0810154011034, 0810154011035, 0810154011036, 0810154011037, 0810154011038, 0810154011039, 0810154011042, 0810154011044, 0810154011045, 0810154011048, 0810154011049, 0810154011050, 0810154011054, 0810154011056, 0810154011057, 0810154011058, 0810154011059, 0810154011060, 0810154011061, 0810154011062, 0810154011063, 0810154011067, 0810154011068, 0810154011069, 0810154011070, 0810155001000, 0810155001001, 0810155001002, 0810155001004, 0810155001008, 0810155001009, 0810155001010, 0810155001011, 0810155001012, 0810155001017, 0810155001018, 0810155001033, 0810155001034, 0810155001035, 0810155001036, 0810155001038, 0810155001039, 0810155001043, 0810155001047, 0810155001048, 0810155001049, 0810155001052, 0810155001055, 0810155001058, 0810155001063, 0810155001064, 0810155001067, 0810155001068, 0810155001072, 0810155001077, 0810155001089, 0810155001093, 0810155001095, 0810155002000, 0810155002001, 0810155002002, 0810155002003, 0810155002004, 0810155002005, 0810155002006, 0810155002007, 0810155002008, 0810155002009, 0810155002010, 0810155002011, 0810155002013, 0810155002014, 0810155002015, 0810155002016, 0810155002017, 0810155002018, 0810155002019, 0810155002024, 0810155002025, 0810155002026, 0810155002027, 0810155002029, 0810155002035, 0810155002043, 0810155002050, 0810155002054, 0810156002113, 0810157062014, 0810157062015, 0810157062018, 0810157062027.

District 3: Guilford County: VTD: G12, VTD: G13, VTD: G14, VTD: G15, VTD: G16, VTD: G17, VTD: G18, VTD: G19, VTD: G20, VTD: G21, VTD: G35: Block(s) 0810125053003, 0810125053004, 0810125053005; VTD: G45, VTD: G47, VTD: G51.

District 4: Guilford County: VTD: G44, VTD: G46, VTD: G52, VTD: G53: Block(s) 0810128041006, 0810128041007, 0810128041008, 0810128041009, 0810128041010, 0810128041011, 0810128041012, 0810128041013, 0810128041014, 0810128041015, 0810128041016, 0810128041017, 0810128041020, 0810128041021, 0810128041022, 0810128041023, 0810128041024, 0810128041025, 0810128041026, 0810128041037, 0810128041038, 0810128041039, 0810128041040, 0810128041041, 0810128041042, 0810128042000, 0810128042001, 0810128042002, 0810128042003, 0810128042004,

0810128042005, 0810128042006, 0810128042007, 0810128042008, 0810128042009, 0810128042010, 0810128042011, 0810128042012, 0810128042013, 0810128042014, 0810128042015, 0810128042016, 0810128042017, 0810128042018, 0810128042019, 0810128042020, 0810128042021, 0810128042022, 0810168002004, 0810168002005, 0810168002006, 0810168002007, 0810168002008, 0810168002009, 0810168002010, 0810168002011, 0810168002012, 0810168002013, 0810168002015, 0810168002016, 0810168002017, 0810168002018, 0810168002020, 0810168002024, 0810168002026, 0810168002028, 0810168002029, 0810168002030, 0810168002031, 0810168002050, 0810168002051, 0810168002053, 0810168002057; VTD: G54, VTD: G55: Block(s) 0810126111037, 0810126111038, 0810126122000, 0810126122001, 0810126122002, 0810126122003, 0810126122004, 0810126122005, 0810126122006, 0810126122007, 0810126122008, 0810126122009, 0810126122010, 0810126122011, 0810126122012, 0810126122026, 0810126122027, 0810126122028, 0810126122029, 0810126123000, 0810126123001, 0810126123002, 0810126123003, 0810126123004, 0810126123005, 0810126123006, 0810126123007, 0810126123008, 0810126123009, 0810126123010, 0810126123011, 0810126123012, 0810126123013, 0810126123014, 0810126123015, 0810126123016, 0810126123017, 0810126123018, 0810126123019, 0810167011000, 0810167011001, 0810167011002, 0810167011003, 0810167011004, 0810167011005, 0810167011006, 0810167011019, 0810167011021, 0810167011022, 0810167011023, 0810167011024, 0810167011025; VTD: G69, VTD: G70, VTD: G73, VTD: SUM1: Block(s) 0810167011008, 0810167011009, 0810167011010, 0810167011011, 0810167011012, 0810167011013, 0810167011014, 0810167011015, 0810167011016, 0810167011017, 0810167011018, 0810167011020, 0810167011092, 0810167011093, 0810167011094, 0810167012000, 0810167012001, 0810167012005, 0810167012006; VTD: SUM2: 0810167011058, 0810167011060, 0810167011065, 0810167011066, 0810167011067, 0810167011068, 0810167011069, 0810167011070, 0810167011082, 0810167011083, 0810167013003, 0810167013005, 0810167013006, 0810167013007, 0810167013008, 0810167013009, 0810168002023, 0810168002034, 0810168002035, 0810168002047, 0810168002049, 0810168002052, 0810168002054, 0810168002055, 0810168002056, 0810168002058, 0810168002059, 0810168002060, 0810168002061, 0810168002062, 0810168002063, 0810168002064, 0810168002068, 0810168002070, 0810168002092.

District 5: Guilford County: VTD: FR1: Block(s) 0810165031005, 0810165031023, 0810165031026, 0810165031027, 0810165031030, 0810165031031, 0810165031032, 0810165031033, 0810165031034, 0810165031035, 0810165031036, 0810165031037, 0810165031038, 0810165031039, 0810165031040, 0810165031041, 0810165031042, 0810165031043, 0810165031044, 0810165031045, 0810165031046, 0810165031047, 0810165031048, 0810165031049, 0810165031050, 0810165031051, 0810165032000, 0810165032001, 0810165032007, 0810165032008, 0810165032011, 0810165032012, 0810165032013, 0810165032014, 0810165032015, 0810165032016, 0810165032017, 0810165032018, 0810165032019, 0810165032020, 0810165032021, 0810165032022, 0810165032025, 0810165032026, 0810165032027, 0810165032028, 0810165032030, 0810165032031, 0810165032032, 0810165051001, 0810165051002, 0810165051003, 0810165051004, 0810165051005, 0810165051007, 0810165051009, 0810165051010, 0810165051024, 0810165052002, 0810165061000, 0810165061001, 0810165061002, 0810165061003, 0810165061004, 0810165061006, 0810165061007, 0810165061008, 0810165062000, 0810165062001, 0810165062007; VTD: FR2: 0810164051062; VTD: FR4: 0810160081040, 0810160081041, 0810160081042, 0810160081055, 0810160081056, 0810160111008, 0810160111041, 0810160111043, 0810160111052, 0819801001014, 0819801001024, 0819801001041, 0819801001042; VTD: FR5: 0810160031039, 0810160031040, 0810160031041, 0810160031042, 0810160031043, 0810160031044, 0810160081029, 0810160081030, 0810160081036, 0810160081037, 0810160081038, 0810160081039, 0810160081043, 0810160081046, 0810160081047, 0810160081053,

0810160081054, 0810160081058, 0810160111053, 0810160111054, 0819801001008, 0819801001012, 0819801001013; VTD: G38, VTD: G42, VTD: G43, VTD: G62, VTD: G63, VTD: G64: Block(s) 0810160111014, 0810160111019, 0810160111020, 0810160111021, 0810160111023, 0810160111024, 0810160111025, 0810160111027, 0810160111029, 0810160111033, 0810160111036, 0810160111038, 0810160111039, 0810160111044, 0810160111046, 0810160111047, 0810160111048, 0810160111049, 0810160111055, 0810160111056, 0810160111057, 0810160111058, 0810160111059, 0810160111060, 0810160111061, 0810160111062, 0810160111064, 0810160111065, 0810160111066, 0810160111067, 0810160111068, 0810160111069, 0810160111070, 0810160111071, 0810160111072, 0810160111073, 0810160111074, 0810160111075, 0810160111076, 0810160111077, 0810160111078, 0810160111079, 0810160112000, 0810160112001, 0810160112002, 0810160112003, 0810160112004, 0810160112005, 0810160112006, 0810160112007, 0810160112008, 0810160112009, 0810160112010, 0810160112011, 0810160112012, 0810160112013, 0810160112014, 0810160112015, 0810160112016, 0810160112017, 0810160112018, 0810160113000, 0810160113001, 0810160113002, 0810160113003, 0810160113004, 0810160113006, 0810160113007, 0810160113008, 0810160114000, 0810160114001, 0810160114002, 0810160114003, 0810160114004, 0810160114005, 0810162041000, 0810162041001, 0810162041005, 0810162041017, 0810162041018, 0810162041019, 0810162041020, 0810162041021, 0810162041022, 0810162041024, 0810162041039, 0810164051000, 0810164051001, 0810164051002, 0810164051003, 0810164051004, 0810164051005, 0810164051006, 0810164051007, 0810164051008, 0810164051009, 0810164051010, 0810164051011, 0810164051012, 0810164051013, 0810164051014, 0810164051015, 0810164051016, 0810164051017, 0810164051018, 0810164051019, 0810164051020, 0810164051021, 0810164051022, 0810164051023, 0810164051024, 0810164051026, 0810164051030, 0810164051031, 0810164051032, 0810164051038, 0810164051044, 0810164051045, 0810164051046, 0810164051047, 0810164051048, 0810164051049, 0810164051050, 0810164051051, 0810164051052, 0810164051053, 0810164051059, 0810164051060, 0810164051063, 0810164061000, 0810164061001, 0810165031000, 0810165031001, 0810165031002, 0810165031003, 0810165031004, 0810165031006, 0819801001039; VTD: G65, VTD: G66, VTD: HP: Block(s) 0810164051028, 0810164051029, 0810164051039, 0810164051054; VTD: JAM2: 0810165051020, 0810165051021, 0810165051022, 0810165051023, 0810165063000, 0810165063013; VTD: JAM3: 0810165021029, 0810165021040, 0810165021041, 0810165021044, 0810165023003; VTD: JAM4: 0810165022032, 0810165022033, 0810165022036, 0810165022038, 0810165022047, 0810165022051, 0810165022054, 0810165022055, 0810165022056, 0810165022060, 0810165022062, 0810165022067, 0810165022069, 0810165022071, 0810165022073, 0810165023016, 0810165023018, 0810165023019, 0810165023020, 0810165023021, 0810165023032, 0810165023037, 0810165023038, 0810165023039, 0810165023041, 0810165023042, 0810167012048; VTD: NDRI: 0810162012004, 0810162012005, 0810162012006, 0810162012007, 0810162012008, 0810162012036, 0810162012037, 0810162012038, 0810162012039, 0810162012040, 0810162012041, 0810162012043, 0810162012044, 0810162012045, 0810162012046, 0810162012047, 0810162012048, 0810162012049, 0810162012050, 0810162012051, 0810162012052, 0810162012053, 0810162012054, 0810162012055, 0810162012056, 0810162012057, 0810162012058, 0810162012063, 0810162012064, 0810162012065, 0810162012066, 0810162012067, 0810162012068, 0810162012069, 0810162012070, 0810162012071, 0810162012072, 0810162012073, 0810162012074; VTD: SDRI: 0810162031000, 0810162031001, 0810162031002, 0810162031003, 0810162031007, 0810162031008, 0810162031009, 0810162031010, 0810162031012, 0810162031013, 0810162031014, 0810162041002, 0810162041003, 0810162041004, 0810162041006; VTD: SUM1: 0810165022035, 0810165022040, 0810165022046.

District 6: Guilford County: VTD: G37, VTD: G48, VTD: G49, VTD: G50, VTD: G56, VTD: G57, VTD: G58, VTD: G59: Block(s) 0810126091028, 0810126091029, 0810126091035, 0810126091036, 0810126091037, 0810126091038, 0810126091039, 0810126091040, 0810126091041, 0810126091042, 0810126091043, 0810126091044, 0810126091045, 0810126091046, 0810126091047, 0810126091048, 0810126091049, 0810126091050, 0810126091051, 0810126091052, 0810126091053, 0810126091054, 0810126091055, 0810126091056, 0810126091057, 0810126092005, 0810126093000, 0810126093003, 0810126093013, 0810126093014, 0810126093015, 0810126093016, 0810126093017, 0810126093018, 0810126093019, 0810126093020, 0810126093021, 0810126093022, 0810126093023, 0810165022000, 0810165022001, 0810165022002, 0810165022003, 0810165022004, 0810165022005, 0810165022006, 0810165022007, 0810165022008, 0810165022075, 0810165022077; VTD: G60, VTD: G61, VTD: JAM3: Block(s) 0810126094008, 0810126094010, 0810165021004.

District 7: Guilford County: VTD: CG1: Block(s) 0810157041005, 0810157041010, 0810157041011, 0810157041012, 0810157041013, 0810157041014, 0810157041017, 0810157041018, 0810157041019, 0810157041020, 0810157041021, 0810157041022, 0810157041023, 0810157041024, 0810157041027, 0810157041028, 0810157041030, 0810157041032, 0810157041036, 0810157041037, 0810157041038, 0810157041039, 0810157041040, 0810157041041, 0810157041042, 0810157041043, 0810157041044, 0810157041049, 0810157041050, 0810157041051, 0810157041052, 0810157041053, 0810157041057, 0810157042010, 0810157042011, 0810157042012, 0810157042013, 0810157042014, 0810157042015, 0810157042016, 0810157051000, 0810157052003, 0810158003053, 0810158003055, 0810158003057, 0810158003066, 0810160062000, 0810160062001, 0810160062002; VTD: FR3, VTD: FR4: Block(s) 0810160091000, 0810160091001, 0810160091002, 0810160091003, 0810160091004, 0810160091005, 0810160091006, 0810160091007, 0810160091008, 0810160091009, 0810160091010, 0810160091011, 0810160091012, 0810160091013, 0810160091014, 0810160091020, 0810160091021, 0810160091022, 0810160091024, 0810160091025, 0810160091026, 0810160091027, 0810160091045, 0810160091046; VTD: FR5: 0810160031049, 0810160031050, 0810160031052, 0810160081000, 0810160081001, 0810160081002, 0810160081003, 0810160081004, 0810160081006, 0810160081007, 0810160081008, 0810160081010, 0810160081011, 0810160081012, 0810160081013, 0810160081014, 0810160081016, 0810160081017, 0810160081018, 0810160081019, 0810160081020, 0810160081021, 0810160081022, 0810160081023, 0810160081024, 0810160081033, 0810160081057, 0810160082017, 0810160082018, 0810160082019, 0810160082020, 0810160082021, 0810160082022, 0810160082023, 0810160082024, 0810160082025, 0810160082026, 0810160082028, 0810160082029, 0810160083018, 0810160083019; VTD: G34, VTD: G35: Block(s) 0810125041000, 0810125041013, 0810125051000, 0810125051001, 0810125052000, 0810125052001, 0810125052002, 0810125052003, 0810125052004, 0810125052005, 0810125052006, 0810125052007, 0810125052008, 0810125052009, 0810125052010, 0810125052011, 0810125052012, 0810125052013, 0810125052014, 0810125052015, 0810125052016, 0810125052017, 0810125052018, 0810125052019, 0810125052020, 0810125052022; VTD: G36, VTD: G39, VTD: G40A1, VTD: G40A2, VTD: G41: Block(s) 0810160061009, 0810160061010, 0810160061011, 0810160061012, 0810160061013, 0810160071009, 0810160071010, 0810160071011, 0810160071012, 0810160071013, 0810160071014, 0810160071015, 0810160071016, 0810160071017, 0810160071018, 0810160091019, 0810160091023, 0810160091029, 0810160091030, 0810160091031, 0810160091032, 0810160091033, 0810160101005, 0810160101006, 0810160101007, 0810160101008, 0810160101009, 0810160101010, 0810160101011, 0810160101012, 0810160101013, 0810160101014, 0810160101015, 0810160101016, 0810160101018, 0810160101019, 0810160101020, 0810160102000, 0810160102001, 0810160102002, 0810160102003, 0810160102004, 0810160102005, 0810160102006, 0810160102007, 0810160102008, 0810160102009, 0810160102010,

0810160102011, 0810160102012, 0810160102013, 0810160102014, 0810160102015, 0810160102020, 0810160102021; VTD: NCGR1: 0810157041006, 0810157041007, 0810157041008, 0810157041009, 0810158003049, 0810158003050, 0810158003051, 0810158003052, 0810158003054, 0810158003056; VTD: SF1: 0810157041035, 0810158001060, 0810158001066, 0810158001068, 0810158001069, 0810158001070, 0810158003043, 0810158003046, 0810158003047, 0810158003058, 0810158003059, 0810160051006; VTD: SF3: 0810157041015, 0810157041016, 0810157041031, 0810157041033, 0810157041034, 0810157041054, 0810157041055, 0810157041056, 0810158001071, 0810158003048, 0810158003060, 0810160032000, 0810160051000, 0810160051001, 0810160051003, 0810160051004, 0810160051005, 0810160051008, 0810160051009, 0810160051010, 0810160051011, 0810160051012, 0810160051013, 0810160051014, 0810160051015, 0810160051016, 0810160051018, 0810160051019, 0810160051023, 0810160051026, 0810160051027, 0810160051028, 0810160051031, 0810160051032, 0810160051035, 0810160051037, 0810160051038, 0810160051039, 0810160051040, 0810160051041, 0810160051042, 0810160051043, 0810160051044, 0810160051045, 0810160051046, 0810160062003, 0810160062004, 0810160062005, 0810160062006, 0810160062007, 0810160062008, 0810160083003, 0810160083004, 0810160083012, 0810160092000, 0810160092001, 0810160092003; VTD: SF4: 0810160031000, 0810160031002, 0810160032001, 0810160032013, 0810160032014, 0810160032023, 0810160082000, 0810160082001, 0810160082002, 0810160082003, 0810160082005, 0810160082006, 0810160082007, 0810160082009, 0810160082010, 0810160082011, 0810160082012, 0810160082013, 0810160082014, 0810160082015, 0810160082016, 0810160082027, 0810160083005, 0810160083006, 0810160083008, 0810160083010, 0810160083013, 0810160083014, 0810160083015, 0810160083016, 0810160083017, 0810160092004.

District 8: Guilford County: VTD: CG2: Block(s) 0810156001085, 0810156001086, 0810156001087, 0810157041000, 0810157041001, 0810157041002, 0810157041003, 0810157041004, 0810157041045, 0810157041046, 0810157041047, 0810157041048, 0810157061001, 0810157061002, 0810157061004, 0810157061005, 0810157061006, 0810157061014, 0810157071001, 0810157071002, 0810157071006, 0810157071007, 0810157071008; VTD: CG3A: 0810157031000, 0810157031001, 0810157031002, 0810157031004, 0810157031005, 0810157031006, 0810157031007, 0810157061068, 0810157061069, 0810157061070, 0810157061073, 0810157061074, 0810157061075, 0810157061076, 0810157061077, 0810157061078, 0810157061079, 0810157061088, 0810157061089, 0810157061090, 0810157061091, 0810157071000, 0810157071003, 0810157071009, 0810157071010, 0810157073000, 0810157073002, 0810157073004, 0810157073005, 0810157073006, 0810157073007; VTD: CG3B: 0810157061009, 0810157061016, 0810157061021, 0810157061022, 0810157061023, 0810157061024, 0810157061026, 0810157061028, 0810157061029, 0810157061030, 0810157061031, 0810157061032, 0810157061033, 0810157061034, 0810157061036, 0810157061037, 0810157061039, 0810157061041, 0810157061042, 0810157061043, 0810157061044, 0810157061045, 0810157061046, 0810157061047, 0810157061048, 0810157061049, 0810157061050, 0810157061051, 0810157061052, 0810157061053, 0810157061054, 0810157061057, 0810157061058, 0810157061059, 0810157061063, 0810157061064, 0810157061065, 0810157061066, 0810157061067, 0810157061071, 0810157061072, 0810157061080, 0810157061081, 0810157061082, 0810157061084, 0810157061085, 0810157061086, 0810157062009, 0810157062010, 0810157062012, 0810157062016, 0810157062017, 0810157062020, 0810157062021, 0810157062022, 0810157062033, 0810157062035, 0810157062036, 0810157062037, 0810157062038, 0810157062052; VTD: G22, VTD: G23, VTD: G25, VTD: G27, VTD: G28, VTD: G29, VTD: G30, VTD: G31, VTD: G32, VTD: G33, VTD: G40B, VTD: MON2: Block(s) 0810156002110, 0810156002112; VTD: MON3: 0810151002047, 0810151002048, 0810151002049, 0810151002050, 0810155001013, 0810155001014, 0810155001015, 0810155001016,

0810155001019, 0810155001020, 0810155001021, 0810155001023, 0810155001024, 0810155001025, 0810155001028, 0810155001030, 0810155001031, 0810155001032, 0810155001042, 0810155001092, 0810156002086, 0810156002090, 0810156002091, 0810156002092, 0810156002093, 0810156002094, 0810156002095, 0810156002107, 0810156002109, 0810156002111, 0810156002114, 0810156002115, 0810156002116, 0810156002119, 0810156003042, 0810156003043, 0810156003048, 0810157062002, 0810157062006, 0810157062013; VTD: NCGR1: 0810156001052, 0810156001071, 0810156001077, 0810156001078, 0810156001079, 0810156001080, 0810156001081, 0810156001082, 0810156001084, 0810157061000, 0810157061003, 0810157061095, 0810157062003, 0810157062007, 0810157062008; VTD: NMAD: 0810151002040, 0810151002041, 0810151002042, 0810151002043, 0810151002072; VTD: SMAD: 0810154011012, 0810154011013, 0810154011014, 0810154011015, 0810154011016, 0810154011017, 0810154011018, 0810154011019, 0810154011071, 0810154011072.

The names and boundaries of voting tabulation districts, tracts, block groups, and blocks specified in this section are as shown on the 2010 Census Redistricting TIGER/Line Shapefiles. If any voting tabulation district boundary is changed, that change shall not change the boundary of a district, which shall remain the same as it is depicted by the 2010 Census Redistricting TIGER/Line Shapefiles. If any voting tabulation district, tract, block group, or block assigned to a district does not contain a portion of the City, the assignment of the voting tabulation district, tract, block group, or block does not alter or change the municipal limits of the City and only those areas within the municipal limits are assigned to the district. If any area within the City is not assigned to a specific district by this section, then that area shall be assigned as follows:

(1) If the area is entirely surrounded by a single district, the area shall be deemed to have been assigned to that district.

(2) If the area is contiguous to two or more districts, the area shall be deemed to have been assigned to that district which contains the least population according to the 2010 United States Census."

SECTION 2.(d) Section 3.23(b) of the Charter of the City of Greensboro, as set forth in Section 1 of Chapter 1137 of the Session Laws of 1959, as amended by Chapter 213 of the Session Laws of 1973 and Chapter 896 of the Session Laws of 1989, reads as rewritten:

"(b) The Mayor shall be considered and given the same status as a member of the Council for the purpose of determining a quorum of the City Council and ~~for the purpose of voting.~~ may vote only in the case of a tie amongst the members of the City Council. Provided, further, the Mayor shall have a vote in the consideration of the employment, discipline, or dismissal of the City Manager and the City Attorney. A majority of the members of the Council shall constitute a quorum to do business, but a less number may adjourn from time to time and compel the attendance of absent members by ordering them to be taken into custody. The affirmative vote of a majority of the members of the Council shall be necessary to adopt any ordinance. All other matters voted upon shall be by majority vote of the Council members present but no ordinance shall be adopted on the same day it is introduced unless five affirmative votes are received in favor of it. Nevertheless, with respect to any ordinance amending the budget to appropriate funds from the Unappropriated Fund Balance of the General Fund, the affirmative vote of ~~seven~~ three-fourths of the members of the council shall be necessary to adopt any such amendment, except in case of an emergency. For the purpose of this section, an emergency is an unforeseen occurrence or condition calling for immediate action to avert imminent danger to life, health, or property and to secure the public safety. No member shall be excused from voting except on matters involving the consideration of his own official conduct or involving his financial interest."

SECTION 2.(e) Section 3.81 of the Charter of the City of Greensboro, as set forth in Section 1 of Chapter 1137 of the Session Laws of 1959, and amended by Chapter 142 of the Session Laws of 1969, reads as rewritten:

"Sec. 3.81. **Mayor and Mayor Pro Tem.**

The mayor shall be the official head of the city and shall preside at council meetings. ~~He~~ Except in accordance with Section 3.23(b) of this Charter, the mayor shall have ~~a~~ no vote upon ~~all~~ measures coming before the council ~~but~~and no veto. In the absence from the city or disability of the mayor, the mayor pro tem. shall perform his duties. During the absence or disability of both the mayor and mayor pro tem. the council shall select one of its number to perform such duties.

Either the mayor or the mayor pro tem shall be a proper party to receive and accept service of all complaints, notices and other documents of a judicial nature on behalf of the city. The mayor pro tem, as well as the mayor, shall have the authority to execute contracts, deeds or other legal documents on behalf of the city, such documents having been first approved by the city attorney."

SECTION 2.(f) Notwithstanding any other provision of law, G.S. 163-293 shall apply to elections in the City of Greensboro.

SECTION 2.(g) This section applies only to the City of Greensboro.

SECTION 3. Section 1(a) of this act becomes effective the first Monday in December 2015. Sections 2(c), 2(d), and 2(e) of this act become effective the first Monday in December 2015 and apply to acts of the Mayor of Greensboro on or after that date. The districts set out in Section 2(c) of this act shall be used to conduct the municipal election in 2015. The filing period for the 2015 election for the City of Trinity and the City of Greensboro shall open at 12:00 noon on July 27, 2015, and close at 12:00 noon on August 7, 2015. The remainder of this act is effective when it becomes law and applies to elections held on or after that date and to vacancies occurring on or after that date.

In the General Assembly read three times and ratified this the 2nd day of July, 2015.

Became law on the date it was ratified.

Session Law 2015-139 **H.B. 411**

AN ACT TO REMOVE CERTAIN DESCRIBED PROPERTY FROM THE CORPORATE LIMITS OF THE TOWN OF ANGIER, AT THE REQUEST OF THE TOWN.

The General Assembly of North Carolina enacts:

SECTION 1. The following described property is removed from the corporate limits of the Town of Angier:

TRACT 1: Marvie M. Mangum property

Being all of that tract or parcel of land lying in Black River Township, Harnett County, North Carolina. Beginning at an existing railroad spike in the centerline of SR 1542 (Old Buies Creek Road) said point being located South 15 degrees 24 minutes 12 seconds East for a distance of 6.81 feet from a MAG nail set at the centerline intersection of SR 1542 and SR 1540 and runs thence with the centerline of said SR 1542 Road South 18 degrees 46 minutes 20 seconds East for a distance of 90.63 feet to a MAG nail set; thence continuing with the centerline of said SR 1542 the following courses and distances: South 17 degrees 46 minutes 39 seconds East for a distance of 49.72 feet to a MAG nail set; South 16 degrees 24 minutes 07 seconds East for a distance of 49.63 feet to a MAG nail set; South 14 degrees 01 minutes 13 seconds East for a distance of 49.66 feet to a MAG nail set; South 10 degrees 08 minutes 33 seconds East for a distance of 49.68 feet to a MAG nail set; South 05 degrees 36 minutes 50 seconds East for a distance of 49.75 feet to a MAG nail set; South 01 degrees 36 minutes 26 seconds East for a distance of 49.75 feet to a MAG nail set; South 01 degrees 45 minutes 53 seconds West for a distance of 49.66 feet to a MAG nail set; South 03 degrees 35 minutes 56 seconds West for a distance of 49.76 feet to a MAG nail set; South 05 degrees 09 minutes 24 seconds West for a distance of 99.20 feet to a MAG nail set; South 05 degrees 53 minutes 52 seconds West for a distance of 99.24 feet to a MAG nail set; South 06 degrees 22 minutes 48 seconds West for a distance of 98.42 feet to an existing nail; thence leaving said centerline along the northern line of Reisha L. Lasater as described in Deed Book 2191, Page 521 Harnett

County Registry, North 81 degrees 00 minutes 48 seconds West for a distance of 439.97 feet to an existing iron stake; thence continuing with the western line of said Lasater South 09 degrees 02 minutes 34 seconds West for a distance of 200.23 feet to an existing iron stake; thence continuing with southern line of said Lasater South 81 degrees 00 minutes 48 seconds East for a distance of 440.35 feet to a point in the centerline of SR 1542; thence continuing with the centerline of SR 1542 the following courses and distances: South 14 degrees 59 minutes 47 seconds West for a distance of 49.04 feet to a MAG nail set; South 17 degrees 33 minutes 28 seconds West for a distance of 49.64 feet to a MAG nail set; South 20 degrees 16 minutes 57 seconds West for a distance of 49.65 feet to a MAG nail set; South 22 degrees 58 minutes 58 seconds West for a distance of 49.40 feet to a MAG nail set; South 25 degrees 01 minutes 57 seconds West for a distance of 49.77 feet to a MAG nail set; South 25 degrees 41 minutes 14 seconds West for a distance of 98.58 feet to a MAG nail set; South 25 degrees 36 minutes 18 seconds West for a distance of 99.25 feet to a MAG nail set; South 26 degrees 04 minutes 05 seconds West for a distance of 99.01 feet to an existing cotton spindle; thence leaving said centerline along the northern line of Emily H. Dean as described in Deed Book 711, Page 409 Harnett County Registry, North 81 degrees 12 minutes 04 seconds West for a distance of 435.32 feet to an existing iron stake; thence leaving said Dean along the northern line of Emily H. Dean as described in Deed Book 392, Page 479 Harnett County Registry, South 89 degrees 04 minutes 50 seconds West for a distance of 1349.13 feet to an iron stake set; thence continuing along the northern line of said Dean South 62 degrees 04 minutes 51 seconds West for a distance of 286.69 feet to an iron stake set; thence continuing along the northern line of said Dean South 89 degrees 04 minutes 50 seconds West for a distance of 843.21 feet to an iron stake set in the eastern line of the Town of Angier as described in Deed Book 975, Page 327 and Plat Cabinet F, Slide 82-C Harnett County Registry; thence with the eastern line of said Town of Angier North 01 degrees 48 minutes 20 seconds East for a distance of 1617.00 feet to an existing lightwood stake said point being the southwest corner of Danny J. Honeycutt et. al. as described in Deed Book 1399, Page 100 Harnett County Registry; thence with the southern line of said Honeycutt South 89 degrees 16 minutes 50 seconds East for a distance of 1176.66 feet to an existing iron pipe, said point being the southwest corner of Randy L. Surles as described in Deed Book 2061, Page 35 and Plat Cabinet 1, Slide 122 Harnett County Registry; THENCE with the southern line of said Surles South 89 degrees 04 minutes 49 seconds East for a distance of 1096.37 feet to an existing concrete monument, said point being the southwest Map Number 2005-305 Harnett County Registry; thence with the southern line of said Krohn South 89 degrees 03 minutes 05 seconds East for a distance of 746.69 feet to the point and place of BEGINNING; Together with and subject to right-of-way of SR 1542 (which contains 0.914 Acre), 100 foot right-of-way for Progress Energy of the Carolinas (Deed Book 645, Page 285) covenants, easements, and restrictions of record. Said property contains 102.555 acres (101.641 Acres Net) more or less.

TRACT 2: Kathryn C. Morgan property

Being all of that tract or parcel of land lying in Black River Township, Harnett County, North Carolina. Beginning at a point, said point being an existing iron pipe found and said point having North Carolina State Plane Coordinates of N(y)=625, 153.62 and E(x)=2,071,844.81 and said beginning point being South 28 degrees 20' 14" West, 12,099.85 feet from North Carolina Geodetic Survey Station "Stephenson"; thence, leaving iron pipe South 86 degrees 49' 10" East, 1,355.27 feet to an existing iron pipe found; thence, South 04 degrees 33' 15" West, 181.26 feet to an existing iron pipe found; thence, South 86 degrees 40' 12" East, 497.35 feet to an iron pipe set, thence, North 03 degrees 10' 50" East, 182.50 feet to an iron pipe set; thence, South 86 degrees 37' 33" East, 395.74 feet to a point; thence South 15 degrees 55' 16" West, 1,048.68 feet to a point; thence, North 86 degrees 47' 07" West, 198.34 feet to an iron pipe set; thence, North 86 degrees 47' 07" West, 1791.25 feet to an iron pipe set; thence, North 01 degrees 53' 05" East, 1,023.28 to the point and place of beginning, and containing 2,076,668 SF or 47.67 acres, more or less.

SECTION 2. This act has no effect upon the validity of any liens of the Town of Angier for ad valorem taxes or special assessments outstanding before the effective date of this act. Such liens may be collected or foreclosed upon after the effective date of this act as though the property were still within the corporate limits of the Town of Angier.

SECTION 3. This act becomes effective June 30, 2015.

In the General Assembly read three times and ratified this the 2nd day of July, 2015.

Became law on the date it was ratified.

Session Law 2015-140 **H.B. 493**

AN ACT TO REMOVE CERTAIN DESCRIBED PROPERTY FROM THE CORPORATE LIMITS OF THE TOWN OF LAKE LURE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The following described property is removed from the corporate limits of the Town of Lake Lure:

BEGINNING at a point at or near the northern margin of the right-of-way of SR 1186 and marking the southwest corner of the Ingles Markets, Inc. property as described by deed recorded in Book 836, at Page 621 of the Rutherford County, NC Registry, said point also being located North 76° 53' 14" West 1217.92 feet from NCGS Monument "Cane Creek" having coordinates: North: 619089.9016 and East: 1047991.7782, NAD 83/2001; thence from said established beginning point and along and with the center line of Girl Scout Camp Road (SR 1186) the following nine calls, to wit: North 83° 03' 32" West 48.58 feet; South 84° 05' 49" West 47.51 feet; South 60° 17' 14" West 41.56 feet; South 38° 46' 56" West 44.04 feet; South 22° 13' 16" West 42.48 feet; South 09° 07' 23" West 48.67 feet; South 03° 24' 18" East 58.41 feet; South 09° 36' 57" East 65.96 feet; South 12° 01' 06" East 90.41 feet to a point in the western margin of that tract now or formerly owned by Kimberly Renee Corbitt as described by deed recorded in Book 743, at Page 74, Rutherford County, NC Registry; thence along and with the Corbitt tract western boundary, South 15° 24' 32" East 173.00 feet to an existing iron pin at the southwest corner of the Corbitt property and also marking the northwest corner of that tract now or formerly owned by Verlin D. Gingerich as described in Book 744, at Page 862, Rutherford County, NC Registry; thence continuing with the Gingerich western line the following four calls, to wit: South 15° 24' 32" East 127.76 feet to an existing iron pin; thence South 07° 52' 28" West 84.21 feet to an existing iron pin; thence South 35° 41' 54" West 46.25 feet to a new iron pin; thence South 40° 35' 17" East 448.39 feet to an existing iron pin marking the southwest corner of the Gingerich tract; thence along and with the northern boundary of that tract now or formerly owned by Whitson Edwards and wife, Pauline M. Edwards, property by deed recorded in Book 354, at Page 237, Rutherford County, NC Registry, the following three calls, to wit: North 84° 34' 58" West 1075.31 feet to an existing iron pin; thence North 14° 36' 24" West 192.62 feet to an existing iron pin; thence South 56° 39' 20" West 397.66 feet to an existing iron pin; thence leaving the Edwards northern boundary and running with that line of marking the westernmost boundary of the area within city limits for the Town of Lake Lure the following two calls, to wit: North 19° 45' 38" West 1026.74 feet to a point and North 07° 01' 14" West 1252.72 feet to an existing iron pin located in the northern boundary of the Eagle Camp, LLC, tract as described in Book 1017, at Page 188, Rutherford County, NC Registry, and also being located in the southern line of that tract now or formerly owned by Mary Ann Dotson; thence along and with the Dotson southern line, South 84° 02' 21" East 1984.55 feet to an existing iron pin marking the northwest corner of that tract now or formerly owned by Donald P. Adams property as described by deed recorded in Book 954, at Page 844, Rutherford County, NC Registry, and as also shown by plat recorded in Plat Book 29, at Page 44, aforesaid registry; thence along with the Adams western boundary, South 01° 10' 44" East 430.48 feet to an existing iron pin marking the northwest corner of the Ingles tract described above; thence along and with the Ingles western boundary, South 10° 10' 01" West 941.46 feet

to the point and place of BEGINNING, and BEING the easternmost portion of that property conveyed to Eagle Camp, LLC, a North Carolina limited liability company, which portion is intended to be all of the property that is located within the municipal boundaries of the Town of Lake Lure as described by deed recorded in Book 1017, at Page 188 of the Rutherford County, NC Registry, and as also shown on unrecorded survey for Eagle Camp, LLC, by Donald R. McEntire, PLS, dated January 7, 2011, as revised, and bearing Map #22686, which unrecorded survey is referenced and incorporated herein in its entirety in aid of description.

TOGETHER WITH AND SUBJECT TO all easements, restrictions, and rights-of-ways of record, including those restrictions as recorded in Book 836, Page 624, and the Grantor's rights of enforcement as set forth in that restrictive covenant recorded in Book 836, Page 628 of the Rutherford County, NC Registry.

SECTION 1.(b) This section has no effect upon the validity of any liens of the Town of Lake Lure for ad valorem taxes or special assessments outstanding before the effective date of this section. Such liens may be collected or foreclosed upon after the effective date of this section as though the property were still within the corporate limits of the Town of Lake Lure.

SECTION 2. This act becomes effective June 30, 2015.

In the General Assembly read three times and ratified this the 2nd day of July, 2015.

Became law on the date it was ratified.

Session Law 2015-141 **S.B. 286**

AN ACT PROHIBITING THE SALE OF E-LIQUID CONTAINERS WITHOUT CHILD-RESISTANT PACKAGING AND WITHOUT LABELING E-LIQUID CONTAINERS THAT CONTAIN NICOTINE.

The General Assembly of North Carolina enacts:

SECTION 1. Article 52 of Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-401.18A. Sale of certain e-liquid containers prohibited.**

(a) The following definitions apply in this section:

(1) Child-resistant packaging. – Packaging that is designed or constructed to be significantly difficult for children under five years of age to open or obtain a toxic or harmful amount of the substance contained therein within a reasonable time and not difficult for adults to use properly, but does not mean packaging which all such children cannot open or obtain a toxic or harmful amount within a reasonable time.

(2) E-liquid. – A liquid product, whether or not it contains nicotine, that is intended to be vaporized and inhaled using a vapor product.

(3) E-liquid container. – A bottle or other container of e-liquid. The term does not include a container holding liquid that is intended for use in a vapor product if the container is pre-filled and sealed by the manufacturer and is not intended to be opened by the consumer.

(4) Vapor product. – Any noncombustible product that employs a mechanical heating element, battery, or electronic circuit regardless of shape or size and that can be used to heat a liquid solution contained in a vapor cartridge. The term includes an electronic cigarette, electronic cigar, electronic cigarillo, and electronic pipe.

(b) It shall be unlawful for any person, firm, or corporation to sell, offer for sale, or introduce into commerce in this State an e-liquid container unless the container constitutes child-resistant packaging. Any person who violates this section is guilty of a Class A1 misdemeanor.

(c) It shall be unlawful for any person, firm, or corporation to sell, offer for sale, or introduce into commerce in this State an e-liquid container for an e-liquid product containing nicotine unless the packaging for the e-liquid product states that the product contains nicotine. Any person who violates this section is guilty of a Class A1 misdemeanor.

(d) Any person, firm, or corporation that violates the provisions of this section shall be liable in damages to any person injured as a result of the violation."

SECTION 2. This act becomes effective December 1, 2015, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 29th day of June, 2015.

Became law upon approval of the Governor at 1:45 p.m. on the 8th day of July, 2015.

Session Law 2015-142 **S.B. 299**

AN ACT TO PROVIDE THAT A USAGE CONTRACT ENTERED INTO BETWEEN THE STATE PORTS AUTHORITY AND A CARRIER IS NOT A PUBLIC RECORD.

The General Assembly of North Carolina enacts:

SECTION 1. Article 20 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-276. Usage contracts.**

A usage contract entered into between the Authority and a carrier is not a public record within the meaning of G.S. 132-1. For purposes of this section, the term "usage contract" means a contract or agreement that contains terms and conditions involving terminal services related to maritime activities, including dockage, wharfage, cargo handling, storage, ro-ro service, transportation drayage, and other miscellaneous port services."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of June, 2015.

Became law upon approval of the Governor at 1:45 p.m. on the 8th day of July, 2015.

Session Law 2015-143 **S.B. 545**

AN ACT TO ENRICH THE STATE'S WORKFORCE BY REQUIRING OCCUPATIONAL LICENSING BOARDS TO LICENSE MILITARY-TRAINED VETERANS WHO PASS A PROFICIENCY EXAMINATION OFFERED BY THE OCCUPATIONAL LICENSING BOARD FOR VETERANS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 93B-15.1 reads as rewritten:

"§ **93B-15.1. Licensure for individuals with military training and experience; proficiency examination; licensure by endorsement for military spouses; temporary license.**

(a) ~~Notwithstanding~~ Except as provided by subsection (a2) of this section, and notwithstanding any other provision of law, an occupational licensing board, as defined in G.S. 93B-1, shall issue a license, certification, or registration to a military-trained applicant to allow the applicant to lawfully practice the applicant's occupation in this State if, upon application to an occupational licensing board, the applicant satisfies the following conditions:

(1) Has been awarded a military occupational specialty and has done all of the following at a level that is substantially equivalent to or exceeds the requirements for licensure, certification, or registration of the occupational

licensing board from which the applicant is seeking licensure, certification, or registration in this State: completed a military program of training, completed testing or equivalent training and experience, and performed in the occupational specialty.

(2) Has engaged in the active practice of the occupation for which the person is seeking a license, certification, or permit from the occupational licensing board in this State for at least two of the five years preceding the date of the application under this section.

(3) Has not committed any act in any jurisdiction that would have constituted grounds for refusal, suspension, or revocation of a license to practice that occupation in this State at the time the act was committed.

(4) Pays any fees required by the occupational licensing board for which the applicant is seeking licensure, certification, or registration in this State.

(a1) No later than 30 days following receipt of an application, an occupational licensing board shall notify an applicant when the applicant's military training or experience does not satisfy the requirements for licensure, certification, or registration and shall specify the criteria or requirements that the board determined that the applicant failed to meet and the basis for that determination.

(a2) An occupational licensing board, as defined in G.S. 93B-1, shall issue a license, certification, or registration to a military-trained applicant to allow the applicant to lawfully practice the applicant's occupation in this State if the military-trained applicant, upon application to the occupational licensing board:

(1) Presents official, notarized documentation, such as a U.S. Department of Defense Form 214 (DD-214), or similar substantiation, attesting to the applicant's military occupational specialty certification and experience in an occupational field within the board's purview; and

(2) Passes a proficiency examination offered by the board to military-trained applicants in lieu of satisfying the conditions set forth in subsection (a) of this section; however, if an applicant fails the proficiency examination, then the applicant may be required by the board to satisfy those conditions.

In any case where a proficiency examination is not offered routinely by an occupational licensing board, the board shall design a fair proficiency examination for military-trained applicants to obtain licensure, certification, or registration under this section. If a proficiency examination is offered routinely by an occupational licensing board, that examination shall satisfy the requirements of this section.

(b) Notwithstanding any other provision of law, an occupational licensing board, as defined in G.S. 93B-1, shall issue a license, certification, or registration to a military spouse to allow the military spouse to lawfully practice the military spouse's occupation in this State if, upon application to an occupational licensing board, the military spouse satisfies the following conditions:

(1) Holds a current license, certification, or registration from another jurisdiction, and that jurisdiction's requirements for licensure, certification, or registration are substantially equivalent to or exceed the requirements for licensure, certification, or registration of the occupational licensing board for which the applicant is seeking licensure, certification, or registration in this State.

(2) Can demonstrate competency in the occupation through methods as determined by the Board, such as having completed continuing education units or having had recent experience for at least two of the five years preceding the date of the application under this section.

(3) Has not committed any act in any jurisdiction that would have constituted grounds for refusal, suspension, or revocation of a license to practice that occupation in this State at the time the act was committed.

(4) Is in good standing and has not been disciplined by the agency that had jurisdiction to issue the license, certification, or permit.

(5) Pays any fees required by the occupational licensing board for which the applicant is seeking licensure, certification, or registration in this State.

(c) All relevant experience of a military service member in the discharge of official duties or, for a military spouse, all relevant experience, including full-time and part-time experience, regardless of whether in a paid or volunteer capacity, shall be credited in the calculation of years of practice in an occupation as required under subsection (a) or (b) of this section.

(c1) Each occupational licensing board shall publish a document that lists the specific criteria or requirements for licensure, registration, or certification by the board, with a description of the criteria or requirements that are satisfied by military training or experience as provided in this section, and any necessary documentation needed for obtaining the credit or satisfying the requirement. The information required by this subsection shall be published on the occupational licensing board's Web site and the Web site of the North Carolina Division of Veterans Affairs.

(d) A nonresident licensed, certified, or registered under this section shall be entitled to the same rights and subject to the same obligations as required of a resident licensed, certified, or registered by an occupational licensing board in this State.

(e) Nothing in this section shall be construed to apply to the practice of law as regulated under Chapter 84 of the General Statutes.

(f) An occupational licensing board may issue a temporary practice permit to a military-trained applicant or military spouse licensed, certified, or registered in another jurisdiction while the military-trained applicant or military spouse is satisfying the requirements for licensure under subsection (a) or (b) of this section if that jurisdiction has licensure, certification, or registration standards substantially equivalent to the standards for licensure, certification, or registration of an occupational licensing board in this State. The military-trained applicant or military spouse may practice under the temporary permit until a license, certification, or registration is granted or until a notice to deny a license, certification, or registration is issued in accordance with rules adopted by the occupational licensing board.

(g) An occupational licensing board may adopt rules necessary to implement this section.

(h) Nothing in this section shall be construed to prohibit a military-trained applicant or military spouse from proceeding under the existing licensure, certification, or registration requirements established by an occupational licensing board in this State.

(i) For the purposes of this section, the State Board of Education shall be considered an occupational licensing board when issuing teacher licenses under G.S. 115C-296.

(j) For the purposes of this section, the North Carolina Medical Board shall not be considered an occupational licensing board."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of June, 2015.

Became law upon approval of the Governor at 1:45 p.m. on the 8th day of July, 2015.

Session Law 2015-144 **H.B. 640**

AN ACT TO PRESERVE NORTH CAROLINA'S OUTDOOR HERITAGE FOR FUTURE GENERATIONS AND AMEND VARIOUS WILDLIFE RESOURCES COMMISSION LAWS.

The General Assembly of North Carolina enacts:

PART I. DEVELOPMENT OF NORTH CAROLINA OUTDOOR HERITAGE TRUST FUND

SECTION 1. The Wildlife Resources Commission, in conjunction with the Outdoor Heritage Advisory Council established by Section 2 of this act, shall develop a plan for establishing and implementing the North Carolina Outdoor Heritage Trust Fund for Youth Outdoor Heritage Promotion. The plan shall provide for the Trust Fund:

(1) To provide for the expansion of opportunities for persons age 16 and under to engage in outdoor recreational activities, including, but not limited to, hiking, horseback riding, boating, sport shooting and archery, bird watching and wildlife watching, camping, swimming, hunting, trapping, and fishing in order to pass on North Carolina's outdoor heritage to future generations.

(2) To be eligible for the receipt of funds through check-off donations of not more than two dollars ($2.00) by persons paying for transactions processed through the Commission, including, but not limited to, hunting and fishing licenses or paying outdoor access fees issued by other organizations and also through donations from private organizations or citizens.

(3) To be administered by the Outdoor Heritage Advisory Council established by Section 2 of this act.

The Wildlife Resources Commission and the Outdoor Heritage Advisory Council shall provide a final report on the development of the plan for establishing and implementing the Trust Fund to the 2015 General Assembly when it reconvenes in 2016.

PART II. ESTABLISHMENT OF OUTDOOR HERITAGE ADVISORY COUNCIL

SECTION 2.(a) Article 7 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

"Part 36. Outdoor Heritage Advisory Council.

"**§ 143B-344.60. Outdoor Heritage Advisory Council.**

(a) The Outdoor Heritage Advisory Council is established within the North Carolina Wildlife Resources Commission for organizational and budgetary purposes only. The Council shall exercise all of its statutory powers independent of control by the Executive Director of the Wildlife Resources Commission. The Council shall advise State agencies and the General Assembly on the promotion of outdoor recreational activities, including, but not limited to, hiking, horseback riding, boating, sport shooting and archery, bird watching and wildlife watching, camping, swimming, hunting, trapping, and fishing in order to preserve North Carolina's outdoor heritage for future generations.

(b) The Council shall consist of 11 members, appointed as follows:

(1) Three members appointed by the General Assembly, upon the recommendation of the President Pro Tempore of the Senate.

(2) Three members appointed by the General Assembly, upon the recommendation of the Speaker of the House of Representatives.

(3) Three members appointed by the Governor.

(4) One member appointed by the Commissioner of Agriculture.

(5) One member appointed by the chair of the Wildlife Resources Commission.

All members of the Council shall have knowledge and experience in outdoor recreational activities and have a demonstrated interest in promoting outdoor heritage.

(c) The terms of the initial members of the Council shall commence October 1, 2015. Of the Governor's initial appointments, one member shall be designated to serve a term of three years, one member shall be designated to serve a term of two years, and one member shall be designated to serve a term of one year. Of the initial appointments by the President Pro Tempore of the Senate, one member shall be designated to serve a term of three years, one member shall be designated to serve a term of two years, and one member shall be designated to serve a term of one year. Of the initial appointments by the Speaker of the House of

Representatives, one member shall be designated to serve a term of three years, one member shall be designated to serve a term of two years, and one member shall be designated to serve a term of one year. The members appointed by the Commissioner of Agriculture and the chair of the Wildlife Resources Commission shall each serve an initial term of four years. After the initial appointees' terms have expired, all members shall be appointed for a term of four years. No member shall serve more than two successive terms.

Any appointment to fill a vacancy on the Council created by the resignation, dismissal, death, or disability of a member shall be for the balance of the unexpired term.

(d) The initial chair of the Council shall be designated by the Governor from the Council members. The initial chair shall hold this office for not more than one year. Subsequent chairs shall be elected by the Council for terms of two years.

(e) The Council shall meet quarterly and at other times at the call of the chair. A majority of members of the Council shall constitute a quorum.

(f) Council members shall be reimbursed for expenses incurred in the performance of their duties in accordance with G.S. 138-5 and G.S. 138-6, as applicable.

(g) The Executive Director of the Wildlife Resources Commission shall provide clerical and other assistance as needed."

SECTION 2.(b) This section becomes effective July 1, 2015.

PART III. EXPANDED ACCESS TO PUBLIC LANDS

SECTION 3.(a) The Legislative Research Commission shall study the need for expanded access to public lands. The Commission shall examine the ways in which public land management plans affect opportunities to engage in outdoor recreational activities, including, but not limited to, hiking, horseback riding, boating, sport shooting and archery, bird watching and wildlife watching, camping, swimming, hunting, trapping, and fishing and make recommendations for increasing the public's opportunities to access public lands for those purposes.

SECTION 3.(b) The Legislative Research Commission may make an interim report to the 2015 General Assembly when it reconvenes in 2016 and shall make its final report to the 2017 General Assembly when it convenes.

PART IV. "THREE STRIKES" RULE FOR HUNTING ON POSTED PROPERTY AND REVIEW SUSPENSION OF HUNTING PRIVILEGES FOR NEGLIGENT HUNTERS

SECTION 4.(a) G.S. 113-276.3(d) is amended by adding a new subdivision to read:

"§ **113-276.3. Mandatory suspension of entitlement to license or permit for fixed period upon conviction of specified offenses.**

…

(d) Any violation of this Subchapter or of any rule adopted by the Wildlife Resources Commission under the authority of this Subchapter which is subject to a penalty greater than the one provided in G.S. 113-135(a)(1) is a suspension offense. Conviction of any of the following suspension offenses results in a suspension for a period of two years:

(1) A violation of G.S. 113-294(b).
(2) A violation of G.S. 113-294(c).
(2a) A violation of G.S. 113-294(c1).
(3) A violation of G.S. 113-294(e).
(4) Repealed by Session Laws 1999-120, s. 2, effective October 1, 1999.
(5) A violation of G.S. 113-291.1A.
(6) A third or subsequent violation of G.S. 14-159.6(a).

A conviction of any other suspension offense results in a suspension for a period of one year."

SECTION 4.(b) The Wildlife Resources Commission shall review the provisions of Article 21B of Chapter 113 of the General Statutes that provide for the suspension of hunting privileges upon conviction of criminally negligent hunting and determine whether those

provisions should be amended or expanded to provide increased protection to the public from negligent or reckless hunting. In developing its findings, the Wildlife Resources Commission shall consult with organized hunting clubs and propose recommendations to address individuals who repeatedly violate club rules and regulations. The Wildlife Resources Commission shall also consult with public interest groups in developing its findings. The Wildlife Resources Commission shall report its findings and recommendations to the 2015 General Assembly when it reconvenes in 2016.

PART V. ALLOW SEVEN-DAY HUNTING ON PRIVATE LAND WITH PERMISSION OF THE OWNER

SECTION 5.(a) G.S. 103-2 reads as rewritten:

"§ **103-2. ~~Hunting~~ Method of take when hunting on Sunday.**

(a) ~~If any person shall, except in defense of his own property, hunt on Sunday, having with him a shotgun, rifle, or pistol, he~~ Any landowner or member of the landowner's family, or any person with written permission from the landowner, may hunt with the use of firearms on Sunday on the landowner's property, except that all of the following limitations apply:

(1) Hunting on Sunday between 9:30 A.M. and 12:30 P.M. is prohibited, except on controlled hunting preserves licensed pursuant to G.S. 113-273(g).

(2) Hunting of migratory birds on Sunday is prohibited.

(3) The use of a firearm to take deer that are run or chased by dogs on Sunday is prohibited.

(4) Hunting on Sunday within 500 yards of a place of worship or any accessory structure thereof, or within 500 yards of a residence not owned by the landowner, is prohibited.

(5) Hunting on Sunday in a county having a population greater than 700,000 people is prohibited.

(b) A person who hunts on Sunday in a manner prohibited under subsection (a) of this section shall be guilty of a Class 3 misdemeanor. Provided, that the provisions ~~hereof shall not be~~ of this section are not applicable to military reservations, the jurisdiction of which is exclusively in the federal government, ~~or~~ to field trials authorized by the Wildlife Resources ~~Commission.~~ Commission, or to actions taken in defense of a person's property. Wildlife protectors are granted authority to enforce the provisions of this section."

SECTION 5.(b) G.S. 153A-129 reads as rewritten:

"§ **153A-129. Firearms.**

(a) ~~A~~ Except as provided in this section, a county may by ordinance regulate, restrict, or prohibit the discharge of firearms at any time or place except in any of the following instances:

(1) ~~when~~ When used to take birds or animals pursuant to Chapter 113, Subchapter ~~IV,~~ IV.

(2) ~~when~~ When used in defense of person or ~~property,~~ property.

(3) ~~or when~~ When used pursuant to lawful directions of law-enforcement officers.

(b) A county may by ordinance prohibit hunting on Sunday as allowed under G.S. 103-2, provided the ordinance complies with all of the following:

(1) The ordinance shall be applicable from January 1 until December 31 of any year of effectiveness.

(2) The ordinance shall allow for individuals hunting in an adjacent county with no restriction on Sunday hunting to retrieve any animal lawfully shot from the adjacent county.

(3) The ordinance shall be applicable to the entire county.

(c) A county may ~~also~~ regulate the display of firearms on the public roads, sidewalks, alleys, or other public property.

(d) This section does not limit a county's authority to take action under Article 1A of Chapter 166A of the General Statutes."

SECTION 5.(c) Subsection (b) of this section becomes effective October 1, 2017. A county may adopt an ordinance to prohibit Sunday hunting prior to October 1, 2017, but any such ordinance shall not become effective until October 1, 2017. The remainder of this section becomes effective October 1, 2015.

PART VI. MINIMUM WEIGHT OF ADULT BEARS

SECTION 6. Any rule adopted by the Wildlife Resources Commission that regulates the taking of female bears with cubs or that regulates the taking or possession of cub bears shall define cub bears as bears weighing less than 75 pounds.

PART VII. EXTEND BREEDING SEASON FOR FOXES AT BLADEN LAKES STATE FOREST GAME LAND

SECTION 7.(a) G.S. 113-291.4 is amended by adding a new subsection to read:

"§ **113-291.4. Regulation of foxes; study of fox and fur-bearer populations.**

…

(j) The Wildlife Resources Commission shall prohibit the use of dogs in hunting foxes during the period from March 15 through July 15 in Bladen Lakes State Forest Game Land."

SECTION 7.(b) This section becomes effective June 1, 2015.

PART VIII. EXEMPTION FROM CIVIL LIABILITY FOR LANDOWNERS GIVING PERMISSION TO RETRIEVE HUNTING DOGS

SECTION 8. Article 22 of Chapter 113 of the General Statutes is amended by adding a new section to read:

"**§ 113-291.5A. Exemption from civil liability for landholder permitting retrieval of hunting dogs.**

(a) It is the intent of the General Assembly to recognize that hunting with dogs is a valuable part of the outdoor heritage of the State of North Carolina, and it is further the intent of the General Assembly to encourage cooperative and neighborly agreements between landowners and hunters to allow legal retrieval of hunting dogs.

(b) Any person, as an owner, lessee, occupant, or otherwise in control of land, who gives permission to a hunter to enter upon the land for the purpose of retrieving hunting dogs that have strayed onto the land owes that hunter the same duty of care the person owes a trespasser."

PART IX. EFFECTIVE DATE AND SEVERABILITY CLAUSE

SECTION 9.(a) If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SECTION 9.(b) Except as otherwise provided, this act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 29th day of June, 2015.

Became law upon approval of the Governor at 1:45 p.m. on the 8th day of July, 2015.

Session Law 2015-145 **H.B. 255**

AN ACT TO REFORM BUILDING CODE ENFORCEMENT TO PROMOTE ECONOMIC GROWTH BY CONFORMING WORK IN PROGRESS INSPECTION AUTHORITY TO RECENTLY ENACTED INSPECTION LIMITATIONS, BY REQUIRING THE BUILDING CODE COUNCIL TO STUDY THE ALTERNATE METHODS APPROVAL PROCESS, BY CLARIFYING THE DEFINITION OF OFFICIAL MISCONDUCT FOR

CODE OFFICIALS, BY RAISING THE THRESHOLD FOR REQUIREMENT OF A BUILDING PERMIT, BY CREATING THE BUILDING CODE COUNCIL RESIDENTIAL CODE COMMITTEE AND THE BUILDING CODE COMMITTEE, BY REQUIRING INTERNET POSTING OF CERTAIN COUNCIL DECISIONS AND INTERPRETATIONS, BY CLARIFYING THAT INSPECTION FEES COLLECTED BY CITIES AND COUNTIES MAY ONLY BE USED TO SUPPORT THE INSPECTION DEPARTMENT, BY REQUIRING THAT INSPECTIONS BE PERFORMED IN FULL AND IN A TIMELY MANNER AND INSPECTION REPORTS INCLUDE ALL ITEMS FAILING TO MEET CODE REQUIREMENTS, BY AUTHORIZING INSPECTIONS OF COMPONENTS OR ELEMENTS OF BUILDINGS CERTIFIED BY LICENSED ARCHITECTS OR LICENSED ENGINEERS, AND BY EXEMPTING CERTAIN COMMERCIAL BUILDING PROJECTS FROM THE REQUIREMENT OF A PROFESSIONAL SEAL.

The General Assembly of North Carolina enacts:

PART I. COMPLIANCE WITH BUILDING CODE INSPECTION REQUIREMENTS

SECTION 1.(a) G.S. 153A-360 reads as rewritten:

"§ **153A-360. Inspections of work in progress.**

~~As~~ Subject to the limitation imposed by G.S. 153A-352(b), as the work pursuant to a permit progresses, local inspectors shall make as many inspections of the work as may be necessary to satisfy them that it is being done according to the provisions of the applicable State and local laws and local ordinances and regulations and of the terms of the permit. In exercising this power, each member of the inspection department has a right, upon presentation of proper credentials, to enter on any premises within the territorial jurisdiction of the department at any reasonable hour for the purposes of inspection or other enforcement action. If a permit has been obtained by an owner exempt from licensure under G.S. 87-1(b)(2), no inspection shall be conducted without the owner being personally present, unless the plans for the building were drawn and sealed by an architect licensed pursuant to Chapter 83A of the General Statutes."

SECTION 1.(b) G.S. 160A-420 reads as rewritten:

"§ **160A-420. Inspections of work in progress.**

~~As~~ Subject to the limitation imposed by G.S. 160A-412(b), as the work pursuant to a permit progresses, local inspectors shall make as many inspections thereof as may be necessary to satisfy them that the work is being done according to the provisions of any applicable State and local laws and of the terms of the permit. In exercising this power, members of the inspection department shall have a right to enter on any premises within the jurisdiction of the department at all reasonable hours for the purposes of inspection or other enforcement action, upon presentation of proper credentials. If a permit has been obtained by an owner exempt from licensure under G.S. 87-1(b)(2), no inspection shall be conducted without the owner being personally present, unless the plans for the building were drawn and sealed by an architect licensed pursuant to Chapter 83A of the General Statutes."

PART II. STUDY ALTERNATIVE APPROVAL METHODS

SECTION 2. The North Carolina Building Code Council shall study procedures and policies for the approval of alternative materials, designs, or methods. The study shall include review of the following elements:

(1) The alternate methods application process, including requirements for initial application submittal, supporting information, and site-specific or project-specific application submittals.

(2) Time lines for the application process, including application submittal, Council review, and final approval or denial of applications, including the feasibility of a requirement that final determinations be rendered on a completed application within 30 days of the date an application is determined to be complete.

(3) Procedures for appeal of applications denied by the Council.

In conducting the study, the Council may utilize support services provided by staff from the Engineering Division of the Department of Insurance. The Council shall report its findings and recommendations, including any proposed legislative changes, to the 2016 Regular Session of the 2015 General Assembly when it convenes.

PART III. CLARIFY OFFICIAL MISCONDUCT FOR CODE OFFICIALS

SECTION 3.(a) G.S. 143-151.8 is amended by adding a new subsection to read:

"(c) For purposes of this Article, "willful misconduct, gross negligence, or gross incompetence" in addition to the meaning of those terms under other provisions of the General Statutes or at common law, shall include any of the following:

(1) The enforcement of a Code requirement applicable to a certain area or set of circumstances in other areas or circumstances not specified in the requirement.

(2) For an alternative design or construction method that has been appealed under G.S. 143-140.1 and found by the Department of Insurance to comply with the Code, to refuse to accept the decision by the Department to allow that alternative design or construction method under the conditions or circumstances set forth in the Department's decision for that appeal.

(3) For an alternative construction method currently included in the Building Code, to refuse to allow the alternative method under the conditions or circumstances set forth in the Code for that alternative method.

(4) The enforcement of a requirement that is more stringent than or otherwise exceeds the Code requirement.

(5) To refuse to implement or adhere to an interpretation of the Building Code issued by the Building Code Council or the Department of Insurance.

(6) The habitual failure to provide requested inspections in a timely manner."

SECTION 3.(b) The North Carolina Code Officials Qualification Board shall, no later than October 1, 2015, notify all Code enforcement officials in the State of the clarification to the grounds for disciplinary action enacted by this act.

PART IV. RAISE THRESHOLD FOR BUILDING PERMIT REQUIREMENT

SECTION 4.1. G.S. 143-138(b5) reads as rewritten:

"(b5) Exclusion for Certain Minor Activities in Residential and Farm Structures. – No building permit shall be required under the Code or any local variance thereof approved under subsection (e) for any construction, installation, repair, replacement, or alteration costing ~~five thousand dollars ($5,000)~~ fifteen thousand dollars ($15,000) or less in any single family residence or farm building unless the work involves: the addition, repair, or replacement of load bearing structures; the addition (excluding replacement of same capacity) or change in the design of plumbing; the addition, replacement or change in the design of heating, air conditioning, or electrical wiring, devices, fixtures (excluding repair or replacement of electrical lighting devices and fixtures of the same type), appliances (excluding replacement of water heaters, provided that the energy use rate or thermal input is not greater than that of the water heater which is being replaced, and there is no change in fuel, energy source, location, capacity, or routing or sizing of venting and piping), or equipment, the use of materials not permitted by the North Carolina Uniform Residential Building Code; or the addition (excluding replacement of like grade of fire resistance) of roofing. The exclusions from building permit requirements set forth in this paragraph for electrical lighting devices and fixtures and water heaters shall apply only to work performed on a one- or two-family dwelling. In addition, exclusions for electrical lighting devices and fixtures and electric water heaters shall apply only to work performed by a person licensed under G.S. 87-43 and exclusions for water heaters, generally, to work performed by a person licensed under G.S. 87-21."

SECTION 4.2.(a) G.S. 153A-357(a2) is recodified as G.S. 153A-357(a3).

SECTION 4.2.(b) G.S. 153A-357, as amended by subsection (a) of this section, reads as rewritten:

"§ **153A-357. Permits.**

…

(a1) A permit shall be in writing and shall contain a provision that the work done shall comply with the State Building Code and all other applicable State and local laws and local ordinances and regulations. Nothing in this section shall require a county to review and approve residential building plans submitted to the county pursuant to Section R-110 of Volume VII of the North Carolina State Building Code; provided that the county may review and approve such residential building plans as it deems necessary. No permit may be issued unless the plans and specifications are identified by the name and address of the author thereof; and if the General Statutes of North Carolina require that plans for certain types of work be prepared only by a ~~registered~~ licensed architect or ~~registered~~ licensed engineer, no permit may be issued unless the plans and specifications bear the North Carolina seal of a ~~registered~~ licensed architect or of a ~~registered~~ licensed engineer. If a provision of the General Statutes of North Carolina or of any ordinance requires that work be done by a licensed specialty contractor of any kind, no permit for the work may be issued unless the work is to be performed by such a duly licensed contractor.

(a2) No permit issued under Articles 9 or 9C of G.S. Chapter 143 shall be required for any construction, installation, repair, replacement, or alteration costing ~~five thousand dollars ($5,000)~~ fifteen thousand dollars ($15,000) or less in any single-family residence or farm building unless the work involves: the addition, repair or replacement of load bearing structures; the addition (excluding replacement of same size and capacity) or change in the design of plumbing; the addition, replacement or change in the design of heating, air conditioning, or electrical wiring, devices, appliances, or equipment; the use of materials not permitted by the North Carolina Uniform Residential Building Code; or the addition (excluding replacement of like grade of fire resistance) of roofing. Violation of this section constitutes a Class 1 misdemeanor.

…."

SECTION 4.3.(a) G.S. 160A-417(a2) is recodified as G.S. 160A-417(a3).

SECTION 4.3.(b) G.S. 160A-417, as amended by subsection (a) of this section, reads as rewritten:

"§ **160A-417. Permits.**

…

(a1) A permit shall be in writing and shall contain a provision that the work done shall comply with the State Building Code and all other applicable State and local laws. Nothing in this section shall require a city to review and approve residential building plans submitted to the city pursuant to Section R-110 of Volume VII of the North Carolina State Building Code; provided that the city may review and approve such residential building plans as it deems necessary. No permits shall be issued unless the plans and specifications are identified by the name and address of the author thereof, and if the General Statutes of North Carolina require that plans for certain types of work be prepared only by a ~~registered~~ licensed architect or ~~registered~~ licensed engineer, no permit shall be issued unless the plans and specifications bear the North Carolina seal of a ~~registered~~ licensed architect or of a ~~registered~~ licensed engineer. When any provision of the General Statutes of North Carolina or of any ordinance requires that work be done by a licensed specialty contractor of any kind, no permit for the work shall be issued unless the work is to be performed by such a duly licensed contractor.

(a2) No permit issued under Articles 9 or 9C of Chapter 143 shall be required for any construction, installation, repair, replacement, or alteration costing ~~five thousand dollars ($5,000)~~ fifteen thousand dollars ($15,000) or less in any single family residence or farm building unless the work involves: the addition, repair or replacement of load bearing structures; the addition (excluding replacement of same size and capacity) or change in the design of plumbing; the addition, replacement or change in the design of heating, air

conditioning, or electrical wiring, devices, appliances, or equipment; the use of materials not permitted by the North Carolina Uniform Residential Building Code; or the addition (excluding replacement of like grade of fire resistance) of roofing. Violation of this section shall constitute a Class 1 misdemeanor.

…."

PART V. CREATE BUILDING CODE COUNCIL RESIDENTIAL CODE COMMITTEE AND BUILDING CODE COMMITTEE

SECTION 5.1. G.S. 143-136 reads as rewritten:

"§ **143-136. Building Code Council created; ~~membership.~~membership, committees.**

(a) Creation; Membership; Terms. – There is hereby created a Building Code Council, which shall be composed of 17 members appointed by the Governor, consisting of the following:

(1) ~~two registered architects,~~Two licensed architects.
(2) ~~one~~ One licensed general ~~contractor,~~contractor.
(3) ~~one~~One licensed general contractor specializing in residential ~~construction,~~construction.
(4) ~~one~~One licensed general contractor specializing in coastal residential ~~construction,~~construction.
(5) ~~one registered~~One licensed engineer practicing structural ~~engineering,~~engineering.
(6) ~~one registered~~One licensed engineer practicing mechanical ~~engineering,~~engineering.
(7) ~~one registered~~ One licensed engineer practicing electrical ~~engineering,~~engineering.
(8) ~~one~~ One licensed plumbing and heating ~~contractor,~~contractor.
(9) ~~one~~ One municipal or county building ~~inspector,~~inspector.
(10) ~~one~~ One licensed liquid petroleum gas dealer/contractor involved in the design of natural and liquid petroleum gas systems who has expertise and experience in natural and liquid petroleum gas piping, venting and ~~appliances,~~appliances.
(11) ~~a~~ One representative of the public who is not a member of the building construction ~~industry,~~industry.
(12) ~~a~~ One licensed electrical ~~contractor,~~contractor.
(13) ~~a registered~~ One licensed engineer on the engineering staff of a State agency charged with approval of plans of State-owned ~~buildings,~~buildings.
(14) ~~a~~ One municipal elected official or city ~~manager,~~manager.
(15) ~~a~~ One county commissioner or county ~~manager,~~manager.
(16) ~~and an~~One active member of the North Carolina fire service with expertise in fire ~~safety.~~safety, as recommended by the North Carolina State Firemen's Association.

In selecting the municipal and county members, preference should be given to members who qualify as either a ~~registered~~ licensed architect, ~~registered~~ licensed engineer, or licensed general contractor. Of the members initially appointed by the Governor, three shall serve for terms of two years each, three shall serve for terms of four years each, and three shall serve for terms of six years each. Thereafter, all appointments shall be for terms of six years. The Governor may remove appointive members at any time. Neither the architect nor any of the above named engineers shall be engaged in the manufacture, promotion or sale of any building material, and any member who shall, during his term, cease to meet the qualifications for original appointment (through ceasing to be a practicing member of the profession indicated or otherwise) shall thereby forfeit his membership on the Council. In making new appointments or filling vacancies, the Governor shall ensure that minorities and women are represented on the Council.

The Governor may make appointments to fill the unexpired portions of any terms vacated by reason of death, resignation, or removal from office. In making such appointment, he shall preserve the composition of the Council required above.

(b) Compensation. – Members of the Building Code Council other than any who are employees of the State shall receive seven dollars ($7.00) per day, including necessary time spent in traveling to and from their place of residence within the State to any place of meeting or while traveling on official business of the Council. In addition, all members shall receive mileage and subsistence according to State practice while going to and from any place of meeting, or when on official business of the Council.

(c) Residential Code Committee Created; Duties. – Within the Building Code Council, there is hereby created a Residential Code for One- and Two-Family Dwellings Committee composed of seven members of the Building Code Council, specifically the licensed general contractor specializing in residential construction who shall serve as chairman of this committee; the licensed general contractor specializing in coastal residential construction; the licensed engineer practicing structural engineering; the licensed plumbing and heating contractor; the fire service representative; the municipal or county building inspector; and the licensed electrical contractor. This committee shall meet upon the call of its chairman to review any proposal for revision or amendment to the North Carolina State Building Code: Residential Code for One- and Two-Family Dwellings, including provisions applicable to One- and Two-Family Dwellings from the NC Energy Code, NC Electrical Code, NC Fuel Gas Code, NC Plumbing Code, the NC Mechanical Code, and the NC Existing Building Code, and no revision or amendment to any of these codes applicable to residential construction may be considered by the Building Code Council unless recommended by this committee. This committee shall also oversee the process by which the Council conducts its revision pursuant to G.S. 143-138(d). This committee shall also consider any appeal or interpretation arising under G.S. 143-141 pertaining to North Carolina State Building Code: Residential Code for One- and Two-Family Dwellings and make a recommendation to the Building Code Council for disposition of the appeal or interpretation. In considering the recommendations of the committee related to revisions and amendments of the Building Code, nothing in this subsection shall prevent the Building Code Council from accepting, rejecting, or amending the recommendation, provided that any amendment to the recommendation must be germane.

(d) Building Code Committee Created; Duties. – Within the Building Code Council, there is hereby created a Building Code Committee for all structures except those subject to the North Carolina State Building Code: Residential Code for One- and Two-Family Dwellings. The committee shall be composed of the following nine members of the Building Code Council:

(1) One of the licensed architects appointed by the chairman of the Building Code Council.
(2) The licensed engineer practicing mechanical engineering.
(3) The licensed engineer practicing electrical engineering.
(4) The licensed engineer practicing structural engineering.
(5) The municipal elected official.
(6) The fire service representative.
(7) The municipal or county building inspector.
(8) The State agency engineer.
(9) The licensed general contractor.

The chairman of the Building Code Council shall call the first meeting of the Committee, at which meeting the Committee shall elect a chairman from among the members of the Committee as the first order of business. Thereafter, the Committee shall meet upon the call of the chairman to review any proposal for revision or amendment to the North Carolina State Building Code, including provisions applicable to the North Carolina Energy Code, the North Carolina Electrical Code, the North Carolina Fuel Gas Code, the North Carolina Plumbing Code, the North Carolina Mechanical Code, and the North Carolina Existing Building Code,

and no revision or amendment to any of these codes applicable to commercial or multi-family construction may be considered by the Building Code Council unless recommended by this committee. This committee shall also oversee the process by which the Council conducts its revision of the codes applicable to commercial or multi-family construction pursuant to G.S. 143-138(d). This committee shall also consider any appeal or interpretation arising under G.S. 143-141 pertaining to codes applicable to commercial or multi-family construction and make a recommendation to the Building Code Council for disposition of the appeal or interpretation. In considering the recommendations of the committee related to revisions and amendments of the Building Code, nothing in this subsection shall prevent the Building Code Council from accepting, rejecting, or amending the recommendation, provided that any amendment to the recommendation must be germane."

SECTION 5.2. G.S. 143-138(d) reads as rewritten:

"(d) Amendments of the Code. – ~~The~~ Subject to the procedures set forth in G.S. 143-136(c) and (d), the Building Code Council may periodically revise and amend the North Carolina State Building Code, either on its own motion or upon application from any citizen, State agency, or political subdivision of the State. In addition to the periodic revisions or amendments made by the Council, the Council ~~shall~~ shall, following the procedure set forth in G.S. 143-136(c), revise the North Carolina State Building Code: Residential Code for One- and Two-Family Dwellings, including provisions applicable to One- and Two-Family Dwellings from the NC Energy Code, NC Electrical Code, NC Fuel Gas Code, NC Plumbing Code, and NC Mechanical Code only every six years, to become effective the first day of January of the following year, with at least six months between adoption and effective date. The first six-year revision under this subsection shall be adopted to become effective January 1, 2019, and every six years thereafter. In adopting any amendment, the Council shall comply with the same procedural requirements and the same standards set forth above for adoption of the Code. The Council, through the Department of Insurance, shall publish in the North Carolina Register ~~and shall post on the Council's Web site~~ all appeal decisions made by the Council and all formal opinions at least semiannually. The Council, through the Department of Insurance, shall also publish at least semiannually in the North Carolina Register a statement providing the accurate Web site address and information on how to find additional commentary and interpretation of the Code."

PART VI. BUILDING CODE COUNCIL REQUIRED WEB SITE POSTINGS

SECTION 6.1. G.S. 143-141 is amended by adding a new subsection to read:

"(c1) Posting on Department Web Site. – The Department of Insurance shall post and maintain on that portion of its Web site devoted to the Building Code Council all appeal decisions, interpretations, and variations of the Code issued by the Council within 10 business days of issuance."

SECTION 6.2. G.S. 143-138.1(b) reads as rewritten:

"(b) The Department of Insurance shall post and maintain on ~~its Web site~~ that portion of its Web site devoted to the Building Code Council written commentaries and written interpretations made and given by staff to the ~~North Carolina Building Code~~ Council and the Department for each section of the North Carolina Building ~~Code.~~Code within 10 business days of issuance."

PART VII. INSPECTION FEES TO BE SPENT ONLY FOR ACTIVITIES OF INSPECTION DEPARTMENT

SECTION 7.1. G.S. 153A-354 reads as rewritten:

"§ **153A-354. Financial support.**

A county may appropriate any available funds for the support of its inspection department. It may provide for paying inspectors fixed salaries, or it may reimburse them for their services by paying over part or all of any fees collected. It may fix reasonable fees for issuing permits, for inspections, and for other services of the inspection department. All fees collected under the

authority set forth in this section shall be used for support of the administration and activities of the inspection department and for no other purpose."

SECTION 7.2. G.S. 160A-414 reads as rewritten:

"§ **160A-414. Financial support.**

The city council may appropriate for the support of the inspection department any funds that it deems necessary. It may provide for paying inspectors fixed salaries or it may reimburse them for their services by paying over part or all of any fees collected. It shall have power to fix reasonable fees for issuance of permits, inspections, and other services of the inspection department. All fees collected under the authority set forth in this section shall be used for support of the administration and activities of the inspection department and for no other purpose."

PART VIII. INSPECTIONS TO BE PERFORMED IN FULL AND IN A TIMELY MANNER AND INSPECTION REPORTS TO INCLUDE ALL ITEMS FAILING TO MEET CODE REQUIREMENTS

SECTION 8.1. G.S. 153A-352 reads as rewritten:

"§ **153A-352. Duties and responsibilities.**

(a) The duties and responsibilities of an inspection department and of the inspectors in it are to enforce within the county's territorial jurisdiction State and local laws and local ordinances and regulations relating to:

(1) The construction of buildings;

(2) The installation of such facilities as plumbing systems, electrical systems, heating systems, refrigeration systems, and air-conditioning systems;

(3) The maintenance of buildings in a safe, sanitary, and healthful condition;

(4) Other matters that may be specified by the board of commissioners.

These duties and responsibilities include receiving applications for permits and issuing or denying permits, making necessary ~~inspections,~~ inspections in a timely manner, issuing or denying certificates of compliance, issuing orders to correct violations, bringing judicial actions against actual or threatened violations, keeping adequate records, and taking any other actions that may be required to adequately enforce the laws and ordinances and regulations. The board of commissioners may enact reasonable and appropriate provisions governing the enforcement of the laws and ordinances and regulations.

(b) Except as provided in G.S. 153A-364, a county may not adopt a local ordinance or resolution or any other policy that requires regular, routine inspections of buildings or structures constructed in compliance with the North Carolina Residential Code for One- and Two-Family Dwellings in addition to the specific inspections required by the North Carolina Building Code without first obtaining approval from the North Carolina Building Code Council. The North Carolina Building Code Council shall review all applications for additional inspections requested by a county and shall, in a reasonable manner, approve or disapprove the additional inspections. This subsection does not limit the authority of the county to require inspections upon unforeseen or unique circumstances that require immediate action. In performing the specific inspections required by the North Carolina Building Code, the inspector shall conduct all inspections requested by the permit holder for each scheduled inspection visit. For each requested inspection, the inspector shall inform the permit holder of instances in which the work inspected is incomplete or otherwise fails to meet the requirements of the North Carolina Residential Code for One- and Two-Family Dwellings."

SECTION 8.2. G.S. 160A-412 reads as rewritten:

"§ **160A-412. Duties and responsibilities.**

(a) The duties and responsibilities of an inspection department and of the inspectors therein shall be to enforce within their territorial jurisdiction State and local laws relating to

(1) The construction of buildings and other structures;

(2) The installation of such facilities as plumbing systems, electrical systems, heating systems, refrigeration systems, and air-conditioning systems;

(3) The maintenance of buildings and other structures in a safe, sanitary, and healthful condition;

(4) Other matters that may be specified by the city council.

These duties shall include the receipt of applications for permits and the issuance or denial of permits, the making of any necessary ~~inspections,~~ inspections in a timely manner, the issuance or denial of certificates of compliance, the issuance of orders to correct violations, the bringing of judicial actions against actual or threatened violations, the keeping of adequate records, and any other actions that may be required in order adequately to enforce those laws. The city council shall have the authority to enact reasonable and appropriate provisions governing the enforcement of those laws.

(b) Except as provided in G.S. 160A-424, a city may not adopt a local ordinance or resolution or any other policy that requires regular, routine inspections of buildings or structures constructed in compliance with the North Carolina Residential Code for One- and Two-Family Dwellings in addition to the specific inspections required by the North Carolina Building Code without first obtaining approval from the North Carolina Building Code Council. The North Carolina Building Code Council shall review all applications for additional inspections requested by a city and shall, in a reasonable manner, approve or disapprove the additional inspections. This subsection does not limit the authority of the city to require inspections upon unforeseen or unique circumstances that require immediate action. In performing the specific inspections required by the North Carolina Building Code, the inspector shall conduct all inspections requested by the permit holder for each scheduled inspection visit. For each requested inspection, the inspector shall inform the permit holder of instances in which the work inspected is incomplete or otherwise fails to meet the requirements of the North Carolina Residential Code for One- and Two-Family Dwellings."

PART IX. INSPECTIONS OF COMPONENTS OR ELEMENTS OF BUILDINGS CERTIFIED BY LICENSED ARCHITECTS OR LICENSED ENGINEERS

SECTION 9.(a) G.S. 153A-352 reads as rewritten:

"§ **153A-352. Duties and responsibilities.**

(a) The duties and responsibilities of an inspection department and of the inspectors in it are to enforce within the county's territorial jurisdiction State and local laws and local ordinances and regulations relating to:

(1) The construction of buildings;

(2) The installation of such facilities as plumbing systems, electrical systems, heating systems, refrigeration systems, and air-conditioning systems;

(3) The maintenance of buildings in a safe, sanitary, and healthful condition;

(4) Other matters that may be specified by the board of commissioners.

(a1) ~~These~~ The duties and responsibilities set forth in subsection (a) of this section include receiving applications for permits and issuing or denying permits, making necessary inspections, issuing or denying certificates of compliance, issuing orders to correct violations, bringing judicial actions against actual or threatened violations, keeping adequate records, and taking any other actions that may be required to adequately enforce the laws and ordinances and regulations. The board of commissioners may enact reasonable and appropriate provisions governing the enforcement of the laws and ordinances and regulations.

(b) Except as provided in G.S. 153A-364, a county may not adopt a local ordinance or resolution or any other policy that requires regular, routine inspections of buildings or structures constructed in compliance with the North Carolina Residential Code for One- and Two-Family Dwellings in addition to the specific inspections required by the North Carolina Building Code without first obtaining approval from the North Carolina Building Code Council. The North Carolina Building Code Council shall review all applications for additional inspections requested by a county and shall, in a reasonable manner, approve or disapprove the additional inspections. This subsection does not limit the authority of the county to require inspections upon unforeseen or unique circumstances that require immediate action.

(c) Notwithstanding the requirements of this Article, a county shall accept and approve, without further responsibility to inspect, a design or other proposal for a component or element in the construction of buildings from a licensed architect or licensed engineer provided all of the following apply:

(1) The submission is completed under valid seal of the licensed architect or licensed engineer.

(2) Field inspection of the installation or completion of construction component or element of the building is performed by that licensed architect or licensed engineer.

(3) That licensed architect or licensed engineer provides the county with a signed written document stating the component or element of the building so inspected is in compliance with the North Carolina State Building Code or the North Carolina Residential Code for One- and Two-Family Dwellings.

(d) Upon the acceptance and approval of a signed written document by the county as required under subsection (c) of this section, the county, its inspection department, and the inspectors shall be discharged and released from any duties and responsibilities imposed by this Article with respect to the component or element in the construction of the building for which the signed written document was submitted."

SECTION 9.(b) G.S. 153A-356 reads as rewritten:

"§ **153A-356. Failure to perform duties.**

(a) If a member of an inspection department willfully fails to perform the duties required of him by law, or willfully improperly issues a permit, or gives a certificate of compliance without first making the inspections required by law, or willfully improperly gives a certificate of compliance, he is guilty of a Class 1 misdemeanor.

(b) A member of the inspection department shall not be in violation of this section when the county, its inspection department, or one of the inspectors accepted a signed written document of compliance with the North Carolina State Building Code or the North Carolina Residential Code for One- and Two-Family Dwellings from a licensed architect or licensed engineer in accordance with G.S. 153A-352(c)."

SECTION 9.(c) G.S. 160A-412 reads as rewritten:

"§ **160A-412. Duties and responsibilities.**

(a) The duties and responsibilities of an inspection department and of the inspectors therein shall be to enforce within their territorial jurisdiction State and local laws relating to

(1) The construction of buildings and other structures;

(2) The installation of such facilities as plumbing systems, electrical systems, heating systems, refrigeration systems, and air-conditioning systems;

(3) The maintenance of buildings and other structures in a safe, sanitary, and healthful condition;

(4) Other matters that may be specified by the city council.

(a1) ~~These~~ The duties and responsibilities set forth in subsection (a) of this section shall include the receipt of applications for permits and the issuance or denial of permits, the making of any necessary inspections, the issuance or denial of certificates of compliance, the issuance of orders to correct violations, the bringing of judicial actions against actual or threatened violations, the keeping of adequate records, and any other actions that may be required in order adequately to enforce those laws. The city council shall have the authority to enact reasonable and appropriate provisions governing the enforcement of those laws.

(b) Except as provided in G.S. 160A-424, a city may not adopt a local ordinance or resolution or any other policy that requires regular, routine inspections of buildings or structures constructed in compliance with the North Carolina Residential Code for One- and Two-Family Dwellings in addition to the specific inspections required by the North Carolina Building Code without first obtaining approval from the North Carolina Building Code Council. The North Carolina Building Code Council shall review all applications for additional inspections requested by a city and shall, in a reasonable manner, approve or disapprove the

additional inspections. This subsection does not limit the authority of the city to require inspections upon unforeseen or unique circumstances that require immediate action.

(c) Notwithstanding the requirements of this Article, a city shall accept and approve, without further responsibility to inspect, a design or other proposal for a component or element in the construction of buildings from a licensed architect or licensed engineer provided all of the following apply:

(1) The submission is completed under valid seal of the licensed architect or licensed engineer.

(2) Field inspection of the installation or completion of construction component or element of the building is performed by that licensed architect or licensed engineer.

(3) That licensed architect or licensed engineer provides the city with a signed written document stating the component or element of the building so inspected is in compliance with the North Carolina State Building Code or the North Carolina Residential Code for One- and Two-Family Dwellings.

(d) Upon the acceptance and approval of a signed written document by the city as required under subsection (c) of this section, the city, its inspection department, and the inspectors shall be discharged and released from any duties and responsibilities imposed by this Article with respect to the component or element in the construction of the building for which the signed written document was submitted."

SECTION 9.(d) G.S. 160A-416 reads as rewritten:

"§ **160A-416. Failure to perform duties.**

(a) If any member of an inspection department shall willfully fail to perform the duties required of him by law, or willfully shall improperly issue a permit, or shall give a certificate of compliance without first making the inspections required by law, or willfully shall improperly give a certificate of compliance, he shall be guilty of a Class 1 misdemeanor.

(b) A member of the inspection department shall not be in violation of this section when the city, its inspection department, or one of the inspectors accepted a signed written document of compliance with the North Carolina State Building Code or the North Carolina Residential Code for One- and Two-Family Dwellings from a licensed architect or licensed engineer in accordance with G.S. 160A-412(c)."

PART X. EXEMPT CERTAIN COMMERCIAL BUILDING PROJECTS FROM THE REQUIREMENT OF A PROFESSIONAL SEAL

SECTION 10. Notwithstanding G.S. 83A-13(c)(3) and (4), a commercial building project with a total value of less than ninety thousand dollars ($90,000) and a total project area of less than 2,500 square feet shall be exempt from the requirement for a professional architectural seal.

PART XI. EFFECTIVE DATE

SECTION 11. This act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 2nd day of July, 2015.

Became law upon approval of the Governor at 5:15 p.m. on the 13th day of July, 2015.

Session Law 2015-146 **H.B. 288**

AN ACT TO MAINTAIN NAIC ACCREDITATION OF THE DEPARTMENT OF INSURANCE BY MAKING REVISIONS TO THE LAWS GOVERNING INSURANCE COMPANY HOLDING SYSTEMS, RISK-BASED CAPITAL REQUIREMENTS FOR LIFE INSURERS, AND CORPORATE GOVERNANCE REQUIREMENTS FOR RISK RETENTION GROUPS; AND TO MAKE CONFORMING AND CLARIFYING CHANGES TO THE LAWS GOVERNING MOTOR VEHICLE FINANCIAL

RESPONSIBILITY AND AUTO AND HOMEOWNERS' INSURANCE OPTIONAL PROGRAM ENHANCEMENTS, AS RECOMMENDED BY THE DEPARTMENT OF INSURANCE.

The General Assembly of North Carolina enacts:

PART I. INSURANCE HOLDING COMPANY SYSTEM REGULATORY ACT REVISIONS

SECTION 1.1. G.S. 58-19-1 reads as rewritten:

"§ **58-19-1. Findings; purpose; legislative intent.**

(a) The General Assembly finds that the public interest and the interests of policyholders are or may be adversely affected when any of the following occur:

(1) Control of an insurer is sought by persons who would utilize such control adversely to the interests of policyholders.

(2) Acquisition of control of an insurer would substantially lessen competition or create a monopoly in the insurance business in this State.

(3) An insurer that is part of ~~a~~ an insurance holding company system is caused to enter into transactions or relationships with affiliated companies on terms that are not fair and reasonable.

(4) An insurer pays dividends to shareholders that jeopardize the financial condition of such insurer.

…."

SECTION 1.2.(a) Subdivisions (3) through (7) of G.S. 58-19-5 are recodified as subdivisions (11) through (15) of that section. Subdivision (8) of G.S. 58-19-5 is recodified as subdivision (17) of that section.

SECTION 1.2.(b) G.S. 58-19-5, as amended by subsection (a) of this section, reads as rewritten:

"§ **58-19-5. Definitions.**

As used in this Article, unless the context requires otherwise, the following terms have the following meanings:

(1) An "affiliate" of or person "affiliated" with a specific ~~person is a~~person. – A person that indirectly through one or more intermediaries or directly controls, is controlled by, or is under common control with the person specified.

(2) "Control", including the terms "controlling", "controlled by", and ~~"under common control with", means the~~"under common control with." – The direct or indirect possession of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise. Control is presumed to exist if any person directly or indirectly owns, controls, holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person. This presumption may be rebutted by a showing made in the manner provided by G.S. 58-19-25(j) that control does not exist in fact. The Commissioner may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support such determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

(3) Enterprise risk. – Any activity, circumstance, event, or series of events involving one or more affiliates of an insurer that, if not remedied promptly, is likely to have a material adverse effect upon the financial condition or liquidity of the insurer or its insurance holding company system as a whole, including, but not limited to, anything that would cause the insurer's risk-based capital to fall into company action level as set forth in Article 12

of this Chapter or would cause the insurer to be in a hazardous financial condition as set forth in G.S. 58-30-60.

(4) Executive officer. – A chief executive officer, chief operating officer, chief financial officer, treasurer, secretary, controller, and any other individual performing functions corresponding to those performed by the foregoing officers under whatever title.

(5) Form A. – The statement regarding the acquisition of control of or merger with a domestic insurer that is required to be filed with the Commissioner pursuant to G.S. 58-19-15.

(6) Form B. – The insurance holding company system annual registration statement that is required to be filed with the Commissioner pursuant to G.S. 58-19-25.

(7) Form C. – The summary of changes to the insurance company system annual registration statement that is required to be filed with the Commissioner pursuant to G.S. 58-19-25.

(8) Form D. – The prior notice of a transaction that is required to be filed with the Commissioner pursuant to G.S. 58-19-30(b).

(9) Form E. – The pre-acquisition notification that is required to be filed with the Commissioner pursuant to G.S. 58-19-15(f).

(10) Form F. – The annual enterprise risk report required to be filed with the Commissioner pursuant to G.S. 58-19-25(l).

(11) ~~"Insurance holding company system" means an~~Insurance holding company system. – An entity comprising two or more affiliated persons, one or more of which is an insurer.

(12) ~~"Insurer" includes~~Insurer. – As defined in G.S. 58-1-5(3), and includes a person subject to Articles 65 and 66 or 67 of this Chapter. "Insurer" does not include (1) an agency, authority, or instrumentality of the United States; any of its possessions and territories; the Commonwealth of Puerto Rico; the District of Columbia; nor a state or political subdivision of a state; nor (2) fraternal benefit societies or fraternal orders.

(13) ~~"Person" means an~~Person. – An individual, corporation, partnership, limited liability company, association, joint stock company, trust, unincorporated organization, or any similar entity or any combination of the foregoing acting in concert.

(14) A "security holder" of a specified ~~person is one~~person. – One who owns any security of such person, including common stock, preferred stock, debt obligations, or any other security convertible into or evidencing the right to acquire any of the foregoing.

(15) A "subsidiary" of a specified ~~person is an~~person. – An affiliate controlled by such person indirectly through one or more intermediaries or directly.

(16) Ultimate controlling person. – A person not controlled by any other person.

(17) ~~"Voting security" includes~~Voting security. – Includes any security convertible into or evidencing a right to acquire a voting security."

SECTION 1.3.(a) Subsections (b) through (j) of G.S. 58-19-15 are recodified as subsections (g) through (o) of that section, subsections (a1) through (a3) of G.S. 58-19-15 are recodified as subsections (b) through (d) of that section, and subdivision (b)(12) of G.S. 58-19-15 is recodified as subdivision (g)(14) of that section.

SECTION 1.3.(b) G.S. 58-19-15, as amended by subsection (a) of this section, reads as rewritten:

"§ **58-19-15. Acquisition of control of or merger with domestic insurer.**

(a) No person other than the issuer shall make a tender offer for or a request or invitation for tenders of, or enter into any agreement to exchange securities, or seek to acquire, or acquire, in the open market or otherwise, any voting security of a domestic insurer, if, after

the consummation thereof, the person would, directly or indirectly (or by conversion or by exercise of any right to acquire), be in control of the insurer, and no person shall enter into an agreement to merge with or otherwise to acquire control of a domestic insurer or any person controlling a domestic insurer unless the offer, request, invitation, ~~agreement,~~agreement entered into, or acquisition is conditioned upon the approval of the ~~Commissioner~~ Commissioner, and furnished on a Form A as prescribed by the Commissioner under this section. No such merger or other acquisition of control is effective until a statement containing the information required by this section has been filed with the Commissioner and all other provisions of this section have been complied with and the merger or acquisition of control has been approved by the Commissioner under this section. The statement containing the information required by this section shall also be filed with the domestic insurer when it is filed with the Commissioner.

(b) For the purposes of this section a "domestic insurer" includes any person controlling a domestic ~~insurer.~~insurer, unless the person, as determined by the Commissioner, is either directly or through its affiliates primarily engaged in business other than insurance. Further, for the purposes of this section, "person" does not include any securities broker holding, in the usual and customary broker's function, less than twenty percent (20%) of the voting securities of an insurance company or of any person that controls an insurance company.

(c) Any acquisition of control of a domestic insurer must be completed not later than 90 days after the date of the Commissioner's order approving the acquisition under this section, unless the Commissioner grants an extension in writing on a showing of good cause for the delay. Any increase in a company's capital and surplus required under this Article as a result of the change of control of a domestic insurer must be completed not later than 90 days after the date of the Commissioner's order approving the change of control and before the company writes any new insurance business.

(d) If the deadlines for completion in subsection ~~(a2)~~(c) of this section are not met, the person seeking to acquire control of the domestic insurer must resubmit the statement required by subsection ~~(b)~~(g) of this section, and the Commissioner may reconsider approval of acquisition of control under this section.

(e) For purposes of this section, any controlling person of the domestic insurer seeking to divest its controlling interest in the domestic insurer, in any manner, shall file with the Commissioner, with a copy to the insurer, confidential notice of its proposed divesture at least 30 days prior to the cessation of control. The Commissioner shall determine those instances in which the party or parties seeking to divest or to acquire a controlling interest in an insurer, will be required to file for and obtain approval of the transaction. The information shall remain confidential until the conclusion of the transaction unless the Commissioner, in his discretion determines that confidential treatment will interfere with enforcement of this section. If the statement referred to in subsection (a) of this section is otherwise filed, this subsection shall not apply.

(f) With respect to a transaction subject to this section, the acquiring person must also file a pre-acquisition notification with the Commissioner on a Form E as prescribed by the Commissioner. In addition to the information required by the Form E, the Commissioner may require an expert opinion as to the competitive impact of the proposed acquisition at the acquiring person's expense. A failure to file the pre-acquisition notification may subject the insurer or other person who fails to make the filing and who also fails to demonstrate a good-faith effort to comply with this requirement to a fine of not more than fifty thousand dollars ($50,000).

(g) The statement to be filed with the Commissioner under subsection (a) of this section shall be furnished on a Form A as prescribed by the Commissioner, made under oath or ~~affirmation~~ affirmation, and shall contain the following information:

…

(11) The term of any agreement, contract, or understanding made with or proposed to be made with any third party in connection with any acquisition of control of or merger with a domestic insurer, and the amount of any fees,

commissions, or other compensation to be paid to the third party with regard thereto.

(12) An agreement by the person required to file the statement referred to in subsection (a) of this section that it will provide the annual report, specified in G.S. 58-19-25, for so long as control exists.

(13) An acknowledgement by the person required to file the statement referred to in subsection (a) of this section that the person and all subsidiaries within its control in the insurance holding company system will provide information to the Commissioner upon request as necessary to evaluate enterprise risk to the insurer.

(14) Such additional information as the Commissioner may by rule prescribe as necessary or appropriate for the protection of policyholders of the insurer or in the public interest.

If the person required to file the statement referred to in subsection (a) of this section is a partnership, limited partnership, syndicate, or other group, the Commissioner shall require that the information called for by subdivisions (1) through ~~(12)~~(14) of this subsection be given with respect to each partner of such partnership or limited partnership, each member of such syndicate or group, and each person who controls such partner or member. If any such partner, member, or person is a corporation or the person required to file the statement referred to in subsection (a) of this section is a corporation, the Commissioner shall require that the information called for by subdivisions (1) through ~~(12)~~(14) of this subsection be given with respect to such corporation, each officer and director of such corporation, and each person who is, directly or indirectly, the beneficial owner of more than ten percent (10%) of the outstanding voting securities of such corporation.

If any material change occurs in the facts set forth in the statement filed with the Commissioner and sent to such insurer pursuant to this section, an amendment setting forth such change, together with copies of all documents and other material relevant to such change, shall be filed with the Commissioner and sent to such insurer by the filer within two business days after the person learns of such change.

…

(j) The public hearing referred to in subsection ~~(d)~~(i) of this section shall be held within 120 days after the statement required by subsection (a) of this section is filed, and the Commissioner shall give at least 30 days notice of the hearing to the person filing the statement, to the insurer, and to such other persons as may be designated by the Commissioner. The Commissioner shall make a determination as expeditiously as is reasonably practicable after the conclusion of the hearing. At the hearing, the person filing the statement, the insurer, any person to whom notice of hearing was sent, and any other person whose interest may be affected by the hearing shall have the right to present evidence, examine and cross-examine witnesses, and offer oral or written arguments; and in connection therewith shall be entitled to conduct discovery proceedings at any time after the statement is filed with the Commissioner under this section and in the same manner as is presently allowed in the superior courts of this State. In connection with discovery proceedings authorized by this section, the Commissioner may issue such protective orders and other orders governing the timing and scheduling of discovery proceedings as might otherwise have been issued by a superior court of this State in connection with a civil proceeding. If any party fails to make reasonable and adequate response to discovery on a timely basis or fails to comply with any order of the Commissioner with respect to discovery, the Commissioner on the Commissioner's own motion or on motion of any other party or person may order that the hearing be postponed, recessed, convened, or reconvened, as the case may be, following proper completion of discovery and reasonable notice to the person filing the statement, to the insurer, and to such other persons as may be designated by the Commissioner.

If the proposed acquisition of control will require the approval of the insurance commissioners of more than one state, the public hearing referred to in this subsection may be

held on a consolidated basis upon request of the person filing the statement referred to in subsection (a) of this section. Such person shall file the statement referred to in subsection (a) of this section with the NAIC within five days of making the request for a public hearing. A commissioner may opt out of a consolidated hearing and shall provide notice to the applicant of the opt out within 10 days of the receipt of the statement referred to in subsection (a) of this section. A hearing conducted on a consolidated basis shall be public and shall be held within the United States before the commissioners of the states in which the insurers are domiciled. Such commissioners shall hear and receive evidence. A commissioner may attend such hearing, in person or by telecommunication.

…

(n) ~~The~~ Each of the following are violations of this section:

(1) The failure to file any statement, amendment, or other material required to be filed pursuant to subsection (a) or ~~(b)~~(g) of this ~~section; or~~section.

(2) The effectuation or any attempt to effectuate an acquisition of control ~~of~~ of, divestiture of, or merger with a domestic insurer, unless the Commissioner has given his approval ~~thereto.~~of the acquisition, divestiture, or merger.

(o) The courts of this State are vested with jurisdiction over every person not resident, domiciled, or authorized to do business in this State who files a statement with the Commissioner under this section; and the overall actions involving such person arising out of violations of this section and each such person is deemed to have performed acts equivalent to and constituting an appointment by such person of the Commissioner to be his true and lawful attorney upon whom may be served all legal process in any action, suit, or proceeding arising out of violations of this section. Copies of all such process shall be handled in accordance with the provisions of G.S. 58-16-30, 58-16-35, and 58-16-45."

SECTION 1.4. G.S. 58-19-25 reads as rewritten:

"§ **58-19-25. Registration of insurers.**

(a) Every insurer that is ~~licensed~~ authorized to do business in this State and that is a member of an insurance holding company system shall register with the ~~Commissioner,~~Commissioner pursuant to G.S. 58-19-25(b), except a foreign insurer subject to the registration requirements and standards adopted by statute or regulation in the jurisdiction of its domicile that are substantially similar to those contained in:

(1) This section.

(2) G.S. 58-19-30(a), G.S. 58-19-30(c), and G.S. 58-19-30(d).

(3) G.S. 58-19-30(b) or a statutory or regulatory provision such as the following: Each registered insurer shall keep current the information required to be disclosed in its registration statement by reporting all material changes or additions within 15 days after the end of the month in which it learns of each change or addition. The insurer shall also file a copy of its registration statement and any amendments to the statement in each state in which that insurer is authorized to do business, if requested by the insurance regulator of that state.

Any insurer that is subject to registration under this section shall register within 30 days after it becomes subject to registration, and an amendment to the registration statement shall be filed by April 1 of each year for the previous calendar year; unless the Commissioner for good cause shown extends the time for registration or filing, and then within the extended time. All registration statements shall contain a summary, on a ~~form~~ Form C as prescribed by the Commissioner, outlining all items in the current registration statement representing changes from the prior registration statement. The Commissioner may require any insurer that is ~~a~~ an insurance member of a holding company system that is not subject to registration under this section to furnish a copy of the registration statement or other information filed by the insurance company with the insurance regulator of its domiciliary jurisdiction.

(b) Every insurer subject to registration shall file the registration statement on a ~~form~~ Form B prescribed by the Commissioner, which shall contain the following current information:

…

(6) If requested by the Commissioner, the insurer shall include financial statements of or within an insurance holding company system, including all affiliates. Financial statements may include, but are not limited to, annual audited financial statements filed with the United States Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended. An insurer required to file financial statements pursuant to this subdivision may satisfy the request by providing the Commissioner with the most recently filed parent corporation financial statements that have been filed with the United States Securities and Exchange Commission.

(7) Statements that the insurer's board of directors oversees corporate governance and internal controls and that the insurer's officers or senior management have approved, implemented, and continue to maintain and monitor corporate governance and internal control procedures.

(8) Any other information required by the Commissioner by rule or regulation.

(c) No information need be disclosed on the registration statement filed pursuant to subsection (b) of this section if such information is not material for the purposes of this section. Unless the Commissioner by rule or order provides otherwise, all sales, purchases, exchanges, loans or extensions of credit, investments, or guarantees involving one-half of one percent (1/2%) or less of an insurer's admitted assets as of the preceding December 31 are not material for the purposes of this section.

(d) Subject to G.S. 58-7-130(b) and G.S. 58-19-30(c), each domestic insurer shall report to the Commissioner all dividends and other distributions to shareholders within five business days following the declaration thereof and at least 30 days before the payment ~~thereof. The Commissioner may adopt rules to further the requirements of this section.~~of the dividend or distribution by providing the information set forth in G.S. 58-19-30(e). A prior notification of an ordinary dividend or any other ordinary distribution required under this subsection shall be deemed to be incomplete unless all of the information required by G.S. 58-19-30(e) has been included. The Commissioner shall consider the factors set forth in G.S. 58-19-30(d) in his review of dividends or other distributions to shareholders pursuant to this subsection. The Commissioner may adopt rules to further the requirements of this section.

(e) Any person within an insurance holding company system subject to registration shall provide complete and accurate information to an insurer, where such information is reasonably necessary to enable the insurer to comply with the provisions of this Article.

(f) The Commissioner shall terminate the registration of any insurer that demonstrates that it no longer is a member of an insurance holding company system. A termination of registration shall include the information set forth in subdivision (j)(1) of this section and shall be deemed to have been granted unless the Commissioner, within 30 days after receipt of the request, notifies the registrant otherwise.

(g) The Commissioner may require or allow two or more affiliated insurers subject to registration under this section to file a consolidated ~~registration statement.~~or alternative registration statement as provided in subsection (h) of this section. The Commissioner, however, reserves the right to require individual filings if he deems such filings necessary in the interest of clarity, ease of administration, or the public good.

(h) ~~The Commissioner~~Any authorized insurer may ~~allow an insurer that is authorized to do business in this State and that is part of an insurance holding company system to register~~file a registration statement on behalf of any affiliated insurer ~~that is~~or insurers that are required to register under subsection ~~(a) of this section and to file all information and material required to be filed under this section.~~(a) of this section. A registration statement may include information

not required by Article 19 of this Chapter regarding any insurer in the insurance holding company system even if the insurer is not authorized to do business in this State. In lieu of filing a registration statement on a Form B, the authorized insurer may file a copy of the registration statement or similar report that it is required to file in its state of domicile, provided all of the following apply:

(1) The statement or report contains substantially similar information required to be furnished on Form B.

(2) The filing insurer is the principal insurance company in the insurance holding company system.

The question of whether the filing insurer is the principal insurance company in the insurance holding company system is a question of fact, and an insurer filing a registration statement or report in lieu of Form B on behalf of an affiliated insurer shall set forth a brief statement of facts which will substantiate the filing insurer's claim that it, in fact, is the principal insurer in the insurance holding company system.

(i) The provisions of this section do not apply to any insurer, information, or transaction if and to the extent that the Commissioner by rule or order exempts the same from the provisions of this section.

(j) Any person may file with the Commissioner a disclaimer of ~~affiliation~~ affiliation, which includes the information outlined in G.S. 58-19-25(j)(2), with any authorized insurer, or such a disclaimer of affiliation may be filed by such insurer or any member of an insurance holding company ~~system.~~system as set forth in this subsection.

(1) ~~The~~A disclaimer ~~shall fully disclose all material relationships and bases for affiliation between such person and such insurer as well as the basis for disclaiming such affiliation. After a disclaimer has been filed, the insurer shall be relieved of any duty to register or report under this section that may arise out of the insurer's relationship with such person unless the Commissioner disallows such a disclaimer. The Commissioner shall disallow such a disclaimer only after furnishing all parties in interest with notice and opportunity to be heard and after making specific findings of fact to support such disallowance.~~of affiliation shall be deemed to have been granted unless the Commissioner, within 30 days following the receipt of a complete disclaimer of affiliation, notifies the filing party that the disclaimer of affiliation is disallowed. In the event of disallowance, the disclaiming party may request an administrative hearing, which shall be granted. The disclaiming party shall be relieved of its duty to register under this section if approval of the disclaimer of affiliation has been granted by the Commissioner, or if the disclaimer of affiliation is deemed to have been approved.

(2) A disclaimer of affiliation pursuant to this subsection or a request for termination of registration pursuant to G.S. 58-19-25(f) claiming that a person does not, or will not upon the taking of some proposed action, control another person (hereinafter "subject") shall contain the following information:

a. The number of authorized, issued, and outstanding voting securities of the subject.

b. With respect to the person whose control is denied and all affiliates of such person, the number and percentage of shares of the subject's voting securities, which are held of record or known to be beneficially owned, and the number of shares concerning which there is a right to acquire, directly or indirectly.

c. All material relationships and bases for affiliation between the subject and the person whose control is denied and all affiliates of such person.

d. A statement explaining why the person should not be considered to control the subject.

(k) The failure to file a registration statement or any summary of the registration statement or enterprise risk filing thereto required by this section within the time specified for such filing is a violation of this section.

(l) Effective January 1, 2016, the ultimate controlling person of every insurer subject to registration shall also file an annual enterprise risk report on Form F as prescribed by the Commissioner. The report shall, to the best of the ultimate controlling person's knowledge and belief, identify the material risks within the insurance holding company system that could pose enterprise risk to the insurer. The report shall be filed with the lead state commissioner of the insurance holding company system as determined by the procedures within the Financial Analysis Handbook adopted by the NAIC."

SECTION 1.5.(a) G.S. 58-19-30(b)(5) is recodified as G.S. 58-19-30(b)(6).

SECTION 1.5.(b) G.S. 58-19-30, as amended by subsection (a) of this section, reads as rewritten:

"§ **58-19-30. Standards and management of an insurer within ~~a~~ an insurance holding company system.**

(a) Transactions within ~~a~~ an insurance holding company system to which an insurer subject to registration is a party are subject to all of the following standards:

(1) The terms shall be fair and reasonable.

(2) Charges or fees for services performed shall be reasonable.

(3) Expenses incurred and payment received shall be allocated to the insurer in conformity with customary insurance accounting practices consistently applied.

(4) The books, accounts, and records of each party to all such transactions shall be so maintained as to clearly and accurately disclose the nature and details of the transactions, including such accounting information as is necessary to support the reasonableness of the charges or fees to the respective parties.

(5) The insurer's surplus as regards policyholders following any dividends or distributions to shareholder affiliates shall be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs.

(6) Agreements for cost-sharing services and management services shall include such provisions as required by this Article or rule and regulation issued by the Commissioner.

(b) The following transactions involving a domestic insurer and any person in its holding company ~~system~~ system, including amendments or modifications of affiliated agreements that were previously filed pursuant to this section and that are subject to any materiality standards contained in subdivision (1) through (7) of this section, may not be entered into unless the insurer has notified the Commissioner in writing of its intention to enter into the transaction at least 30 days before the transaction, or such shorter period as the Commissioner permits, and the Commissioner has not disapproved it within that ~~period:~~period. The notice for amendments or modifications shall include the reason for the change and the financial impact on the domestic insurer. Informal notice shall be given to the Commissioner, within 30 days after termination of a previously filed agreement, so that the Commissioner may determine the type of filing required, if any. An insurer required to give notice of a proposed transaction pursuant to this subsection shall furnish the required information on a Form D, as prescribed by the Commissioner.

(1) Sales, purchases, exchanges, loans or extensions of credit, or investments, provided the transactions equal or exceed: (i) with respect to nonlife insurers, the lesser of three percent (3%) of the insurer's admitted assets or twenty-five percent (25%) of surplus as regards policyholders; (ii) with respect to life insurers, three percent (3%) of the insurer's admitted assets; each as of the preceding December 31.

(2) Loans or extensions of credit to any person who is not affiliated, where the insurer makes the loans or extensions of credit with the agreement or understanding that the proceeds of the transactions, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase assets of, or to make investments in, any affiliate of the insurer making the loans or extensions of credit provided the transactions equal or exceed: (i) with respect to nonlife insurers, the lesser of three percent (3%) of the insurer's admitted assets or twenty-five percent (25%) of surplus as regards policyholders; (ii) with respect to life insurers, three percent (3%) of the insurer's admitted assets; each as of the preceding December 31.

(3) Reinsurance agreements or modifications to the ~~agreements~~ agreements, including the following:

a. Reinsurance pooling agreements.

b. Agreements in which either (i) the reinsurance premium or a change in the insurer's ~~liabilities~~ liabilities or (ii) the projected reinsurance premium or a change in the insurer's liabilities in any of the next three years equals or exceeds five percent (5%) of the insurer's surplus as regards policyholders, as of the preceding ~~December 31, including those agreements~~December 31.

c. Agreements that may require as consideration the transfer of assets from an insurer to a nonaffiliate, if an agreement or understanding exists between the insurer and nonaffiliate that any portion of the assets will be transferred to one or more affiliates of the insurer.

(4) All management agreements, service contracts, ~~guarantees,~~tax allocation agreements, or cost-sharing arrangements. Management agreements, service contracts, and cost-sharing arrangements shall at a minimum and as applicable:

a. Identify the person providing services and the nature of such services.

b. Set forth the methods to allocate costs.

c. Require timely settlement, not less frequently than on a quarterly basis, and compliance with the requirements in the NAIC Accounting Practices and Procedures Manual.

d. Prohibit advancement of funds by the insurer to the affiliate except to pay for services defined in the agreement.

e. State that the insurer will maintain oversight for functions provided to the insurer by the affiliate and that the insurer will monitor services annually for quality assurance.

f. Define books and records of the insurer to include all books and records developed or maintained under or related to the agreement.

g. Specify that all books and records of the insurer are and remain the property of the insurer and are subject to the control of the insurer.

h. State that all funds and invested assets of the insurer are the exclusive property of the insurer, held for the benefit of the insurer and are subject to the control of the insurer.

i. Include standards for termination of the agreement with and without cause.

j. Include provisions for indemnification of the insurer in the event of gross negligence or willful misconduct on the part of the affiliate providing the services.

k. Specify that, if the insurer is placed in receivership or seized by the Commissioner under Article 30 of this Chapter:

1. All of the rights of the insurer under the agreement extend to the receiver or Commissioner.
2. All books and records will immediately be made available to the receiver or the Commissioner and shall be turned over to the receiver or Commissioner immediately upon the receiver's or the Commissioner's request.

l. Specify that the affiliate has no automatic right to terminate the agreement if the insurer is placed in receivership pursuant to Article 30 of this Chapter.

m. Specify that the affiliate will continue to maintain any systems, programs, or other infrastructure notwithstanding a seizure by the Commissioner under Article 30 of this Chapter, and will make them available to the receiver, for so long as the affiliate continues to receive timely payment for services rendered.

(5) Guarantees when made by a domestic insurer; provided, however, that a guarantee which is quantifiable as to amount is not subject to the notice requirements of this subdivision unless it exceeds the lesser of one-half percent (0.5%) of the insurer's admitted assets or ten percent (10%) of surplus as regards policyholders as of the preceding December 31. Further, all guarantees which are not quantifiable as to amount are subject to the notice requirements of this subdivision.

(6) Any material transactions, specified by rule, that the Commissioner determines may adversely affect the interests of the insurer's policyholders.

Nothing in this section authorizes or permits any transactions that, in the case of an insurer, not a member of the same insurance holding company system, would be otherwise contrary to law. A domestic insurer may not enter into transactions that are part of a plan or series of like transactions with persons within the insurance holding company system if the purpose of those separate transactions is to avoid the statutory threshold amount and thus avoid the review that would otherwise occur. If the Commissioner determines that such separate transactions were entered into over any 12-month period for that purpose, the Commissioner may exercise the Commissioner's authority under G.S. 58-19-50. The Commissioner, in reviewing transactions pursuant to this subsection, shall consider whether the transactions comply with the standards set forth in subsection (a) of this section and whether they may adversely affect the interests of policyholders. The Commissioner shall be notified within 30 days after any investment of a domestic insurer in any one corporation if, as a result of the investment, the total investment in the corporation by the insurance holding company system exceeds ten percent (10%) of the corporation's voting securities.

(c) No domestic insurer shall pay any extraordinary dividend or make any other extraordinary distribution to its shareholders until (i) 30 days after the Commissioner has received notice of the declaration thereof and has not within that period disapproved the payment or (ii) the Commissioner has approved the payment within the 30-day period.

For the purposes of this section, an "extraordinary dividend" or "extraordinary distribution" includes any dividend or distribution of cash or other property, whose fair market value together with that of other dividends or distributions made within the preceding 12 months exceeds the greater of (i) ten percent (10%) of the insurer's surplus as regards policyholders as of the preceding December 31, or (ii) the net gain from operations of the insurer, if the insurer is a life insurer, or the net income, if the insurer is not a life insurer, not including realized capital gains, for the 12-month period ending the preceding December 31; but does not include pro rata distributions of any class of the insurer's own securities.

Notwithstanding any other provision of law, an insurer may declare an extraordinary dividend or distribution that is conditional upon the Commissioner's approval, and the declaration shall confer no rights upon shareholders until (i) the Commissioner has approved

the payment of the dividend or distribution or (ii) the Commissioner has not disapproved the payment within the 30-day period referred to above.

(d) For the purposes of this Article, in determining whether an insurer's surplus as regards policyholders is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs, ~~all of the following factors, among others, shall be considered:~~the factors set forth in subdivisions (1) through (11) of this subsection, among others, shall be considered. In determining the adequacy of an insurer's surplus, no single factor is controlling. The Commissioner will consider the net effect of all of the factors in subdivisions (1) through (11) of this subsection, plus other factors bearing on the financial condition of the insurer.

(1) The size of the insurer as measured by its assets, capital and surplus, reserves, premium writings, insurance in force, and other appropriate criteria.

(2) The extent to which the insurer's business is diversified among the several kinds of insurance.

(3) The number and size of risks insured in each kind of insurance.

(4) The extent of the geographic dispersion of the insurer's insured risks.

(5) The nature and extent of the insurer's reinsurance program.

(6) The quality, diversification, and liquidity of the insurer's investment portfolio. In determining the quality and liquidity of investments in subsidiaries, the Commissioner will consider the individual subsidiary and may discount or disallow its valuation to the extent that the individual investments so warrant.

(7) The recent past and projected future trend in the size of the insurer's surplus as regards policyholders.

(8) The surplus as regards policyholders maintained by other comparable insurers. In comparing the surplus maintained by other insurers, the Commissioner will consider the extent to which each of these factors varies from company to company.

(9) The adequacy of the insurer's reserves.

(10) The quality and liquidity of investments in affiliates. The Commissioner may treat any such investment as a disallowed asset for purposes of determining the adequacy of surplus as regards policyholders whenever in his judgment such investment so warrants.

(11) The quality of the insurer's earnings and the extent to which the reported earnings of the insurer include extraordinary items.

(e) Requests for approval of extraordinary dividends or any other extraordinary distribution to shareholders made pursuant to subsection (c) of this section and prior notice of an ordinary dividend or any other ordinary distribution to shareholders under G.S. 58-19-25(d) shall include the following:

(1) The amount of the proposed dividend or distribution.

(2) The date established for payment of the dividend or distribution.

(3) A statement as to whether the dividend or distribution is to be in cash or other property and, if in property, a description thereof, its cost, and its fair market value together with an explanation of the basis for valuation.

(4) A statement identifying the dividend or distribution as an ordinary dividend or other ordinary distribution subject to G.S. 58-19-25(d) or as an extraordinary dividend or other extraordinary distribution as defined in subsection (c) of this section.

(5) A copy of the calculations determining whether the proposed dividend or distribution is an ordinary dividend or other ordinary distribution subject to G.S. 58-19-25(d), or an extraordinary dividend or other extraordinary

distribution as defined in subsection (c) of this section. The work paper shall include the following information:

a. The amounts, dates, and form of payment of all dividends or distributions (including regular dividends but excluding distributions of the insurer's own securities) paid within the period of 12 consecutive months ending on the date fixed for payment of the proposed dividend for which notification is being given or approval is sought and commencing on the day after the same day of the same month in the last preceding year.

b. Surplus as regards policyholders as of the preceding December 31.

c. If the insurer is a life insurer, the net gain from operations for the 12-month period ending the preceding December 31.

d. If the insurer is not a life insurer, the net income less realized capital gains for the 12-month period ending the preceding December 31.

(6) A balance sheet and statement of income for the period between the last annual statement filed with the Commissioner and the end of the month preceding the month in which the request for approval or the prior notification of a dividend or distribution is submitted. The insurer shall indicate the amount of all unrealized capital gains included in unassigned funds.

(7) A brief statement as to the effect of the proposed dividend or distribution upon the insurer's surplus and the reasonableness of surplus in relation to the insurer's outstanding liabilities and the adequacy of surplus relative to the insurer's financial needs.

(8) A brief statement as to the intended use or uses of the proposed dividend or distribution by the parent, and if applicable, any upstream parent of the insurer.

A request for approval of an extraordinary dividend or any other extraordinary distribution shall be deemed to be incomplete unless all of the information required by this subsection has been included."

SECTION 1.6. G.S. 58-19-35 reads as rewritten:

"§ **58-19-35. Examination.**

(a) Subject to the limitation contained in this section and in addition to the powers that the Commissioner has under other provisions of Articles 1 through 64 of this Chapter relating to the examination of insurers, the Commissioner also has the power to ~~order~~ examine any insurer registered under ~~G.S. 58-19-25~~G.S. 58-19-25, its affiliates, or any acquiring party ~~to produce such records, books, or other information in the possession of the insurer or its affiliates or the acquiring party as are reasonably necessary~~ to ascertain the financial condition of such ~~insurer~~ insurer, its affiliates, or acquiring ~~party or to determine compliance with Articles 1 through 64 of this Chapter. In the event such insurer or acquiring party fails to comply with such order, the Commissioner shall have the power to examine such insurer or its affiliates or such acquiring party to obtain such information.~~party, including the enterprise risk to the insurer by the ultimate controlling person, by any entity or combination of entities within the insurance holding company system, or by the insurance holding company system on a consolidated basis.

(b) The Commissioner may retain, at the expense of the registered insurer or acquiring party that is being examined, such attorneys, actuaries, economists, accountants, and other experts not otherwise a part of the Commissioner's staff as are reasonably necessary to assist in the conduct of the examination under subsection (a) of this section. Any persons so retained shall be under the direction and control of the Commissioner and shall act in a purely advisory capacity.

(c) Repealed by Session Laws 1995, c. 360, s. 2(h).

~~(d) The Commissioner shall exercise his power under subsection (a) of this section only if the examination of the insurer or acquiring party under other provisions of Articles 1 through 64 of this Chapter is inadequate or the interests of the policyholders of such insurer may be adversely affected.~~

(e) The Commissioner may order any insurer registered under G.S. 58-19-25 or any acquiring party to produce such records, books, or other information in the possession of the insurer, its affiliates, or acquiring party as reasonably necessary to determine compliance with this Chapter.

(f) To determine compliance with this Chapter, the Commissioner may order any insurer registered under G.S. 58-19-25 to produce information not in the possession of the insurer if the insurer can obtain access to such information pursuant to contractual relationships, statutory obligations, or other method. In the event the insurer cannot obtain the information requested by the Commissioner, the insurer shall provide the Commissioner a detailed explanation of the reason that the insurer cannot obtain the information and the identity of the holder of that information. Whenever it appears to the Commissioner that the detailed explanation is without merit, the Commissioner may require, after notice and hearing, the insurer to pay a penalty of one thousand dollars ($1,000) for each day's delay or may suspend or revoke the insurer's license.

(g) In the event the insurer fails to comply with an order, the Commissioner shall have the power to examine the affiliates to obtain the information. The Commissioner shall also have the power to issue subpoenas, to administer oaths, and to examine under oath any person for purposes of determining compliance with this section. Upon the failure or refusal of any person to obey a subpoena, the Commissioner may petition a court of competent jurisdiction, and upon proper showing, the court may enter an order compelling the witness to appear and testify or produce documentary evidence. Failure to obey the court order shall be punishable as contempt of court. Every person shall be obligated to attend as a witness at the place specified in the subpoena, when subpoenaed, anywhere within the state. He or she shall be entitled to the same fees and mileage, if claimed, as a witness in the courts of the county specified in the subpoena as the site of the examination. Any fees, mileage, and actual expense necessarily incurred in securing the attendance of witnesses, and their testimony, shall be itemized and charged against, and be paid by, the company being examined."

SECTION 1.7. Article 19 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"**§ 58-19-37. Supervisory colleges.**

(a) With respect to any insurer registered under G.S. 58-19-25, and in accordance with subsection (c) of this section, the Commissioner shall also have the power to participate in a supervisory college for any domestic insurer that is part of an insurance holding company system with international operations in order to determine compliance by the insurer with this Chapter. The powers of the Commissioner with respect to supervisory colleges include, but are not limited to, the following:

(1) Initiating the establishment of a supervisory college.

(2) Clarifying the membership and participation of other supervisors in the supervisory college.

(3) Clarifying the functions of the supervisory college and the role of other regulators, including the establishment of a group-wide supervisor.

(4) Coordinating the ongoing activities of the supervisory college, including planning meetings, supervisory activities, and processes for information sharing.

(5) Establishing a crisis management plan.

(b) Each registered insurer subject to this section shall be liable for and shall pay the reasonable expenses of the Commissioner's participation in a supervisory college in accordance with subsection (c) of this section, including reasonable travel expenses. For purposes of this section, a supervisory college may be convened as either a temporary or permanent forum for

communication and cooperation between the regulators charged with the supervision of the insurer or its affiliates, and the Commissioner may establish a regular assessment to the insurer for the payment of these expenses.

(c) In order to assess the business strategy, financial position, legal and regulatory position, risk exposure, risk management, and governance processes, and as part of the examination of individual insurers in accordance with G.S. 58-19-35, the Commissioner may participate in a supervisory college with other regulators charged with supervision of the insurer or its affiliates, including other state, federal, and international regulatory agencies. The Commissioner may enter into agreements in accordance with G.S. 58-19-40 providing the basis for cooperation between the Commissioner and the other regulatory agencies and the activities of the supervisory college. Nothing in this section shall delegate to the supervisory college the authority of the Commissioner to regulate or supervise the insurer or its affiliates within its jurisdiction."

SECTION 1.8. G.S. 58-19-40 reads as rewritten:

"§ **58-19-40. Confidential treatment.**

(a) Documents, materials, or other information in the possession or control of the Department that are ~~All information, documents, and copies thereof~~ obtained by or disclosed to the Commissioner or any other person in the course of an examination or investigation made pursuant to G.S. 58-19-35, and all information reported pursuant to ~~G.S. 58-19-25~~subdivisions (12) and (13) of G.S. 58-19-15(g), G.S. 58-19-25, and G.S. 58-19-30, shall be ~~given~~ confidential ~~treatment; shall not be subject to subpoena; and shall not be made~~by law and privileged, shall not be considered a public record under either G.S. 58-2-100 or Chapter 132 of the General Statutes, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action. However, the Commissioner is authorized to use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the Commissioner's official duties. The Commissioner shall not otherwise make the documents, materials, or other information public ~~by the Commissioner, the NAIC, or any other person, except to insurance regulators of other states,~~ without the prior written consent of the insurer ~~or acquiring party~~ to which it pertains unless the Commissioner, after giving the insurer and its affiliates ~~or the acquiring party that~~who would be affected thereby notice and opportunity to be heard, determines that the interest of ~~the insurer's policyholders~~policyholders, shareholders, or the public will be served by the publication thereof, in which event ~~he~~ the Commissioner may publish all or any part ~~thereof~~of the information in such manner as ~~he considers~~may be deemed appropriate.

(b) Neither the Commissioner nor any person who received documents, materials, or other information while acting under the authority of the Commissioner or with whom such documents, materials, or other information are shared pursuant to this Article shall be permitted or required to testify in any private civil action concerning any confidential documents, materials, or information subject to subsection (a) of this section.

(c) In order to assist in the performance of the duties imposed by this Article, the Commissioner:

(1) May share documents, materials, or other information, including the confidential and privileged documents, materials, or information subject to subsection (a) of this section, with other state, federal, and international regulatory agencies, with the NAIC and its affiliates and subsidiaries, and with state, federal, and international law enforcement authorities, including members of any supervisory college described in G.S. 58-19-37, provided that the recipient agrees in writing to maintain the confidentiality and privileged status of the document, material, or other information and has verified in writing the legal authority to maintain confidentiality.

(2) Notwithstanding subdivision (1) of this subsection, may only share confidential and privileged documents, material, or information reported pursuant to G.S. 58-19-25 with Commissioners of states having statutes or

regulations substantially similar to subsection (a) of this section and who have agreed in writing not to disclose such information.

(3) May receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information from the NAIC and its affiliates and subsidiaries and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and shall maintain as confidential or privileged any document, material, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information.

(4) Shall enter into written agreements with the NAIC governing sharing and use of information provided pursuant to this Article consistent with this subsection that shall:

a. Specify procedures and protocols regarding the confidentiality and security of information shared with the NAIC and its affiliates and subsidiaries pursuant to this Article, including procedures and protocols for sharing by the NAIC with other state, federal, or international regulators;

b. Specify that ownership of information shared with the NAIC and its affiliates and subsidiaries pursuant to this Article remains with the Commissioner, and the NAIC's use of the information is subject to the direction of the Commissioner;

c. Require prompt notice to be given to an insurer whose confidential information in the possession of the NAIC pursuant to this Article is subject to a request or subpoena to the NAIC for disclosure or production; and

d. Require the NAIC and its affiliates and subsidiaries to consent to intervention by an insurer in any judicial or administrative action in which the NAIC and its affiliates and subsidiaries may be required to disclose confidential information about the insurer shared with the NAIC and its affiliates and subsidiaries pursuant to Article 19 of this Chapter.

(d) The sharing of information by the Commissioner pursuant to this Article shall not constitute a delegation of regulatory authority or rule making, and the Commissioner is solely responsible for the administration, execution, and enforcement of the provisions of Article 19 of this Chapter.

(e) No waiver of any applicable privilege or claim of confidentiality in the documents, materials, or information shall occur as a result of disclosure to the Commissioner under this section or as a result of sharing as authorized in subsection (c) of this section.

(f) Documents, materials, or other information in the possession or control of the NAIC pursuant to a requirement of this Article shall be confidential by law and privileged, shall not be considered a public record under G.S. 58-2-100 or Chapter 132 of the General Statutes, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action."

SECTION 1.9. G.S. 58-19-50 is amended by adding a new subsection to read:

"(f) Whenever it appears to the Commissioner that any person has committed a violation of G.S. 58-19-15, and which prevents the full understanding of the enterprise risk to the insurer by the affiliates or by the insurance holding company system, the violation may serve as an independent basis for disapproving dividends or distributions and for placing the insurer under an order of supervision in accordance with Article 30 of this Chapter."

SECTION 1.10. G.S. 58-19-60 reads as rewritten:

"§ **58-19-60. Recovery.**

(a) If an order for liquidation or rehabilitation of a domestic insurer has been entered, the receiver appointed under such order has a right to recover on behalf of the insurer, (i) from any parent corporation or insurance holding company or person or affiliate who otherwise controlled the insurer, the amount of distributions (other than distributions of shares of the same class of stock) paid by the insurer on its capital stock, or (ii) any payment in the form of a bonus, termination settlement, or extraordinary lump sum salary adjustment made by the insurer or its subsidiary or subsidiaries to a director, officer, or employee, where the distribution or payment pursuant to (i) or (ii) above is made at any time during the one year preceding the petition for liquidation or rehabilitation, as the case may be, subject to the limitations of subsections (b), (c), and (d) of this section.

(b) No such distribution is recoverable if the parent or affiliate shows that when paid such distribution was lawful and reasonable, and that the insurer did not know and could not reasonably have known that such distribution might adversely affect the ability of the insurer to fulfill its contractual obligations.

(c) Any person that was a parent corporation or insurance holding company or a person that otherwise controlled the insurer or affiliate at the time such distributions were paid is liable up to the amount of distributions or payments under subsection (a) of this section such person received. Any person who otherwise controlled the insurer at the time such distributions were declared is liable up to the amount of distributions he would have received if they had been paid immediately. If two or more persons are liable with respect to the same distributions, they are jointly and severally liable.

(d) The maximum amount recoverable under this section is the amount needed in excess of all other available assets of the insurer to pay its contractual obligations and to reimburse any guaranty funds.

(e) To the extent that any person liable under subsection (c) of this section is insolvent or otherwise fails to pay claims due from it pursuant to that subsection, its parent corporation, insurance holding company, or person who otherwise controlled it at the time that the distribution was paid, are jointly and severally liable for any resulting deficiency in the amount recovered from such parent corporation or insurance holding company or person who otherwise controlled it."

SECTION 1.11. Article 19 of Chapter 58 of the General Statutes is amended by adding four new sections to read:

"**§ 58-19-75. Forms – general requirements.**

(a) Forms A, B, C, D, E, and F are intended to be guides in the preparation of the statements required by G.S. 58-19-15, 58-19-25, and 58-19-30. They are not intended to be fill-in-the-blank forms. The statements filed shall contain the numbers and captions of all items, but the text of the items may be omitted, provided the answers are prepared in such a manner as to indicate clearly the scope and coverage of the items. All instructions, whether appearing under the items of the form or elsewhere, are to be omitted. Unless expressly provided otherwise, if any item is inapplicable or the answer to the item is in the negative, an appropriate statement to that effect shall be made.

(b) A complete copy of each statement, including exhibits and all other papers and documents filed as a part of the statement, shall be filed with the Commissioner by personal delivery or mail addressed to the Commissioner and shall be signed in the manner prescribed on the form. Unsigned copies shall be conformed. If the signature of any person is affixed pursuant to a power of attorney or other similar authority, a copy of the power of attorney or other authority shall also be filed with the statement.

(c) If an applicant requests a hearing on a consolidated basis under G.S. 58-19-15, in addition to filing the Form A with the Commissioner, the applicant shall file a copy of the Form A with the NAIC in electronic form.

(d) Statements should be prepared electronically. Statements shall be easily readable and suitable for review and reproduction. Debits in credit categories and credits in debit

categories shall be designated so as to be clearly distinguishable as such on photocopies. Statements shall be in the English language and monetary values shall be stated in United States dollars. If any exhibit or other paper or document filed with the statement is in a foreign language, it shall be accompanied by a translation into the English language and any monetary value shown in a foreign currency normally shall be converted into United States dollars.

"**§ 58-19-80. Forms – incorporation by reference, summaries and omissions.**

(a) Information required by any item of Form A, Form B, Form D, Form E, or Form F may be incorporated by reference in answer or partial answer to any other item. Information contained in any financial statement, annual report, proxy statement, statement filed with a governmental authority, or any other document may be incorporated by reference in answer or partial answer to any item of Form A, Form B, Form D, Form E, or Form F provided the document is filed as an exhibit to the statement. Excerpts of documents may be filed as exhibits if the documents are extensive. Documents currently on file with the Commissioner which were filed within three years need not be attached as exhibits. References to information contained in exhibits or in documents already on file shall clearly identify the material and shall specifically indicate that such material is to be incorporated by reference in answer to the item. Such materials shall not be incorporated by reference in any case where the incorporation would render the statement incomplete, unclear, or confusing.

(b) Where an item requires a summary or outline of the provisions of any document, only a brief statement shall be made as to the pertinent provisions of the document. In addition to the statement, the summary or outline must incorporate by reference particular parts of any exhibit or document currently on file with the Commissioner which was filed within three years and may be qualified in its entirety by such reference. In any case where two or more documents required to be filed as exhibits are substantially identical in all material respects except as to the parties thereto, the dates of execution, or other details, a copy of only one of the documents need be filed with a schedule identifying the omitted documents and setting forth the material details in which those documents differ from the documents, a copy of which is filed.

"**§ 58-19-85. Forms – information unknown or unavailable and extension of time to furnish.**

If it is impractical to furnish any required information, document, or report at the time it is required to be filed, there shall be filed with the Commissioner a separate document:

(1) Identifying the information, document, or report in question.

(2) Stating why the filing thereof at the time required is impractical.

(3) Requesting an extension of time for filing the information, document, or report to a specified date. The request for extension shall be deemed granted unless the Commissioner after receipt of the request denies the request prior to the time the information, document, or report is required.

"**§ 58-19-90. Forms – additional information and exhibits.**

In addition to the information expressly required to be included in Form A, Form B, Form C, Form D, Form E, and Form F, the Commissioner may request such further material information, if any, as may be necessary to make the information contained therein not misleading. The person filing may also file such exhibits as it may desire in addition to those expressly required by the statement. The exhibits shall be so marked as to indicate clearly the subject matters to which they refer. Changes to Form A, B, C, D, or F shall include on the top of the cover page the phrase: "Change No. [insert number] to" and shall indicate the date of the change and not the date of the original filing."

SECTION 1.12. G.S. 58-10-12(e) reads as rewritten:

"(e) Except as specifically provided in a plan of conversion, for five years following the effective date of the conversion, no person or persons acting in concert (other than the former mutual, any parent company, or any employee benefit plans or trusts sponsored by the former mutual or a parent company) shall directly or indirectly acquire, or agree or offer to acquire, in any manner the beneficial ownership of five percent (5%) or more of the outstanding shares of

any class of a voting security of the former mutual or any parent company without the prior approval of the Commissioner of a statement filed by that person with the Commissioner. The statement shall contain the information required by ~~G.S. 58-19-15(b)~~G.S. 58-19-15(g) and any other information required by the Commissioner. The Commissioner shall not approve an acquisition under this subsection unless the Commissioner finds that:

(1) ~~The requirements of G.S. 58-19-15(e) will be satisfied.~~None of the conditions set forth in G.S. 58-19-15(i) will exist.

(2) The acquisition will not ~~frustrate~~ impede the plan of conversion or the amendment to the articles of incorporation as approved by the members and the Commissioner.

(3) The boards of directors of the former mutual and any parent company have approved the acquisition.

(4) The acquisition would be in the best interest of the present and future policyholders of the former mutual without regard to any interest of policyholders as shareholders of the former mutual or any parent company."

PART II. REVISIONS TO RISK-BASED CAPITAL REQUIREMENTS FOR LIFE INSURERS

SECTION 2. G.S. 58-12-11(a) reads as rewritten:

"(a) "Company action level event" means any of the following events:

(1) The filing of a risk-based capital report by an insurer that indicates ~~that:~~any of the following:

a. The insurer's total adjusted capital is greater than or equal to its regulatory action level risk-based capital but less than its company action level risk-based ~~capital; or~~capital.

b. In the case of a life or health insurer, the insurer has total adjusted capital that (i) is greater than or equal to its company action level risk-based capital but less than ~~the product of~~three times its authorized control level risk-based ~~capital and 2.5~~capital and (ii) has a negative ~~trend; or~~trend.

c. In the case of a property or casualty insurer or a health organization, the insurer has total adjusted capital that is greater than or equal to its company action level risk-based capital but less than the product of its authorized control level risk-based capital and 3.0 and triggers the trend test determined in accordance with the trend test calculation included in the property and casualty or health organization risk-based capital instructions.

…."

PART III. UPDATE CORPORATE GOVERNANCE REQUIREMENTS FOR RISK RETENTION GROUPS

SECTION 3. G.S. 58-22-15 reads as rewritten:

"§ **58-22-15. Risk retention groups chartered in this State.**

(a) General Requirements. – A risk retention group shall, pursuant to the provisions of Part 9 of Article 10 of this Chapter, be chartered and licensed to write only liability insurance pursuant to this Article and, except as provided elsewhere in this Article, must comply with all of the laws and rules applicable to such insurers chartered and licensed in this State and with G.S. 58-22-20 to the extent such requirements are not a limitation on laws, administrative rules, or requirements of this State.

(b) Plan of Operation. – Before it may offer insurance in any state, each risk retention group shall also submit for approval to the Commissioner of this State a plan of operation or feasibility study. The Commissioner may limit the net amount of risk retained by a risk retention group for any individual risk. The risk retention group shall submit an appropriate

revision in the event of any subsequent material change in any item of the plan of operation or feasibility study, within 10 days after any such change. The group shall not offer any additional kinds of liability insurance, in this State or in any other state, until a revision of such plan or study is approved by the Commissioner.

(c) Required Information. – At the time of filing its application for a charter, the risk retention group shall provide to the Commissioner in summary form the following information: the identity of the initial members of the group, the identity of those individuals who organized the group or who will provide administrative services or otherwise influence or control the activities of the group, the amount and nature of initial capitalization, the coverages to be afforded, and the states in which the group intends to operate. Upon receipt of this information, the Commissioner shall forward such information to the NAIC. Providing notification to the NAIC is in addition to and shall not be sufficient to satisfy the requirements of G.S. 58-22-20 or any other sections of this Article.

(d) Governance Standards. – Risk retention groups shall comply with the following governance standards:

(1) Board of directors. – The following standards apply to the board of directors of the risk retention group:

a. Definitions. – The following definitions apply in this subdivision:

1. Board of directors or board. – The governing body of the risk retention group elected by the shareholders or members to establish policy, elect or appoint officers and committees, and make other governing decisions.

2. Director. – A natural person designated in the articles of the risk retention group, or designated, elected, or appointed by any other manner, name, or title to act as a director.

b. Independent directors. – The board of directors of the risk retention group shall have a majority of independent directors. If the risk retention group is a reciprocal, then the attorney-in-fact would be required to adhere to the same standards regarding independence of operation and governance as imposed on the risk retention group's board of directors or subscribers advisory committee under these standards; and, to the extent permissible under State law, service providers of a reciprocal risk retention group should contract with the risk retention group and not the attorney-in-fact.

c. Determination of independence. – No director qualifies as independent unless the board of directors affirmatively determines that the director has no material relationship, as partially specified in sub-subdivision d. of this subdivision, with the risk retention group. Each risk retention group shall disclose these determinations to the Commissioner at least annually. For the purpose of this subdivision, any person that is a direct or indirect owner of or subscriber in the risk retention group (or is an officer, director, or employee of such an owner and insured, unless some other position of such officer, director, or employee constitutes a material relationship), as contemplated by Section 3901(a)(4)(E)(ii) of the federal Liability Risk Retention Act, is considered to be "independent."

d. Material relationship. – "Material relationship" of a person with the risk retention group includes, but is not limited to, the following:

1. The receipt in any one 12-month period of compensation or payment of any other item of value by such person, a member of such person's immediate family, or any business with which such person is affiliated from the risk retention group or a consultant or service provider to the risk retention group

is greater than or equal to five percent (5%) of the risk retention group's gross written premium for such 12-month period or two percent (2%) of its surplus, whichever is greater, as measured at the end of any fiscal quarter falling in such a 12-month period. Such person or immediate family member of such person is not independent until one year after his/her compensation from the risk retention group falls below the threshold.

2. A relationship with an auditor as follows: a director or an immediate family member of a director who is affiliated with or employed in a professional capacity by a present or former internal or external auditor of the risk retention group is not independent until one year after the end of the affiliation, employment, or auditing relationship.

3. A relationship with a related entity as follows: a director or immediate family member of a director who is employed as an executive officer of another company where any of the risk retention group's present executives serve on that other company's board of directors is not independent until one year after the end of such service or the employment relationship.

(2) Service provider contracts. – The term of any material service provider contract with the risk retention group shall not exceed five years. Any such contract, or its renewal, shall require the approval of the majority of the risk retention group's independent directors. The risk retention group's board of directors shall have the right to terminate any service provider, audit, or actuarial contracts at any time for cause after providing adequate notice as defined in the contract. The service provider contract is deemed material if the amount to be paid for such contract is more than or equal to the greater of five percent (5%) of the risk retention group's annual gross written premium or two percent (2%) of its surplus.

a. For purposes of this standard, "service providers" shall include captive managers, auditors, accountants, actuaries, investment advisors, lawyers, managing general underwriters, or other party responsible for underwriting, determination of rates, collection of premium, adjusting and settling claims, or the preparation of financial statements. Any reference to "lawyers" in the prior sentence of this sub-subdivision does not include defense counsel retained by the risk retention group to defend claims, unless the amount of fees paid to such lawyers are "material" under the standard set forth in this subdivision for a service provider contract.

b. No service provider contract shall be entered into with a person meeting the definition of "material relationship" contained in sub-subdivision (1)d. of this subsection unless the risk retention group has notified the Commissioner in writing of its intention to enter into such transaction at least 30 days prior thereto and the Commissioner has not disapproved it within such period.

(3) Written policy. – The risk retention group's board of directors shall adopt a written policy in the plan of operation as approved by the board that requires the board to do all of the following:

a. Assure that all owner/insureds of the risk retention group receive evidence of ownership interest.

b. Develop a set of governance standards applicable to the risk retention group.

c. Oversee the evaluation of the risk retention group's management including, but not limited to, the performance of the captive manager, managing general underwriter, or other party or parties responsible for underwriting, determination of rates, collection of premium, adjusting or settling claims, or the preparation of financial statements.

d. Review and approve the amount to be paid for all material service providers.

e. Review and approve, at least annually, all of the following:

1. Risk retention group's goals and objectives relevant to the compensation of officers and service providers.

2. The officers' and service providers' performance in light of those goals and objectives.

3. The continued engagement of the officers and material service providers.

(4) Governance standards. – The board of directors shall adopt and disclose governance standards. For purposes of this subdivision, "disclose" means making such information available through electronic or other means, such as posting on the risk retention group's Web site, and providing such information to members or insureds upon request. The standards to be disclosed shall include all of the following:

a. A process by which the directors are elected by the owner/insureds.

b. Director qualification standards.

c. Director responsibilities.

d. Director access to management and, as necessary and appropriate, independent advisors.

e. Director compensation.

f. Director orientation and continuing education.

g. The policies and procedures that are followed for management succession.

h. The policies and procedures that are followed for annual performance evaluation of the board.

(5) Business conduct and ethics. – The board of directors shall adopt and disclose a code of business conduct and ethics for directors, officers, and employees and promptly disclose to the board of directors any waivers of the code for directors or executive officers. The code of business conduct and ethics shall include the following topics:

a. Conflicts of interest.

b. Matters covered under the corporate opportunities doctrine as that doctrine has been interpreted by the courts of this State.

c. Confidentiality.

d. Fair dealing.

e. Protection and proper use of risk retention group assets.

f. Duty of compliance with all applicable laws, rules, and regulations.

g. A requirement to report any illegal or unethical behavior which affects the operation of the risk retention group.

(6) Reporting noncompliance. – The captive manager or the president or chief executive officer of the risk retention group shall promptly notify the Commissioner in writing if either becomes aware of any material noncompliance with the governance standards set forth in this subsection."

PART IV. CONFORMING AND CLARIFYING CHANGES

SECTION 4. G.S. 20-309 is amended by adding a new subsection to read:

"(c1) The proof of insurance required to demonstrate financial responsibility under subsection (c) of this section may be satisfied by producing records of insurance in either physical or electronic format. Acceptable electronic formats include display of electronic images on a mobile phone or other portable electronic device produced through an application or Web site of the insurer."

SECTION 5. Article 36 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"**§ 58-36-43. Optional program enhancements authorized not altering coverage under Rate Bureau jurisdiction.**

(a) Member companies writing private passenger automobile or homeowners' insurance under this Article may incorporate optional enhancements to their automobile and homeowners' programs as an endorsement to an automobile or homeowners' policy issued under this Article if the insurer has filed the proposed enhancement with the Commissioner and if the proposed enhancement is approved by the Commissioner. Any approved optional enhancements shall be considered outside the authority of the Rate Bureau. If the proposed enhancement will include an additional premium charge, the proposed premium charge shall be included with the proposed program enhancements filed with the Commissioner. The Commissioner shall review the proposed premium charges and approve them if the Commissioner finds that they are based on sound actuarial principles. Amendments to private passenger automobile or homeowners' program enhancements are subject to the same requirements as initial filings. Neither the acceptance, renewal of a policy, nor any underwriting rating criteria shall be conditioned by a company upon the acceptance by the policyholder of any optional automobile or homeowners' enhancements. A rate amendment authorized by this section is not a rate deviation and is not subject to the requirements for rate deviations set forth in G.S. 58-36-30(a).

(b) Insurers shall utilize statistical codes outlined by their statistical organization in reporting premiums and losses resulting from program enhancements filed under this section. Those statistical codes shall be substantially different than the codes utilized for data collected for rate-making purposes in order to avoid commingling of the data."

PART V. EFFECTIVE DATE

SECTION 6. Sections 1 and 3 of this act become effective July 1, 2015. Section 2 of this act becomes effective January 1, 2017. Section 5 of this act becomes effective July 1, 2015, and applies to optional enhancements, as described in that section, filed and approved on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2nd day of July, 2015.

Became law upon approval of the Governor at 5:15 p.m. on the 13th day of July, 2015.

Session Law 2015-147 **H.B. 705**

AN ACT TO (1) BROADEN THE TYPES OF SUBSURFACE WASTEWATER TREATMENT SYSTEMS THAT MAY SERVE AS THE BASIS FOR DESIGNATED REPAIR AREA REQUIREMENTS FOR REPLACEMENT WASTEWATER TREATMENT SYSTEMS AND (2) MAKE CAPACITY AND MANAGEMENT CHANGES FOR CERTAIN DISPERSAL SYSTEMS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Definitions. – "Repair Reserve Rule" means 15A NCAC 18A .1945 (Available Space) for purposes of this section and its implementation.

SECTION 1.(b) Repair Reserve Rule. – Until the effective date of the revised permanent rule that the Commission for Public Health is required to adopt pursuant to Section

1(d) of this act, the Commission and the Department of Health and Human Services shall implement the Repair Reserve Rule, as provided in Section 1(c) of this act.

SECTION 1.(c) Implementation. – Notwithstanding the Repair Reserve Rule, the Commission shall allow a repair area that accommodates replacement systems described under 15A NCAC 18A .1955 (Design Installation Criteria for Conventional Sewage Systems), 15A NCAC 18A .1956 (Modifications to Septic Tank Systems), 15A NCAC 18A .1957 (Criteria for Design of Alternative Sewage Systems), and innovative or accepted systems approved under 15A NCAC 18A .1969 (Approval and Permitting of On-Site Subsurface Wastewater Systems, Technologies, Components, or Devices), provided that the designated repair area otherwise meets the requirements for those types of replacement systems. Nothing in this act is intended to repeal or amend existing portions of the Repair Reserve Rule granting exemptions from repair area requirements.

SECTION 1.(d) Additional Rule-Making Authority. – The Commission shall adopt a rule to amend the Repair Reserve Rule consistent with Section 1(c) of this act. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this section shall be substantively identical to the provisions of Section 1(c) of this act. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 1.(e) Sunset. – Section 1(c) of this act expires when permanent rules adopted as required by Section 1(d) of this act become effective.

SECTION 2.(a) Definitions. – "Sand Lined Trench System Rule" means 15A NCAC 18A .1956(7)(d) (Modifications to Septic Tank Systems: Sand Line Trench System) for purposes of this section and its implementation.

SECTION 2.(b) Sand Lined Trench System Rule. – Until the effective date of the revised permanent rules that the Commission for Public Health is required to adopt pursuant to Section 2(d) of this act, the Commission and the Department of Health and Human Services shall implement the Sand Lined Trench System Rule, as provided in Section 2(c) of this act.

SECTION 2.(c) Implementation. – Notwithstanding the Sand Lined Trench System Rule, a Public Management Entity with a Certified Operator, if required by Article 3 of Chapter 90A of the General Statutes, shall not be required for sand lined trench systems when drainage is utilized to lower the water table on a site.

SECTION 2.(d) Additional Rule-Making Authority. – The Commission shall adopt a rule to amend the Sand Lined Trench System Rule consistent with Section 2(c) of this act. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this section shall be substantively identical to the provisions of Section 2(c) of this act. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 2.(e) Sunset. – Section 2(c) of this act expires when permanent rules adopted as required by Section 2(d) of this act become effective.

SECTION 3. The Department of Health and Human Services or the Commission for Public Health, as appropriate, shall repeal 15A NCAC 18A .1956(6)(c) (Modifications to Septic Tank Systems Rule: Saprolite System, Design Daily Flow) on or before December 1, 2015. Until the effective date of the repeal of the rule required pursuant to this section, the Secretary of Health and Human Services, the Department of Health and Human Services, the Commission for Public Health, local health departments, or any other political subdivision of the State shall not implement or enforce 15A NCAC 18A .1956(6)(c) (Modifications to Septic Tank Systems Rule: Saprolite System, Design Daily Flow).

SECTION 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2nd day of July, 2015.

Became law upon approval of the Governor at 5:15 p.m. on the 13th day of July, 2015.

Session Law 2015-148 **H.B. 467**

AN ACT EXPANDING THE CATEGORY OF INDIVIDUALS WHO MAY BE APPOINTED AS COUNTY MEDICAL EXAMINERS IN CLEVELAND COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding G.S. 130A-382, the duly elected Coroner of Cleveland County shall appoint the medical examiners in Cleveland County. The Coroner of Cleveland County shall give preference to physicians licensed to practice medicine in this State when appointing medical examiners, but may also appoint licensed physician assistants, nurse practitioners, nurses, coroners, assistant coroners, and emergency medical technician-paramedics.

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 13th day of July, 2015.

Became law on the date it was ratified.

Session Law 2015-149 **H.B. 634**

AN ACT TO CLARIFY THE DEFINITION OF BUILT-UPON AREA FOR PURPOSES OF STORMWATER PROGRAMS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 143-214.7(b2) reads as rewritten:

"(b2) For purposes of implementing stormwater programs, "built-upon area" means impervious surface and partially impervious surface to the extent that the partially impervious surface does not allow water to infiltrate through the surface and into the subsoil. "Built-upon area" does not include a slatted ~~deck or~~deck; the water area of a ~~swimming pool.~~swimming pool; a surface of number 57 stone, as designated by the American Society for Testing and Materials, laid at least four inches thick over a geotextile fabric; or a trail as defined in G.S. 113A-85 that is either unpaved or paved as long as the pavement is porous with a hydraulic conductivity greater than 0.001 centimeters per second (1.41 inches per hour)."

SECTION 1.(b) Notwithstanding Section 45(c) of S.L. 2014-120, the Environmental Management Commission shall adopt rules to implement this section no later than December 1, 2015.

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2nd day of July, 2015.

Became law upon approval of the Governor at 9:24 a.m. on the 16th day of July, 2015.

Session Law 2015-150 **H.B. 273**

AN ACT TO CLARIFY THAT THE PROVISIONS REGARDING DEFERRED PROSECUTION AND CONDITIONAL DISCHARGE FOR CONVICTIONS OF H AND I FELONIES AND MISDEMEANORS UNDER STRUCTURED SENTENCING DO NOT APPLY TO CONVICTIONS OF IMPAIRED DRIVING, TO CLARIFY THAT OFFENSES INVOLVING IMPAIRED DRIVING CANNOT BE EXPUNGED, AND TO MODIFY THE LAW CONCERNING WHEN A NEW SENTENCING HEARING MUST BE HELD IN DISTRICT COURT ON AN IMPLIED CONSENT CONVICTION FOR WHICH THE APPEAL TO SUPERIOR COURT HAS BEEN WITHDRAWN.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 15A-1341(a) reads as rewritten:

"(a) Use of Probation. – Unless specifically prohibited, a person who has been convicted of any criminal offense may be placed on probation as provided by this Article if the class of offense of which the person is convicted and the person's prior record or conviction level under Article 81B of this Chapter authorizes a community or intermediate punishment as a type of sentence disposition or if the person is convicted of impaired driving under G.S. 20-138.1. The provisions of subsections (a1), (a2), (a4), and (a5) of this section do not apply and a person is not eligible for deferred prosecution or a conditional discharge under those subsections if the person is being placed on probation under this Article for a conviction of impaired driving under G.S. 20-138.1."

SECTION 2. G.S. 15A-145 is amended by adding a new subsection to read:

"(a1) Nothing in this section shall be interpreted to allow the expunction of any offense involving impaired driving as defined in G.S. 20-4.01(24a)."

SECTION 3. G.S. 15A-145.4(a) reads as rewritten:

"(a) For purposes of this section, the term "nonviolent felony" means any felony except the following:

(1) A Class A through G felony.
(2) A felony that includes assault as an essential element of the offense.
(3) A felony that is an offense requiring registration pursuant to Article 27A of Chapter 14 of the General Statutes, whether or not the person is currently required to register.
(4) Repealed by Session Laws 2012-191, s. 2, effective December 1, 2012.
(5) Any felony offense under the following sex-related or stalking offenses: G.S. 14-27.7A(b), 14-190.7, 14-190.8, 14-202, 14-208.11A, 14-208.18, 14-277.3, 14-277.3A, 14-321.1.
(6) Any felony offense in Chapter 90 of the General Statutes where the offense involves methamphetamines, heroin, or possession with intent to sell or deliver or sell and deliver cocaine; except that if a prayer for judgment continued has been entered for an offense classified as either a Class G, H, or I felony, the prayer for judgment continued shall be subject to expunction under the procedures in this section.
(7) A felony offense under G.S. 14-12.12(b), 14-12.13, or 14-12.14, or any felony offense for which punishment was determined pursuant to G.S. 14-3(c).
(8) A felony offense under G.S. 14-401.16.
(9) Any felony offense in which a commercial motor vehicle was used in the commission of the offense.
(10) Any felony offense involving impaired driving as defined in G.S. 20-4.01(24a)."

SECTION 4. G.S. 15A-145.5(a) reads as rewritten:

"(a) For purposes of this section, the term "nonviolent misdemeanor" or "nonviolent felony" means any misdemeanor or felony except the following:

(1) A Class A through G felony or a Class A1 misdemeanor.
(2) An offense that includes assault as an essential element of the offense.
(3) An offense requiring registration pursuant to Article 27A of Chapter 14 of the General Statutes, whether or not the person is currently required to register.
(4) Any of the following sex-related or stalking offenses: G.S. 14-27.7A(b), 14-190.7, 14-190.8, 14-190.9, 14-202, 14-208.11A, 14-208.18, 14-277.3, 14-277.3A, 14-321.1.

(5) Any felony offense in Chapter 90 of the General Statutes where the offense involves methamphetamines, heroin, or possession with intent to sell or deliver or sell and deliver cocaine.

(6) An offense under G.S. 14-12.12(b), 14-12.13, or 14-12.14, or any offense for which punishment was determined pursuant to G.S. 14-3(c).

(7) An offense under G.S. 14-401.16.

(7a) An offense under G.S. 14-54(a), 14-54(a1), or 14-56.

(8) Any felony offense in which a commercial motor vehicle was used in the commission of the offense.

(8a) An offense involving impaired driving as defined in G.S. 20-4.01(24a).

(9) Any offense that is an attempt to commit an offense described in subdivisions (1) through ~~(8)~~ (8a) of this subsection."

SECTION 5. G.S. 20-38.7(c) reads as rewritten:

"(c) Notwithstanding the provisions of G.S. 15A-1431, for any implied-consent offense that is first tried in district court and that is appealed to superior court by the defendant for a trial de novo as a result of a conviction, ~~the sentence imposed by the district court is vacated upon giving notice of appeal. The case shall only be remanded back to district court with the consent of the prosecutor and the superior court. When~~ when an appeal is withdrawn or a case is remanded back to district court, the sentence imposed by the district court is vacated and the district court shall hold a new sentencing hearing and shall consider any new ~~convictions.~~convictions unless one of the following conditions is met:

(1) If the appeal is withdrawn pursuant to G.S. 15A-1431(c), the prosecutor has certified to the clerk, in writing, that the prosecutor has no new sentencing factors to offer the court.

(2) If the appeal is withdrawn and remanded pursuant to G.S. 15A-1431(g), the prosecutor has certified to the clerk, in writing, that the prosecutor has no new sentencing factors to offer the court.

(3) If the appeal is withdrawn and remanded pursuant to G.S. 15A-1341(h), the prosecutor has certified to the clerk, in writing, that the prosecutor consents to the withdrawal and remand and has no new sentencing factors to offer the court."

SECTION 6. Section 1 of this act becomes effective December 1, 2015, and applies to any order placing a person on probation on or after that date. Sections 2 through 4 of this act become effective December 1, 2015, and apply to petitions filed and petitions pending on or after that date. Section 5 of this act becomes effective December 1, 2015, and applies to appeals filed on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 13th day of July, 2015.

Became law upon approval of the Governor at 9:25 a.m. on the 16th day of July, 2015.

Session Law 2015-151 **S.B. 654**

AN ACT TO PROVIDE THAT THE DEPARTMENT OF TRANSPORTATION SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE WILMINGTON URBAN AREA METROPOLITAN PLANNING ORGANIZATION FOR CLAIMS ARISING OUT OF ACTIONS TAKEN BY THE ORGANIZATION PURSUANT TO THE TRANSPORTATION CORRIDOR OFFICIAL MAP ACT AND TO CLARIFY CERTAIN PROVISIONS OF THE TRANSPORTATION CORRIDOR OFFICIAL MAP ACT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 136-44.50 reads as rewritten:

"§ **136-44.50. Transportation corridor official map act.**

(a) A transportation corridor official map may be adopted or amended by any of the following:

(1) The governing board of any local government for any thoroughfare included as part of a comprehensive plan for streets and highways adopted pursuant to G.S. 136-66.2 or for any proposed public transportation corridor included in the adopted long-range transportation plan.

(2) The Board of Transportation, or the governing board of any county, for any portion of the existing or proposed State highway system or for any public transportation corridor, to include rail, that is in the Transportation Improvement Program.

(3) Regional public transportation authorities created pursuant to Article 26 of Chapter 160A of the General Statutes or regional transportation authorities created pursuant to Article 27 of Chapter 160A of the General Statutes for any portion of the existing or proposed State highway system, or for any proposed public transportation corridor, or adjacent station or parking lot, included in the adopted long-range transportation plan.

(4) The North Carolina Turnpike Authority for any project being studied pursuant to G.S. 136-89.183.

(5) The Wilmington Urban Area Metropolitan Planning Organization for Department projects R-3300 and U-4751.

Before a city adopts a transportation corridor official map that extends beyond the extraterritorial jurisdiction of its building permit issuance and subdivision control ordinances, or adopts an amendment to a transportation corridor official map outside the extraterritorial jurisdiction of its building permit issuance and subdivision control ordinances, the city shall obtain approval from the Board of County Commissioners.

(a1) No property may be regulated under this Article until:

(1) The governing board of the city, the county, the regional transportation authority, the North Carolina Turnpike Authority, ~~or~~ the Department of ~~Transportation~~Transportation, or any other entity listed in subsection (a) of this section has held a public hearing in each county affected by the map on the proposed map or amendment. Notice of the hearing shall be provided:

…

(1a) The transportation corridor official map has been adopted or amended by the governing board of the city, the county, the regional transportation authority, the North Carolina Turnpike Authority, ~~or~~ the ~~Department.~~Department, or any other entity listed in subsection (a) of this section.

…

(e) The term "amendment" for purposes of this section includes any change to a transportation corridor official map, including:

(1) Failure of the Department of Transportation, the North Carolina Turnpike Authority, a city, a county, ~~or~~ a regional transportation ~~authority~~authority, or any other entity listed in subsection (a) of this section to begin work on an environmental impact statement or preliminary engineering as required by this section; or

…

(g) The Department of Transportation shall defend, indemnify, and hold harmless the Wilmington Urban Area Metropolitan Planning Organization and its members against any claims, civil actions, and proceedings related to or arising out of the Wilmington Urban Area Metropolitan Planning Organization's adoption, filing, or amendment of a transportation corridor official map pursuant to this Article."

SECTION 2. G.S. 136-44.51(a) reads as rewritten:

"(a) After a transportation corridor official map is filed with the register of deeds, no building permit shall be issued for any building or structure or part thereof located within the transportation corridor, nor shall approval of a subdivision, as defined in G.S. 153A-335 and G.S. 160A-376, be granted with respect to property within the transportation corridor. The Secretary of Transportation or his designee, the director of the Wilmington Urban Area Metropolitan Planning Organization, the director of a regional public transportation authority, or the director of a regional transportation authority, as appropriate, shall be notified within 10 days of all submittals for corridor map determination, as provided in subsections (b) and (c) of this section."

SECTION 3. G.S. 136-44.52(a) reads as rewritten:

"(a) The Department of Transportation, the regional public transportation authority, the regional transportation authority, ~~or~~ the local ~~government which~~government, or other entity listed in subsection (a) of G.S. 136-44.50 that initiated the transportation corridor official map shall establish procedures for considering petitions for variance from the requirements of G.S. 136-44.51."

SECTION 4. G.S. 136-44.53(a) reads as rewritten:

"(a) After a transportation corridor official map is filed with the register of deeds, a property owner has the right of petition to the filer of the map for acquisition of the property due to an imposed hardship. The Department of Transportation, the regional public transportation authority, the regional transportation authority, the Wilmington Urban Area Metropolitan Planning Organization, or the local government that initiated the transportation corridor official map may make advanced acquisition of specific parcels of property when that acquisition is determined by the respective governing board to be in the best public interest to protect the transportation corridor from development or when the transportation corridor official map creates an undue hardship on the affected property owner. The procedure established by a regional public transportation ~~authority or~~authority, a regional transportation ~~authority~~authority, or the Wilmington Urban Area Metropolitan Planning Organization pursuant to subsection (b) of this section shall provide for a hearing de novo by the Department of Transportation for any request for advance acquisition due to hardship that is denied by an authority. All hearings held by the Department under this subsection shall be conducted in accordance with procedures established by the Department pursuant to subsection (b) of this section. Any decision of the Department pursuant to this subsection shall be final and binding. Any property determined eligible for hardship acquisition shall be acquired within three years of the finding or the restrictions of the map shall be removed from the property."

SECTION 5. Subsection (g) of G.S. 136-44.50, as enacted by Section 1 of this act, is effective when this act becomes law and applies to maps filed, adopted, or amended before that date. The remainder of this act is effective when it becomes law and applies to maps filed, adopted, or amended before, on, or after that date.

In the General Assembly read three times and ratified this the 15th day of July, 2015.

Became law upon approval of the Governor at 5:30 p.m. on the 16th day of July, 2015.

Session Law 2015-152 **H.B. 39**

AN ACT TO INCREASE THE PENALTIES FOR THE ILLEGAL OPERATION OF AMUSEMENT DEVICES AND TO DIRECT THE DEPARTMENT OF LABOR TO STUDY THE REGULATION OF THE OPERATION OF ZIP-LINES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 95-111.3 reads as rewritten:

"§ **95-111.3. Definitions.**

…

(b) The term "amusement park" shall mean any tract or area used principally as a permanent location for amusement devices.

(b1) The term "annual gross volume" shall mean the gross receipts a person or device receives from all types of sales made and business done during a 12-month period.

~~(b1)~~(b2) The term "carnival area" shall mean any area, track, or structure that is rented, leased, or owned as a temporary location for amusement devices.

…

(g) The term "person" shall mean any individual, association, partnership, firm, corporation, private organization, or the State of North Carolina or any political subdivision thereof or any unit of local government.

…."

SECTION 2. G.S. 95-111.13 reads as rewritten:

"§ **95-111.13. Violations; civil penalties; appeal; criminal penalties.**

(a) Any person who violates G.S. 95-111.7(a) or (b) (Operation without certificate; operation not in accordance with Article or rules and regulations) ~~shall be~~ or G.S. 95-111.8 (Location notice) is subject to a civil penalty not to exceed ~~two hundred fifty dollars ($250.00)~~ one thousand two hundred fifty dollars ($1,250) for each rule, regulation, or section of this Article violated and for each day each device is so operated or used.

(b) Any person who violates G.S. 95-111.7(c) (Operation after refusal to issue or after revocation of certificate) or G.S. 95-111.10(c) (Reports required) or G.S. 95-111.12 (Liability insurance) ~~shall be~~ is subject to a civil penalty not to exceed ~~five hundred dollars ($500.00)~~ two thousand five hundred dollars ($2,500) for each day each device is so operated or used.

~~(c) Any person who violates G.S. 95-111.8 (Location notice) shall be subject to a civil penalty not to exceed five hundred dollars ($500.00) for each day any device is operated or used without the location notice having been provided.~~

(d) Any person who violates the provisions of G.S. 95-111.10(d) (Reports required) or knowingly permits the operation of an amusement device in violation of G.S. 95-111.11(a) (Operator requirements) ~~shall be~~ is subject to a civil penalty not to exceed ~~five hundred dollars ($500.00).~~two thousand five hundred dollars ($2,500) for each day each device is so operated or used.

(e) Any person who violates G.S. 95-111.9 (Operation of unsafe device) or G.S. 95-111.11(b) (Operation of an amusement device while impaired) ~~shall be~~ is subject to a civil penalty not to exceed ~~one thousand dollars ($1,000).~~five thousand dollars ($5,000) for each day each device is so operated or used.

(f) In determining the amount of any penalty ordered under authority of this section, the Commissioner shall give due consideration to the appropriateness of the penalty with respect to the ~~size of the business~~ annual gross volume of the person being charged, the gravity of the violation, the good faith of the ~~person~~ person, and the record of previous violations.

(g) The determination of the amount of the penalty by the Commissioner ~~shall be~~ is final, unless within 15 days after receipt of notice thereof by certified mail with return receipt, by signature confirmation as provided by the U.S. Postal Service, by a designated delivery service authorized pursuant to 26 U.S.C. § 7502(f)(2) with delivery receipt, or via hand delivery, the person charged with the violation takes exception to the determination, in which event final determination of the penalty shall be made in an administrative proceeding and in a judicial proceeding pursuant to Chapter 150B of the General Statutes, the Administrative Procedure Act.

(h) The Commissioner may file in the office of the clerk of the superior court of the county wherein the person, against whom a civil penalty has been ordered, resides, or if a corporation is involved, in the county wherein the corporation maintains its principal place of business, or in the county wherein the violation occurred, a certified copy of a final order of the Commissioner unappealed from, or of a final order of the Commissioner affirmed upon appeal. Whereupon, the clerk of said court shall enter judgment in accordance therewith and notify the parties. Such judgment shall have the same effect, and all proceedings in relation thereto shall

thereafter be the same, as though said judgment had been rendered in a suit duly heard and determined by the superior court of the General Court of Justice.

(i) ~~Any~~ Except as provided under subsection (j) of this section, any person who willfully violates any provision of this ~~Article, and the violation causes the death of any person, shall be~~Article is guilty of a Class 2 misdemeanor, which may include a fine of not more than ten thousand dollars ($10,000); except that if the conviction is for a violation committed after a first conviction of ~~such~~ the person, the person shall be guilty of a Class 1 misdemeanor, which may include a fine of not more than twenty thousand dollars ($20,000). ~~This subsection shall not prevent any prosecuting officer of the State of North Carolina from proceeding against such person on a prosecution charging any degree of willful or culpable homicide.~~

(j) Any person who willfully violates any provision of this Article, and that violation causes the serious injury or death of any person, then the person is guilty of a Class E felony, which shall include a fine.

(k) Nothing in this section prevents any prosecuting officer of the State of North Carolina from proceeding against a person who violates this Article on a prosecution charging any degree of willful or culpable homicide."

SECTION 3. G.S. 95-111.12(a) reads as rewritten:

"(a) No owner shall operate a device subject to the provisions of this Article, unless at the time, there is in existence a contract of insurance providing coverage of not less than one million dollars ($1,000,000) per occurrence against liability for injury to persons or property arising out of the operation or use of such device or there is in existence a contract of insurance providing coverage of not less than five hundred thousand dollars ($500,000) per occurrence against liability for injury to persons or property arising out of the operation or use of the amusement ~~devices~~ device if the annual gross volume of the ~~devices~~ device does not exceed two hundred seventy-five thousand dollars ($275,000); provided waterslides shall not be required to be insured as herein provided for an amount in excess of one hundred thousand dollars ($100,000) per occurrence. The insurance contract to be provided must be by any insurer or surety that is acceptable to the North Carolina Insurance Commissioner and authorized to transact business in this State; provided, however, that insurance for waterslides may be purchased under Article 21 of Chapter 58 of the General Statutes or under G.S. 58-28-5(b)."

SECTION 4. The General Assembly recognizes that the unsafe operation of zip-lines places the health, safety, and welfare of the public at risk. The Department of Labor (Department) shall study the need for regulation of zip-line operations. The study shall include the following issues:

(1) The number of zip-line operations in the State, excluding zip-lines operated on private residence property.

(2) Whether any counties or cities in the State regulate zip-lines by ordinance and the content of any such ordinances.

(3) The reasons for the specific statutory exclusion of zip-lines from the definition of "amusement device" that was enacted in S.L. 2011-36 and whether this exclusion should be repealed.

(4) The consequences and risks to the public of failure to regulate zip-line operations.

(5) The types of liability insurance coverage recommended for zip-line operations and the costs and availability of such coverage.

(6) The number and nature of reported accidents and injuries involving zip-lines in the State over the last five years.

(7) Protections available under existing law to zip-line amusement operators and participants.

(8) Costs associated with safety inspections of zip-line equipment, gear, and operations.

(9) A summary and analysis of other states' laws, ordinances, and regulations for zip-lines and for amusement rides that include zip-lines.
(10) Any federal standards that may apply to zip-lines.
(11) Any training requirements, certifications, and standards recommended for zip-line operators and employees.
(12) Strategies for addressing the safe operations of zip-lines.
(13) Possible regulatory bodies for zip-line operations.
(14) Any other issues the Department deems relevant.

The Department shall consult with the Department of Insurance, the Association for Challenge Course Technology (ACCT), the American Society for Testing and Materials (ASTM), and any other relevant federal or State agencies in conducting this study and formulating recommendations. The Department of Labor shall submit a report of its findings and recommendations, including any proposed legislation, to the Speaker of the House of Representatives and the President Pro Tempore of the Senate, the chairs of the House Committee on Agriculture, and the chairs of the Senate Committee on Agriculture, Environment, and Natural Resources on or before February 1, 2016. The Department of Labor shall conduct the study within existing funds.

SECTION 5. G.S. 95-120.1(a)(2) reads as rewritten:

"(2) A contract of insurance providing coverage of not less than five hundred thousand dollars ($500,000) per occurrence against liability for injury to persons or property arising out of the operation or use of the devices if the annual gross volume of the receipts of the devices as defined in G.S. 95-111.3(b1) does not exceed two hundred seventy-five thousand dollars ($275,000)."

SECTION 6. G.S. 95-111.13(i) and (j), as enacted in Section 2 of this act, become effective December 1, 2015, and apply to violations occurring on or after that date. The remainder of Section 2 of this act is effective when this act becomes law and applies to violations occurring on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 15th day of July, 2015.

Became law upon approval of the Governor at 5:30 p.m. on the 16th day of July, 2015.

Session Law 2015-153 **H.B. 376**

AN ACT AMENDING THE RULES OF CIVIL PROCEDURE TO MODERNIZE DISCOVERY OF EXPERT WITNESSES AND CLARIFYING EXPERT WITNESS COSTS IN CIVIL ACTIONS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 1A-1, Rule 26(b)(4) reads as rewritten:

"(4) ~~Trial Preparation; Experts. Discovery of facts known and opinions held by experts, otherwise discoverable under the provisions of subsection (b)(1) of this rule and acquired or developed in anticipation of litigation or for trial, may be obtained only as follows:~~Trial Preparation; Discovery of Experts. – Discovery of facts known and opinions held by experts, that are otherwise discoverable under the provisions of subdivision (1) of this subsection and acquired or developed in anticipation of litigation or for trial, may be obtained only as provided by this subdivision:

~~a.~~ ~~1.~~ ~~A party may through interrogatories require any other party to identify each person whom the other party expects to call as an expert witness at trial, to state the subject matter on which the expert is expected to testify, and to state the substance of~~

~~the facts and opinions to which the expert is expected to testify and a summary of the grounds for each opinion.~~

~~2.~~ ~~Upon motion, the court may order further discovery by other means, subject to such restrictions as to scope and such provisions, pursuant to sub-subdivision (b)(4)b. of this rule, concerning fees and expenses as the court may deem appropriate.~~

~~b.~~ ~~Unless manifest injustice would result, (i) the court shall require that the party seeking discovery pay the expert a reasonable fee for time spent in responding to discovery under subdivision (b)(4)a.2. of this rule; and (ii) with respect to discovery obtained under subdivision (b)(4)a.2. of this rule the court may require the party seeking discovery to pay the other party a fair portion of the fees and expenses reasonably incurred by the latter party in obtaining facts and opinions from the expert.~~

a. 1. In general. – In order to provide openness and avoid unfair tactical advantage in the presentation of a case at trial, a party must disclose to the other parties in accordance with this subdivision the identity of any witness it may use at trial to present evidence under Rule 702, Rule 703, or Rule 705 of the North Carolina Rules of Evidence.

2. Witnesses providing a written report. – The parties shall have the option, in connection with the disclosures required by this subdivision, of accompanying the disclosure with a written report prepared and signed by the witness if the witness is one retained or specifically employed to provide expert testimony in the case or one whose duties as the party's employee regularly involve giving expert testimony. If the parties agree to accompany their disclosure pursuant to this subdivision with a written report, the report must contain all of the following:

I. A complete statement of all opinions the witness will express and the basis and reasons for them.

II. The facts or data considered by the witness in forming them.

III. Any exhibits that will be used to summarize or support them.

IV. The witness' qualifications, including a list of all publications authored in the previous 10 years.

V. A list of all other cases in which, during the previous four years, the witness testified as an expert at trial or by deposition.

VI. A statement of the compensation to be paid for the study and testimony in the case.

3. Witnesses not providing expert reports. – Unless otherwise stipulated to by the parties, or ordered by the court, a party may through interrogatories require any other party to identify each person whom the other party expects to call as an expert witness at trial, to state the subject matter on which the expert is expected to testify pursuant to Rule 702, Rule 703, or Rule 705 of the North Carolina Rules of Evidence and to state the substance of the facts and opinions to which the

expert is expected to testify and a summary of the grounds for each opinion.

b. Depositions. –

1. Depositions of an expert who may testify. – A party may depose any person who has been identified as an expert pursuant to this subdivision, with such deposition to be conducted after any written report is provided or identification by response to interrogatory has been made pursuant to sub-subdivision f. of this subdivision.
2. Expert employed only for trial preparation. – Except as otherwise provided in this sub-sub-subdivision, a party may not, by interrogatories or deposition, discover facts known or opinions held by an expert who has been retained or specially employed by another party in anticipation of litigation or to prepare for trial and who is not expected to be called as a witness at trial. A party may take such discovery only as provided in Rule 35(b) or upon showing exceptional circumstances under which it is impracticable for the party to obtain facts or opinions on the same subject by other means.

c. Payment. – Unless manifest injustice would result and absent court order, the party seeking discovery under sub-subdivision b. of this subdivision shall pay the expert a reasonable fee for the time spent at that expert's deposition.

d. Trial preparation protection for draft reports or disclosures. – Drafts of reports provided under sub-sub-subdivision 2. of sub-subdivision a. of this subdivision are protected from disclosure and are not discoverable regardless of the form in which the draft is recorded.

e. Trial preparation protection for communications between a party's attorney and expert witness. – Except as otherwise provided in this sub-subdivision, communications between a party's attorney and any witness providing a report pursuant to sub-sub-subdivision 2. of sub-subdivision a. of this subdivision or identified under sub-sub-subdivision 3. of sub-subdivision a. of this subdivision, regardless of the form of the communication, are protected from disclosure and are not discoverable. Such communications are discoverable only to the extent that the communications do any of the following:

1. Relate to compensation for the expert's study or testimony.
2. Identify facts or data that the party's attorney provided and that the expert considered in forming the opinions to be expressed.
3. Identify assumptions that the party's attorney provided and that the expert relied on in forming the opinions to be expressed.

f. Time to disclose expert witness testimony. – Parties agreeing to the submission of written reports pursuant to sub-sub-subdivision 2. of sub-subdivision a. of this subdivision or parties otherwise seeking to obtain disclosure as set forth herein by interrogatory shall, unless otherwise stipulated, set by scheduling order or otherwise ordered by the court, serve such written report or in the case of no agreement on the submission of written reports, interrogatory:

1. At least 90 days before the date set for trial or the case to be ready for trial; or

2. If the evidence is intended solely to contradict or rebut evidence on the same subject matter identified by another party under sub-subdivision a. of this subdivision, within 30 days after the other party's disclosure. If a party fails to provide timely disclosure under this rule, the court may, upon motion, take such action as it deems just, including ordering that the party may not present at trial the expert witness for whom disclosure was not timely made.

The time requirements of this sub-subdivision shall not apply if all parties had less than 120-days' notice of the trial date.

g. Supplementation. – The parties must supplement these disclosures when required under subsection (e) of this rule."

SECTION 2. G.S. 7A-314(d) reads as rewritten:

"(d) ~~An~~ Subject to the specific limitations set forth in G.S. 7A-305(d)(11), an expert witness, other than a salaried State, county, or municipal law-enforcement officer, shall receive such compensation and allowances as the court, or the Judicial Standards Commission, in its discretion, may authorize. A law-enforcement officer who appears as an expert witness shall receive reimbursement for travel expenses only, as provided in subsection (b) of this section. Compensation of experts acting on behalf of the court or prosecutorial offices shall be paid in accordance with the rules established by the Administrative Office of the Courts. Compensation of experts provided under G.S. 7A-454 shall be in accordance with rules established by the Office of Indigent Defense Services."

SECTION 3. This act becomes effective October 1, 2015. Section 1 applies to actions commenced on or after that date. Section 2 applies to motions or applications for costs filed on or after that date.

In the General Assembly read three times and ratified this the 15th day of July, 2015.

Became law upon approval of the Governor at 5:30 p.m. on the 16th day of July, 2015.

Session Law 2015-154 **H.B. 766**

AN ACT AMENDING THE EXEMPTION FOR USE OR POSSESSION OF HEMP EXTRACT AND PERMITTING THE USE OF HEMP EXTRACT AS AN ALTERNATIVE TREATMENT FOR INTRACTABLE EPILEPSY WITHOUT PARTICIPATING IN A PILOT STUDY AND REPEALING THE EPILEPSY ALTERNATIVE TREATMENT ACT IN 2021.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 90-94.1 reads as rewritten:

"§ **90-94.1. Exemption for use or possession of hemp extract.**

(a) As used in this section, "hemp extract" means an extract from a cannabis plant, or a mixture or preparation containing cannabis plant material, that has all of the following characteristics:

(1) Is composed of less than ~~three-tenths~~ nine-tenths of one percent ~~(0.3%)~~ (0.9%) tetrahydrocannabinol by weight.

(2) Is composed of at least ~~ten~~ five percent ~~(10%)~~ (5%) cannabidiol by weight.

(3) Contains no other psychoactive substance.

(b) Notwithstanding any other provision of this Chapter, an individual may possess or use hemp extract, and is not subject to the penalties described in this Chapter, if the individual satisfies all of the following criteria:

(1) Possesses or uses the hemp extract only to treat intractable epilepsy, as defined in G.S. 90-113.101.

(2) Possesses, in close proximity to the hemp extract, a certificate of analysis that indicates the hemp extract's ingredients, including its percentages of tetrahydrocannabinol and cannabidiol by weight.

(3) ~~Has a current hemp extract registration card issued by the Department of Health and Human Services under Article 5G of Chapter 90 of the General Statutes.~~Is a caregiver, as defined in G.S. 90-113.101.

(c) Notwithstanding any other provision of this Chapter, an individual who possesses hemp extract lawfully under this section may administer hemp extract to another person under the individual's care and is not subject to the penalties described in this Chapter for administering the hemp extract to the person if ~~both of the following conditions are satisfied:~~

~~(1)~~ ~~The~~ the individual is the person's caregiver, as defined in G.S. 90-113.101.

~~(2) The individual is registered with the Department of Health and Human Services to administer hemp extract under G.S. 90-113.103.~~"

SECTION 2. G.S. 90-113.100 reads as rewritten:

"§ **90-113.100. Short title.**

(a) This act may be cited as the "North Carolina Epilepsy Alternative Treatment Act."

(b) The purpose of this act is to permit ~~medical professionals to conduct limited-scope, evidence-based studies exploring the safety and efficacy of treating intractable epilepsy using hemp extract.~~the use of hemp extract as an alternative treatment for intractable epilepsy.

(c) The General Assembly finds ~~the following:~~

~~(1)~~ ~~There~~ that there are children in this State suffering from intractable epilepsy for which currently available treatment options have been ineffective. Hemp extract shows promise in treating children with intractable epilepsy.

~~(2) Additional study of the use of hemp extract for the treatment of intractable epilepsy should be undertaken, and the medical research universities of the State of North Carolina are well-suited for this type of clinical exploration.~~"

SECTION 3. G.S. 90-113.101 reads as rewritten:

"§ **90-113.101. Definitions.**

(a) Caregiver. – An individual that is at least 18 years of age and a resident of North Carolina who is a parent, legal guardian, or custodian of a ~~person diagnosed with intractable epilepsy.~~patient and is registered with the Department of Health and Human and Services under G.S. 90-113.102 who possesses a written statement dated and signed by a neurologist that states all of the following:

(1) The patient has been examined and is under the care of the neurologist.

(2) The patient suffers from intractable epilepsy.

(3) The patient may benefit from treatment with hemp extract.

~~(b) Caregiver Registration Card. – A registration card issued by the Department of Health and Human Services under this Article to a caregiver.~~

(c) Database. – The Intractable Epilepsy Alternative Treatment ~~Pilot Study~~ database, established by the Department of Health and Human Services pursuant to this ~~Article, to register caregivers, patients, and recommending neurologists.~~Article.

…

(g) Neurologist. – An individual who is licensed under Article 1 of Chapter 90 of the General Statutes, who is board certified in neurology, and is affiliated with the neurology department at one or more ~~of the following universities:~~hospitals licensed in this State.

~~(1) The University of North Carolina at Chapel Hill.~~

~~(2) East Carolina University.~~

~~(3) Duke University.~~

~~(4) Wake Forest University.~~

(h) Patient. – A person who has been diagnosed by a neurologist with intractable epilepsy.

~~(i) Pilot Study. – An evidence-based investigation of the safety and efficacy of treating intractable epilepsy using hemp extract conducted by one or more neurologists registered pursuant to this Article.~~"

SECTION 4. G.S. 90-113.102 reads as rewritten:

"§ **90-113.102. Intractable Epilepsy Alternative Treatment ~~Pilot Study~~ database; departmental duties.**

~~(a)~~ The Department shall create a ~~secure, electronic, and online~~ secure and electronic Intractable Epilepsy Alternative Treatment ~~Pilot Study~~ database registry for the registration of ~~pilot studies,~~ neurologists, caregivers, and patients as provided by this Article. All caregivers shall be required to register with the Department. Law enforcement agencies are authorized to contact the Department to confirm a caregiver's registration. ~~The registry must be accessible to law enforcement agencies in order to verify registration of caregivers. The registry must prevent an active registration of a patient by multiple neurologists. At a minimum, the~~The database shall consist of the ~~following:~~following information to be provided by the caregivers at the time of registration:

(1) The name and address of ~~each registered caregiver and the name of the pilot study the caregiver is associated with.~~the caregiver.

(2) The name and address of ~~each registered patient and the name of the pilot study the patient is associated with.~~the caregiver's patient.

~~(3) The name, address, and qualifying institutional affiliation of neurologists conducting pilot studies pursuant to this Article.~~

(4) The name, ~~institutional affiliation, affiliated registered neurologists, and parameters of pilot studies.~~address, and hospital affiliation of the neurologist recommending hemp extract as an alternative treatment for intractable epilepsy for the patient.

~~(b) The Department shall contact the county department of health where the patient resides and provide the following information:~~

~~(1) The name and address of the registered caregiver.~~

~~(2) Identifying information contained on the caregiver registration card.~~

(c) If at any time following registration, the name, address, or hospital affiliation of the patient's neurologist changes, the caregiver shall notify the Department and provide the Department with the patient's new neurologist's name, address, and hospital affiliation."

SECTION 5. G.S. 90-113.103 is repealed.

SECTION 6. G.S. 90-113.104 is repealed.

SECTION 7. G.S. 90-113.105 reads as rewritten:

"§ **90-113.105. Immunity for neurologists; ~~medical records.~~confidentiality.**

(a) On a case-by-case basis, neurologists ~~conducting a registered pilot study~~ may approve of dispensation to a registered caregiver, as approved by this Article, hemp extract acquired from another jurisdiction.

(b) A neurologist shall not be subject to arrest or prosecution, penalized or disciplined in any manner, or denied any right or privilege for approving or recommending the use of hemp extract or providing a written statement ~~or health records to the Department~~ for the use of hemp extract pursuant to this Article.

~~(c) A neurologist conducting a registered pilot study who signs a statement as described in G.S. 90-113.104(b)(3) shall do the following:~~

~~(1) Keep a record of the evaluation and observation of a patient under the neurologist's care, including the patient's response to hemp extract treatment.~~

~~(2) Transmit the record described in subdivision (1) of this subsection to the Department upon request.~~

(d) ~~All medical records received or maintained by the Department pursuant to this Article are~~ The identities of the caregivers, patients, and neurologists reported to the Department pursuant to this Article are confidential and ~~may not be disclosed to the public~~ are not matters of public record. However, this information may be provided to law enforcement

agencies pursuant to G.S. 9-113.102.~~Nothing in this Article is intended to alter the provisions of G.S. 8-53 or G.S. 8-53.1.~~"

SECTION 7.2. The University of North Carolina at Chapel Hill and East Carolina University may and are encouraged to, and Duke University and Wake Forest University are encouraged to, conduct research on hemp extract development, production, and use for the treatment of seizure disorders and to participate in any ongoing or future clinical studies or trials, including those exploring the safety and efficacy of treating intractable epilepsy with hemp extract.

SECTION 8. Section 5 of S.L. 2014-53 reads as rewritten:

"**SECTION 5.** ~~Section 3 of this act becomes effective upon adoption of rules pursuant to Section 4 of this act. The remainder of this~~ This act is effective when it becomes law."

SECTION 8.5.(a) Article 5G of Chapter 90 of the General Statutes is repealed.

SECTION 8.5.(b) This section becomes effective July 1, 2021.

SECTION 9. Section 1 becomes effective August 1, 2015, and applies to offenses committed on or after that date. Except as otherwise provided in this act, the remainder of the act is effective when it becomes law.

In the General Assembly read three times and ratified this the 15th day of July, 2015.

Became law upon approval of the Governor at 5:30 p.m. on the 16th day of July, 2015.

Session Law 2015-155 **S.B. 252**

AN ACT TO REPEAL A LOCAL ACT TO EXEMPT CLAY COUNTY FROM STATE WILDLIFE LAWS WITH RESPECT TO OPOSSUMS BETWEEN THE DATES OF DECEMBER 26 AND JANUARY 2.

The General Assembly of North Carolina enacts:

SECTION 1. S.L. 2014-7 is repealed.

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 20th day of July, 2015.

Became law on the date it was ratified.

Session Law 2015-156 **H.B. 58**

AN ACT PROVIDING THAT A COUNTY SHERIFF'S OFFICE MAY CONTRACT FOR THE PURCHASE OF FOOD AND SUPPLIES FOR THE COUNTY'S DETENTION FACILITY WITHOUT BEING SUBJECT TO THE REQUIREMENTS OF CERTAIN STATE PURCHASE AND CONTRACT LAWS.

The General Assembly of North Carolina enacts:

SECTION 1. A county sheriff's office may contract for the purchase of food and food services supplies for that county's detention facility without being subject to the requirements of G.S. 143-129 and G.S. 143-131(a).

SECTION 2. This act applies only to the following counties: Alamance, Anson, Caswell, Craven, Cumberland, Davidson, Guilford, Onslow, Pamlico, Randolph, Rockingham, and Wake.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 20th day of July, 2015.

Became law on the date it was ratified.

Session Law 2015-157 **H.B. 236**

AN ACT PROVIDING THAT A COUNTY SHERIFF'S OFFICE MAY CONTRACT FOR THE PURCHASE OF FOOD AND FOOD SERVICES SUPPLIES FOR THE COUNTY'S DETENTION FACILITY WITHOUT BEING SUBJECT TO THE REQUIREMENTS OF CERTAIN STATE PURCHASE AND CONTRACT LAWS.

The General Assembly of North Carolina enacts:

SECTION 1. A county sheriff's office may contract for the purchase of food and food services supplies for that county's detention facility without being subject to the requirements of G.S. 143-129 and G.S. 143-131(a).

SECTION 2. This act applies only to the following counties: Beaufort, Chowan, Currituck, Dare, Granville, Pasquotank, Stanly, and Washington.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 20th day of July, 2015.

Became law on the date it was ratified.

Session Law 2015-158 **H.B. 312**

AN ACT TO ALLOW CERTAIN COUNTY SHERIFF'S OFFICES TO CONTRACT FOR THE PURCHASE OF FOOD AND FOOD SERVICES SUPPLIES FOR A COUNTY'S DETENTION FACILITY WITHOUT BEING SUBJECT TO THE REQUIREMENTS OF CERTAIN STATE PURCHASE AND CONTRACT LAWS.

The General Assembly of North Carolina enacts:

SECTION 1. A county sheriff's office may contract for the purchase of food and food services supplies for that county's detention facility without being subject to the requirements of G.S. 143-129 and G.S. 143-131(a).

SECTION 2. This act applies only to the following counties: Jones, Cherokee, Haywood, Henderson, Iredell, Lincoln, Madison, Orange, Transylvania, and Yancey.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 23rd day of July, 2015.

Became law on the date it was ratified.

Session Law 2015-159 **H.B. 492**

AN ACT AUTHORIZING THE RUTHERFORD COUNTY BOARD OF COMMISSIONERS TO TERMINATE AND DISSOLVE THE RUTHERFORD AIRPORT AUTHORITY AND TO OPERATE THE RUTHERFORD COUNTY AIRPORT AS A PUBLIC ENTERPRISE.

The General Assembly of North Carolina enacts:

SECTION 1. The Board of Commissioners of Rutherford County (hereinafter "Board") may, in its discretion, terminate and dissolve the Rutherford Airport Authority (hereinafter "Authority"). It is the intent of this act to enable, but not require, the termination and dissolution of the Authority.

SECTION 2. If the Board terminates and dissolves the Authority as authorized by Section 1 of this act, the Board may order the Authority to do all of the following:

(1) To transfer to Rutherford County all real and personal property owned by the Authority. Upon the order of the Board to do so, the Authority shall execute any deeds, bills of sale, and any other necessary documents to effect the transfer of ownership to the County. Notwithstanding the provisions of this section, the ownership of all real and personal property shall automatically

be deemed transferred to the County on the effective date of the termination and dissolution of the Authority.

(2) To assign to the County within a certain time period all executory contracts to which the Authority is a party. Notwithstanding the provisions of this section, all the executory contracts and the rights and obligations thereunder shall be deemed assigned to the County on the effective date of the termination and dissolution of the Authority.

SECTION 3. If the Board terminates and dissolves the Authority as authorized by Section 1 of this act, the following local acts are repealed: Chapter 335 of the 1971 Session Laws, Section 10 of Chapter 955 of the 1989 Session Laws, S.L. 2005-105, and S.L. 2013-181.

SECTION 4. If the Board terminates and dissolves the Authority as authorized by Section 1 of this act, the County may operate the Rutherford County Airport as a public enterprise under G.S. 153A-274.

SECTION 5. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 23rd day of July, 2015.

Became law on the date it was ratified.

Session Law 2015-160 **H.B. 201**

AN ACT TO AMEND THE PROCESS BY WHICH THE CITY COUNCILS RECEIVE CITIZEN INPUT IN ZONING ORDINANCE AMENDMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-385(a) reads as rewritten:

"§ **160A-385. Changes.**

(a) ~~Qualified Protests.~~Citizen Comments.

(1) Zoning ordinances may from time to time be amended, supplemented, changed, modified or repealed. ~~In case, however, of a qualified protest against a zoning map amendment, that amendment shall not become effective except by favorable vote of three-fourths of all the members of the city council. For the purposes of this subsection, vacant positions on the council and members who are excused from voting shall not be considered "members of the council" for calculation of the requisite supermajority.~~If any resident or property owner in the city submits a written statement regarding a proposed amendment, modification, or repeal to a zoning ordinance to the clerk to the board at least two business days prior to the proposed vote on such change, the clerk to the board shall deliver such written statement to the city council. If the proposed change is the subject of a quasi-judicial proceeding under G.S. 160A-388, the clerk shall provide only the names and addresses of the individuals providing written comment, and the provision of such names and addresses to all members of the board shall not disqualify any member of the board from voting.

~~(2) To qualify as a protest under this section, the petition must be signed by the owners of either (i) twenty percent (20%) or more of the area included in the proposed change or (ii) five percent (5%) of a 100-foot-wide buffer extending along the entire boundary of each discrete or separate area proposed to be rezoned. A street right-of-way shall not be considered in computing the 100-foot buffer area as long as that street right-of-way is 100 feet wide or less. When less than an entire parcel of land is subject to the proposed zoning map amendment, the 100-foot buffer shall be measured from the property line of that parcel. In the absence of evidence to the contrary, the city may rely on the county tax listing to determine the "owners" of potentially qualifying areas.~~

~~(3) The foregoing provisions concerning protests shall not be applicable to any amendment which initially zones property added to the territorial coverage of the ordinance as a result of annexation or otherwise, or to an amendment to an adopted (i) special use district, (ii) conditional use district, or (iii) conditional district if the amendment does not change the types of uses that are permitted within the district or increase the approved density for residential development, or increase the total approved size of nonresidential development, or reduce the size of any buffers or screening approved for the special use district, conditional use district, or conditional district.~~"

SECTION 2. G.S. 160A-386 is repealed.

SECTION 3. G.S. 122C-403(3) reads as rewritten:

"(3) Regulate the development of the reservation in accordance with the powers granted in Article 19, Parts 2, 3, 3C, 5, 6, and 7, of Chapter 160A of the General Statutes. The Secretary may not, however, grant a special use permit, a conditional use permit, or a special exception under Part 3 of that Article. In addition, the Secretary is not required to notify landowners of zoning classification actions under G.S. 160A-384, ~~and the protest petition requirements in G.S. 160A-385, and 160A-386 do not apply,~~ but the Secretary shall give the mayor of the Town of Butner at least 14 days' advance written notice of any proposed zoning change. The Secretary may designate Advisory establish a board to act like a Board of Adjustment to make recommendations to the Secretary concerning implementation of plans for the development of the reservation. When acting as a Board of Adjustment, Advisory that board shall be subject to subsections (b), (c), (d), (f), and (g) of G.S. 160A-388."

SECTION 4. This act also repeals any local act authority for submission, review, or action by any municipality upon any zoning protest petition, whether or not enacted as a provision in a municipal charter.

SECTION 5. G.S. 160A-75 reads as rewritten:

"§ **160A-75. Voting.**

No member shall be excused from voting except upon matters involving the consideration of the member's own financial interest or official conduct or on matters on which the member is prohibited from voting under G.S. 14-234, 160A-381(d), or 160A-388(e)(2). In all other ~~cases,~~cases except votes taken under G.S. 160A-385, a failure to vote by a member who is physically present in the council chamber, or who has withdrawn without being excused by a majority vote of the remaining members present, shall be recorded as an affirmative vote. The question of the compensation and allowances of members of the council is not a matter involving a member's own financial interest or official conduct.

An affirmative vote equal to a majority of all the members of the council not excused from voting on the question in issue, including the mayor's vote in case of an equal division, shall be required to adopt an ordinance, take any action having the effect of an ordinance, authorize or commit the expenditure of public funds, or make, ratify, or authorize any contract on behalf of the city. In addition, no ordinance nor any action having the effect of any ordinance may be finally adopted on the date on which it is introduced except by an affirmative vote equal to or greater than two thirds of all the actual membership of the council, excluding vacant seats and not including the mayor unless the mayor has the right to vote on all questions before the council. For purposes of this section, an ordinance shall be deemed to have been introduced on the date the subject matter is first voted on by the council."

SECTION 6. This act becomes effective August 1, 2015, and applies to zoning ordinance changes initiated on or after that date.

In the General Assembly read three times and ratified this the 16th day of July, 2015.

Became law upon approval of the Governor at 10:30 a.m. on the 17th day of July, 2015.

Session Law 2015-161 **H.B. 254**

AN ACT TO EXTEND NATIONAL GUARD REEMPLOYMENT RIGHTS TO MEMBERS OF THE NATIONAL GUARDS OF OTHER STATES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 127A-201 reads as rewritten:

"§ **127A-201. Entitlement.**

Any member of the North Carolina National Guard or the National Guard of another state who, at the direction of ~~the Governor,~~a state's Governor, enters State duty, is entitled, upon honorable release from State duty, to all the reemployment rights provided for in this Article."

SECTION 2. G.S. 127A-202.1 reads as rewritten:

"§ **127A-202.1. Discrimination against persons who serve in the ~~North Carolina~~ National Guard and acts of reprisal prohibited.**

(a) It is the policy of this State that all individuals shall be afforded the right to perform, apply to perform, or have an obligation to perform service in the North Carolina National Guard or the National Guard of another state without fear of discrimination or retaliatory action from their employer or prospective employer on the basis of that membership, application for membership, performance of service, application for service, or obligation.

(b) An individual who is a member of the North Carolina National Guard or the National Guard of another state who performs, has performed, applies to perform, or has an obligation to perform service in the North Carolina National Guard or the National Guard of another state shall not be denied initial employment, reemployment, retention in employment, promotion, or any benefit of employment by an employer on the basis of that membership, application for membership, performance of service, application for service, or obligation.

(c) A person shall be considered to have denied a member of the North Carolina National Guard or the National Guard of another state initial employment, reemployment, retention in employment, promotion, or a benefit of employment in violation of this section if the member's membership, application for membership, performance of service, application for service, or obligation for service in the North Carolina National Guard or the National Guard of another state is a motivating factor in that person's action, unless the person can prove by the greater weight of the evidence that the same unfavorable action would have taken place in the absence of the member's membership, application for membership, performance of service, application for service, or obligation.

(d) Nothing in this section shall be construed to require a person to pay salary or wages to a member of the North Carolina National Guard or of the National Guard of another state during the member's period of active service.

(e) The Commissioner of Labor shall enforce the provisions of this section according to Article 21 of Chapter 95 of the General Statutes, including the rules and regulations issued pursuant to that Article.

(f) This section shall also apply when a member of the North Carolina National Guard or the National Guard of another state is called into active duty at the direction of the President, the Governor, or by any other competent authority."

SECTION 3. This act becomes effective October 1, 2015, and applies to denials of initial employment, reemployment, retention in employment, promotion, or any benefit of employment by an employer on or after that date.

In the General Assembly read three times and ratified this the 16th day of July, 2015.

Became law upon approval of the Governor at 10:30 a.m. on the 17th day of July, 2015.

Session Law 2015-162 **H.B. 341**

AN ACT TO ADD "NBOME" COMPOUNDS AND OTHER SUBSTANCES TO THE CONTROLLED SUBSTANCES SCHEDULES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 90-89 reads as rewritten:

"§ **90-89. Schedule I controlled substances.**

This schedule includes the controlled substances listed or to be listed by whatever official name, common or usual name, chemical name, or trade name designated. In determining that a substance comes within this schedule, the Commission shall find: a high potential for abuse, no currently accepted medical use in the United States, or a lack of accepted safety for use in treatment under medical supervision. The following controlled substances are included in this schedule:

(1) Any of the following opiates, including the isomers, esters, ethers, salts and salts of isomers, esters, and ethers, unless specifically excepted, or listed in another schedule, whenever the existence of such isomers, esters, ethers, and salts is possible within the specific chemical designation:

…

eee. Acetyl Fentanyl.

…

(3) Any material, compound, mixture, or preparation which contains any quantity of the following hallucinogenic substances, including their salts, isomers, and salts of isomers, unless specifically excepted, or listed in another schedule, whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:

…

ff. Methoxetamine (other names: MXE, 3-MeO-2-Oxo-PCE).

…

(6) NBOMe Compounds. – Any material compound, mixture, or preparation which contains any quantity of the following substances, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation unless specifically excepted or unless listed in another schedule:

a. 25B-NBOMe (2C-B-NBOMe) – 2-(4-Bromo-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine.

b. 25C-NBOMe (2C-C-NBOMe) – 2-(4-Chloro-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine.

c. 25D-NBOMe (2C-D-NBOMe) – 2-(2,5-dimethoxy-4-methylphenyl)-N-(2-methoxybenzyl)ethanamine.

d 25E-NBOMe (2C-E-NBOMe) – 2-(4-Ethyl-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine.

e. 25G-NBOMe (2C-G-NBOMe) – 2-(2,5-dimethoxy-3,4-dimethylphenyl)-N-(2-methoxybenzyl)ethanamine.

f. 25H-NBOMe (2C-H-NBOMe) – 2-(2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine.

g. 25I-NBOMe (2C-I-NBOMe) – 2-(4-Iodo-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine.

h. 25N-NBOMe (2C-N-NBOMe) – 2-(2,5-dimethoxy-4-nitrophenyl)-N-(2-methoxybenzyl)ethanamine.
i. 25P-NBOMe (2C-P-NBOMe) – 2-(4-Propyl-2,5-dimethoxyphenyl)-N-(2-methoxybenzyl)ethanamine.
j. 25T2-NBOMe (2C-T2-NBOMe) – 2,5-dimethoxy-N-[(2-methoxyphenyl)methyl]-4-(methylthio)-benzeneethanamine.
k. 25T4-NBOMe (2C-T4-NBOMe) – 2,5-dimethoxy-N-[(2-methoxyphenyl)methyl]-4-[(1-methylethyl)thio]-benzeneethanamine.
l. 25T7-NBOMe (2C-T7-NBOMe) – 2,5-dimethoxy-N-[(2-methoxyphenyl)methyl]-4-(propylthio)-benzeneethanamine."

SECTION 2. G.S. 90-90(3) reads as rewritten:

"(3) Any material, compound, mixture, or preparation which contains any quantity of the following substances having a potential for abuse associated with a stimulant effect on the central nervous system unless specifically exempted or listed in another schedule:

a. Amphetamine, its salts, optical isomers, and salts of its optical isomers.
b. Phenmetrazine and its salts.
c. Methamphetamine, including its salts, isomers, and salts of isomers.
d. ~~Methylphenidate.~~Methylphenidate, including its salts, isomers, and salts of its isomers.
e. Phenylacetone. Some trade or other names: Phenyl-2-propanone; P2P; benzyl methyl ketone; methyl benzyl ketone.
f. Lisdexamfetamine, including its salts, isomers, and salts of isomers."

SECTION 3. G.S. 90-94 reads as rewritten:

"§ **90-94. Schedule VI controlled substances.**

This schedule includes the controlled substances listed or to be listed by whatever official name, common or usual name, chemical name, or trade name designated. In determining that such substance comes within this schedule, the Commission shall find: no currently accepted medical use in the United States, or a relatively low potential for abuse in terms of risk to public health and potential to produce psychic or physiological dependence liability based upon present medical knowledge, or a need for further and continuing study to develop scientific evidence of its pharmacological effects.

The following controlled substances are included in this schedule:

(1) Marijuana.
(2) Tetrahydrocannabinols.
(3) Synthetic cannabinoids. – Any quantity of any synthetic chemical compound that (i) is a cannabinoid receptor agonist and mimics the pharmacological effect of naturally occurring substances or (ii) has a stimulant, depressant, or hallucinogenic effect on the central nervous system that is not listed as a controlled substance in Schedule I through V, and is not an FDA-approved drug. Synthetic cannabinoids include, but are not limited to, the substances listed in sub-subdivisions a. through j. of this subdivision and any substance that contains any quantity of their salts, isomers (whether optical, positional, or geometric), homologues, and salts of isomers and homologues, unless specifically excepted, whenever the existence of these salts, isomers, homologues, and salts of isomers and homologues is possible within the specific chemical designation. The following substances are examples of synthetic cannabinoids and are not intended to be inclusive of the substances included in this Schedule:

…

j. ~~Tetramethylcyclopropanoylindoles. Any compound containing a 3-tetramethylcyclopropanoylindole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, 2-(4-morpholinyl)ethyl, 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3- morpholinyl)methyl, or tetrahydropyranylmethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the tetramethylcyclopropyl ring to any extent. Some trade name or other names: "XLR-11".~~3-(cyclopropylmethanone) indole or 3-(cyclobutylmethanone) indole or 3-(cyclopentylmethanone) indole by substitution at the nitrogen atom of the indole ring, whether or not further substituted in the indole ring to any extent, whether or not further substituted on the cyclopropyl, cyclobutyl, or cyclopentyl rings to any extent. Substances in this class include, but are not limited to: UR-144, fluoro-UR-144, XLR-11, A-796,260 and A-834,735.

k. Indole carboxaldehydes. Any compound structurally derived from 1H-indole-3-carboxaldehyde or 1H-indole-2-carboxaldehyde substituted in both of the following ways:

1. At the nitrogen atom of the indole ring by an alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, 2-(4-morpholinyl)ethyl, 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, tetrahydropyranylmethyl, benzyl, or halo benzyl group; and
2. At the carbon of the carboxaldehyde by a phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group.

Whether or not the compound is further modified to any extent in the following ways: (i) substitution to the indole ring to any extent, (ii) substitution to the phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group to any extent, (iii) a nitrogen heterocyclic analog of the indole ring, or (iv) anitrogen heterocyclic analog of the phenyl, benzyl, naphthyl, adamantyl, or cyclopropyl ring. Substances in this class include but are not limited to: AB-001.

l. Indole carboxamides. Any compound structurally derived from 1H-indole-3-carboxamide or 1H-indole-2-carboxamide substituted in both of the following ways:

1. At the nitrogen atom of the indole ring by an alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, 2-(4-morpholinyl)ethyl, 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, tetrahydropyranylmethyl, benzyl, or halo benzyl group; and
2. At the nitrogen of the carboxamide by a phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group.

Whether or not the compound is further modified to any extent in the following ways: (i) substitution to the indole ring to any extent, (ii) substitution to the phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group to any extent, (iii) a nitrogen heterocyclic analog of the indole ring, or (iv) a nitrogen heterocyclic analog of the phenyl, benzyl,

naphthyl, adamantyl, or cyclopropyl ring. Substances in this class include, but are not limited to: SDB-001 and STS-135.

m. Indole carboxylic acids. Any compound structurally derived from 1H-indole-3-carboxylic acid or 1H-indole-2-carboxylic acid substituted in both of the following ways:

1. At the nitrogen atom of the indole ring by an alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, 2-(4-morpholinyl)ethyl, 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, tetrahydropyranylmethyl, benzyl, or halo benzyl group; and
2. At the hydroxyl group of the carboxylic acid by a phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group.

Whether or not the compound is further modified to any extent in the following ways: (i) substitution to the indole ring to any extent, (ii) substitution to the phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group to any extent, (iii) a nitrogen heterocyclic analog of the indole ring, or (iv) a nitrogen heterocyclic analog of the phenyl, benzyl, naphthyl, adamantyl, or cyclopropyl ring. Substances in this class include, but are not limited to: PB-22 and fluoro-PB-22.

n. Indazole carboxaldehydes. Any compound structurally derived from 1H-indazole-3-carboxaldehyde or 1H-indazole-2-carboxaldehyde substituted in both of the following ways:

1. At the nitrogen atom of the indazole ring by an alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, 2-(4-morpholinyl)ethyl, 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, tetrahydropyranylmethyl, benzyl, or halo benzyl group; and
2. At the carbon of the carboxaldehyde by a phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group.

Whether or not the compound is further modified to any extent in the following ways: (i) substitution to the indazole ring to any extent, (ii) substitution to the phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group to any extent, (iii) a nitrogen heterocyclic analog of the indazole ring, or (iv) a nitrogen heterocyclic analog of the phenyl, benzyl, naphthyl, adamantyl, or cyclopropyl ring.

o. Indazole carboxamides. Any compound structurally derived from 1H-indazole-3-carboxamide or 1H-indazole-2-carboxamide substituted in both of the following ways:

1. At the nitrogen atom of the indazole ring by an alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, 2-(4-morpholinyl)ethyl, 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, tetrahydropyranylmethyl, benzyl, or halo benzyl group; and
2. At the nitrogen of the carboxamide by a phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group.

Whether or not the compound is further modified to any extent in the following ways: (i) substitution to the indazole ring to any extent, (ii) substitution to the phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group to any extent, (iii) a nitrogen heterocyclic analog of

the indazole ring, or (iv) a nitrogen heterocyclic analog of the phenyl, benzyl, naphthyl, adamantyl, or cyclopropyl ring. Substances in this class include, but are not limited to: AKB-48, fluoro-AKB-48, APINCACA, AB-PINACA, AB-FUBINACA, ADB-FUBINACA, and ADB-PINACA.

p. Indazole carboxylic acids. Any compound structurally derived from 1H-indazole-3-carboxylic acid or 1H-indazole-2-carboxylic acid substituted in both of the following ways:

1. At the nitrogen atom of the indazole ring by an alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, 2-(4-morpholinyl)ethyl, 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, tetrahydropyranylmethyl, benzyl, or halo benzyl group; and
2. At the hydroxyl group of the carboxylic acid by a phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group.

Whether or not the compound is further modified to any extent in the following ways: (i) substitution to the indazole ring to any extent, (ii) substitution to the phenyl, benzyl, naphthyl, adamantyl, cyclopropyl, or propionaldehyde group to any extent, (iii) a nitrogen heterocyclic analog of the indazole ring, or (iv) a nitrogen heterocyclic analog of the phenyl, benzyl, naphthyl, adamantyl, or cyclopropyl ring."

SECTION 4. This act becomes effective December 1, 2015, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 16th day of July, 2015.

Became law upon approval of the Governor at 10:30 a.m. on the 17th day of July, 2015.

Session Law 2015-163 **H.B. 6**

AN ACT TO DEFINE AND REGULATE AUTOCYCLES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-4.01(27) reads as rewritten:

"§ **20-4.01. Definitions.**

Unless the context requires otherwise, the following definitions apply throughout this Chapter to the defined words and phrases and their cognates:

…

(27) Passenger Vehicles. –

a. Autocycle. – A three-wheeled motorcycle that has a steering wheel, pedals, seat safety belts for each occupant, antilock brakes, air bag protection, completely enclosed seating that does not require the operator to straddle or sit astride, and is otherwise manufactured to comply with federal safety requirements for motorcycles.

~~a.~~a1. Excursion passenger vehicles. – Vehicles transporting persons on sight-seeing or travel tours.

…

d. Motorcycles. – Vehicles having a saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground, including ~~motor scooters~~autocycles, motor scooters, and motor-driven bicycles, but excluding tractors and utility vehicles equipped with an additional form of device designed to transport property, three-wheeled vehicles while being used by

law-enforcement agencies and mopeds as defined in subdivision d1 of this subsection.

…."

SECTION 2. G.S. 20-7 reads as rewritten:

"§ **20-7. Issuance and renewal of drivers licenses.**

…

(a2) Motorcycle Learner's Permit. – The following persons are eligible for a motorcycle learner's permit:

(1) A person who is at least 16 years old but less than 18 years old and has a full provisional license issued by the Division.

(2) A person who is at least 18 years old and has a license issued by the Division.

To obtain a motorcycle learner's permit, an applicant shall pass a vision test, a road sign test, and a knowledge test specified by the Division. An applicant who is less than 18 years old shall successfully complete the North Carolina Motorcycle Safety Education Program Basic Rider Course or any course approved by the Commissioner consistent with the instruction provided through the Motorcycle Safety Instruction Program established under G.S. 115D-72. A motorcycle learner's permit expires twelve months after it is issued and may be renewed for one additional six-month period. The holder of a motorcycle learner's permit may not drive a motorcycle with a passenger. The fee for a motorcycle learner's permit is the amount set in G.S. 20-7(l) for a learner's permit.

(a3) Autocycles. – For purposes of this section, the term "motorcycle" shall not include autocycles. To drive an autocycle, a person shall have a regular drivers license.

…

(c) Tests. – To demonstrate physical and mental ability, a person must pass an examination. The examination may include road tests, vision tests, oral tests, and, in the case of literate applicants, written tests, as the Division may require. The tests must ensure that an applicant recognizes the handicapped international symbol of access, as defined in G.S. 20-37.5. The Division may not require a person who applies to renew a license that has not expired to take a written test or a road test unless one or more of the following applies:

(1) The person has been convicted of a traffic violation since the person's license was last issued.

(2) The applicant suffers from a mental or physical condition that impairs the person's ability to drive a motor vehicle.

The Division may not require a person who is at least 60 years old to parallel park a motor vehicle as part of a road test. A person shall not use an autocycle to complete a road test under this subsection.

…."

SECTION 3. G.S. 20-37.16(c) reads as rewritten:

"(c) Endorsements. – The endorsements required to drive certain motor vehicles are as follows:

Endorsement	Vehicles That Can Be Driven
H	Vehicles, regardless of size or class, except tank vehicles, when transporting hazardous materials that require the vehicle to be placarded
M	Motorcycles
N	Tank vehicles not carrying hazardous materials
P	Vehicles carrying passengers
S	School bus
T	Double trailers
X	Tank vehicles carrying hazardous materials.

To qualify for any of the above endorsements, an applicant shall pass a knowledge test. To obtain an H or an X endorsement, an applicant must take a test. This requirement applies when

a person first obtains an H or an X endorsement and each time a person renews an H or an X endorsement. An applicant who has an H or an X endorsement issued by another state who applies for an H or an X endorsement must take a test unless the person has passed a test that covers the information set out in 49 C.F.R. § 383.121 within the preceding two years. For purposes of this subsection, the term "motorcycle" shall not include autocycles. Autocycles shall be subject to the requirements under this section for motor vehicles."

SECTION 4. G.S. 20-124(d) reads as rewritten:

"(d) Every motorcycle and every motor-driven cycle when operated upon a highway shall be equipped with at least one brake which may be operated by hand or foot. For purposes of this section, the term "motorcycle" shall not include autocycles. Autocycles shall be subject to the requirements under this section for motor vehicles."

SECTION 5. G.S. 20-125.1(d) reads as rewritten:

"(d) Nothing in this section shall apply to motorcycles. For purposes of this section, the term "motorcycle" shall not include autocycles. Autocycles shall be subject to the requirements under this section for motor vehicles."

SECTION 6. G.S. 20-129(c) reads as rewritten:

"(c) Headlamps on Motorcycles. – Every motorcycle shall be equipped with at least one and not more than two headlamps which shall comply with the requirements and limitations set forth in G.S. 20-131 or 20-132. The headlamps on a motorcycle shall be lighted at all times while the motorcycle is in operation on highways or public vehicular areas. For purposes of this section, the term "motorcycle" shall not include autocycles. Autocycles shall be subject to the requirements under this section for motor vehicles."

SECTION 7. G.S. 20-130(a) reads as rewritten:

"(a) Spot Lamps. – Any motor vehicle may be equipped with not to exceed two spot lamps, except that a motorcycle shall not be equipped with more than one spot lamp, and every lighted spot lamp shall be so aimed and used upon approaching another vehicle that no part of the beam will be directed to the left of the center of the highway nor more than 100 feet ahead of the vehicle. No spot lamps shall be used on the rear of any vehicle. For purposes of this section, the term "motorcycle" shall not include autocycles. Autocycles shall be subject to the requirements under this section for motor vehicles."

SECTION 8. G.S. 20-131(a) reads as rewritten:

"(a) The headlamps of motor vehicles shall be so constructed, arranged, and adjusted that, except as provided in subsection (c) of this section, they will at all times mentioned in G.S. 20-129, and under normal atmospheric conditions and on a level road, produce a driving light sufficient to render clearly discernible a person 200 feet ahead, but any person operating a motor vehicle upon the highways, when meeting another vehicle, shall so control the lights of the vehicle operated by him by shifting, depressing, deflecting, tilting, or dimming the headlight beams in such manner as shall not project a glaring or dazzling light to persons within a distance of 500 feet in front of such headlamp. Every new motor vehicle, other than a motorcycle or motor-driven cycle, registered in this State after January 1, 1956, which has multiple-beam road-lighting equipment shall be equipped with a beam indicator, which shall be lighted whenever the uppermost distribution of light from the headlamps is in use, and shall not otherwise be lighted. Said indicator shall be so designed and located that when lighted it will be readily visible without glare to the driver of the vehicle so equipped. For purposes of this section, the term "motorcycle" shall not include autocycles. Autocycles shall be subject to the requirements under this section for motor vehicles."

SECTION 9. G.S. 20-135.2 is amended by adding a new subsection to read:

"(d) For purposes of this section, the term "motorcycle" shall not include autocycles. Every autocycle registered in this State shall be equipped with seat safety belts for the front seats of the autocycle. The seat safety belts shall meet the same construction, design, and strength requirements under this section for seat safety belts in motor vehicles."

SECTION 10. G.S. 20-135.3 reads as rewritten:

"§ **20-135.3. Seat belt anchorages for rear seats of motor vehicles.**

(a) Every new motor vehicle registered in this State and manufactured, assembled or sold after July 1, 1966, shall be equipped with sufficient anchorage units at the attachment points for attaching at least two sets of seat safety belts for the rear seat of the motor vehicle. Such anchorage units at the attachment points shall be of such construction, ~~design~~design, and strength to support a loop load strength of not less than 5,000 pounds for each belt.

(b) The provisions of this section shall apply to passenger vehicles of nine-passenger capacity or less, except motorcycles.

(c) For purposes of this section, the term "motorcycle" shall not include autocycles. Every autocycle registered in this State shall be equipped with sufficient anchorage units at the attachment points for attaching seat safety belts for the rear seat of the autocycle. The anchorage unit shall meet the same construction, design, and strength requirements under this section for anchorage units in motor vehicles."

SECTION 11. G.S. 20-140.4(a) reads as rewritten:

"(a) No person shall operate a motorcycle or moped upon a highway or public vehicular area:

(1) When the number of persons upon or within such motorcycle or moped, including the operator, shall exceed the number of persons which it was designed to carry.

(2) Unless the operator and all passengers thereon wear on their heads, with a retention strap properly secured, safety helmets of a type that complies with Federal Motor Vehicle Safety Standard (FMVSS) 218. This subdivision shall not apply to an operator of an autocycle or any passengers within an autocycle."

SECTION 12. G.S. 20-146.1(b) reads as rewritten:

"(b) Motorcycles shall not be operated more than two abreast in a single lane. For purposes of this subsection, the term "motorcycle" shall not include autocycles. Autocycles shall not be operated more than one abreast in a single lane."

SECTION 13. G.S. 20-127(c)(1) reads as rewritten:

"(c) Tinting Exceptions. – The window tinting restrictions in subsection (b) of this section apply without exception to the windshield of a vehicle. The window tinting restrictions in subdivisions (b)(1) and (b)(2) of this section do not apply to any of the following vehicle windows:

(1) A window of an excursion passenger vehicle, as defined in ~~G.S. 20-4.01(27)a.~~G.S. 20-4.01(27)."

SECTION 14. This act becomes effective October 1, 2015. Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions.

In the General Assembly read three times and ratified this the 20th day of July, 2015.

Became law upon approval of the Governor at 1:30 p.m. on the 23rd day of July, 2015.

Session Law 2015-164 **H.B. 277**

AN ACT TO ENACT THE RETIREMENT ADMINISTRATIVE CHANGES ACT OF 2015.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The terms of office of the present members of the Supplemental Retirement Board of Trustees shall expire on June 30, 2016. Effective for terms to begin on July 1, 2016, the members of the Board shall be appointed as provided in G.S. 135-96, as amended by this act.

SECTION 1.(b) G.S. 135-96 reads as rewritten:

"§ **135-96. Supplemental Retirement Board of Trustees.**

(a) The Supplemental Retirement Board of Trustees is established to administer the Supplemental Retirement Income Plan established under the provisions of this Article and the North Carolina Public Employee Deferred Compensation Plan established under G.S. 143B-426.24, and the North Carolina Public School Teachers' and Professional Educators' Investment Plan established under G.S. 115C-341.2.

(b) The Board consists of nine voting members, as follows:

(1) Six persons appointed by the Governor who have experience in finance and investments, one of whom shall be a State employee, and one of whom shall be a retired State or local governmental employee;

(2) One person appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives;

(3) One person appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate; and

(4) The State Treasurer, ex officio, who shall be the Chair.

(c) ~~The initial appointments by the General Assembly and two of the Governor's initial appointments shall be for one-year terms. The remainder of the initial appointments shall be for two-year terms. At the expiration of these initial terms, appointments shall be for two years and shall be made by the appointing authorities designated in subsection (b) of this section.~~ Effective July 1, 2016:

(1) The appointments made by the General Assembly pursuant to subdivisions (2) and (3) of subsection (b) of this section shall be for initial terms of three years, to expire June 30, 2019.

(2) Three of the appointments made by the Governor pursuant to subdivision (1) of subsection (b) of this section shall be for initial terms of one year, to expire June 30, 2017.

(3) Three of the appointments made by the Governor pursuant to subdivision (1) of subsection (b) of this section shall be for initial terms of two years, to expire June 30, 2018.

Upon the expiration of these initial terms, appointments for all members shall be for terms of three years beginning on the day following the expiration date of the previous member's term.

(c1) A member shall continue to serve until the member's successor is duly appointed, but a holdover under this provision does not affect the expiration date of the succeeding term. No member of the Board may serve ~~more than three~~longer than any of the following:

(1) Two consecutive ~~two-year~~three-year terms.

(2) Three consecutive terms of any length, in the event that one or more of the terms is for fewer than three years in duration or the member serves a partial term as result of filling a vacancy.

(3) Eight consecutive years, regardless of term lengths.

(d) Other than ex officio members, members appointed by the Governor shall serve at the Governor's pleasure. An ex officio member may designate in writing, filed with the Board, any employee of the member's department to act at any meeting of the Board from which the member is absent, to the same extent that the member could act if present in person at such meeting.

(e) The Board may retain the services of independent appraisers, auditors, actuaries, attorneys, investment counseling firms, statisticians, custodians, or other persons or firms possessing specialized skills or knowledge necessary for the proper administration of investment programs that the Board administers pursuant to this section."

SECTION 2. Article 3 of Chapter 111 of the General Statutes is amended by adding a new section to read:

"**§ 111-47.3 Food service at Department of State Treasurer.**

Notwithstanding any other provision of this Article, the Department of State Treasurer may operate or contract for the operation of food or vending services at Department of State Treasurer offices. The net proceeds of revenue generated by food and vending services that are provided at the Department of State Treasurer by the agency or a vendor with whom the agency has contracted shall be credited to the Division of Services for the Blind of the Department of Health and Human Services for the purposes specified in G.S. 111-43."

SECTION 3.(a) G.S. 147-69.2(b) reads as rewritten:

"(b) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated in subsection (a) of this section in excess of the amount required to meet the current needs and demands on such funds. The State Treasurer may invest the funds as provided in this subsection. If an investment was authorized by this subsection at the time the investment was made or contractually committed to be made, then that investment shall continue to be authorized by this subsection, and none of the percentage or other limitation on investments set forth in this subsection shall be construed to require the State Treasurer to subsequently dispose of the investment or fail to honor any contractual commitments as a result of changes in market values, ratings, or other investment qualifications. For purposes of computing market values on which percentage limitations on investments in this subsection are based, all investments shall be valued as of the last date of the most recent fiscal quarter.

(1) Investments authorized by G.S. 147-69.1(c)(1)-(7).

(2) General obligations of other states of the United States.

(3) General obligations of cities, counties and special districts in North Carolina.

(4) Obligations of any company, other organization or legal entity incorporated or otherwise created or located within or outside the United States, including obligations that are convertible into equity securities, if the obligations bear one of the four highest ratings of at least one nationally recognized rating service when acquired.

(5) Repealed by Session Laws 2001-444, s. 2, effective October 1, 2001.

(6) Asset-backed securities (whether considered debt or equity) provided they bear ratings by nationally recognized rating services as provided in G.S. 147-69.2(b)(4).

(6a) In addition to the limitations and requirements with respect to the investments of the Retirement Systems set forth in this subsection, the State Treasurer shall select investments of the assets of the Retirement Systems such that investments made pursuant to subdivisions (b)(1) through (6) of this section shall at all times equal or exceed twenty percent (20%) of the market value of all invested assets of the Retirement Systems.

(6b) Investments pursuant to subdivisions (b)(1) through (6) of this section may be made directly by the State ~~Treasurer~~Treasurer, through investment companies registered under the Investment Company Act of 1940, individual, common, or collective trust funds of banks and trust companies, group trusts and limited partnerships, limited liability companies or other limited liability investment vehicles that invest primarily in investments authorized by subdivisions (1) through (6) of this subsection, or through contractual arrangements in which the investment manager has full and complete discretion and authority to invest assets specified in such arrangements in investments authorized by subdivisions (b)(1) through (6) of this section, provided for each indirect investment, the investment manager has assets under management of at least one hundred million dollars ($100,000,000).

…."

SECTION 3.(b) G.S. 147-77 reads as rewritten:

"§ **147-77. Daily deposit of funds to credit of Treasurer.**

All funds belonging to the State of North Carolina, in the hands of any head of any department of the State which collects revenue for the State in any form whatsoever, and every institution, agency, officer, employee, or representative of the State or any agency, department, division or commission thereof, except officers and the clerks of the Supreme Court and Court of Appeals, collecting or receiving any funds or money belonging to the State of North Carolina, shall daily deposit the same in some bank, or trust company, selected or designated by the State Treasurer, in the name of the State Treasurer, at noon, or as near thereto as may be, and shall report the same daily to ~~said Treasurer: Provided that~~ the Treasurer. The State Treasurer may authorize exemptions from the provisions of this section so long as funds are deposited and reported pursuant to the provisions of this section at least once a week and, in addition, so long as funds are deposited and reported pursuant to the provisions of this section whenever as much as ~~two hundred fifty dollars ($250.00)~~five thousand dollars ($5,000) has been collected and ~~received: Provided, that the~~ received. Each State agency that has custody of funds less than five thousand dollars ($5,000) shall provide adequate safekeeping of such funds. The Treasurer may refund the amount of any bad checks which have been returned to the department by the Treasurer when the same have not been collected after 30 days' trial."

SECTION 4. G.S. 135-1(20) reads as rewritten:

"(20) "Retirement" under this ~~Chapter~~Chapter, except as otherwise provided, means the commencement of monthly retirement benefits along with termination of employment and the complete separation from active service with no intent or agreement, express or implied, to return to service. A retirement allowance under the provisions of this Chapter may only be granted upon retirement of a member. In order for a member's retirement to become effective in any month, the member must perform no work for an employer, including part-time, temporary, substitute, or contractor work, at any time during the six months immediately following the effective date of retirement. For purposes of this subdivision, working as a member of a school board, board of trustees of a community college, board of trustees of any constituent institution of The University of North Carolina, as an unpaid bona fide volunteer in a local school administrative unit, or as an unpaid bona fide volunteer guardian ad litem in the guardian ad litem program shall not be considered ~~service.~~service or work, and volunteering in positions normally designated as unpaid bona fide volunteer positions during the six months immediately following the effective date of retirement shall not be considered service. A member who is a full-time faculty member of The University of North Carolina may effect a retirement allowance under this Chapter, notwithstanding the six-month requirement above, provided the member immediately enters the University's Phased Retirement Program for Tenured Faculty as that program existed on May 25, 2011."

SECTION 5.(a) G.S. 135-8(f) is amended by adding a new subdivision to read:

"(4) In conjunction with the employee and employer contributions required under this section, the Board of Trustees shall direct employers to submit such information on a monthly basis as is necessary for proper administration of the Retirement System, actuarial valuation, and reporting under accounting standards set forth by the Governmental Accounting Standards Board of the Financial Accounting Foundation. Submission of such information by an employer to the Retirement System constitutes a certification of its accuracy."

SECTION 5.(b) G.S. 128-30(g) is amended by adding a new subdivision to read:

"(4) In conjunction with the employee and employer contributions required under this section, the Board of Trustees shall direct employers to submit such information on a monthly basis as is necessary for proper administration of

the Retirement System, actuarial valuation, and reporting under accounting standards set forth by the Governmental Accounting Standards Board of the Financial Accounting Foundation. Submission of such information by an employer to the Retirement System constitutes a certification of its accuracy."

SECTION 6.(a) G.S. 135-8(f)(3) reads as rewritten:

"(3) In the event the employee or employer contributions required under this section are not received by the date set by the Board of Trustees, the Board shall assess the employer with a penalty, in lieu of interest, of 1% per month with a minimum penalty of twenty-five dollars ($25.00). The Board may waive one penalty per employer every five years if the Board finds that the employer has consistently demonstrated good-faith efforts to comply with the set deadline. If within 90 days after request therefor by the Board any employer shall not have provided the System with the records and other information required hereunder or if the full accrued amount of the contributions provided for under this section due from members employed by an employer or from an employer other than the State shall not have been received by the System from the chief fiscal officer of such employer within 30 days after the last due date as herein provided, then, notwithstanding anything herein or in the provisions of any other law to the contrary, upon notification by the Board to the State Treasurer as to the default of such employer as herein provided, any distributions which might otherwise be made to such employer from any funds of the State shall be withheld from such employer until notice from the Board to the State Treasurer that such employer is no longer in default.

In the event that an employer fails to submit payment of any required contributions or payments to the Retirement Systems Division, other than the one percent (1%) payment provided for in the first paragraph of this subdivision, within 90 days after the date set by the Board of Trustees, the Board shall notify the State Treasurer of its intent to collect the delinquent contributions and other payments due to the Retirement Systems Division and request an interception of State appropriations due to the participating employer. Upon such notification by the Board of Trustees to the State Treasurer and the Office of State Budget and Management as to the default of the employer, the Office of State Budget and Management shall withhold from any State appropriation due to that employer an amount equal to the sum of all delinquent contributions and other debts due to the Retirement Systems Division and shall transmit that amount to the Retirement Systems Division."

SECTION 6.(b) G.S. 128-30(g)(3) reads as rewritten:

"(3) In the event the employee or employer contributions required under this section are not received by the date set by the Board of Trustees, the Board shall assess the employer with a penalty, in lieu of interest, of 1% per month with a minimum penalty of twenty-five dollars ($25.00). The Board may waive one penalty per employer every five years if the Board finds that the employer has consistently demonstrated good-faith efforts to comply with the set deadline. If within 90 days after request therefor by the Board any employer shall not have provided the System with the records and other information required hereunder or if the full accrued amount of the contributions provided for under this section due from members employed by an employer or from an employer shall not have been received by the System from the chief fiscal officer of such employer within 30 days after the last due date as herein provided, then, notwithstanding anything herein or

in the provisions of any other law to the contrary, upon notification by the Board to the State Treasurer as to the default of such employer as herein provided, any distributions which might otherwise be made to such employer, or the municipality or county of which such employer is an integral part, from any funds of the State or any funds collected by the State shall be withheld from such employer until notice from the Board to the State Treasurer that such employer is no longer in default.

In the event that an employer fails to submit payment of any required contributions or payments to the Retirement Systems Division, other than the one percent (1%) payment provided for in the first paragraph of this subdivision, within 90 days after the date set by the Board of Trustees, the Board shall notify the State Treasurer of its intent to collect the delinquent contributions and other payments due to the Retirement Systems Division and request an interception of State appropriations due to the participating employer. Upon such notification by the Board of Trustees to the State Treasurer and the Office of State Budget and Management as to the default of the employer, the Office of State Budget and Management shall withhold from any State appropriation due to that employer an amount equal to the sum of all delinquent contributions and other debts due to the Retirement Systems Division and shall transmit that amount to the Retirement Systems Division."

SECTION 6.(c) G.S. 115C-438 reads as rewritten:

"§ **115C-438. Provision for disbursement of State money.**

The deposit of money in the State treasury to the credit of local school administrative units shall be made in monthly installments, and additionally as necessary, at such time and in such a manner as may be most convenient for the operation of the public school system. Before an installment is credited, the school finance officer shall certify to the State Board of Education the expenditures to be made by the local school administrative unit from the State Public School Fund during the month. This certification shall be filed on or before the fifth day following the end of the month preceding the period in which the expenditures will be made. The State Board of Education shall determine whether the moneys requisitioned are due the local school administrative unit, and upon determining the amount due, shall cause the requisite amount to be credited to the local school administrative unit. Upon receiving notice from the State Treasurer of the amount placed to the credit of the local school administrative unit, the finance officer may issue State warrants up to the amount so certified.

Upon notification by the Board of Trustees of the Teachers' and State Employees' Retirement System to the State Treasurer and the Office of State Budget and Management as to the default of the local school administrative unit, the State Board of Education shall withhold from any State appropriation due to the local school administrative unit an amount equal to the sum of all delinquent contributions and payments due to the Retirement Systems Division and shall transmit that amount to the Retirement Systems Division.

The State Board of Education may withhold money for payment of salaries for administrative officers of local school administrative units if any report required to be filed with State school authorities is more than 30 days overdue. The State Board of Education shall withhold money for payment of salaries for the superintendent, finance officer, and all other administrative officers charged with providing payroll information pursuant to G.S. 115C-12(18), if the local school administrative unit fails to provide the payroll information to the State Board in a timely fashion and substantially in accordance with the standards set by the State Board. The State Board of Education shall also withhold money used for payment of salaries for the superintendent, transportation director, and all other administrative officers or employees charged by the local board of education or the local superintendent with implementing the Transportation Information Management System, pursuant to G.S. 115C-240(d), if the State Board finds that a local school administrative unit is

not progressing in good faith and is not using its best efforts to implement the Transportation Information Management System.

Money in the State Public School Fund and State bond moneys shall be released only on warrants drawn on the State Treasurer, signed by such local official as may be required by the State Board of Education."

SECTION 7. G.S. 150B-21.3A is amended by adding a new subsection to read:

"(e1) Rules to Protect Inchoate or Accrued Rights of Retirement Systems Members. – Rules deemed by the Boards of Trustees established under G.S. 128-28 and G.S. 135-6 to protect inchoate or accrued rights of members of the Retirement Systems administered by the State Treasurer shall not expire as provided by this section. The Commission shall report annually to the Committee on any rules that do not expire pursuant to this subsection."

SECTION 8. G.S. 128-21 is amended by adding three new subdivisions to read:

"(10a) "Regularly employed" shall mean employment in a position for which the duties require not less than 1,000 hours of work in a calendar year, provided that the term shall not include any individuals whose employment is considered "temporary employment" as defined in subdivision (10b) of this section or "statutorily-required interim employment" as defined in subdivision (10c) of this section.

(10b) "Temporary employment" shall mean employment for a limited term, in no case to exceed 12 consecutive months on a nonrecurring basis, for an employer as defined in subdivision (11) of this section.

(10c) "Statutorily-required interim employment" shall mean individuals whose employment for an employer as defined in subdivision (11) of this section occurs as a result of the individual's designation by the city council as an interim city manager, as provided in G.S. 160A-150 for a period not to exceed 12 months on a nonrecurring basis, or as a result of the individual's designation by the board of commissioners as an interim county manager, as provided in G.S. 153A-84 for a period not to exceed 12 months on a nonrecurring basis."

SECTION 9.(a) G.S. 135-91(c) reads as rewritten:

"(c) The Department of State Treasurer and the Board of Trustees shall have full power and authority to adopt rules and regulations for the administration of the Plan, provided they are not inconsistent with the provisions of this Article. The Department of State Treasurer and Board of Trustees may appoint those agents, contractors, employees and committees as they deem advisable to carry out the terms and conditions of the Plan. In order to promote achievement of long-term investment objectives and to retain key public employees with investment functions, the Board of Trustees shall authorize the State Treasurer to establish market-oriented compensation plans, including salaries and performance-related bonuses, for employees possessing specialized skills or knowledge necessary for the proper administration of the Plan, who shall be exempt from the classification and compensation rules established by the Office of State Human Resources. The design and administration of those compensation plans shall be based on compensation studies conducted by a nationally recognized firm specializing in public fund investment compensation. The compensation and other associated employee benefits shall be apportioned directly from the Plan."

SECTION 9.(b) G.S. 126-5 is amended by adding a new subsection to read:

"(c13) Except as to G.S. 126-13, 126-14, 126-14.1, and the provisions of Articles 6, 7, 14, 15, and 16 of this Chapter, the provisions of this Chapter shall not apply to employees of the Department of State Treasurer possessing specialized skills or knowledge necessary for the proper administration of the Supplemental Retirement Plans and compensated pursuant to G.S. 135-91(c)."

SECTION 10.(a) G.S. 135-5 is amended by adding a new subsection to read:

"(m4) A member who has contributions in this System and is not eligible for a retirement benefit as set forth in G.S. 135-5(a) shall be paid his contributions in a lump sum as provided in

G.S. 135-5(f) by April 1 of the calendar year following the later of the calendar year in which the member (i) attains 70 and one-half years of age or (ii) has ceased to be a teacher or State employee except by death. If such member fails, following reasonable notification, to complete a refund application by such required date, the requirement that a refund application be completed shall be waived and the refund shall be paid without a refund application as a single lump-sum payment with applicable required North Carolina and federal income taxes withheld. For purposes of this subsection, a member shall not be considered to have ceased to be a teacher or State employee if the member is actively contributing to the Consolidated Judicial Retirement System, Local Governmental Employees' Retirement System, or Legislative Retirement System. A lump-sum refund shall not be paid under this subsection if the member is actively contributing to the Consolidated Judicial Retirement System, Local Governmental Employees' Retirement System, or Legislative Retirement System.

A member who has contributions in this System and is eligible for a retirement benefit as set forth in G.S. 135-5(a) shall begin to receive a monthly benefit no later than April 1 of the calendar year following the later of the calendar year in which the member (i) attains 70 and one-half years of age or (ii) has ceased to be a teacher or State employee except by death. If such member fails, following reasonable notification, to complete the retirement process as set forth under Chapter 135 of the General Statutes by such required beginning date, the requirement that a retirement application and an election of payment plan form be completed shall be waived and the retirement allowance shall be paid as a single life annuity. The single life annuity shall be calculated and processed in accordance with G.S. 135-5. For purposes of this subsection, a member shall not be considered to have ceased to be a teacher or State employee if the member is actively contributing to the Consolidated Judicial Retirement System, Local Governmental Employees' Retirement System, or Legislative Retirement System. A retirement benefit shall not be paid under this subsection if the member is actively contributing to the Consolidated Judicial Retirement System, Local Governmental Employees' Retirement System, or Legislative Retirement System."

SECTION 10.(b) G.S. 128-27 is amended by adding a new subsection to read:

"(m3) A member who has contributions in this System and is not eligible for a retirement benefit as set forth in G.S. 128-27(b21) shall be paid his contributions in a lump sum as provided in G.S. 128-27(f) by April 1 of the calendar year following the later of the calendar year in which the member (i) attains 70 and one-half years of age or (ii) has ceased to be an employee except by death. If such member fails, following reasonable notification, to complete a refund application by such required date, the requirement that a refund application be completed shall be waived and the refund shall be paid without a refund application as a single lump-sum payment with applicable required North Carolina and federal income taxes withheld. For purposes of this subsection, a member shall not be considered to have ceased to be an employee if the member is actively contributing to the Teachers' and State Employees' Retirement System, Consolidated Judicial Retirement System, or Legislative Retirement System. A lump-sum refund shall not be paid under this subsection if the member is actively contributing to the Teachers' and State Employees' Retirement System, Consolidated Judicial Retirement System, or Legislative Retirement System.

A member who has contributions in this System and is eligible for a retirement benefit as set forth in G.S. 128-27(21) shall begin to receive a monthly benefit no later than April 1 of the calendar year following the later of the calendar year in which the member (i) attains 70 and one-half years of age or (ii) has ceased to be an employee except by death. If such member fails, following reasonable notification, to complete the retirement process as set forth under Chapter 128 of the General Statutes by such required beginning date, the requirement that a retirement application and an election of payment plan form be completed shall be waived and the retirement allowance shall be paid as a single life annuity. The single life annuity shall be calculated and processed in accordance with G.S. 128-27(b21). For purposes of this subsection, a member shall not be considered to have ceased to be an employee if the member is actively contributing to the Teachers' and State Employees' Retirement System, Consolidated Judicial

Retirement System, or Legislative Retirement System. A retirement benefit shall not be paid under this subsection if the member is actively contributing to the Teachers' and State Employees' Retirement System, Consolidated Judicial Retirement System, or Legislative Retirement System."

SECTION 10.(c) G.S. 135-74 is amended by adding a new subsection to read:

"(c1) A member who has contributions in this System and is not eligible for a retirement benefit as set forth in G.S. 135-58(a6) shall be paid his contributions in a lump sum as provided in G.S. 135-62 by April 1 of the calendar year following the later of the calendar year in which the member (i) attains 70 and one-half years of age or (ii) has ceased to be a judge, district attorney, public defender, the Director of Indigent Defense Services, or clerk of superior court as provided in G.S. 135-53, except by death. If such member fails, following reasonable notification, to complete a refund application by such required date, the requirement that a refund application be completed shall be waived and the refund shall be paid without a refund application as a single lump-sum payment with applicable required North Carolina and federal income taxes withheld. For purposes of this subsection, a member shall not be considered to have ceased to be a judge, district attorney, public defender, the Director of Indigent Defense Services, or clerk of superior court as provided in G.S. 135-53 if the member is actively contributing to the Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System, or Consolidated Judicial Retirement System. A lump-sum refund shall not be paid under this subsection if the member is actively contributing to the Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System, or Consolidated Judicial Retirement System.

A member who has contributions in this System and is eligible for a retirement benefit as set forth in G.S. 120-4.21 shall begin to receive a monthly benefit no later than April 1 of the calendar year following the later of the calendar year in which the member (i) attains 70 and one-half years of age or (ii) has ceased to be a judge, district attorney, public defender, the Director of Indigent Defense Services, or clerk of superior court as provided in G.S. 135-53, except by death. If such member fails, following reasonable notification, to complete the retirement process as set forth under Chapter 120 of the General Statutes by such required beginning date, the requirement that a retirement application and an election of payment plan form be completed shall be waived and the retirement allowance shall be paid as a single life annuity. The single life annuity shall be calculated and processed in accordance with G.S. 120-4.21. For purposes of this subsection, a member shall not be considered to have ceased to be a judge, district attorney, public defender, the Director of Indigent Defense Services, or clerk of superior court as provided in G.S. 135-53 if the member is actively contributing to the Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System, or Consolidated Judicial Retirement System. A retirement benefit shall not be paid under this subsection if the member is actively contributing to the Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System, or Consolidated Judicial Retirement System."

SECTION 10.(d) G.S. 120-4.31 is amended by adding a new subsection to read:

"(c1) A member who has contributions in this System and is not eligible for a retirement benefit as set forth in G.S. 120-4.21 shall be paid his contributions in a lump sum as provided in G.S. 120-4.25 by April 1 of the calendar year following the later of the calendar year in which the member (i) attains 70 and one-half years of age or (ii) has ceased to be a member of the General Assembly, except by death. If such member fails, following reasonable notification, to complete a refund application by such required date, the requirement that a refund application be completed shall be waived and the refund shall be paid without a refund application as a single lump-sum payment with applicable required North Carolina and federal income taxes withheld. For purposes of this subsection, a member shall not be considered to have ceased to be a member of the General Assembly if the member is actively contributing to the Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System, or Consolidated Judicial Retirement System. A lump-sum refund shall not

be paid under this subsection if the member is actively contributing to the Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System, or Consolidated Judicial Retirement System.

A member who has contributions in this System and is eligible for a retirement benefit as set forth in G.S. 120-4.21 shall begin to receive a monthly benefit no later than April 1 of the calendar year following the later of the calendar year in which the member (i) attains 70 and one-half years of age or (ii) has ceased to be a member of the General Assembly, except by death. If such member fails, following reasonable notification, to complete the retirement process as set forth under Chapter 120 of the General Statutes by such required beginning date, the requirement that a retirement application and an election of payment plan form be completed shall be waived and the retirement allowance shall be paid as a single life annuity. The single life annuity shall be calculated and processed in accordance with G.S. 120-4.21. For purposes of this subsection, a member shall not be considered to have ceased to be a member of the General Assembly if the member is actively contributing to the Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System, or Consolidated Judicial Retirement System. A retirement benefit shall not be paid under this subsection if the member is actively contributing to the Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System, or Consolidated Judicial Retirement System."

SECTION 11.(a) G.S. 135-3(8) is amended by adding a new sub-subdivision to read:

"f. Should a beneficiary who retired on an early or service retirement allowance under this Chapter be reemployed by, or otherwise engaged to perform services for, an employer participating in the Retirement System on a part-time, temporary, interim, or on a fee for service basis, whether contractual or otherwise at any time during the six months immediately following the effective date of retirement, then the option of the two listed below that has the lesser financial impact on the member, as determined by the Retirement System, shall be applied:

1. The member's retirement shall be deemed effective the month after the last month the member performed services for a participating employer, and the member shall repay all retirement benefits paid up to the deemed effective date, provided the member thereafter has satisfied the six-month separation required by G.S. 135-1(20).
2. The member shall make a lump-sum payment to the Retirement System equal to three times the amount of compensation earned during the six months immediately following the effective date of retirement."

SECTION 11.(b) G.S. 128-24(5) is amended by adding a new sub-subdivision to read:

"e. Should a beneficiary who retired on an early or service retirement allowance under this Chapter be reemployed by, or otherwise engaged to perform services for, an employer participating in the Retirement System on a part-time, temporary, interim, or on a fee for service basis, whether contractual or otherwise at any time during the month immediately following the effective date of retirement, then the option of the two listed below that has the lesser financial impact on the member, as determined by the Retirement System, shall be applied:

1. The member's retirement shall be deemed effective the month after the last month the member performed services for a

participating employer, and the member shall repay all retirement benefits paid up to the deemed effective date, provided the member thereafter has satisfied the one-month separation required by G.S. 128-21(19).

2. The member shall make a lump-sum payment to the Retirement System equal to three times the amount of compensation earned during the month immediately following the effective date of retirement."

SECTION 12. This act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 20th day of July, 2015.

Became law upon approval of the Governor at 1:30 p.m. on the 23rd day of July, 2015.

Session Law 2015-165 **H.B. 350**

AN ACT TO DIRECT THE DIVISION OF MOTOR VEHICLES TO RESTORE THE DRIVERS LICENSE OF A PERSON ADJUDICATED TO BE RESTORED TO COMPETENCY.

The General Assembly of North Carolina enacts:

SECTION 1. Article 2 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"**§ 20-17.1A. Restoration of license for person adjudicated to be restored to competency.**

If otherwise eligible under G.S. 20-7 and any other applicable provision of law, the Division shall restore the drivers license of a person adjudicated to be restored to competency under G.S. 35A-1130 upon receiving notice from the clerk of court in which the adjudication is made. Nothing in this section shall be construed as requiring the Division to restore the drivers license of a person if (i) the person's drivers license was revoked because of a conviction or other act requiring revocation and (ii) the person has not met the requirements set forth in this Article for restoration of the person's drivers license."

SECTION 2. G.S. 35A-1130(d) reads as rewritten:

"(d) If the clerk or jury finds by a preponderance of the evidence that the ward is competent, the clerk shall enter an order adjudicating that the ward is restored to competency. Upon such adjudication, the ward is authorized to manage his or her affairs, make contracts, control and sell his or her property, both real and personal, and exercise all rights as if he or she had never been adjudicated incompetent. In addition, the clerk shall send a certified copy of the order adjudicating that the ward is restored to competency to the Division of Motor Vehicles."

SECTION 3. This act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 22nd day of July, 2015.

Became law upon approval of the Governor at 1:31 p.m. on the 23rd day of July, 2015.

Session Law 2015-166 **H.B. 544**

AN ACT TO REQUIRE SIGNS POSTED IN THE CITY WHEN A CITY OPTS TO ENFORCE A COUNTY ORDINANCE TO CONFORM TO THE CITY SIGN ORDINANCES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 153A-122 reads as rewritten:

"§ **153A-122. Territorial jurisdiction of county ordinances.**

(a) Except as otherwise provided in this Article, the board of commissioners may make any ordinance adopted pursuant to this Article applicable to any part of the county not within a city.

(b) ~~In addition, the~~The governing board of a city may by resolution permit a county ordinance adopted pursuant to this Article to be applicable within the city. In the resolution permitting the county ordinance to be applicable within the city, the governing board of the city may specify that any signage required by the county ordinance be in compliance with city ordinances. The city may by resolution withdraw its permission to such an ordinance. If it does so, the city shall give written notice to the county of its withdrawal of permission; 30 days after the day the county receives this notice the county ordinance ceases to be applicable within the city."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22nd day of July, 2015.

Became law upon approval of the Governor at 1:31 p.m. on the 23rd day of July, 2015.

Session Law 2015-167 **H.B. 390**

AN ACT TO AUTHORIZE THE EXPANSION OF THE BOARD OF TRUSTEES OF BEAUFORT COUNTY COMMUNITY COLLEGE, TO PROVIDE THAT BEAUFORT COUNTY COMMUNITY COLLEGE SHALL SERVE ALL OF WASHINGTON COUNTY, AND TO DIRECT THE STATE BOARD OF COMMUNITY COLLEGES TO REVIEW SERVICE AREAS THAT INCLUDE MULTIPLE COMMUNITY COLLEGES FOR ONE COUNTY.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 115D-12(a) reads as rewritten:

"(a) Each community college established or operated pursuant to this Chapter shall be governed by a board of trustees consisting of 13 members, or of additional members if selected according to the special procedure prescribed by the third paragraph of this subsection, who shall be selected by the following agencies. No member of the General Assembly may be appointed to a local board of trustees for a community college.

Group One – four trustees, elected by the board of education of the public school administrative unit located in the administrative area of the institution. If there are two or more public school administrative units, whether city or county units, or both, located within the administrative area, the trustees shall be elected jointly by all of the boards of education of those units, each board having one vote in the election of each trustee, except as provided in G.S. 115D-59. No board of education shall elect a member of the board of education or any person employed by the board of education to serve as a trustee, however, any such person currently serving on a board of trustees shall be permitted to fulfill the unexpired portion of the trustee's current term.

Group Two – four trustees, elected by the board of commissioners of the county in which the main campus of the institution is located. ~~Provided, however, if the administrative area of the institution is composed of two or more counties, the trustees shall be elected jointly by the boards of commissioners of all those counties, each board having one vote in the election of each trustee.~~ Provided, also, if the administrative area of the institution is composed of two or more counties, the board of trustees of the institution may authorize the county commissioners of any county in which the main campus is not located to elect an additional board member. Provided, also, the county commissioners of the county in which the community college has established a satellite campus may elect an additional two members if the board of trustees of the community college agrees. No more than one trustee from Group Two may be a member of

a board of county commissioners. Should the boards of education or the boards of commissioners involved be unable to agree on one or more trustees the senior resident superior court judge in the superior court district or set of districts as defined in G.S. 7A-41.1 where the institution is located shall fill the position or positions by appointment.

Group Three – four trustees, appointed by the Governor.

Group Four – the president of the student government or the chairman of the executive board of the student body of each community college established pursuant to this Chapter shall be an ex officio nonvoting member of the board of trustees of each said institution."

SECTION 1.(b) This section applies only to Beaufort County Community College.

SECTION 2. The State Board of Community Colleges shall designate all of Washington County in the service area of Beaufort County Community College.

SECTION 2.5. G.S. 115D-5 is amended by adding a new subsection to read:

"(w) The State Board of Community Colleges shall review, at least every five years, service areas that include counties assigned to more than one community college to determine the feasibility of continuing to assign those counties to more than one community college. The State Board shall revise service areas as needed to ensure that counties are served effectively. The first review and any revisions shall be completed no later than March 1, 2016, and the State Board shall report its findings and any revisions to the Joint Legislative Education Oversight Committee no later than March 1, 2016. All subsequent reviews and revisions shall also be submitted to the Committee."

SECTION 3. Section 2 of this act becomes effective August 1, 2015, and applies to enrollments for the 2015 fall academic semester and beyond. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22nd day of July, 2015.

Became law upon approval of the Governor at 1:32 p.m. on the 23rd day of July, 2015.

Session Law 2015-168 **H.B. 276**

AN ACT TO ENACT THE AGENCY PARTICIPATION PROCEDURES ACT OF 2015.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 135-5.3 reads as rewritten:

"§ **135-5.3. Optional participation for charter schools operated by private nonprofit corporations.**

~~(a) The board of directors of each charter school operated by a private nonprofit corporation shall elect whether to become a participating employer in the Retirement System in accordance with this Article. This election shall be in writing, shall be made no later than 30 days after this section becomes law, and shall be filed with the Retirement System and with the State Board of Education. For each charter school employee who is employed on or before the date the board makes the election to participate, membership in the System is effective as of the date the board makes the election to participate. For each charter school employee who is employed after the date the board makes the election, membership in the System is effective as of the date of that employee's entry into eligible service. This subsection applies only to charter schools that received State Board of Education approval under [former] G.S. 115C-238.29D in 1997 or 1998.~~

~~(b) No later than 30 days after both parties have signed the written charter under G.S. 115C-218.15, the board of directors of a charter school operated by a private nonprofit corporation shall elect whether to become a participating employer in the Retirement System in accordance with this Article. This election shall be in writing and filed with the Retirement System and with the State Board of Education and is effective for each charter school employee as of the date of that employee's entry into eligible service. This subsection applies to charter~~

~~schools that receive State Board of Education approval under [former] G.S. 115C-238.29D [or G.S. 115C-218.5] after 1998.~~

(b1) The board of directors of a charter school operated by a private nonprofit corporation and that has received State Board of Education approval under G.S. 115C-218.5 may elect to become a participating employer in the Retirement System in accordance with this Article.

(b2) A charter school desiring to participate in the Retirement System shall file with the Board of Trustees an application for participation on a form approved by the Board of Trustees. In the application, the charter school shall agree to make the contributions required of participating employers, to deduct from the salaries of employees who may become members the contributions required of members under this Chapter, and to transmit the contributions to the Board of Trustees. The charter school shall also agree to make the employer's contributions for the participation in the Retirement System of all employees entering the service of the employer, after the charter school's participation begins, who shall become members.

(b3) A charter school seeking to become a participating employer in the Retirement System prior to the end of the initial year of operation shall be granted provisional entry into the Retirement System for one year. In the event the employee or employer contributions required under G.S. 135-8(f) are not received by the date set by the Board of Trustees, the Board of Trustees may revoke the charter school's provisional entry into the Retirement System. The Board must notify a charter school in writing not less than 90 days prior to revoking a charter school's provisional entry into the Retirement System. One year after the charter school was granted provisional entry into the Retirement System, the charter school shall undergo an actuarial and financial review as required by the Board of Trustees.

(b4) A charter school seeking to become a participating employer in the Retirement System after the end of the initial year of operation shall undergo an actuarial and financial review as required by the Board of Trustees prior to entry into the Retirement System.

(b5) The actuarial review will result in an estimate of the amount of the withdrawal liability that would be required under G.S. 135-8(i) to cease participation in the Retirement System after five years and the amount that would be required to cease participation after 10 years. The cost of this actuarial review shall be paid by the charter school and shall not exceed two thousand five hundred dollars ($2,500). A charter school that was granted provisional entry into the Retirement System shall not be required to pay the cost of this actuarial review, and this cost may be classified as costs of administering investment programs under G.S. 147-69.3.

(b6) The financial review will be based on financial statements and independent audit reports held by the Local Government Commission or functionally equivalent financial statements and independent audit reports submitted to the Board of Trustees by the charter school.

(b7) The Board of Trustees may grant final approval of the application if it finds the following:

(1) The application meets the requirements set out in this Article.

(2) All members of the board of directors of the charter school have signed a written statement acknowledging and accepting the estimate provided under subsection (b5) of this section and the provisions of G.S. 135-8(i).

(3) The charter school has not been identified as inadequate by the State Board of Education as provided in G.S. 115C-218.95(b).

(4) The charter school's most recent audited financial statements and independent audit report demonstrate that it is financially sound and can meet the financial obligations of participation in the Retirement System.

(b8) Upon acceptance by the Board of Trustees of the application to become a participating employer, the charter school shall be a fully participating employer in the Retirement System. The Board may make the final decision for acceptance of the application contingent upon the receipt of a financially sound independent audit report for the fiscal year ending prior to acceptance of the application.

(b9) For each charter school employee who is employed on or before the date the charter school is granted entry into the Retirement System, membership in the Retirement System is effective as of the date of entry. For each charter school employee who is employed after the date the charter school is granted entry into the Retirement System, membership in the Retirement System is effective as of the date of that employee's entry into eligible service. Provisional entry is considered entry into the Retirement System for the purpose of this subsection.

(c) A charter school board's election to become a participating employer in the Retirement System under this section ~~is irrevocable and~~ shall require all eligible employees of the charter school to participate.

(d) No retirement benefit, death benefit, or other benefit payable under the Retirement System shall be paid by the State of North Carolina or the Board of Trustees of the Teachers' and State Employees' Retirement System on account of employment with a charter school with respect to any employee, or with respect to any beneficiary of an employee, of a charter school ~~whose board of directors does not elect to become~~that is not a participating employer in the Retirement ~~System under this section.~~System.

(e) The board of directors of each charter school shall notify each of its employees as to whether the board elected to become a participating employer in the Retirement System under this section. This notification shall be in writing and shall be provided within 30 days of the board's election or at the time an initial offer for employment is made, whichever occurs last. If the board did not elect to join the Retirement System, the notice shall include a statement that the employee shall have no legal recourse against the board or the State for any possible credit or reimbursement under the Retirement System. The employee shall provide written acknowledgment of the employee's receipt of the notification under this subsection.

(f) The board of directors of a charter school may elect to cease participation in the Retirement System for all of its employees by following the procedure in G.S. 135-8(i)."

SECTION 2.(a) The catch line of G.S. 120-114 reads as rewritten:

"§ **120-114. Actuarial ~~notes.~~notes; Retirement System cost estimates.**"

SECTION 2.(b) G.S. 120-114 is amended by adding a new subsection to read:

"(f) In addition to the other requirements of this section, if a bill or resolution contemplates removing a public agency as a participating employer from the Teachers' and State Employees' Retirement System or the Local Governmental Employees' Retirement System, the Fiscal Research Division shall obtain an estimate of cost of the withdrawal liability the agency would owe under procedures established by the Boards of Trustees of the Retirement Systems."

SECTION 3.(a) G.S. 135-8 is amended by adding a new subsection to read:

"(i) Procedure and Payment to Cease Participation. – Any employing unit that is allowed to cease participation in the Retirement System by the General Assembly or as otherwise provided in this Chapter, through its governing body, may declare its intent to withdraw completely from the Retirement System as follows:

(1) The employer shall notify its employees and the Board of Trustees, in writing, of its action. An employer shall automatically be considered to have requested a complete withdrawal from the Retirement System the date the employer permanently ceases to employ active members. A withdrawing employer shall be required to make a lump-sum withdrawal liability payment to the Board of Trustees as provided by this section.

(2) Complete withdrawal by an employer shall be the first day of the month following the date the employer ceases to employ active members or the first day of the month following 60 days from the date the Board of Trustees receives the employer's written request to withdraw. However, the complete withdrawal date shall not occur before the withdrawal liability is determined, as provided in subdivision (5) of this subsection.

(3) After complete withdrawal, all employees of the withdrawing employer shall be ineligible to accrue future benefits with the Retirement System due to employment with the withdrawing employer. The withdrawing employer shall be ineligible to elect to become a participating employer in the Retirement System, as provided in G.S. 135-5.3, for five years after its complete withdrawal date.

(4) All active or inactive members of the employer shall be eligible for benefits accrued with the Retirement System up to the complete withdrawal date. However, no retirement allowance or return of accumulated contributions shall be paid until the member actually terminates employment and completely separates from active service with the withdrawing employer, and there is no intent or agreement, express or implied, to return to service with the withdrawing employer.

(5) On the date of complete withdrawal, the withdrawal liability of an employer is the greater of one thousand dollars ($1,000) or the amount determined by a. multiplied by the ratio of b. to c., as follows:

a. The excess of the actuarial present value of the vested accrued benefits of the Retirement System's members over the market value of its assets, both as of the date of the last actuarial valuation adopted by the Board of Trustees prior to the complete withdrawal date based on the plan provisions and actuarial assumptions used in the last actuarial valuation adopted by the Board of Trustees prior to the complete withdrawal date, except the interest rate assumption shall be reduced by an amount determined by the consulting actuary to reflect the increased investment, mortality, and other actuarial risk for the exiting agency's participants.

b. The total present value of accrued benefits of all active members of the withdrawing employer as of the last actuarial valuation adopted by the Board of Trustees prior to the complete withdrawal date.

c. The total present value of accrued benefits of all active members of the Retirement System as of the last actuarial valuation adopted by the Board of Trustees prior to the complete withdrawal date.

(6) The actuarial costs to determine the amount described in subdivision (5) of this subsection shall be paid by the withdrawing employer. An employer that does not pay the lump-sum withdrawal liability payment described in subdivision (5) of this subsection and the actuarial costs to determine this withdrawal liability within 90 days of the complete withdrawal date will continue to be a participating employer. No withdrawal liability payment shall be required if an employer exits before the end of the first year following the date of participation or if the Board of Trustees revokes entry as provided in G.S. 135-5.3(b8).

(7) Upon the complete withdrawal of the employer, the Retirement System shall have no further legal obligation to the employer or its employees, nor shall the Retirement System be held accountable for the continued future accrual of any retirement benefit rights to which the employees may be entitled beyond the complete withdrawal date. Any litigation regarding the forfeiture of any benefits because of the employer's complete withdrawal from the Retirement System shall be the sole legal responsibility of the withdrawing employer, and the withdrawing employer shall indemnify and hold harmless the Retirement System, its Board of Trustees, its employees, and the State of North Carolina from any claims, losses, costs, damages, expenses, and liabilities, including, without limitation, court costs, and reasonable

attorneys' fees asserted by any person or entity as a result of the employer's withdrawal from the Retirement System."

SECTION 3.(b) G.S. 128-30 is amended by adding a new subsection to read:

"(i) Procedure and Payment to Cease Participation. – Any employing unit that is allowed to cease participation in the Retirement System by the General Assembly shall do the following:

(1) The employer shall notify its employees and the Board of Trustees, in writing, of its action. A withdrawing employer shall be required to make a lump-sum withdrawal liability payment to the Board of Trustees as provided by this section.

(2) Complete withdrawal by an employer shall be the first day of the month following the date the Board of Trustees receives the employer's written notification. However, the complete withdrawal date shall not occur before the withdrawal liability is determined, as provided in subdivision (5) of this subsection.

(3) After complete withdrawal, all employees of the withdrawing employer shall be ineligible to accrue future benefits with the Retirement System due to employment with the withdrawing employer.

(4) All active or inactive members of the employer shall be eligible for benefits accrued with the Retirement System up to the complete withdrawal date. However, no retirement allowance or return of accumulated contributions shall be paid until the member actually terminates employment and completely separates from active service with the withdrawing employer, and there is no intent or agreement, express or implied, to return to service with the withdrawing employer.

(5) On the date of complete withdrawal, the withdrawal liability of an employer is the greater of one thousand dollars ($1,000) or the amount determined by a. multiplied by the ratio of b. to c., as follows:

a. The excess of the actuarial present value of the vested accrued benefits of the Retirement System's members over the market value of its assets, both as of the date of the last actuarial valuation adopted by the Board of Trustees prior to the complete withdrawal date based on the plan provisions and actuarial assumptions used in the last actuarial valuation adopted by the Board of Trustees prior to the complete withdrawal date, except the interest rate assumption shall be reduced by an amount determined by the consulting actuary to reflect the increased investment, mortality, and other actuarial risk for the exiting agency's participants.

b. The total present value of accrued benefits of all active members of the withdrawing employer as of the last actuarial valuation adopted by the Board of Trustees prior to the complete withdrawal date.

c. The total present value of accrued benefits of all active members of the Retirement System as of the last actuarial valuation adopted by the Board of Trustees prior to the complete withdrawal date.

(6) The actuarial costs to determine the amount described in subdivision (5) of this subsection shall be paid by the withdrawing employer. An employer that does not pay the lump-sum withdrawal liability payment described in subdivision (5) of this subsection and the actuarial costs to determine this withdrawal liability within 90 days of the complete withdrawal date will continue to be a participating employer.

(7) Upon the complete withdrawal of the employer, the Retirement System shall have no further legal obligation to the employer or its employees, nor shall the Retirement System be held accountable for the continued future accrual

of any retirement benefit rights to which the employees may be entitled beyond the complete withdrawal date. Any litigation regarding the forfeiture of any benefits because of the employer's complete withdrawal from the Retirement System shall be the sole legal responsibility of the withdrawing employer, and the withdrawing employer shall indemnify and hold harmless the Retirement System, its Board of Trustees, its employees, and the State of North Carolina from any claims, losses, costs, damages, expenses, and liabilities, including, without limitation, court costs, and reasonable attorneys' fees asserted by any person or entity as a result of the employer's withdrawal from the Retirement System."

SECTION 4. G.S. 115C-218.100 is amended by adding a new subsection to read:

"(a1) In the event of a voluntary or involuntary dissolution of the charter school, the funds reserved for closure proceedings in subsection (a) of this section shall be used to pay wages owed to charter school employees, funds owed to the North Carolina Retirement System pursuant to G.S. 135-8, and funds owed to the State Health Plan, in that order. Other expenses shall be paid from the remaining balance in the funds reserved for closure proceedings in subsection (a) of this section."

SECTION 5. G.S. 128-21 reads as rewritten:

"§ **128-21. Definitions.**

The following words and phrases as used in this Article, unless a different meaning is plainly required by the context, shall have the following meanings:

…

(17) "Prior service" shall mean the service of a member rendered before the date he becomes a member of the System, certified on his prior service certificate and allowable as provided by G.S. 128-26. No prior service shall be allowed at any employer for which participation is adopted and approved by the Board of Trustees in this Retirement System on or after August 1, 2015.

…."

SECTION 6. G.S. 128-26(a) reads as rewritten:

"(a) Each person who becomes a member during the first year of his or her employer's participation, if and only if that participation begins prior to November 1, 2015, and who was an employee of the same employer at any time during the year immediately preceding the date of participation, shall file a detailed statement of all service rendered by him or her to that employer prior to the date of participation for which he or she claims credit."

SECTION 7.(a) G.S. 135-4(jj) reads as rewritten:

"(jj) Contribution-Based Benefit Cap Purchase Provision. – If a member's retirement allowance is subject to an adjustment pursuant to the contribution-based benefit cap established in G.S. 135-5(a3), the retirement system shall notify the member and the member's employer that the member's retirement allowance has been capped. The retirement system shall compute and notify the member and the member's employer of the total additional amount the member would need to contribute in order to make the member not subject to the contribution-based benefit cap. This total additional amount shall be the actuarial equivalent of a single life annuity adjusted for the age of the member at the time of retirement, or when appropriate, the age at the time of the member's death that would have had to have been purchased to increase the member's benefit to the pre-cap level. ~~The~~ Except as otherwise provided in this subsection, the member shall have until 90 days after notification regarding this additional amount or until 90 days after the effective date of retirement, whichever is later, to submit a lump sum payment to the annuity savings fund in order for the retirement system to restore the retirement allowance to the uncapped amount. Nothing contained in this subsection shall prevent an employer from paying all or part of the cost of the amount necessary to restore the member's retirement allowance to the pre-cap amount. Notwithstanding the requirement that the payment be made as a lump sum, the retirement system may allow an employer of a member who became a member before January 1, 2015, or who has not earned at least five years of membership service in the

retirement system after January 1, 2015, to pay the lump-sum amount required in this subsection on an installment payment plan beginning no less than 90 days after the retirement of the member and ending no less than one year after the retirement of the member. Payment under such an installment plan must be completed regardless of whether the member continues to receive a recurring monthly retirement benefit through the end of the installment period."

SECTION 7.(b) G.S. 128-26(y) reads as rewritten:

"(y) Contribution-Based Benefit Cap Purchase Provision. – If a member's retirement allowance is subject to an adjustment pursuant to the contribution-based benefit cap established in G.S. 128-27(a3), the retirement system shall notify the member and the member's employer that the member's retirement allowance has been capped. The retirement system shall compute and notify the member and the member's employer of the total additional amount the member would need to contribute in order to make the member not subject to the contribution-based benefit cap. This total additional amount shall be the actuarial equivalent of a single life annuity adjusted for the age of the member at the time of retirement, or when appropriate, the age at the time of the member's death that would have had to have been purchased to increase the member's benefit to the pre-cap level. ~~The~~ Except as otherwise provided in this subsection, the member shall have until 90 days after notification regarding this additional amount or until 90 days after the effective date of retirement, whichever is later, to submit a lump sum payment to the annuity savings fund in order for the retirement system to restore the retirement allowance to the uncapped amount. Nothing contained in this subsection shall prevent an employer from paying all or part of the cost of the amount necessary to restore the member's retirement allowance to the pre-cap amount. Notwithstanding the requirement that the payment be made as a lump sum, the retirement system may allow an employer of a member who became a member before January 1, 2015, or who has not earned at least five years of membership service in the retirement system after January 1, 2015, to pay the lump-sum amount required in this subsection on an installment payment plan beginning no less than 90 days after the retirement of the member and ending no less than one year after the retirement of the member. Payment under such an installment plan must be completed regardless of whether the member continues to receive a recurring monthly retirement benefit through the end of the installment period."

SECTION 8. Sections 5, 6, and 7 of this act become effective when this act becomes law. The remainder of the act becomes effective January 1, 2016.

In the General Assembly read three times and ratified this the 22nd day of July, 2015.

Became law upon approval of the Governor at 1:33 p.m. on the 23rd day of July, 2015.

Session Law 2015-169 **H.B. 264**

AN ACT TO ALLOW COMMUNITY COLLEGES TO PARTICIPATE IN THE 403(B) SUPPLEMENTAL RETIREMENT PLAN.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115D-25 reads as rewritten:

"§ **115D-25. Purchase of annuity or retirement income contracts for ~~employees.~~employees by local boards of trustees.**

Notwithstanding any provision of law relating to salaries or salary schedules for the pay of faculty members, administrative officers, or any other employees of community colleges, the board of trustees of any of the above institutions may authorize the finance officer or agent of same to enter into annual contracts with any of the above officers, agents and employees which provide for reductions in salaries below the total established compensation or salary schedule for a term of one year. The financial officer or agent shall use the funds derived from the reduction in the salary of the officer, agent or employee to purchase a nonforfeitable annuity or retirement income contract for the benefit of said officer, agent or employee. An officer, agent

or employee who has agreed to a salary reduction for this purpose shall not have the right to receive the amount of the salary reduction in cash or in any other way except the annuity or retirement income contract. Funds used for the purchase of an annuity or retirement income contract shall not be in lieu of any amount earned by the officer, agent or employee before his election for a salary reduction has become effective. The agreement for salary reductions referred to in this section shall be effected under any necessary regulations and procedures adopted by the State Board of Community Colleges and on forms prepared by the State Board of Community Colleges. Notwithstanding any other provisions of this section or law, the amount by which the salary of an officer, agent or employee is reduced pursuant to this section shall not be excluded, but shall be included, in computing and making payroll deductions for social security and retirement system purposes, and in computing and providing matching funds for retirement system purposes.

In lieu of the annuity and related contracts provided for under this section, interests in custodial accounts pursuant to Section 401(f), Section 403(b)(7), and related sections of the Internal Revenue Code of 1986 as amended may be purchased by local boards of trustees for the benefit of qualified employees under this section with the funds derived from the reduction in the salaries of such employees."

SECTION 2. Article 2 of Chapter 115D of the General Statutes is amended by adding a new section to read:

"**§ 115D-25.4. Department of State Treasurer-sponsored 403(b) option.**

(a) In addition to the opportunities for local boards of trustees to offer section 403(b) of the Internal Revenue Code of 1986 retirement annuities and/or mutual funds to their employees under G.S. 115D-25, local boards of trustees may also offer the "North Carolina Public School Teachers' and Professional Educators' Investment Plan" as operated by the Department of State Treasurer.

(b) The criteria in this subsection apply to the Department of State Treasurer's 403(b) offerings to employees of local boards of trustees under this section:

(1) Annuity contracts, trust accounts, and/or custodial accounts shall be administered by a qualified third-party administrator that shall, under written agreement with the Department of State Treasurer, provide custodial, record-keeping, and administrative services. The third-party administrator may also be the selected vendor for the North Carolina Public School Teachers' and Professional Educators' Investment Plan.

For local boards of trustees as employers choosing to participate in the North Carolina Public School Teachers' and Professional Educators' Investment Plan, the third-party administrator shall, at a minimum, provide the following:

a. Maintain a written plan document.

b. Review hardship withdrawal requests, loan requests, and other disbursements permitted under section 403(b) of the Internal Revenue Code of 1986.

c. Maintain specimen salary reduction agreements for the employer and employees of that employer to initiate payroll deferrals.

d. Monitor maximum contributions.

e. Coordinate responses to the Internal Revenue Service in any case of an IRS audit.

f. Generate educational communication materials to employees concerning the enrollment process, program eligibility, and investment options.

g. Maintain internal reports to ensure compliance with section 403(b) of the Internal Revenue Code and Title 26 of the Code of Federal Regulations.

h. Provide compliance monitoring/oversight for all 403(b) plans established under G.S. 115D-25 within each participating local board of trustees plan by creating and establishing the necessary connections and processes with existing and future vendors.

i. Keep an updated schedule of vendor fees and commissions as to the Department's statewide plan.

(2) Governance and oversight of the North Carolina Public School Teachers' and Professional Educators' Investment Plan will be performed by the Department of State Treasurer and the Board of Trustees for the North Carolina Supplemental Retirement Plans established pursuant to G.S. 135-96. Because of the administrative and record-keeping duties enumerated in subdivision (1) of this subsection, any existing vendor of a 403(b) with a participating employer must either agree to share data with the State's 403(b) vendor under this provision (so as to permit oversight over contribution limits, loans, and hardship withdrawals) or be directed by the participating employer to cease accepting new contributions, loans, and hardship withdrawals.

(3) Investment options shall be solely determined by the Department of State Treasurer and Board of Trustees for the North Carolina Supplemental Retirement Plans consistent with section 403(b) of the Internal Revenue Code of 1986, as amended.

(4) Investment staff of the Department of State Treasurer may make recommendations to the State Treasurer and Board of Trustees for the North Carolina Supplemental Retirement Plans as to appropriate investment options. The State Treasurer and Board of Trustees shall have sole responsibility for the selection of the service provider for the North Carolina Public School Teachers' and Professional Educators' Investment Plan.

(5) All contributions made in accordance with the provisions of section 403(b) of the Internal Revenue Code of 1986, as amended, and this section shall be remitted directly to the administrator and held by the administrator in a custodial account on behalf of each participating employee. Any investment gains or losses shall be credited to those accounts. The forms of payment and disbursement procedures shall be consistent with those generally offered by similar annuity contracts, trust accounts, and custodial accounts and applicable federal and State statutes governing those contracts and accounts.

(6) Any local board of trustees may elect to make contributions to the employee's account on behalf of the employee. The local board of trustees shall take whatever action is necessary to implement this section.

(7) The design and administration of annuity contracts, trust accounts, and custodial accounts under this provision shall comply with all applicable provisions of the Internal Revenue Code of 1986, as amended."

SECTION 3. This act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 22nd day of July, 2015.

Became law upon approval of the Governor at 1:34 p.m. on the 23rd day of July, 2015.

Session Law 2015-170 **S.B. 22**

AN ACT TO ENSURE RESPECTFUL TREATMENT OF THE AMERICAN FLAG AND THE NORTH CAROLINA FLAG BY STATE AGENCIES AND OTHER POLITICAL SUBDIVISIONS OF THE STATE; TO ESTABLISH THE DIVISION OF VETERANS AFFAIRS AS THE CLEARINGHOUSE FOR THE DISPOSAL OF WORN, TATTERED,

AND DAMAGED FLAGS; TO PROVIDE FOR THE PROTECTION OF MONUMENTS AND MEMORIALS COMMEMORATING EVENTS, PERSONS, AND MILITARY SERVICE IN NORTH CAROLINA HISTORY; AND TO TRANSFER CUSTODY OF CERTAIN HISTORIC DOCUMENTS IN THE POSSESSION OF THE OFFICE OF THE SECRETARY OF STATE TO THE DEPARTMENT OF CULTURAL RESOURCES AND TO FACILITATE PUBLIC OPPORTUNITY TO VIEW THESE DOCUMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. This act shall be known as the Cultural History Artifact Management and Patriotism Act of 2015.

SECTION 2.(a) G.S. 144-5 reads as rewritten:

"§ **144-5. Flags to conform to ~~law.~~law; display and handling of a flag of the United States of America or the State of North Carolina by State institutions and other political subdivisions of the State.**

(a) No State flag ~~shall be~~ is allowed in or over any building here mentioned unless ~~such~~ the flag conforms to the description of the State flag contained in this ~~chapter.~~ Chapter.

(b) A flag of the United States of America or the State of North Carolina that is displayed by a State institution or a political subdivision of the State on the premises of a building of a State institution or a political subdivision of the State shall be handled, displayed, stored, and respectfully disposed of in accordance with the federal Flag Code, 4 U.S.C. §§ 1-10."

SECTION 2.(b) G.S. 144-9 reads as rewritten:

"§ **144-9. Retirement of ~~State flag.~~a flag of the United States of America or the State of North Carolina.**

(a) A State institution or a political subdivision of the State in possession of a flag of the United States of America or the State of North Carolina that is no longer a fitting emblem for display because it is worn, tattered, or otherwise damaged shall make arrangements for its respectful disposal and may deliver the flag to the Division of Veterans Affairs in the Department of Administration for disposal. The Division shall accept a flag delivered to it and shall make arrangements for its respectful disposal.

(b) The Division of Veterans Affairs shall accept, at no charge, a worn, tattered, or otherwise damaged flag of the United States of America or the State of North Carolina from a citizen of the State and shall make arrangements for its respectful disposal. The Division shall establish a flag retirement program to encourage citizens to send in or drop off such flags at the Division's office in Raleigh and at any Veterans Home or Veterans Cemetery in the State and may establish other locations for flag drop-off as it deems appropriate. The Division shall advertise the flag retirement program on its Web site and by printed posters placed at all flag drop-off locations. On or before December 31, 2016, and annually thereafter, the Division shall report the number of flags received under the program to the Joint Legislative Committee on Governmental Operations.

(c) An official flag of the State that is no longer a fitting emblem for display because it is worn, tattered, or otherwise damaged may be respectfully retired by fire."

SECTION 2.(c) Subsection (b) of this section becomes effective December 1, 2015. The remainder of this section is effective when it becomes law.

SECTION 3.(a) The caption of Article 1 of Chapter 100 of the General Statutes reads as rewritten:

"Article 1.

"Approval and Protection of Monuments, Memorials, Works of Art, etc."

SECTION 3.(b) G.S. 100-2 reads as rewritten:

"§ **100-2. Approval of memorials before acceptance by State; ~~regulation of existing memorials, etc.;~~ "work of art" ~~defined; highway markers.~~defined.**

~~No memorial~~ A monument, memorial, or work of art ~~shall hereafter~~ may not become the property of the State by purchase, gift or otherwise, unless ~~such memorial~~the monument,

memorial, or work of ~~art~~ art, or a design of the same, together with the proposed location of the same, ~~shall first have been~~ is submitted to and approved by the North Carolina Historical ~~Commission; nor shall any memorial~~ Commission. A monument, memorial, or work of art, until so submitted and approved, may not be contracted for, placed in or ~~upon~~ upon, or allowed to extend over any property belonging to the State. ~~No existing memorial or work of art owned by the State shall be removed, relocated, or altered in any way without approval of the North Carolina Historical Commission.~~ The term "work of art" as used in this ~~section shall include~~ Article includes any painting, portrait, mural decoration, stained glass, statue, bas-relief, sculpture, ~~monument,~~ tablet, fountain, or other article or structure of a permanent character intended for decoration or commemoration. ~~This section, however, shall not apply to markers set up by the Board of Transportation in cooperation with the Department of Environment and Natural Resources and the Department of Cultural Resources as provided by Chapter 197 of the Public Laws of 1935.~~"

SECTION 3.(c) Article 1 of Chapter 100 of the General Statutes is amended by adding a new section to read:

"**§ 100-2.1. Protection of monuments, memorials, and works of art.**

(a) Approval Required. – Except as otherwise provided in subsection (b) of this section, a monument, memorial, or work of art owned by the State may not be removed, relocated, or altered in any way without the approval of the North Carolina Historical Commission.

(b) Limitations on Removal. – An object of remembrance located on public property may not be permanently removed and may only be relocated, whether temporarily or permanently, under the circumstances listed in this subsection and subject to the limitations in this subsection. An object of remembrance that is temporarily relocated shall be returned to its original location within 90 days of completion of the project that required its temporary removal. An object of remembrance that is permanently relocated shall be relocated to a site of similar prominence, honor, visibility, availability, and access that are within the boundaries of the jurisdiction from which it was relocated. An object of remembrance may not be relocated to a museum, cemetery, or mausoleum unless it was originally placed at such a location. As used in this section, the term "object of remembrance" means a monument, memorial, plaque, statue, marker, or display of a permanent character that commemorates an event, a person, or military service that is part of North Carolina's history. The circumstances under which an object of remembrance may be relocated are either of the following:

(1) When appropriate measures are required by the State or a political subdivision of the State to preserve the object.

(2) When necessary for construction, renovation, or reconfiguration of buildings, open spaces, parking, or transportation projects.

(c) Exceptions. – This section does not apply to the following:

(1) Highway markers set up by the Board of Transportation in cooperation with the Department of Environment and Natural Resources and the Department of Cultural Resources as provided by Chapter 197 of the Public Laws of 1935.

(2) An object of remembrance owned by a private party that is located on public property and that is the subject of a legal agreement between the private party and the State or a political subdivision of the State governing the removal or relocation of the object.

(3) An object of remembrance for which a building inspector or similar official has determined poses a threat to public safety because of an unsafe or dangerous condition."

SECTION 3.(d) G.S. 160A-400.13 reads as rewritten:

"§ **160A-400.13. ~~Certain changes not prohibited.~~Protection of certain landmarks; permissible changes.**

(a) Objects of Remembrance. – G.S. 100-2.1 supersedes this Part with regard to the removal or relocation of a historic landmark designated under this Part that meets the definition of an "object of remembrance" as defined in G.S. 100-2.1.

(b) Other Historic Landmarks. – Nothing in this Part shall be construed to prevent the ordinary maintenance or repair of any exterior architectural feature in a historic district or of a landmark which does not involve a change in design, material or appearance thereof, nor to prevent the construction, reconstruction, alteration, restoration, moving or demolition of any such feature which the building inspector or similar official shall certify is required by the public safety because of an unsafe or dangerous condition. Nothing in this Part shall be construed to prevent a property owner from making any use of his property that is not prohibited by other law. Nothing in this Part shall be construed to prevent a) the maintenance, or b) in the event of an emergency the immediate restoration, of any existing above-ground utility structure without approval by the preservation commission."

SECTION 3.(e) This section is effective when it becomes law.

SECTION 4.(a) G.S. 147-36 reads as rewritten:

"§ **147-36. Duties of Secretary of State.**

It is the duty of the Secretary of State:

(1) To perform such duties as may then be devolved upon the Secretary by resolution of the two houses of the General Assembly or either of ~~them;~~them.

(2) To attend the Governor, whenever required by the Governor, for the purpose of receiving documents ~~which~~ that have passed the great ~~seal;~~seal.

(3) To receive and keep all conveyances and mortgages belonging to the ~~State;~~State.

(4) To distribute annually the statutes and the legislative ~~journals;~~journals.

(5) To distribute the acts of Congress received at the Secretary's office in the manner prescribed for the statutes of the ~~State;~~State.

(6) To keep a receipt book, in which the Secretary shall take from every person to whom a grant shall be delivered, a receipt for the same; but may ~~inclose~~ enclose grants by mail in a registered letter at the expense of the grantee, unless otherwise directed, first entering the same upon the receipt ~~book;~~book.

(7) To issue charters and all necessary certificates for the incorporation, domestication, suspension, reinstatement, cancellation and dissolution of corporations as may be required by the corporation laws of the State and maintain a record ~~thereof;~~of the charters and necessary certificates issued.

(8) To issue certificates of registration of trademarks, labels and designs as may be required by law and maintain a record ~~thereof;~~of those certificates of registration.

(9) To maintain a Division of Publications to compile data on the State's several governmental agencies and for legislative ~~reference;~~reference.

(10) To receive, enroll and safely preserve the current edition of the State Constitution ~~of the State~~ and all amendments ~~thereto~~ to that edition and to transfer previous editions of the State Constitution and amendments to those editions to the Department of Cultural Resources for preservation and safekeeping in the State Archives.

(11) To serve as a member of such boards and commissions as the Constitution and laws of the State may ~~designate;~~designate.

(12) To administer the Securities Law of the State, regulating the issuance and sale of securities, as is now or may be ~~directed;~~directed.

(13) To receive and keep all oaths of public officials required by law to be filed in the Secretary's office, and as Secretary of State, ~~is fully empowered~~ to administer official oaths to any public official of whom an oath is ~~required;~~required.

(14) To receive and maintain a journal of all appointments made to any State board, agency, commission, council or authority ~~which~~ that is filed in the office of the Secretary of ~~State;~~State.

(15) To regulate the solicitation of contributions pursuant to Chapter 131F of the General ~~Statutes; and~~Statutes.

(16) To apply for and accept grants from the federal government and its agencies and from any foundation, corporation, association, or individual in order to effectuate the purposes of the Nonprofit Corporation Act, Chapter 55A of the General Statutes, and to further aid in the operation and development of nonprofit corporations. The Secretary shall comply with the terms, conditions, and limitations of grants applied for and accepted and shall expend grant funds pursuant to Chapter 143C of the General Statutes, The State Budget Act."

SECTION 4.(b) The Secretary of State shall transfer to the Department of Cultural Resources all previously adopted editions of the State Constitution and amendments to the State Constitution, other than the current edition and amendments to that edition, and ratified amendments to the United States Constitution. The Secretary of State shall, at the request of the Secretary of the Department of Cultural Resources, provide timely, on-site access to the Department staff for study and review of all other documents to determine their historical significance. If, during these periodic reviews, the Department identifies historical documents that are no longer legally necessary to remain in the possession of the Secretary of State, the Secretary shall make arrangements to transfer these historical documents to the Department in a timely fashion for preservation and safekeeping in the State Archives. The Department of Cultural Resources shall provide the Secretary with duplicate copies of all documents transferred from the Secretary to the Department.

SECTION 4.(c) In 2016, the Department of Cultural Resources shall arrange for public displays of, and programs related to, the United States Constitution and amendments and related historical materials to commemorate the 240th anniversary of the signing of the Declaration of Independence. In 2016, the Department also shall arrange for public displays of, and programs related to, the State Constitutions and amendments, to coincide with the 240th anniversary of the ratification of North Carolina's first Constitution by the Fifth Provincial Congress. The Department also may consider taking all or part of the displays on a tour of the State. The Department is authorized to accept non-State funds including donations, fund-raising sponsorships, and funding from other sources to defray the costs of these exhibits.

SECTION 4.(d) Subsections (a) and (b) of this section become effective December 1, 2015. The remainder of this section is effective when it becomes law.

SECTION 5. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22nd day of July, 2015.

Became law upon approval of the Governor at 1:35 p.m. on the 23rd day of July, 2015.

Session Law 2015-171 **H.B. 343**

AN ACT EXTENDING THE EXTRATERRITORIAL JURISDICTION OF THE TOWN OF CLAYTON AND DEFINING THE EXTRATERRITORIAL JURISDICTION AREA OF THE TOWN OF WALLACE.

The General Assembly of North Carolina enacts:

SECTION 1. In addition to the authority provided in G.S. 160A-360, the Town of Clayton may exercise the powers granted in Article 19 of Chapter 160A of the General Statutes in the following areas:

First Tract:

BEING all of that certain tract or parcel of land designated as Tract 1 containing 5.879 acres, according to plat of survey entitled "Boundary survey for Novo Nordisk Biochem, Inc., property of: John A. Wilson, Jr., (Tract 1) and George H. Coats, III, and wife, Duba M. Coats (Tract 2-6), Clayton Township, Johnston County, North Carolina" dated May 17, 1995, and updated November 17, 1995, prepared by Michael D. Goodfred, Registered Land Surveyor, of Kenneth Close, Inc., Land Surveying, and recorded in Plat Book 46, Page 431, Johnston County Registry, and being all of that certain tract or parcel of land conveyed to John A. Wilson, Jr., by deed recorded in Book 1102, Page 840, Johnston County Registry.

TOGETHER with all right, title, and interest of Grantor in and to the rights-of-way of Southern Railroad and N.C.S.R. 1901 (Powhatan Road).

Second Tract:

BEING all of Tract 2 consisting of 0.823 acres as shown on a plat captioned "Novo Nordisk Biochem, Inc." prepared by Kenneth Close, Inc., which is recorded in Plat Book 46, page 431, of the Johnston County Registry, said description therein, being incorporated herein by reference, for a more complete and accurate description.

Third Tract:

BEING all of Tract 3 consisting of 3.557 acres as shown on a plat captioned "Novo Nordisk Biochem, Inc." prepared by Kenneth Close, Inc., which is recorded in Plat Book 46, page 431, of the Johnston County Registry, said description therein, being incorporated herein by reference, for a more complete and accurate description.

Fourth Tract:

BEING all of Tract 4 consisting of 118.395 acres, including 6.045 acres of Tract 4 which is in the right-of-way of Southern Railroad, as shown on a plat captioned "Novo Nordisk Biochem, Inc." prepared by Kenneth Close, Inc., which is recorded in Plat Book 46, page 431, of the Johnston County Registry, said description therein, being incorporated herein by reference, for a more complete and accurate description.

Fifth Tract:

BEING all of Tract 5 consisting of 33.884 acres, including 5.547 acres of Tract 5 which is in the right-of-way of Southern Railroad, as shown on a plat captioned "Novo Nordisk Biochem, Inc." prepared by Kenneth Close, Inc., which is recorded in Plat Book 46, page 431, of the Johnston County Registry, said description therein, being incorporated herein by reference, for a more complete and accurate description.

LESS AND EXCEPT all of Tract 5A located in Johnston County, North Carolina, containing approximately 8.012 acres, as shown on that certain plat entitled "Property of Johnston County Industrial Development Corporation," prepared by W. Stanton Massengill, P.L.S., recorded in Plat Book 63, Page 331, Johnston County Registry, to which plat reference is hereby made for a more particular description of same.

Sixth Tract:

BEING all of Tract 6 consisting of 55.387 acres, exclusive of railroad, as shown on a plat captioned "Novo Nordisk Biochem, Inc." prepared by Kenneth Close, Inc., which is recorded in Plat Book 46, page 431, of the Johnston County Registry, said description therein, being incorporated herein by reference, for a more complete and accurate description. The southernmost boundary of this tract runs along the northernmost right-of-way of Southern Railroad.

SECTION 2.(a) Section 1 of Chapter 580 of the Session Laws of 1995 reads as rewritten:

"Section 1. The Charter of the Town of Wallace, being Chapter 94 of the 1987 Session Laws, is amended by adding a new section to read:

"Section 1.4. **Extraterritorial jurisdiction.** In addition to any areas where the Town of Wallace exercises territorial jurisdiction under Article 19 of Chapter 160A of the General Statutes, the town shall have territorial jurisdiction under that Article in the following described area:

In Duplin County, beginning at a point on the existing extraterritorial jurisdiction boundary line one-half mile south of the center line of NC Highway 41, and continuing from that point in an easterly direction along a route one-half mile south of the center line of NC Highway 41 to a point one-half mile east of the Interstate 40 eastern right-of-way boundary line; continuing from that point in a northwesterly direction along a route one-half mile east of the Interstate 40 eastern right-of-way boundary line to a point one-half mile north of the center line of NC Highway 11; continuing from that point in a southwesterly direction along a route one-half mile north of the center line of NC Highway 11 to a point where it intersects with the existing extraterritorial jurisdiction boundary line; and including all of the area located within the described boundary. Excluded from that described extraterritorial jurisdiction area is the following described territory: where the previously described line is intersected at a point located at North 88°45'53" East a distance of 361.54 feet to a point in the center of the pavement of S.R. No. 1944 (Rivenbark Town Road); and South 31°03'31" West a distance of 116.65 feet from a nail in the center of the intersection of NC Hwy 11 and S.R. No. 1944 (Rivenbark Town Road); Running thence from the point of beginning South 31°03'31" West a distance of 671.27 feet to a point; continuing from that point South 32°42'54" West a distance of 362.97 feet to a point; continuing South 71°46'03" East a distance of 241.26 feet to a point; continuing South 32°16'17" West a distance of 221.27 feet to a point; continuing South 38°36'00" East a distance of 525.83 feet to a point; continuing North 29°32'30" East a distance of 107.38 feet to a point; continuing South 68°52'40" East a distance of 327.38 feet to a point; continuing South 29°46'48" West a distance of 500.66 feet to an iron rod with NC Grid coordinates (NAD 1983) of North = 372,432.573 feet and East = 2,312,937.885 feet; continuing South 43°26'06" East a distance of 2162.19 feet to a point; continuing South 42°46'07" East a distance of 1755.49 feet to a point; continuing North 73°29'06" East a distance of 343.33 feet to a point; continuing South 16°30'54" East a distance of 105.64 feet to a point; continuing South 33°02'26" East a distance of 73.67 feet to a point; continuing South 11°45'56" East a distance of 271.34 feet to a point; continuing South 17°30'31" East a distance of 118.02 feet to a point; continuing South 56°50'02" East a distance of 64.99 feet to a point; continuing South 42°51'48" East a distance of 89.74 feet to a point in the center line of NC Highway 41; continuing along the center line of NC Highway 41 South 33°01'41" West a distance of 623.97 feet to a point; continuing South 60°43'52" East a distance of 785.16 feet to a point; continuing South 19°54'10" West a distance of 258.24 feet to a point; continuing South 65°09'27" East a distance of 1816.52 feet to a point.""

SECTION 2.(b) Relinquishment of authority by the Town of Wallace shall be effective when this act becomes law. Upon relinquishment of the jurisdiction over an area that Wallace is regulating under Article 19 of Chapter 160A of the General Statutes, the city regulations and powers of enforcement shall remain in effect until (i) Duplin County has adopted the regulation or (ii) a period of 120 days has elapsed following the effective date of this act, whichever is sooner. During this period, Duplin County may hold hearings and take other measures that may be required in order to adopt county regulations for the area.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of July, 2015.

Became law on the date it was ratified.

Session Law 2015-172 **H.B. 386**

AN ACT REMOVING CERTAIN RESTRICTIONS ON SATELLITE ANNEXATIONS FOR THE TOWNS OF HOPE MILLS AND SPRING LAKE.

The General Assembly of North Carolina enacts:

SECTION 1. S.L. 1997-151 as it applies to the Town of Hope Mills is repealed.

SECTION 2. G.S. 160A-58.1 reads as rewritten:

"§ **160A-58.1. Petition for annexation; standards.**

…

(b) A noncontiguous area proposed for annexation must meet all of the following standards:

…

(5) The area within the proposed satellite corporate limits, when added to the area within all other satellite corporate limits, may not exceed ten percent (10%) of the area within the primary corporate limits of the annexing city.

This subdivision does not apply to the Cities of Belmont, Claremont, Concord, Conover, Durham, Elizabeth City, Gastonia, Greenville, Hickory, Kannapolis, Locust, Marion, Mount Airy, Mount Holly, New Bern, Newton, Oxford, Randleman, Roanoke Rapids, Rockingham, Sanford, Salisbury, Southport, Statesville, and Washington and the Towns of Ahoskie, Angier, Apex, Ayden, Benson, Bladenboro, Bridgeton, Burgaw, Calabash, Catawba, Clayton, Columbia, Columbus, Cramerton, Creswell, Dallas, Dobson, Four Oaks, Fuquay-Varina, Garner, Godwin, Granite Quarry, Green Level, Grimesland, Harrisburg, Holly Ridge, Holly Springs, Hookerton, Hope Mills, Huntersville, Jamestown, Kenansville, Kenly, Knightdale, Landis, Leland, Lillington, Louisburg, Maggie Valley, Maiden, Mayodan, Maysville, Middlesex, Midland, Mocksville, Morrisville, Mount Pleasant, Nashville, Oak Island, Ocean Isle Beach, Pembroke, Pine Level, Princeton, Ranlo, Richlands, Rolesville, Rutherfordton, Shallotte, Smithfield, Spencer, Spring Lake, Stem, Stovall, Surf City, Swansboro, Taylorsville, Troutman, Troy, Wallace, Warsaw, Watha, Waynesville, Weldon, Wendell, Windsor, Yadkinville, and Zebulon.

…."

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of July, 2015.

Became law on the date it was ratified.

Session Law 2015-173 **H.B. 59**

AN ACT TO CLARIFY THE ADMISSIBILITY OF REPORTS OF FORENSIC AND CHEMICAL ANALYSIS AND TO EXEMPT CERTAIN EX PARTE HEARINGS FROM REPORTING REQUIREMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 8-58.20 reads as rewritten:

"§ **8-58.20. Forensic analysis admissible as evidence.**

…

(f) If the defendant's attorney of record, or the defendant if that person has no attorney, fails to file a written objection with the court to the use of the laboratory report and affidavit within the time allowed by this section, then the objection shall be deemed waived and the laboratory report and affidavit shall be admitted in evidence in any proceeding without the testimony of the analyst subject to the presiding judge ruling otherwise at the proceeding when

offered. If, however, a written objection is filed, this section does not apply and the admissibility of the evidence shall be determined and governed by the appropriate rules of evidence.

(g) Procedure for Establishing Chain of Custody of Evidence Subject to Forensic Analysis Without Calling Unnecessary Witnesses. –

(1) For the purpose of establishing the chain of physical custody or control of evidence that has been subjected to forensic analysis performed as provided in subsection (b) of this section, a statement signed by each successive person in the chain of custody that the person delivered it to the other person indicated on or about the date stated is prima facie evidence that the person had custody and made the delivery as stated, without the necessity of a personal appearance in court by the person signing the statement.

(2) The statement shall contain a sufficient description of the material or its container so as to distinguish it as the particular item in question and shall state that the material was delivered in essentially the same condition as received. The statement may be placed on the same document as the report provided for in subsection (a) of this section.

(3) The provisions of this subsection may be utilized by the State only if (i) the State notifies the defendant at least 15 business days before any proceeding at which the statement would be used of its intention to introduce the statement into evidence under this subsection and provides the defendant with a copy of the statement and (ii) the defendant fails to file a written notification with the court, with a copy to the State, at least five business days before the proceeding that the defendant objects to the introduction of the statement into evidence.

(4) In lieu of the notice required in subdivision (3) of this subsection, the State may include the statement with the laboratory report and affidavit, as provided in subsection (d) of this section.

(5) If the defendant's attorney of record, or the defendant if that person has no attorney, fails to file the written objection as provided in this subsection, then the objection shall be deemed waived and the statement shall be admitted into evidence without the necessity of a personal appearance by the person signing the statement.

(6) Upon filing a timely objection, the admissibility of the statement shall be determined and governed by the appropriate rules of evidence.

Nothing in this subsection precludes the right of any party to call any witness or to introduce any evidence supporting or contradicting the evidence contained in the statement.

…."

SECTION 2. G.S. 15A-1225.3(b) reads as rewritten:

"(b) Remote Testimony Authorized. – In any criminal proceeding, the testimony of an analyst regarding the results of forensic testing admissible pursuant to G.S. 8-58.20, and reported by that analyst, shall be permitted by remote testimony if all of the following occur:

(1) The State has provided a copy of the report to the attorney of record for the defendant, or to the defendant if that person has no attorney, as required by G.S. 8-58.20(d). For purposes of this subdivision, "report" means the full laboratory report package provided to the district attorney.

(2) The State notifies the attorney of record for the defendant, or the defendant if that person has no attorney, at least 15 business days before the proceeding at which the evidence would be used of its intention to introduce the testimony regarding the results of forensic testing into evidence using remote testimony.

(3) The defendant's attorney of record, or the defendant if that person has no attorney, fails to file a written objection with the court, with a copy to the

State, at least five business days before the proceeding at which the testimony will be presented that the defendant objects to the introduction of the remote testimony.

If the defendant's attorney of record, or the defendant if that person has no attorney, fails to file a written objection as provided in this subsection, then the objection shall be deemed waived and the analyst shall be allowed to testify by remote testimony."

SECTION 3. G.S. 20-139.1 reads as rewritten:

"§ **20-139.1. Procedures governing chemical analyses; admissibility; evidentiary provisions; controlled-drinking programs.**

…

(c1) Admissibility. – The results of a chemical analysis of blood or urine reported by the North Carolina State Crime Laboratory, the Charlotte, North Carolina, Police Department Laboratory, or any other laboratory approved for chemical analysis by the Department of Health and Human Services (DHHS), are admissible as evidence in all administrative hearings, and in any court, without further authentication and without the testimony of the analyst. For the purposes of this section, a "laboratory approved for chemical analysis" by the DHHS includes, but is not limited to, any hospital laboratory approved by DHHS pursuant to the program resulting from the federal Clinical Laboratory Improvement Amendments of 1988 (CLIA).

The results shall be certified by the person who performed the analysis. The provisions of this subsection may be utilized in any administrative hearing, but can only be utilized in cases tried in the district and superior court divisions, or in an adjudicatory hearing in juvenile court, if:

(1) The State notifies the defendant at least 15 business days before the proceeding at which the evidence would be used of its intention to introduce the report into evidence under this subsection and provides a copy of the report to the defendant, and

(2) The defendant fails to file a written objection with the court, with a copy to the State, at least five business days before the proceeding at which the report would be used that the defendant objects to the introduction of the report into evidence.

If the defendant's attorney of record, or the defendant if that person has no attorney, fails to file a written objection as provided in this subsection, then the objection shall be deemed waived and the report shall be admitted into evidence without the testimony of the analyst. Upon filing a timely objection, the admissibility of the report shall be determined and governed by the appropriate rules of evidence.

The report containing the results of any blood or urine test may be transmitted electronically or via facsimile. A copy of the affidavit sent electronically or via facsimile shall be admissible in any court or administrative hearing without further authentication. A copy of the report shall be sent to the charging officer, the clerk of superior court in the county in which the criminal charges are pending, the Division of Motor Vehicles, and the Department of Health and Human Services.

Nothing in this subsection precludes the right of any party to call any witness or to introduce any evidence supporting or contradicting the evidence contained in the report.

…

(c3) Procedure for Establishing Chain of Custody Without Calling Unnecessary Witnesses. –

(1) For the purpose of establishing the chain of physical custody or control of blood or urine tested or analyzed to determine whether it contains alcohol, a controlled substance or its metabolite, or any impairing substance, a statement signed by each successive person in the chain of custody that the person delivered it to the other person indicated on or about the date stated is prima facie evidence that the person had custody and made the delivery as

stated, without the necessity of a personal appearance in court by the person signing the statement.

(2) The statement shall contain a sufficient description of the material or its container so as to distinguish it as the particular item in question and shall state that the material was delivered in essentially the same condition as received. The statement may be placed on the same document as the report provided for in subsection (c1) of this section.

(3) The provisions of this subsection may be utilized in any administrative hearing, but can only be utilized in cases tried in the district and superior court divisions, or in an adjudicatory hearing in juvenile court, if:

a. The State notifies the defendant at least 15 business days before the proceeding at which the statement would be used of its intention to introduce the statement into evidence under this subsection and provides a copy of the statement to the defendant, and

b. The defendant fails to file a written notification with the court, with a copy to the State, at least five business days before the proceeding at which the statement would be used that the defendant objects to the introduction of the statement into evidence.

If the defendant's attorney of record, or the defendant if that person has no attorney, fails to file a written objection as provided in this subsection, then the objection shall be deemed waived and the statement shall be admitted into evidence without the necessity of a personal appearance by the person signing the statement. Upon filing a timely objection, the admissibility of the report shall be determined and governed by the appropriate rules of evidence.

(4) Nothing in this subsection precludes the right of any party to call any witness or to introduce any evidence supporting or contradicting the evidence contained in the statement.

…

(c5) The testimony of an analyst regarding the results of a chemical analysis of blood or urine admissible pursuant to subsection (c1) of this section, and reported by that analyst, shall be permitted by remote testimony, as defined in G.S. 15A-1225.3, in all administrative hearings, and in any court, if all of the following occur:

(1) The State has provided a copy of the report to the attorney of record for the defendant, or to the defendant if that person has no attorney, as required by subsections (c1) and (c3) of this section.

(2) The State notifies the attorney of record for the defendant, or the defendant if that person has no attorney, at least 15 business days before the proceeding at which the evidence would be used of its intention to introduce the testimony regarding the chemical analysis into evidence using remote testimony.

(3) The defendant's attorney of record, or the defendant if that person has no attorney, fails to file a written objection with the court, with a copy to the State, at least five business days before the proceeding at which the testimony will be presented that the defendant objects to the introduction of the remote testimony.

If the defendant's attorney of record, or the defendant if that person has no attorney, fails to file a written objection as provided in this subsection, then the objection shall be deemed waived and the analyst shall be allowed to testify by remote testimony.

The method used for remote testimony authorized by this subsection shall allow the trier of fact and all parties to observe the demeanor of the analyst as the analyst testifies in a similar manner as if the analyst were testifying in the location where the hearing or trial is being conducted. The court shall ensure that the defendant's attorney, or the defendant if that person

has no attorney, has a full and fair opportunity for examination and cross-examination of the analyst.

Nothing in this section shall preclude the right of any party to call any witness. Nothing in this subsection shall obligate the Administrative Office of the Courts or the State Crime Laboratory to incur expenses related to remote testimony absent an appropriation of funds for that purpose.

…."

SECTION 4. G.S. 90-95 reads as rewritten:

"§ **90-95. Violations; penalties.**

…

(g) Whenever matter is submitted to the North Carolina State Crime Laboratory, the Charlotte, North Carolina, Police Department Laboratory or to the Toxicology Laboratory, Reynolds Health Center, Winston-Salem for chemical analysis to determine if the matter is or contains a controlled substance, the report of that analysis certified to upon a form approved by the Attorney General by the person performing the analysis shall be admissible without further authentication and without the testimony of the analyst in all proceedings in the district court and superior court divisions of the General Court of Justice as evidence of the identity, nature, and quantity of the matter analyzed. Provided, however, the provisions of this subsection may be utilized by the State only if:

(1) The State notifies the defendant at least 15 business days before the proceeding at which the report would be used of its intention to introduce the report into evidence under this subsection and provides a copy of the report to the defendant, and

(2) The defendant fails to file a written objection with the court, with a copy to the State, at least five business days before the proceeding that the defendant objects to the introduction of the report into evidence.

If the defendant's attorney of record, or the defendant if that person has no attorney, fails to file a written objection as provided in this subsection, then the objection shall be deemed waived and the report shall be admitted into evidence without the testimony of the analyst. Upon filing a timely objection, the admissibility of the report shall be determined and governed by the appropriate rules of evidence.

Nothing in this subsection precludes the right of any party to call any witness or to introduce any evidence supporting or contradicting the evidence contained in the report.

(g1) Procedure for establishing chain of custody without calling unnecessary witnesses. –

(1) For the purpose of establishing the chain of physical custody or control of evidence consisting of or containing a substance tested or analyzed to determine whether it is a controlled substance, a statement signed by each successive person in the chain of custody that the person delivered it to the other person indicated on or about the date stated is prima facie evidence that the person had custody and made the delivery as stated, without the necessity of a personal appearance in court by the person signing the statement.

(2) The statement shall contain a sufficient description of the material or its container so as to distinguish it as the particular item in question and shall state that the material was delivered in essentially the same condition as received. The statement may be placed on the same document as the report provided for in subsection (g) of this section.

(3) The provisions of this subsection may be utilized by the State only if:

a. The State notifies the defendant at least 15 days before trial of its intention to introduce the statement into evidence under this subsection and provides the defendant with a copy of the statement, and

b. The defendant fails to notify the State at least five days before trial that the defendant objects to the introduction of the statement into evidence.

If the defendant's attorney of record, or the defendant if that person has no attorney, fails to file a written objection as provided in this subsection, then the objection shall be deemed waived and the statement shall be admitted into evidence without the necessity of a personal appearance by the person signing the statement. Upon filing a timely objection, the admissibility of the report shall be determined and governed by the appropriate rules of evidence.

(4) Nothing in this subsection precludes the right of any party to call any witness or to introduce any evidence supporting or contradicting the evidence contained in the statement.

…."

SECTION 5. G.S. 7A-198(e) reads as rewritten:

"(e) Reporting will not be provided in ex parte or emergency hearings before a judge pursuant to Chapter 50B or 50C of the General Statutes, trials before ~~magistrates~~ magistrates, or in hearings to adjudicate and dispose of infractions in the district court."

SECTION 6. This act is effective when it becomes law. Sections 1 through 4 of this act apply to notices of intent to introduce a statement or report provided by the State on or after that date. Section 5 of this act applies to ex parte hearings conducted on or after that date.

In the General Assembly read three times and ratified this the 29th day of July, 2015.

Became law upon approval of the Governor at 10:20 a.m. on the 31st day of July, 2015.

Session Law 2015-174 **H.B. 199**

AN ACT TO AMEND THE CHARTER OF THE CITY OF RALEIGH AND THE CITIES AND TOWNS IN MECKLENBURG COUNTY TO ALLOW THE CITY TO DONATE RETIRED ANIMALS USED BY THE POLICE DEPARTMENT OR ANY OTHER CITY AGENCY TO THE POLICE OFFICER OR EMPLOYEE WHO HAD NORMAL CUSTODY AND CONTROL OF THE ANIMAL.

The General Assembly of North Carolina enacts:

SECTION 1. Section 33(c) of the Charter of the City of Raleigh, being Chapter 1184 of the 1949 Session Laws, as amended by S.L. 1991-312, S.L. 1993-649, S.L. 1995-323, and S.L. 2005-157, reads as rewritten:

"(c) Notwithstanding the provisions of subsection (a) of this ~~section, nothing~~ section:

(1) Nothing herein shall be construed as preventing any official or employee covered by this section from purchasing a utility service offered to the general public at uniform rates, sludge generated at a wastewater treatment plant, farm products grown on City-owned or City-leased farms, and mulch produced at the City's yard waste processing center.

(2) In addition to the transactions authorized in this section, the City may sell items of personal uniforms and equipment, excluding weapons, to public safety employees upon their separation from the City's employment. The items may be sold by private sale at the prices and under the terms and conditions that the City Council may establish by resolution.

(3) When any horse, dog, or other animal used by the Police Department or any other City agency is deemed no longer fit for public service, the City Council may donate the animal to the officer or employee who had normal custody and control of the animal during its service to the City."

SECTION 2.(a) The governing body of a municipality may donate any horse, dog, or other animal used by the municipality's police department or any other municipal agency to the officer or employee who had normal custody and control of the animal during its service to the municipality when the animal is deemed no longer fit for public service.

SECTION 2.(b) This section applies only to the municipalities in Mecklenburg County.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 4th day of August, 2015.

Became law on the date it was ratified.

Session Law 2015-175 **H.B. 412**

AN ACT TO ANNEX CERTAIN DESCRIBED PROPERTY TO THE CITY OF DUNN AND TO ANNEX CERTAIN DESCRIBED PROPERTY TO THE TOWN OF HOLLY RIDGE.

The General Assembly of North Carolina enacts:

SECTION 1. The corporate limits of the City of Dunn are increased to include the following described tracts located at 3948 Hodges Chapel Road, Harnett County:

Tract 1: Harnett County parcel number 02-1527-0047-01, PIN number 1537-18-9972.000, constituting 8.878 acres.

Tract 2: Harnett County parcel number 02-1529-0032-01, PIN number 1537-28-1692.000, constituting 2.046 acres.

SECTION 2. The corporate limits of the Town of Holly Ridge are increased to include the following described tract located at 214 Old Folkstone Road, Onslow County:

Tract: Onslow County parcel number 062420, PIN number 425801380994, constituting 1.19 acres.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 6th day of August, 2015.

Became law on the date it was ratified.

Session Law 2015-176 **S.B. 192**

AN ACT TO ALLOW DOMESTIC VIOLENCE PROTECTIVE ORDERS, CIVIL NO-CONTACT ORDERS, AND INVOLUNTARY COMMITMENT ORDERS TO BE TRANSMITTED BY ELECTRONIC AND FACSIMILE TRANSMISSION, TO AMEND LAWS REGARDING TRANSPORTATION OF PERSONS BEING INVOLUNTARILY COMMITTED, AND TO REQUIRE THE ADMINISTRATIVE OFFICER OF THE COURTS TO RECEIVE INPUT ON CLARIFYING LANGUAGE USED IN CITATIONS AND MAKE CHANGES AS APPROPRIATE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 50B-3(c) reads as rewritten:

"(c) A copy of any order entered and filed under this Article shall be issued to each party. Law enforcement agencies shall accept receipt of copies of the order issued by the clerk of court by electronic or facsimile transmission for service on defendants. In addition, a copy of the order shall be issued promptly to and retained by the police department of the city of the victim's residence. If the victim does not reside in a city or resides in a city with no police department, copies shall be issued promptly to and retained by the sheriff, and the county police department, if any, of the county in which the victim resides. If the defendant is ordered to stay away from the child's school, a copy of the order shall be delivered promptly by the

sheriff to the principal or, in the principal's absence, the assistant principal or the principal's designee of each school named in the order."

SECTION 2. G.S. 50C-9(b) reads as rewritten:

"(b) If the respondent was not present in court when the order was issued, the respondent may be served in the manner provided for service of process in civil proceedings in accordance with Rule 4(j) of the Rules of Civil Procedure. If the summons has not yet been served upon the respondent, it shall be served with the order. Law enforcement agencies shall accept receipt of copies of the order issued by the clerk of court by electronic or facsimile transmission for service on defendants."

SECTION 2.5.(a) G.S. 122C-251(d) reads as rewritten:

"(d) ~~In~~ To the extent feasible, in providing transportation of a respondent, a city or county shall provide a driver or attendant who is the same sex as the respondent, unless the law-enforcement officer allows a family member of the respondent to accompany the respondent in lieu of an attendant of the same sex as the respondent."

SECTION 2.5.(b) Part 1 of Article 5 of Chapter 122C of the General Statutes is amended by adding a new section to read:

"**§ 122C-210.3. Electronic and facsimile transmission of custody orders.**

A custody order entered by the clerk or magistrate pursuant to this Chapter may be delivered to the law enforcement officer by electronic or facsimile transmission."

SECTION 3. Within 60 days of this act becoming law, the Administrative Officer of the Courts shall solicit input from clerks of courts regarding use of the term "costs" rather than "court costs" on the citation form used for violation of the motor vehicle laws, as provided in G.S. 15A-302, and shall make changes as appropriate based on the received input.

SECTION 4. Section 3 of this act is effective when it becomes law but does not require the replacement of citation forms until the printing of new forms is otherwise necessary. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27th day of July, 2015.

Became law upon approval of the Governor at 3:00 p.m. on the 5th day of August, 2015.

Session Law 2015-177 **S.B. 678**

AN ACT TO AMEND THE DEBT COLLECTOR STATUTES TO MORE NEARLY CONFORM TO THE FEDERAL FAIR DEBT COLLECTION PRACTICES ACT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 75-50 is amended by adding a new subdivision to read:

"**§ 75-50. Definitions.**

The following words and terms as used in this Article shall be construed as follows:

…

(4) "Location information" means information about a consumer's place of abode, any telephone numbers used by the consumer, and information about the consumer's place of employment."

SECTION 2. G.S. 75-53(1) reads as rewritten:

"**§ 75-53. Unreasonable publication.**

No debt collector shall unreasonably publicize information regarding a consumer's debt. Such unreasonable publication includes, but is not limited to, the following:

(1) Any communication with any person other than the debtor or his attorney, except:

a. ~~With the written permission of the debtor or his attorney given after default;~~To designated third parties with the written permission of the debtor or his attorney.

b. To persons employed by the debt collector, to a credit reporting agency, to a person or business employed to collect the debt on behalf of the creditor, or to a person who makes a legitimate request for the ~~information;~~information.

c. To the spouse (or one who stands in place of the spouse) of the debtor, or to the parent or guardian of the debtor if the debtor is a minor and lives in the same household with such ~~parent;~~parent. If the debt collector has a good faith belief that the exception set forth in this sub-subdivision applies to a particular communication, that communication shall not be a violation of this sub-subdivision.

d. For the sole purpose of ~~locating~~ obtaining location information about the debtor, if no indication of indebtedness is ~~made;~~made. A debt collector making a communication under this sub-subdivision shall:

1. Identify himself or herself, state that he or she is attempting to confirm or correct location information about the debtor, and, only if expressly requested to do so, identify his or her employer.
2. Not state that the debtor owes a debt.
3. Not communicate with any particular person more than once per week or a total of three times during any 30-day period unless requested to do so by the person.

e. Through legal process."

SECTION 3. G.S. 75-54 reads as rewritten:

"§ **75-54. Deceptive representation.**

No debt collector shall collect or attempt to collect a debt or obtain information concerning a consumer by any fraudulent, deceptive or misleading representation. Such representations include, but are not limited to, the following:

…

(2) Failing to disclose in all communications attempting to collect a debt that the purpose of such communication is to collect a ~~debt.~~debt, unless the communication is made to a third-party pursuant to G.S. 75-53 for the purpose of obtaining location information about the debtor.

…."

SECTION 4. G.S. 75-55 reads as rewritten:

"§ **75-55. Unconscionable means.**

No debt collector shall collect or attempt to collect any debt by use of any unconscionable means. Such means include, but are not limited to, the following:

(1) Seeking or obtaining any written statement or acknowledgment in any form containing an affirmation of any debt by a consumer who has been declared bankrupt, an acknowledgment of any debt barred by the statute of limitations, or a waiver of any legal rights of the debtor without disclosing the nature and consequences of such affirmation or waiver and the fact that the consumer is not legally obligated to make such affirmation or waiver.

(2) Collecting or attempting to collect from the consumer all or any part of the debt collector's fee or charge for services rendered, collecting or attempting to collect any interest or other charge, fee or expense incidental to the principal debt unless legally entitled to such fee or charge. Nothing in this section shall be construed to prohibit the collection of filing fees, service of process fees, or other court costs actually incurred. The collection of such fees is not a violation of this Article or of Article 15 of Chapter 53 of the General Statutes.

(3) Communicating with a consumer (other than a statement of account used in the normal course of business) whenever the debt collector has been notified by the consumer's attorney that he represents said consumer.

(4) Bringing suit against the debtor in a county other than that in which the debt was incurred or in which the debtor resides if the distances and amounts involved would make it impractical for the debtor to defend the claim."

SECTION 5. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of July, 2015.

Became law upon approval of the Governor at 3:00 p.m. on the 5th day of August, 2015.

Session Law 2015-178 **H.B. 174**

AN ACT TO AMEND AND ENHANCE CERTAIN NOTICE REQUIREMENTS AND PROTECTIONS FOR TENANTS OF REAL PROPERTIES IN FORECLOSURE AND TO ALLOW FOR PURCHASERS OF REAL PROPERTY UNDER OPTION CONTRACTS TO PURSUE MONETARY DAMAGES SEPARATELY FROM SUMMARY EJECTMENT PROCEEDINGS AND OTHER AMENDMENTS TO THE HOMEBUYER PROTECTION ACT.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 45-21.17 reads as rewritten:

"§ **45-21.17. Posting and publishing notice of sale of real property.**

…

(4) The notice of sale shall be mailed by first-class mail at least 20 days prior to the date of sale to each party entitled to notice of the hearing provided by G.S. 45-21.16 whose address is known to the trustee or mortgagee and in addition shall also be mailed by first-class mail to any party desiring a copy of the notice of sale who has complied with G.S. 45-21.17A. If the property is residential and contains less than 15 rental units, including single-family residential real property, the notice of sale shall also be mailed to any person who occupies the property pursuant to a residential rental agreement by name, if known, at the address of the property to be sold. If the name of the person who occupies the property is not known, the notice shall be sent to "occupant" at the address of the property to be sold. Notice of the hearing required by G.S. 45-21.16 shall be sufficient to satisfy the requirement of notice under this section provided such notice contains the information required by G.S. 45-21.16A.

…."

SECTION 1.(b) G.S. 42-45.2 reads as rewritten:

"§ **42-45.2. Early termination of rental agreement by military and tenants residing in certain foreclosed property.**

Any tenant who resides in residential real property containing less than 15 rental units that is being sold in a foreclosure proceeding under Article 2A of Chapter 45 of the General Statutes may terminate the rental agreement for the dwelling unit after receiving notice pursuant to G.S. 45-21.17(4) by providing the landlord with a written notice of termination to be effective on a date stated in the notice of termination that is at least 10 ~~days~~ days, but no more than 90 days, after the sale date ~~of~~ contained in the notice of ~~sale.~~ sale, provided that the mortgagor has not cured the default at the time the tenant provides the notice of termination. Upon termination of a rental agreement under this section, the tenant is liable for the rent due under the rental agreement prorated to the effective date of the termination payable at the time that would have been required by the terms of the rental agreement. The tenant is not liable for any other rent or damages due only to the early termination of the tenancy."

SECTION 1.(c) G.S. 45-21.16A(b) reads as rewritten:

"§ **45-21.16A. Contents of notice of sale.**

…

(b) In addition to the requirements contained in subsection (a) of this section, the notice of sale of residential real property with less than 15 rental units shall also state all of the following:

(1) That an order for possession of the property may be issued pursuant to G.S. 45-21.29 in favor of the purchaser and against the party or parties in possession by the clerk of superior court of the county in which the property is sold.

(2) Any person who occupies the property pursuant to a rental agreement entered into or renewed on or after October 1, 2007, may, after receiving the notice of sale, terminate the rental agreement ~~upon 10 days'~~ by providing written notice of termination to the ~~landlord .~~landlord, to be effective on a date stated in the notice that is at least 10 days, but no more than 90 days, after the sale date contained in the notice of sale, provided that the mortgagor has not cured the default at the time the tenant provides the notice of termination. The notice shall also state that upon termination of a rental agreement, the tenant is liable for rent due under the rental agreement prorated to the effective date of the termination."

SECTION 2.(a) G.S. 45-21.29(k) reads as rewritten:

"§ **45-21.29. Orders for possession.**

…

(k) Orders for possession of real property sold pursuant to this Article, in favor of the purchaser and against any party or parties in possession at the time of application therefor, may be issued by the clerk of the superior court of the county in which the property is sold if all of the following apply:

(1) The property has been sold in the exercise of the power of sale contained in any mortgage, deed of trust, leasehold mortgage, leasehold deed of trust, or a power of sale authorized by any other statutory provisions.

(2) Repealed by Session Laws 1993, c. 305, s. 18.

(2a) The provisions of this Article have been complied with.

(3) The sale has been consummated, and the purchase price has been paid.

(4) The purchaser has acquired title to and is entitled to possession of the real property sold.

(5) Ten days' notice has been given to the party or parties who remain in possession at the time application is made, or, in the case of residential property containing 15 or more rental units, 30 days' notice has been given to the party or parties who remain in possession at the time the application is made.

(5a) If the property is single-family residential and occupied pursuant to a lease, written or oral, the provisions of G.S. 45-21.33A have been satisfied. Any occupant subject to the provisions of G.S. 45-21.33A must additionally receive notice as required by subdivision (5) of this subsection.

(6) Application is made by petition to the clerk by the mortgagee, the trustee, the purchaser of the property, or any authorized representative of the mortgagee, trustee, or purchaser of the property."

SECTION 2.(b) Part 2 of Article 2A of Chapter 45 of the General Statutes is amended by adding a new section to read:

"**§ 45-21.33A. Effect of foreclosure on preexisting tenancy.**

(a) For the purposes of this section, "purchaser" means any purchaser or successor in interest who has acquired title to single-family residential real property pursuant to this Article.

(b) Unless a purchaser will occupy the premises as a primary residence, the purchaser shall assume title subject to the rights of any tenant to occupy the premises until the end of the remaining term of the lease or one calendar year from the date the purchaser acquires title, whichever is shorter. In no event shall the purchaser be required to renew the existing lease.

(c) Subsection (b) of this section shall apply only to a lease that meets all of the following criteria:

(1) The tenant is not the debtor under the security instrument foreclosed or the child, spouse, or parent of the debtor.

(2) The lease is in writing, is not terminable at will, and requires the receipt of rent that is not substantially less than fair market rent for the property, provided that the rent has not been reduced or subsidized due to a federal or State subsidy.

(d) A purchaser shall provide a tenant in possession of the single-family residential real property notice to vacate at least 90 days before making an application for possession pursuant to G.S. 45-21.29(k) in any of the following circumstances:

(1) The tenant has an oral lease or the lease is terminable at will.

(2) The purchaser will occupy the premises as a primary residence.

(e) This section shall not apply to the following:

(1) The option to purchase terms of an option contract as defined in G.S. 47G-1(4).

(2) A lease of residential real property where there is an "imminently dangerous condition" as defined in G.S. 42-42(a)(8) on the premises as of the date of acquisition of title by the purchaser.

(f) Nothing in this section shall be construed to limit the remedies available to the purchaser for breaches of the lease terms by the tenant."

SECTION 3. Chapter 47G of the General Statutes reads as rewritten:

"**Chapter 47G.**

"**Option to Purchase Contracts Executed With Lease Agreements.**

"§ **47G-1. Definitions.**

The following definitions apply in this Chapter:

…

(4) Option contract or contract. – An option contract for the purchase of single-family residential real property that includes or is combined with, or is executed in conjunction with, a covered lease agreement.

…

"§ **47G-2. Minimum contents of option contracts; recordation.**

…

(f) Instrument Ineffective. – No instrument purporting to extinguish the equity of redemption that is executed as a condition of the transaction or prior to a default will be effective.

"§ **47G-3. Application of Landlord Tenant Law.**

~~The~~ Unless otherwise provided for by this Chapter, the provisions of Chapter 42 of the General Statutes apply to covered lease agreements.

…

"§ **47G-5. Notice of default and intent to forfeit.**

(a) A notice of default and intent to forfeit shall specify the nature of the default, the amount of the default if the default is in the payment terms, the date after which the contract will be forfeited if the purchaser does not cure the default, and the name and address of the seller or the attorney for the seller. The period specified in the notice after which the contract will be forfeited may not be less than 30 days after the notice of default and intent to forfeit is served, or before judgment is given in any action brought to recover the possession of the leased premises pursuant to Article 3 of Chapter 42 of the General Statutes, whichever is

earlier. A judgment rendered in an action to recover possession of the premises shall not prejudice either party in a subsequent action to recover monetary damages or other remedies.

…

"§ **47G-7. Remedies.**

(a) ~~A violation of any provision of this Chapter constitutes an unfair trade practice under G.S. 75-1.1.~~ An option purchaser may bring an action for the recovery of damages, to void a transaction executed in violation of this Chapter, as well as for declaratory or equitable relief for a violation of this Chapter. The rights and remedies provided herein are cumulative to, and not a limitation of, any other rights and remedies provided by law or equity. Nothing in this Chapter shall be construed to subject an individual homeowner selling his or her primary residence directly to an option purchaser to liability under G.S. 75-1.1.

(b) In the event of default by the option purchaser under the terms of the lease agreement, the option seller may initiate a summary ejectment action to recover damages and possession of the leased premises pursuant to Article 3 of Chapter 42 of the General Statutes. The magistrate shall retain jurisdiction over the summary ejectment proceeding.

(c) The option purchaser may counterclaim for damages in any summary ejectment proceeding. In accordance with G.S. 7A-219 of the General Statutes, no counterclaim which would make the amount in controversy exceed the jurisdictional limits shall be permitted. If a counterclaim in a summary ejectment proceeding is barred pursuant to G.S. 7A-219, the option purchaser shall not be estopped from asserting that claim in a separate action."

SECTION 4.(a) G.S. 47H-2(b) reads as rewritten:

"§ **47H-2. Minimum contents for contracts for deed; recordation.**

…

(b) Contents. – A contract for deed ~~contract~~ shall contain at least all of the following:

…

~~(14) A description of conditions of the property that includes whether the property, including any structures thereon, has water, sewer, septic, and electricity service, whether the property is in a floodplain, whether anyone else has a legal interest in the property, and whether restrictive covenants prevent building or installing a dwelling. If restrictive covenants are in place that affect the property, a copy of the restrictive covenants shall be made available to the purchaser at or before the execution of the contract.~~

(14a) A completed residential property disclosure statement that complies with Chapter 47E of the General Statutes, provided that the seller does not choose the option of making "No Representation" as to any characteristic or condition of the property.

…

~~(16) If the property being sold is encumbered by a deed of trust, mortgage, or other encumbrance evidencing or securing a monetary obligation which constitutes a lien on the property, and the seller is not a licensed general contractor within the meaning of Chapter 87 of the General Statutes, or a licensed manufactured home dealer within the meaning of Article 9A of Chapter 143 of the General Statutes, a statement of the amount of the lien, and the amount and due date, if any, of any periodic payments.~~

…."

SECTION 4.(b) G.S. 47H-8 reads as rewritten:

"§ **47H-8. Remedies.**

~~A violation of any provision of this Chapter constitutes an unfair trade practice under G.S. 75-1.1.~~ A purchaser may bring an action for the recovery of damages, to rescind a transaction, as well as for declaratory or equitable relief, for a violation of this Chapter. The rights and remedies provided herein are cumulative to, and not a limitation of, any other rights and remedies provided by law or equity. Nothing in this Chapter shall be construed to subject

an individual homeowner selling his or her primary residence directly to a buyer to liability under G.S. 75-1.1."

SECTION 5.(a) G.S. 75-120 reads as rewritten:

"§ **75-120. Definitions.**

The following definitions shall apply in this Article:

~~(1) Default. Whenever a property owner is more than 60 days delinquent on any loan or debt that is secured by the property, including real estate taxes.~~

…

(3) Foreclosure rescue transaction. – A transfer of residential real property, including a manufactured home that is permanently attached to the real property, which includes all of the following features:

a. The real property is the principal residence of the transferor.

~~b. The transferor is in default or legal proceedings have been initiated to foreclose on the transferor's property.~~

c. The transferee, an agent of the transferee, or others acting in concert with the transferee make representations that the transfer of the residential property will enable the transferor to prevent, postpone, or reverse the effect of foreclosure and to remain in the residence.

d. The transferor retains ~~an interest in the property conveyed, including~~ a tenancy interest, an interest under a ~~lease-purchase agreement,~~ lease with option to purchase agreement, or an option to reacquire the ~~property, or any other legal, equitable, or possessory interest in the property conveyed.~~property.

…."

SECTION 5.(b) G.S. 75-121 reads as rewritten:

"§ **75-121. Foreclosure rescue transactions prohibited; exceptions; violation.**

(a) It is unlawful for a person or entity other than the transferor to engage in, promise to engage in, arrange, offer, promote, solicit, assist with, or carry out a foreclosure rescue transaction for financial gain or with the expectation of financial gain, unless prior to or at the time of transfer, the transferee pays the transferor at least fifty percent (50%) of the fair market value of the property as determined by a ~~licensed~~ certified appraiser. An appraisal to determine the fair market value of the property must be performed no more than ~~90~~ 120 days prior to the transfer. The appraisal shall be delivered to the transferor ~~no more than three days after the appraisal is performed and~~ no less than seven days prior to the ~~transfer of the property.~~ time the transferor becomes obligated to perform the agreement. This section does not apply to exempt transactions.

(b) Every contract to effectuate a foreclosure rescue transaction in which the transferee pays at least 50% of the fair market value of the property, shall be in writing, shall be signed and acknowledged by all parties to it, and shall contain all the terms to which the parties have agreed. The contract shall contain at least all of the following:

…

(5) The fair market value of the property as determined by a ~~licensed~~ certified appraiser.

…."

SECTION 6. This act becomes effective October 1, 2015. Section 1 applies to notice of sale issued on or after that date. Section 2 applies to orders for possession entered on or after that date. Sections 3, 4, and 5 apply to transactions entered into on or after that date.

In the General Assembly read three times and ratified this the 28th day of July, 2015.

Became law upon approval of the Governor at 3:00 p.m. on the 5th day of August, 2015.

Session Law 2015-179 **S.B. 679**

AN ACT TO PROVIDE FOR THE RECOVERY OF COURT COSTS AND RELATED COSTS UPON VOLUNTARY DISMISSAL AT THE REQUEST OF A BORROWER OF AN ACTION TO RECOVER A LOAN GRANTED UNDER THE NORTH CAROLINA CONSUMER FINANCE ACT OR UPON REDUCTION OF A LOAN MADE UNDER THE ACT TO JUDGMENT; TO CLARIFY THE MULTIPLE LOAN LIMITATIONS UNDER THE ACT; TO CLARIFY THE STATUTE RELATED TO WHETHER OR NOT BORROWERS ARE MEMBERS OF THE MILITARY PRIOR TO MAKING LOANS UNDER THE ACT; AND TO MAKE TECHNICAL AND CONFORMING CHANGES TO THE ACT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 53-177 is amended by adding a new subsection to read:

"(e) Recovery of Costs. – If a borrower requests in writing of the lender to take a voluntary dismissal of an action to recover a loan made under this Article, and both parties agree to such a dismissal, the lender shall obtain in writing from the borrower an acknowledgment that (i) the borrower will be liable for the statutory court costs and (ii) any other reasonable and bona fide costs incurred in the course of bringing the action, and the lender may recover the statutory court costs incurred as well as any other reasonable and bona fide costs incurred in the course of bringing the action. Nothing in this section shall be construed to authorize the collection of attorney fees otherwise prohibited by G.S. 53-180(e). Provided further, that this section shall not apply if the borrower, in written documentation raises an affirmative defense to an action to collect a loan under this Article. Nothing in this section shall in any way affect or prohibit a magistrate, judge, or arbitrator from awarding filing fees and fees for service of process incurred by the lender in bringing the civil action if a judgment is awarded or the other bona fide costs set forth above and the recovery of said costs and fees is expressly authorized in the event judgment is entered against the borrower."

SECTION 2. G.S. 53-178 reads as rewritten:

"§ **53-178. No further charges; no splitting contracts; certain contracts void.**

No further or other charges or insurance commissions shall be directly or indirectly contracted for or received by any ~~licensee~~ licensee, affiliate, parent, subsidiary, or licensee under the same ownership, management, or control, whether partial or complete, except those specifically authorized by this ~~Article or~~ Article, by the Commissioner under ~~G.S. 53-172.~~ G.S. 53-172 or any other statute. No licensee shall divide into separate parts any contract made for the purpose of or with the effect of obtaining interest or charges in excess of those authorized by this Article. All balances due to a licensee from any person as a borrower or as an endorser, guarantor or surety for any borrower or ~~otherwise, or due from any husband or wife,~~ otherwise jointly or severally, shall be considered a part of any loan being made by a licensee to such person for the purpose of computing interest or ~~charges.~~charges, or exceeding the maximum amount of fifteen thousand dollars ($15,000)."

SECTION 3. G.S. 53-179 is repealed.

SECTION 4. G.S. 53-180.1 reads as rewritten:

"§ **53-180.1. Military service members limitation.**

(a) Definition. – For purposes of this section, the term ~~"military~~ "covered military service member" means a member of the Armed Forces who is either (i) on active duty under a call or order that does not specify a period of 30 days or fewer or (ii) on active Guard and Reserve Duty, as that term is defined in ~~10 U.S.C. § 101(d)(6).~~10 U.S.C. § 101(d)(6), with a rank of E4 or below.

(b) ~~Verification;~~ Requirements for Granting Loan. – ~~Prior to making a loan under this Article, a licensee will confirm whether the borrower is a military service member and document this in the person's loan file.~~ A licensee may not make a loan to a borrower who is a

covered military service member ~~with a rank of E4 or below ("covered member")~~ unless the following requirements are met:

(1) The licensee notifies the borrower's ~~company-level commander or equivalent designee of the covered member~~ commanding officer or executive officer before the loan is consummated. Notification may occur verbally, by electronic means, United States mail, or other equivalent methods of notification. The notification method and date shall be recorded in writing and included in the loan file along with the name of the ~~company-level commander or equivalent designee~~ commanding officer or executive officer communicated with and the date of the communication with the ~~company-level commander or equivalent designee.~~commanding officer or executive officer.

(2) The licensee shall deposit in the United States mail a copy of the federal Truth in Lending Act, 15 U.S.C. § 1601, et seq., disclosures and the complete contract for the loan addressed to the borrower's ~~company-level commander or equivalent designee of the covered member~~ commanding officer or executive officer within five business days of the consummation of the loan.

(3) A covered military service member who has entered into a loan contract made pursuant to this Article may, within 30 days of entering into the loan contract, rescind the loan contract by returning to the licensee in cash or by certified bank check the amount advanced to or for the benefit of the covered military service member under the loan contract, and upon delivery of those funds to the licensee, the borrower shall have no further liability or obligations under the loan contract. Nothing in this provision shall be construed to restrict or eliminate any other penalties provided by State or federal law.

(4) The licensee shall give the covered military service member a separate disclosure that includes the statements and information required under G.S. 53-181(a). The licensee shall include the name and address of the North Carolina Commissioner of Banks, the Consumer Protection Division of the North Carolina Department of Justice, and the Consumer Financial Protection Bureau. The licensee may include internal compliance information on the same disclosure.

(5) Notwithstanding section 2 of Title 9 of the United States Code, 9 U.S.C. § 2, or any other federal or State law, rule, or regulation, no agreement to arbitrate any dispute involving the extension of consumer credit shall be enforceable against any covered military service member or dependent of such a covered military service member or any person who was a covered military service member or dependent of that covered military service member when the agreement was made.

~~(6) A licensee shall take reasonable precaution to prevent making loans in violation of this section. In the event that a licensee does not take reasonable precautions to identify covered members prior to making a loan, such loans granted to covered members shall have the interest rate on the loan adjusted to eight percent (8%) per annum.~~

(b1) Reasonable Precaution to Identify Covered Military Service Members. – A licensee shall take reasonable precaution to prevent making loans in violation of this section. In the event that a licensee does not take reasonable precaution to identify covered military service members prior to making such a loan, such loans granted to covered military service members shall have the interest rate on the loan adjusted to eight percent (8%) per annum. Reasonable precaution may include obtaining a certificate from the Department of Defense Manpower Data Center (DMDC) that specifies whether the prospective borrower is or is not a member of the

armed forces, a copy of the covered military service member's most recent leave and earnings statement, verification of borrower(s) income or any additional method approved by the Commissioner of Banks. In the event the DMDC system is down, the licensee shall obtain a computer screen copy of the failed request. Provided however, nothing in this section shall be construed to require covered military service member confirmation for a borrower with whom a licensee has an established customer relationship, or for a borrower who provides verification from the borrower's most recent payroll or and earnings statement, or verification of income clearly indicating that the borrower is not a covered military service member.

(c) Penalties and Remedies. –

(1) The remedies and rights provided under this section are in addition to and do not preclude any remedy otherwise available under law to the person claiming relief under this section, including any incidental, consequential, or punitive damages.

(2) Any credit agreement, promissory note, or other contract prohibited under this section is null and void.

(3) Nothing in this section may be construed to limit or otherwise affect the applicability of section 207 of the Servicemembers Civil Relief Act, 50 U.S.C. App. § 527.

(d) Additional Restriction. – When a military servicemember has been deployed to a theater of combat, combat supporting role, an area where hostile fire and/or when Imminent Danger Pay is authorized to the servicemember, a licensee shall not contact the military servicemember or member's spouse by telephone or electronic mail for purposes of collecting on the loan upon receiving sufficient proof of the military servicemember's deployment. An official copy of the military service member's orders for deployment or written verification from the servicemember's commanding officer shall constitute sufficient proof."

SECTION 5. G.S. 53-190 reads as rewritten:

"§ **53-190. Loans made elsewhere.**

(a) No loan contract made outside this State in the amount or of the value of ~~ten thousand dollars ($10,000)~~ fifteen thousand dollars ($15,000) or less, for which greater consideration or charges than are authorized by G.S. 53-173 and G.S. 53-176 of this Article have been charged, contracted for, or received, shall be enforced in this State. Provided, the foregoing shall not apply to loan contracts in which all contractual activities, including solicitation, discussion, negotiation, offer, acceptance, signing of documents, and delivery and receipt of funds, occur entirely outside North Carolina.

(b) If any lender or agent of a lender who makes loan contracts outside this State in the amount or of the value of ~~ten thousand dollars ($10,000)~~ fifteen thousand dollars ($15,000) or less, comes into this State to solicit or otherwise conduct activities in regard to such loan contracts, then such lender shall be subject to the requirements of this Article.

(c) No lender licensed to do business under this Article may collect, or cause to be collected, any loan made by a lender in another state to a borrower, who was a legal resident of North Carolina at the time the loan was made. The purchase of a loan account shall not alter this prohibition."

SECTION 6. This act becomes effective September 1, 2015.

In the General Assembly read three times and ratified this the 28th day of July, 2015.

Became law upon approval of the Governor at 3:02 p.m. on the 5th day of August, 2015.

Session Law 2015-180 **H.B. 446**

AN ACT TO AMEND THE STATUTES GOVERNING BAIL BONDSMEN TO INCREASE THE AGE OF QUALIFICATION FOR LICENSURE AS A BAIL BONDSMAN OR RUNNER, TO LENGTHEN THE TIME LIMIT FOR THE RETURN OF SECURITY TO INCLUDE THE TIME PERIOD IN WHICH AN APPEAL FROM DISTRICT COURT

MAY BE FILED, TO REQUIRE THE COMMISSIONER OF INSURANCE TO RETURN THE AMOUNT OF A BONDSMAN'S SECURITY DEPOSIT ABOVE OUTSTANDING BOND LIABILITY IN EVENT THE BONDSMAN IS KILLED OR CEASES WRITING BONDS, AND TO ALLOW A BONDSMAN TO HAVE ACCESS TO THE ADMINISTRATIVE OFFICE OF THE COURTS' CIVIL INFORMATION SYSTEMS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-71-50(b)(1) reads as rewritten:

"(1) Be ~~18~~ 21 years of age or over."

SECTION 2. G.S. 58-71-95(5) reads as rewritten:

"(5) Accept anything of value from a principal or from anyone on behalf of a principal except the premium, which shall not exceed fifteen percent (15%) of the face amount of the bond; provided that the bondsman shall be permitted to accept collateral security or other indemnity from a principal or from anyone on behalf of a principal. Such collateral security or other indemnity required by the bondsman must be reasonable in relation to the amount of the bond and shall be returned within ~~72 hours~~15 days after final termination of liability on the bond. Any bail bondsman who knowingly and willfully fails to return any collateral security, the value of which exceeds one thousand five hundred dollars ($1,500), is guilty of a Class I felony. All collateral security, such as personal and real property, subject to be returned must be done so under the same conditions as requested and received by the bail bondsman."

SECTION 3. G.S. 58-71-151 reads as rewritten:

"§ **58-71-151. Securities held in trust by Commissioner; authority to dispose of same.**

The securities deposited by a professional bondsman with the Commissioner shall be held in trust for the protection and benefit of the holder of bail bonds executed by or on behalf of the undersigned bondsman in this State. Notwithstanding any other provision of law, the Commissioner is authorized to select a bank or trust company as master trustee to hold cash securities to be pledged to the State when deposited with the Commissioner pursuant to statute. Securities may be held by the master trustee in any form that in fact perfects the security interest of the State in the securities. The Commissioner shall by rule establish the manner in which the master trust shall operate. The master trustee may charge the person making the deposit reasonable fees for services rendered in connection with the operation of the trust, and the assets of the account may be used to pay such charges.

A pro rata portion of the securities shall be returned to the bondsman when the Commissioner is satisfied that the deposit of securities is in excess of the amount required to be maintained with the Commissioner by said bondsman; and all the securities shall be returned if the Commissioner is satisfied that the bondsman has satisfied, or satisfactory arrangements have been made to satisfy, the obligations of the bondsman on all the bondsman's bail bonds written in the State.

If a bondsman discontinues writing bonds due to death, permanent incapacitation, or some other circumstance that results in the bondsman returning the license issued under this Article to the Commissioner and the Commissioner is satisfied that no more bonds can be written against the bondsman's security deposit, the Commissioner shall return the portion of the security deposit in excess of that required to secure the bondsman's outstanding bond liability.

The Commissioner may sell or transfer any and all of said securities or utilize the proceeds thereof for the purpose of satisfying the liabilities of the professional bondsman on bail bonds given in this State on which the bondsman is liable."

SECTION 4. G.S. 58-71-200 reads as rewritten:

"§ **58-71-200. Bondsman access to criminal ~~court~~and civil records.**

(a) In order to assist licensed sureties and their agents in evaluating potential and current clients for the purposes of bail, the Administrative Office of the Courts shall provide

any individual with a current license to act as professional bondsman, surety bondsman, or runner with access to search criminal records in the Administrative Office of the Courts' real-time criminal and civil information systems.

(b) Access granted under subsection (a) of this section shall be limited to information systems containing general criminal and civil case information, as maintained by the clerks of superior court. Access shall not include systems for the production of criminal process by law enforcement officials and judicial officials under G.S. 15A-301.1 or other information not subject to public disclosure.

(c) Access provided pursuant to subsection (a) of this section shall be without charge for individual searches of the Administrative Office of the Courts' criminal and civil information systems. In order to defray the costs of establishing access, the Administrative Office of the Courts shall charge initial setup fees equivalent to its fees for governmental agencies granted access to its systems to each individual granted access pursuant to subsection (a) of this section.

…."

SECTION 5. Section 1 of this act is effective when it becomes law and applies to applications for licenses filed on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of July, 2015.

Became law upon approval of the Governor at 3:02 p.m. on the 5th day of August, 2015.

Session Law 2015-181 **H.B. 383**

AN ACT TO REORGANIZE, RENAME, AND RENUMBER VARIOUS SEXUAL OFFENSES TO MAKE THEM MORE EASILY DISTINGUISHABLE FROM ONE ANOTHER AS RECOMMENDED BY THE NORTH CAROLINA COURT OF APPEALS IN "STATE OF NORTH CAROLINA V. SLADE WESTON HICKS, JR.," AND TO MAKE OTHER TECHNICAL CHANGES.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 14 of the General Statutes is amended by adding a new Article to read:

"Article 7B.

"Rape and Other Sex Offenses.

SECTION 2. G.S. 14-27.1 is recodified as G.S. 14-27.20 under Article 7B of the General Statutes as created by Section 1 of this act.

SECTION 3.(a) G.S. 14-27.2 is recodified as G.S. 14-27.21 under Article 7B of the General Statutes as created by Section 1 of this act.

SECTION 3.(b) G.S. 14-27.2, recodified as G.S. 14-27.21 by subsection (a) of this section, reads as rewritten:

"§ **14-27.21. First-degree forcible rape.**

(a) A person is guilty of ~~rape in the~~ first-degree forcible rape if the person engages in vaginal ~~intercourse:~~

~~(1) With a victim who is a child under the age of 13 years and the defendant is at least 12 years old and is at least four years older than the victim; or~~

~~(2)~~ ~~With~~ intercourse with another person by force and against the will of the other person, ~~and:~~and does any of the following:

~~a.~~(1) Employs or displays a dangerous or deadly weapon or an article which the other person reasonably believes to be a dangerous or deadly ~~weapon; or~~weapon.

~~b.~~(2) Inflicts serious personal injury upon the victim or another ~~person; or~~ person.

~~c.~~(3) The person commits the offense aided and abetted by one or more other persons.

(b) Any person who commits an offense defined in this section is guilty of a Class B1 felony.

(c) Upon conviction, a person convicted under this section has no rights to custody of or rights of inheritance from any child born as a result of the commission of the rape, nor shall the person have any rights related to the child under Chapter 48 or Subchapter 1 of Chapter 7B of the General Statutes."

SECTION 4.(a) G.S. 14-27.3 is recodified as G.S. 14-27.22 under Article 7B of the General Statutes.

SECTION 4.(b) G.S. 14-27.3, recodified as G.S. 14-27.22 by subsection (a) of this section, reads as rewritten:

"§ **14-27.22. Second-degree forcible rape.**

(a) A person is guilty of ~~rape in the second degree~~ second-degree forcible rape if the person engages in vaginal intercourse with another person:

(1) By force and against the will of the other person; or

(2) Who is mentally disabled, mentally incapacitated, or physically helpless, and the person performing the act knows or should reasonably know the other person is mentally disabled, mentally incapacitated, or physically helpless.

(b) Any person who commits the offense defined in this section is guilty of a Class C felony.

(c) Upon conviction, a person convicted under this section has no rights to custody of or rights of inheritance from any child conceived during the commission of the rape, nor shall the person have any rights related to the child under Chapter 48 or Subchapter 1 of Chapter 7B of the General Statutes."

SECTION 5.(a) G.S. 14-27.2A is recodified as G.S. 14-27.23 under Article 7B of the General Statutes.

SECTION 5.(b) G.S. 14-27.2A, recodified as G.S. 14-27.23 by subsection (a) of this section, reads as rewritten:

"§ **14-27.23. ~~Rape of a child; adult offender.~~Statutory rape of a child by an adult.**

(a) A person is guilty of ~~rape of a child~~ statutory rape of a child by an adult if the person is at least 18 years of age and engages in vaginal intercourse with a victim who is a child under the age of 13 years.

…

(e) The offense under ~~G.S. 14-27.2(a)(1)~~ G.S. 14-27.24 is a lesser included offense of the offense in this section."

SECTION 6. Article 7B of Chapter 14 of the General Statutes, as created by Section 1 of this act, is amended by adding a new section to read:

"**§ 14-27.24. First-degree statutory rape.**

(a) A person is guilty of first-degree statutory rape if the person engages in vaginal intercourse with a victim who is a child under the age of 13 years and the defendant is at least 12 years old and is at least four years older than the victim.

(b) Any person who commits an offense defined in this section is guilty of a Class B1 felony.

(c) Upon conviction, a person convicted under this section has no rights to custody of or rights of inheritance from any child born as a result of the commission of the rape, nor shall the person have any rights related to the child under Chapter 48 or Subchapter 1 of Chapter 7B of the General Statutes."

SECTION 7.(a) G.S. 14-27.7A is recodified as G.S. 14-27.25 under Article 7B of Chapter 14 of the General Statutes.

SECTION 7.(b) G.S. 14-27.7A, as amended by S.L. 2015-62 and recodified as G.S. 14-27.25 by subsection (a) of this section, reads as rewritten:

"§ **14-27.25. Statutory rape ~~or sexual offense~~ of person who is 15 years of age or younger.**

(a) A defendant is guilty of a Class B1 felony if the defendant engages in vaginal intercourse ~~or a sexual act~~ with another person who is 15 years of age or younger and the defendant is at least 12 years old and at least six years older than the person, except when the defendant is lawfully married to the person.

(b) Unless the conduct is covered under some other provision of law providing greater punishment, a defendant is guilty of a Class C felony if the defendant engages in vaginal intercourse ~~or a sexual act~~ with another person who is 15 years of age or younger and the defendant is at least 12 years old and more than four but less than six years older than the person, except when the defendant is lawfully married to the person."

SECTION 8.(a) G.S. 14-27.4 is recodified as G.S. 14-27.26 under Article 7B of Chapter 14 of the General Statutes.

SECTION 8.(b) G.S. 14-27.4, recodified as G.S. 14-27.26 by subsection (a) of this section, reads as rewritten:

"§ **14-27.26. First-degree forcible sexual offense.**

(a) A person is guilty of a ~~sexual offense in the~~ first degree forcible sexual offense if the person engages in a sexual ~~act:~~

~~(1) With a victim who is a child under the age of 13 years and the defendant is at least 12 years old and is at least four years older than the victim; or~~

~~(2)~~ ~~With~~ act with another person by force and against the will of the other person, ~~and:~~and does any of the following:

~~a.~~(1) Employs or displays a dangerous or deadly weapon or an article which the other person reasonably believes to be a dangerous or deadly ~~weapon; or~~ weapon.

~~b.~~(2) Inflicts serious personal injury upon the victim or another ~~person; or~~person.

~~c.~~(3) The person commits the offense aided and abetted by one or more other persons.

(b) Any person who commits an offense defined in this section is guilty of a Class B1 felony."

SECTION 9.(a) G.S. 14-27.5 is recodified as G.S. 14-27.27 under Article 7B of Chapter 14 of the General Statutes.

SECTION 9.(b) G.S. 14-27.5, recodified as G.S. 14-27.27 by subsection (a) of this section, reads as rewritten:

"§ **14-27.27. Second-degree forcible sexual offense.**

(a) A person is guilty of ~~a sexual offense in the~~ second degree forcible sexual offense if the person engages in a sexual act with another person:

(1) By force and against the will of the other person; or

(2) Who is mentally disabled, mentally incapacitated, or physically helpless, and the person performing the act knows or should reasonably know that the other person is mentally disabled, mentally incapacitated, or physically helpless.

(b) Any person who commits the offense defined in this section is guilty of a Class C felony."

SECTION 10.(a) G.S. 14-27.4A is recodified as G.S. 14-27.28 under Article 7B of Chapter 14 of the General Statutes as created by Section 1 of this act.

SECTION 10.(b) G.S. 14-27.4A, recodified as G.S. 14-27.28 by subsection (a) of this section, reads as rewritten:

"§ **14-27.28. ~~Sexual offense with a child; adult offender.~~Statutory sexual offense with a child by an adult.**

(a) A person is guilty of ~~sexual offense with a child~~ statutory sexual offense with a child by an adult if the person is at least 18 years of age and engages in a sexual act with a victim who is a child under the age of 13 years.

…

(d) The offense under ~~G.S. 14-27.4(a)(1)~~G.S. 14-27.29 is a lesser included offense of the offense in this section."

SECTION 11. Article 7B of Chapter 14 of the General Statutes, as created by Section 1 of this act, is amended by adding a new section to read:

"**§ 14-27.29. First-degree statutory sexual offense.**

(a) A person is guilty of first-degree statutory sexual offense if the person engages in a sexual act with a victim who is a child under the age of 13 years and the defendant is at least 12 years old and is at least four years older than the victim.

(b) Any person who commits an offense defined in this section is guilty of a Class B1 felony."

SECTION 12. Article 7B of Chapter 14 of the General Statutes, as created by Section 1 of this act, is amended by adding the following new section:

"**§ 14-27.30. Statutory sexual offense with a person who is 15 years of age or younger.**

(a) A defendant is guilty of a Class B1 felony if the defendant engages in a sexual act with another person who is 15 years of age or younger and the defendant is at least 12 years old and at least six years older than the person, except when the defendant is lawfully married to the person.

(b) Unless the conduct is covered under some other provision of law providing greater punishment, a defendant is guilty of a Class C felony if the defendant engages in a sexual act with another person who is 15 years of age or younger and the defendant is at least 12 years old and more than four but less than six years older than the person, except when the defendant is lawfully married to the person."

SECTION 13.(a) G.S. 14-27.7(a) is recodified as G.S. 14-27.31 under Article 7B of Chapter 14 of the General Statutes as created by Section 1 of this act.

SECTION 13.(b) G.S. 14-27.7(a), recodified as G.S. 14-27.31 by subsection (a) of this section, reads as rewritten:

"§ **14-27.31. ~~Intercourse and sexual offenses with certain victims; consent no defense.~~Sexual activity by a substitute parent or custodian.**

(a) If a defendant who has assumed the position of a parent in the home of a minor victim engages in vaginal intercourse or a sexual act with a victim who is a minor residing in the ~~home, or if a person having custody of a victim of any age or a person who is an agent or employee of any person, or institution, whether such institution is private, charitable, or governmental, having custody of a victim of any age engages in vaginal intercourse or a sexual act with such victim,~~ home, the defendant is guilty of a Class E felony.

(b) If a person having custody of a victim of any age or a person who is an agent or employee of any person, or institution, whether such institution is private, charitable, or governmental, having custody of a victim of any age engages in vaginal intercourse or a sexual act with such victim, the defendant is guilty of a Class E felony.

(c) Consent is not a defense to a charge under this section."

SECTION 14.(a) G.S. 14-27.7(b) is recodified as G.S. 14-27.32 under Article 7B of Chapter 14 of the General Statutes as created by Section 1 of this act.

SECTION 14.(b) G.S. 14-27.7(b), recodified as G.S. 14-27.32 by subsection (a) of this section, reads as rewritten:

"§ **14-27.32. Sexual activity with a student.**

~~(b)~~(a) If a defendant, who is a teacher, school administrator, student teacher, school safety officer, or coach, at any age, or who is other school personnel, and who is at least four years older than the victim engages in vaginal intercourse or a sexual act with a victim who is a student, at any time during or after the time the defendant and victim were present together in the same school, but before the victim ceases to be a student, the defendant is guilty of a Class G felony, except when the defendant is lawfully married to the student. The term "same school" means a school at which the student is enrolled and the defendant is employed, assigned, or volunteers.

(b) A defendant who is school personnel, other than a teacher, school administrator, student teacher, school safety officer, or coach, and is less than four years older than the victim and engages in vaginal intercourse or a sexual act with a victim who is a student, is guilty of a Class A1 misdemeanor.

(c) This ~~subsection~~ section shall apply unless the conduct is covered under some other provision of law providing for greater punishment.

(d) Consent is not a defense to a charge under this section.

(e) For purposes of this ~~subsection,~~ section, the terms "school", "school personnel", and "student" shall have the same meaning as in G.S. 14-202.4(d). For purposes of this ~~subsection,~~ section, the term "school safety officer" shall include a school resource officer or any other person who is regularly present in a school for the purpose of promoting and maintaining safe and orderly schools."

SECTION 15. G.S. 14-27.5A is recodified as G.S. 14-27.33 under Article 7B of Chapter 14 of the General Statutes as created by Section 1 of this act. G.S. 14-27.8 through G.S. 14-27.10 are recodified as G.S. 14-27.34 through G.S. 14-27.36 under Article 7B of Chapter 14 of the General Statutes as created by Section 1 of this act.

SECTION 16. G.S. 14-202.4(d)(1) reads as rewritten:

"(d) For purposes of this section, the following definitions apply:

(1) "Indecent liberties" means:

a. Willfully taking or attempting to take any immoral, improper, or indecent liberties with a student for the purpose of arousing or gratifying sexual desire; or

b. Willfully committing or attempting to commit any lewd or lascivious act upon or with the body or any part or member of the body of a student.

For purposes of this section, the term indecent liberties does not include vaginal intercourse or a sexual act as defined by ~~G.S. 14-27.1.~~G.S. 14-27.20."

SECTION 17. G.S. 14-203(5) reads as rewritten:

"(5) Prostitution. – The performance of, offer of, or agreement to perform vaginal intercourse, any sexual act as defined in ~~G.S. 14-27.1,~~ G.S. 14-27.20, or any sexual contact as defined in ~~G.S. 14-27.1,~~ G.S. 14-27.20, for the purpose of sexual arousal or gratification for any money or other consideration."

SECTION 18. G.S. 14-205.2(a) reads as rewritten:

"(a) Any person who willfully performs any of the following acts with a person not his or her spouse commits the offense of patronizing a prostitute:

(1) Engages in vaginal intercourse, any sexual act as defined in ~~G.S. 14-27.1,~~G.S. 14-27.20, or any sexual contact as defined in ~~G.S. 14-27.1,~~ G.S. 14-27.20, for the purpose of sexual arousal or gratification with a prostitute.

(2) Enters or remains in a place of prostitution with intent to engage in vaginal intercourse, any sexual act as defined in ~~G.S. 14-27.1,~~ G.S. 14-27.20, or any sexual contact as defined in ~~G.S. 14-27.1,~~ G.S. 14-27.20, for the purpose of sexual arousal or gratification."

SECTION 19. G.S. 15A-136 reads as rewritten:

"§ **15A-136. Venue for sexual offenses.**

If a person is transported by any means, with the intent to violate any of the provisions of Article 7A of Chapter 14 (~~§ 14-27.1~~§ 14-27.20 et seq.) of the General Statutes and the intent is followed by actual violation thereof, the defendant may be tried in the county where transportation was offered, solicited, begun, continued or ended."

SECTION 20. G.S. 50-16.1A(3) reads as rewritten:

"(3) "Marital misconduct" means any of the following acts that occur during the marriage and prior to or on the date of separation:

a. Illicit sexual behavior. For the purpose of this section, illicit sexual behavior means acts of sexual or deviate sexual intercourse, deviate sexual acts, or sexual acts defined in ~~G.S. 14-27.1(4),~~G.S. 14-27.20(4), voluntarily engaged in by a spouse with someone other than the other spouse;
b. Involuntary separation of the spouses in consequence of a criminal act committed prior to the proceeding in which alimony is sought;
c. Abandonment of the other spouse;
d. Malicious turning out-of-doors of the other spouse;
e. Cruel or barbarous treatment endangering the life of the other spouse;
f. Indignities rendering the condition of the other spouse intolerable and life burdensome;
g. Reckless spending of the income of either party, or the destruction, waste, diversion, or concealment of assets;
h. Excessive use of alcohol or drugs so as to render the condition of the other spouse intolerable and life burdensome;
i. Willful failure to provide necessary subsistence according to one's means and condition so as to render the condition of the other spouse intolerable and life burdensome."

SECTION 21. G.S. 7B-101(1) reads as rewritten:

"(1) Abused juveniles. – Any juvenile less than 18 years of age whose parent, guardian, custodian, or caretaker:

a. Inflicts or allows to be inflicted upon the juvenile a serious physical injury by other than accidental means;
b. Creates or allows to be created a substantial risk of serious physical injury to the juvenile by other than accidental means;
c. Uses or allows to be used upon the juvenile cruel or grossly inappropriate procedures or cruel or grossly inappropriate devices to modify behavior;
d. Commits, permits, or encourages the commission of a violation of the following laws by, with, or upon the juvenile: ~~first-degree rape, as provided in G.S. 14-27.2; rape of a child by an adult offender, as provided in G.S. 14-27.2A; second degree rape as provided in G.S. 14-27.3; first-degree sexual offense, as provided in G.S. 14-27.4; sexual offense with a child by an adult offender, as provided in G.S. 14-27.4A; second degree sexual offense, as provided in G.S. 14-27.5; sexual act by a custodian, as provided in G.S. 14-27.7;~~ first-degree forcible rape, as provided in G.S. 14-27.21; second-degree forcible rape as provided in G.S. 14-27.22; statutory rape of a child by an adult as provided in G.S. 14-27.23; first-degree statutory rape as provided in G.S. 14-27.24; first-degree forcible sex offense as provided in G.S. 14-27.26; second-degree forcible sex offense as provided in G.S. 14-27.27; statutory sexual offense with a child by an adult as provided in G.S. 14-27.28; first-degree statutory sexual offense as provided in G.S. 14-27.29; sexual activity by a substitute parent or custodian as provided in G.S. 14-27.31; sexual activity with a student as provided in G.S. 14-27.32; unlawful sale, surrender, or purchase of a minor, as provided in G.S. 14-43.14; crime against nature, as provided in G.S. 14-177; incest, as provided in G.S. 14-178; preparation of obscene photographs, slides, or motion pictures of the juvenile, as provided in G.S. 14-190.5; employing or permitting the juvenile to assist in a violation of the obscenity laws as provided in G.S. 14-190.6; dissemination of

obscene material to the juvenile as provided in G.S. 14-190.7 and G.S. 14-190.8; displaying or disseminating material harmful to the juvenile as provided in G.S. 14-190.14 and G.S. 14-190.15; first and second degree sexual exploitation of the juvenile as provided in G.S. 14-190.16 and G.S. 14-190.17; promoting the prostitution of the juvenile as provided in G.S. 14-205.3(b); and taking indecent liberties with the juvenile, as provided in G.S. 14-202.1;

e. Creates or allows to be created serious emotional damage to the juvenile; serious emotional damage is evidenced by a juvenile's severe anxiety, depression, withdrawal, or aggressive behavior toward himself or others;

f. Encourages, directs, or approves of delinquent acts involving moral turpitude committed by the juvenile; or

g. Commits or allows to be committed an offense under G.S. 14-43.11 (human trafficking), G.S. 14-43.12 (involuntary servitude), or G.S. 14-43.13 (sexual servitude) against the child."

SECTION 22. G.S. 7B-401.1(b) reads as rewritten:

"(b) Parents. – The juvenile's parent shall be a party unless one of the following applies:

(1) The parent's rights have been terminated.

(2) The parent has relinquished the juvenile for adoption, unless the court orders that the parent be made a party.

(3) The parent has been convicted under ~~G.S. 14-27.2 or G.S. 14-27.3~~ G.S. 14-27.21, G.S. 14-27.22, or G.S. 14-27.24 for an offense that resulted in the conception of the juvenile."

SECTION 23. G.S. 7B-1103(c) reads as rewritten:

"(c) No person whose actions resulted in a conviction under ~~G.S. 14-27.2 or G.S. 14-27.3~~ G.S. 14-27.21, G.S. 14-27.22, or G.S. 14-27.24 and the conception of the juvenile may file a petition to terminate the parental rights of another with respect to that juvenile."

SECTION 24. G.S. 7B-1104(3) reads as rewritten:

"(3) The name and address of the parents of the juvenile. If the name or address of one or both parents is unknown to the petitioner or movant, the petitioner or movant shall set forth with particularity the petitioner's or movant's efforts to ascertain the identity or whereabouts of the parent or parents. The information may be contained in an affidavit attached to the petition or motion and incorporated therein by reference. A person whose actions resulted in a conviction under ~~G.S. 14-27.2 or G.S. 14-27.3~~ G.S. 14-27.21, G.S. 14-27.22, or G.S. 14-27.24 and the conception of the juvenile need not be named in the petition."

SECTION 25. G.S. 7B-1602(a) reads as rewritten:

"(a) When a juvenile is committed to the Division for placement in a youth development center for an offense that would be first degree murder pursuant to G.S. 14-17, first-degree forcible rape pursuant to ~~G.S. 14-27.2,~~G.S. 14-27.21, first-degree statutory rape pursuant to G.S. 14-27.24,~~or~~ first-degree forcible sexual offense pursuant to ~~G.S. 14-27.4~~G.S. 14-27.26, or first-degree statutory sexual offense pursuant to G.S. 14-27.29 if committed by an adult, jurisdiction shall continue until terminated by order of the court or until the juvenile reaches the age of 21 years, whichever occurs first."

SECTION 26. G.S. 7B-2509 reads as rewritten:

"§ **7B-2509. Registration of certain delinquent juveniles.**

In any case in which a juvenile, who was at least 11 years of age at the time of the offense, is adjudicated delinquent for committing a violation of ~~G.S. 14-27.2 (first-degree rape), G.S. 14-27.3 (second-degree rape), G.S. 14-27.4 (first-degree sexual offense), G.S. 14-27.5 (second-degree sexual offense), or~~ G.S. 14-27.6 (attempted rape or sexual offense), G.S. 14-27.21 (first-degree forcible rape), G.S. 14-27.22 (second-degree forcible rape),

G.S. 14-27.24 (first-degree statutory rape), G.S. 14-27.26 (first-degree forcible sexual offense), G.S. 14-27.27 (second-degree forcible sexual offense), or G.S. 14-27.29 (first-degree statutory sexual offense), the judge, upon a finding that the juvenile is a danger to the community, may order that the juvenile register in accordance with Part 4 of Article 27A of Chapter 14 of the General Statutes."

SECTION 27. G.S. 7B-2513(a)(1) reads as rewritten:

"(1) The twenty-first birthday of the juvenile if the juvenile has been committed to the Division for an offense that would be first-degree murder pursuant to G.S. 14-17, first-degree forcible rape pursuant to ~~G.S. 14-27.2,~~G.S. 14-27.21, first-degree statutory rape pursuant to G.S. 14-27.24, ~~or~~ first-degree forcible sexual offense pursuant to ~~G.S. 14-27.4~~G.S. 14-27.26, or first-degree statutory sexual offense pursuant to G.S. 14-27.29 if committed by an adult;"

SECTION 28. G.S. 7B-2514(c)(2) reads as rewritten:

"(2) The juvenile's twenty-first birthday if the juvenile has been committed to the Division for an offense that would be first-degree murder pursuant to G.S. 14-17, first-degree forcible rape pursuant to ~~G.S. 14-27.2,~~G.S. 14-27.21, first-degree statutory rape pursuant to G.S. 14-27.24, ~~or~~ first-degree forcible sexual offense pursuant to ~~G.S. 14-27.4~~G.S. 14-27.26, or first-degree statutory sexual offense pursuant to G.S. 14-27.29 if committed by an adult."

SECTION 29. G.S. 7B-2516(c)(1) reads as rewritten:

"(1) The juvenile's twenty-first birthday if the juvenile has been committed to the Division for an offense that would be first-degree murder pursuant to G.S. 14-17, first-degree forcible rape pursuant to ~~G.S. 14-27.2,~~G.S. 14-27.21, first-degree statutory rape pursuant to G.S. 14-27.24, ~~or~~ first-degree forcible sexual offense pursuant to ~~G.S. 14-27.4~~G.S. 14-27.26, or first-degree statutory sexual offense pursuant to G.S. 14-27.29 if committed by an adult."

SECTION 30. G.S. 7B-2600(c) reads as rewritten:

"(c) In any case where the court finds the juvenile to be delinquent or undisciplined, the jurisdiction of the court to modify any order or disposition made in the case shall continue (i) during the minority of the juvenile, (ii) until the juvenile reaches the age of 19 years if the juvenile has been adjudicated delinquent and committed to the Division for an offense that would be a Class B1, B2, C, D, or E felony if committed by an adult, other than an offense set forth in G.S. 7B-1602(a), (iii) until the juvenile reaches the age of 21 years if the juvenile has been adjudicated delinquent and committed for an offense that would be first-degree murder pursuant to G.S. 14-17, first-degree forcible rape pursuant to ~~G.S. 14-27.2,~~G.S. 14-27.21, first-degree statutory rape pursuant to G.S. 14-27.24, ~~or~~ first-degree forcible sexual offense pursuant to ~~G.S. 14-27.4~~G.S. 14-27.26, or first-degree statutory sexual offense pursuant to G.S. 14-27.29 if committed by an adult, or (iv) until terminated by order of the court."

SECTION 31. G.S. 8-53.12(a)(7) reads as rewritten:

"(7) Sexual assault. – Any alleged violation of ~~G.S. 14-27.2, 14-27.3, 14-27.4, 14-27.5, 14-27.7, 14-27.7A,~~ G.S. 14-27.21, 14-27.22, 14-27.24, 14-27.25, 14-27.26, 14-27.27, 14-27.29, 14-27.30, 14-27.31, 14-27.32, or 14-202.1, whether or not a civil or criminal action arises as a result of the alleged violation."

SECTION 32. G.S. 14-208.6(5) reads as rewritten:

"(5) "Sexually violent offense" means a violation of ~~G.S. 14-27.2 (first-degree rape), G.S. 14-27.2A (rape of a child; adult offender), G.S. 14-27.3 (second-degree rape), G.S. 14-27.4 (first-degree sexual offense), G.S. 14-27.4A (sex offense with a child; adult offender), G.S. 14-27.5 (second-degree sexual offense), G.S. 14-27.5A (sexual battery),~~ former G.S. 14-27.6 (attempted

rape or sexual offense), ~~G.S. 14-27.7 (intercourse and sexual offense with certain victims), G.S. 14-27.7A(a) (statutory rape or sexual offense of person who is 13, 14, or 15 years old where the defendant is at least six years older),~~ G.S. 14-27.21 (first-degree forcible rape), G.S. 14-27.22 (second-degree forcible rape), G.S. 14-27.23 (statutory rape of a child by an adult), G.S. 14-27.25(a) (statutory rape of a person who is 15 years of age or younger where the defendant is at least six years older), G.S. 14-27.26 (first-degree forcible sexual offense), G.S. 14-27.27 (second-degree forcible sexual offense), G.S. 14-27.28 (statutory sexual offense with a child by an adult), G.S. 14-27.29 (first-degree statutory sexual offense), G.S. 14-27.30(a) (statutory sexual offense with a person who is 15 years of age or younger where the defendant is at least six years older), G.S. 14-27.31 (sexual activity by a substitute parent or custodian), G.S. 14-27.32 (sexual activity with a student), G.S. 14-27.33 (sexual battery), G.S. 14-43.11 (human trafficking) if (i) the offense is committed against a minor who is less than 18 years of age or (ii) the offense is committed against any person with the intent that they be held in sexual servitude, G.S. 14-43.13 (subjecting or maintaining a person for sexual servitude), G.S. 14-178 (incest between near relatives), G.S. 14-190.6 (employing or permitting minor to assist in offenses against public morality and decency), G.S. 14-190.9(a1) (felonious indecent exposure), G.S. 14-190.16 (first degree sexual exploitation of a minor), G.S. 14-190.17 (second degree sexual exploitation of a minor), G.S. 14-190.17A (third degree sexual exploitation of a minor), G.S. 14-202.1 (taking indecent liberties with children), G.S. 14-202.3 (Solicitation of child by computer or certain other electronic devices to commit an unlawful sex act), G.S. 14-202.4(a) (taking indecent liberties with a student), G.S. 14-205.2(c) or (d) (patronizing a prostitute who is a minor or a mentally disabled person), G.S. 14-205.3(b) (promoting prostitution of a minor or a mentally disabled person), G.S. 14-318.4(a1) (parent or caretaker commit or permit act of prostitution with or by a juvenile), or G.S. 14-318.4(a2) (commission or allowing of sexual act upon a juvenile by parent or guardian). The term also includes the following: a solicitation or conspiracy to commit any of these offenses; aiding and abetting any of these offenses."

SECTION 33. G.S. 14-208.26(a) reads as rewritten:

"Part 4. Registration of Certain Juveniles Adjudicated for Committing Certain Offenses.

"§ **14-208.26. Registration of certain juveniles adjudicated delinquent for committing certain offenses.**

"(a) When a juvenile is adjudicated delinquent for a violation of ~~G.S. 14-27.2 (first degree rape), G.S. 14-27.3 (second degree rape), G.S. 14-27.4 (first degree sexual offense), G.S. 14-27.5 (second degree sexual offense), or~~ former G.S. 14-27.6 (attempted rape or sexual offense), G.S. 14-27.21 (first-degree forcible rape), G.S. 14-27.22 (second-degree forcible rape), G.S. 14-27.24 (first-degree statutory rape), G.S. 14-27.26 (first-degree forcible sexual offense), G.S. 14-27.27 (second-degree forcible sexual offense), or G.S. 14-27.29 (first-degree statutory sexual offense), and the juvenile was at least eleven years of age at the time of the commission of the offense, the court shall consider whether the juvenile is a danger to the community. If the court finds that the juvenile is a danger to the community, then the court shall consider whether the juvenile should be required to register with the county sheriff in accordance with this Part. The determination as to whether the juvenile is a danger to the community and whether the juvenile shall be ordered to register shall be made by the presiding judge at the dispositional hearing. If the judge rules that the juvenile is a danger to the community and that the juvenile shall register, then an order shall be entered requiring the juvenile to register. The court's findings regarding whether the juvenile is a danger to the

community and whether the juvenile shall register shall be entered into the court record. No juvenile may be required to register under this Part unless the court first finds that the juvenile is a danger to the community.

A juvenile ordered to register under this Part shall register and maintain that registration as provided by this Part."

SECTION 34. G.S. 48-3-603(a)(9) reads as rewritten:

"(9) An individual whose actions resulted in a conviction under ~~G.S. 14-27.2, G.S. 14-27.2A, or G.S. 14-27.3~~ G.S. 14-27.21, G.S. 14-27.22, G.S. 14-27.23, or G.S. 14-27.24 and the conception of the minor to be adopted."

SECTION 35. G.S. 50-13.1(a) reads as rewritten:

"(a) Any parent, relative, or other person, agency, organization or institution claiming the right to custody of a minor child may institute an action or proceeding for the custody of such child, as hereinafter provided. Any person whose actions resulted in a conviction under ~~G.S. 14-27.2, G.S. 14-27.2A, or G.S. 14-27.3~~ G.S. 14-27.21, G.S. 14-27.22, G.S. 14-27.23, or G.S. 14-27.24 and the conception of the minor child may not claim the right to custody of that minor child. Unless a contrary intent is clear, the word "custody" shall be deemed to include custody or visitation or both."

SECTION 36. G.S. 50B-1(a)(3) reads as rewritten:

"(3) Committing any act defined in ~~G.S. 14-27.2~~G.S. 14-27.21 through ~~G.S. 14-27.7.~~G.S. 14-27.33."

SECTION 37. G.S. 90-171.38(b) reads as rewritten:

"(b) Any individual, organization, association, corporation, or institution may establish a program for the purpose of training or educating any registered nurse licensed under G.S. 90-171.30, 90-171.32, or 90-171.33 in the skills, procedures, and techniques necessary to conduct examinations for the purpose of collecting evidence from the victims of ~~first-degree rape as defined in G.S. 14-27.2, second-degree rape as defined in G.S. 14-27.3, statutory rape as defined in G.S. 14-27.7A, first-degree sexual offense as defined in G.S. 14-27.4, second-degree sexual offense as defined in G.S. 14-27.5 or attempted first-degree or second-degree rape or attempted first-degree or second-degree sexual offense.~~ first-degree forcible rape as defined in G.S. 14-27.21, second-degree forcible rape as defined in G.S. 14-27.22, statutory rape of a child by an adult as defined in G.S. 14-27.23, first-degree statutory rape as defined in G.S. 14-27.24, statutory rape of a person who is 15 years of age or younger as defined in G.S. 14-27.25, first-degree forcible sexual offense as defined in G.S. 14-27.26, second-degree forcible sexual offense as defined in G.S. 14-27.27, statutory sexual offense with a child by an adult as defined in G.S. 14-27.28, first-degree statutory sexual offense as defined in G.S. 14-27.29, statutory sexual offense with a person who is 15 years of age or younger as defined in G.S. 14-27.30, attempted first-degree or second-degree forcible rape, attempted first-degree statutory rape, attempted first-degree or second-degree forcible sexual offense, or attempted first-degree statutory sexual offense. The Board, pursuant to G.S. 90-171.23(b)(14), shall establish, revise, or repeal standards for any such program. Any individual, organization, association, corporation, or institution which desires to establish a program under this subsection shall apply to the Board and submit satisfactory evidence that it will meet the standards prescribed by the Board."

SECTION 38. G.S. 143B-1200(i)(3) reads as rewritten:

"(3) Sexual assault. – Any of the following crimes:

~~a. First-degree rape as defined in G.S. 14-27.2.~~
~~b. Second-degree rape as defined in G.S. 14-27.3.~~
~~c. First-degree sexual offense as defined in G.S. 14-27.4.~~
~~d. Second-degree sexual offense as defined in G.S. 14-27.5.~~
~~e. Statutory rape as defined in G.S. 14-27.7A.~~
a. First-degree forcible rape as defined in G.S. 14-27.21.
b. Second-degree forcible rape as defined in G.S. 14-27.22.
c. First-degree statutory rape as defined in G.S. 14-27.24.

d. Statutory rape of a person who is 15 years of age or younger as defined in G.S. 14-27.25.
e. First-degree forcible sexual offense as defined in G.S. 14-27.26.
f. Second-degree forcible sexual offense as defined in G.S. 14-27.27.
g. First-degree statutory sexual offense as defined in G.S. 14-27.29.
h. Statutory sexual offense with a person who is 15 years of age or younger as defined in G.S. 14-27.30."

SECTION 39. G.S. 14-401.16(c) reads as rewritten:

"(c) A violation of this section is a Class H felony. However, if a person violates this section with the intent of committing an offense under ~~G.S. 14-27.3~~G.S. 14-27.22 or ~~G.S. 14-27.5,~~G.S. 14-27.27, the violation is a Class G felony."

SECTION 40. G.S. 14-208.40(a)(3) reads as rewritten:

"(3) Any offender who is convicted of ~~G.S. 14-27.2A~~G.S. 14-27.23 or ~~G.S. 14-27.4A,~~G.S. 14-27.28, who shall be enrolled in the satellite-based monitoring program for the offender's natural life upon termination of the offender's active punishment."

SECTION 41. G.S. 14-208.40A reads as rewritten:

"§ **14-208.40A. Determination of satellite-based monitoring requirement by court.**

(a) When an offender is convicted of a reportable conviction as defined by G.S. 14-208.6(4), during the sentencing phase, the district attorney shall present to the court any evidence that (i) the offender has been classified as a sexually violent predator pursuant to G.S. 14-208.20, (ii) the offender is a recidivist, (iii) the conviction offense was an aggravated offense, (iv) the conviction offense was a violation of ~~G.S. 14-27.2A~~G.S. 14-27.23 or ~~G.S. 14-27.4A,~~G.S. 14-27.28, or (v) the offense involved the physical, mental, or sexual abuse of a minor. The district attorney shall have no discretion to withhold any evidence required to be submitted to the court pursuant to this subsection.

The offender shall be allowed to present to the court any evidence that the district attorney's evidence is not correct.

(b) After receipt of the evidence from the parties, the court shall determine whether the offender's conviction places the offender in one of the categories described in G.S. 14-208.40(a), and if so, shall make a finding of fact of that determination, specifying whether (i) the offender has been classified as a sexually violent predator pursuant to G.S. 14-208.20, (ii) the offender is a recidivist, (iii) the conviction offense was an aggravated offense, (iv) the conviction offense was a violation of ~~G.S. 14-27.2A~~G.S. 14-27.23 or ~~G.S. 14-27.4A,~~G.S. 14-27.28, or (v) the offense involved the physical, mental, or sexual abuse of a minor.

(c) If the court finds that the offender has been classified as a sexually violent predator, is a recidivist, has committed an aggravated offense, or was convicted of ~~G.S. 14-27.2A~~G.S. 14-27.23 or ~~G.S. 14-27.4A,~~G.S. 14-27.28, the court shall order the offender to enroll in a satellite-based monitoring program for life.

(d) If the court finds that the offender committed an offense that involved the physical, mental, or sexual abuse of a minor, that the offense is not an aggravated offense or a violation of ~~G.S. 14-27.2A~~G.S. 14-27.23 or ~~G.S. 14-27.4A~~G.S. 14-27.28 and the offender is not a recidivist, the court shall order that the Division of Adult Correction do a risk assessment of the offender. The Division of Adult Correction shall have a minimum of 30 days, but not more than 60 days, to complete the risk assessment of the offender and report the results to the court.

(e) Upon receipt of a risk assessment from the Division of Adult Correction pursuant to subsection (d) of this section, the court shall determine whether, based on the Division of Adult Correction's risk assessment, the offender requires the highest possible level of supervision and monitoring. If the court determines that the offender does require the highest possible level of supervision and monitoring, the court shall order the offender to enroll in a satellite-based monitoring program for a period of time to be specified by the court."

SECTION 42. G.S. 14-208.40B(c) reads as rewritten:

"(c) At the hearing, the court shall determine if the offender falls into one of the categories described in G.S. 14-208.40(a). The court shall hold the hearing and make findings of fact pursuant to G.S. 14-208.40A.

If the court finds that (i) the offender has been classified as a sexually violent predator pursuant to G.S. 14-208.20, (ii) the offender is a recidivist, (iii) the conviction offense was an aggravated offense, or (iv) the conviction offense was a violation of ~~G.S. 14-27.2A~~G.S. 14-27.23 or ~~G.S. 14-27.4A,~~G.S. 14-27.4A, the court shall order the offender to enroll in satellite-based monitoring for life.

If the court finds that the offender committed an offense that involved the physical, mental, or sexual abuse of a minor, that the offense is not an aggravated offense or a violation of ~~G.S. 14-27.2A~~G.S. 14-27.23 or ~~G.S. 14-27.4A,~~G.S. 14-27.28, and the offender is not a recidivist, the court shall order that the Division of Adult Correction do a risk assessment of the offender. The Division of Adult Correction shall have a minimum of 30 days, but not more than 60 days, to complete the risk assessment of the offender and report the results to the court. The Division of Adult Correction may use a risk assessment of the offender done within six months of the date of the hearing.

Upon receipt of a risk assessment from the Division of Adult Correction, the court shall determine whether, based on the Division of Adult Correction's risk assessment, the offender requires the highest possible level of supervision and monitoring. If the court determines that the offender does require the highest possible level of supervision and monitoring, the court shall order the offender to enroll in a satellite-based monitoring program for a period of time to be specified by the court."

SECTION 43. G.S. 15A-145.5(a)(4) reads as rewritten:

"(4) Any of the following sex-related or stalking offenses: ~~G.S. 14-27.7A(b),~~G.S. 14-27.25(b), 14-27.30(b), 14-190.7, 14-190.8, 14-190.9, 14-202, 14-208.11A, 14-208.18, 14-277.3, 14-277.3A, 14-321.1."

SECTION 44. G.S. 15A-145.4(5) reads as rewritten:

"(5) Any felony offense under the following sex-related or stalking offenses: ~~G.S. 14-27.7A(b),~~G.S. 14-27.25(b), 14-27.30(b), 14-190.7, 14-190.8, 14-202, 14-208.11A, 14-208.18, 14-277.3, 14-277.3A, 14-321.1."

SECTION 45. G.S. 90-210.25B(b) reads as rewritten:

"(b) For purposes of this Article, the term "sexual offense against a minor" means a conviction of any of the following offenses: ~~G.S. 14-27.4A(a) (sex offense with a child; adult offender), G.S. 14-27.7A (statutory rape or sexual offense of person who is 13, 14, or 15 years old where the defendant is at least six years older),~~G.S. 14-27.23 (statutory rape of a child by an adult), G.S. 14-27.25(a) (statutory rape of a person who is 15 years of age or younger where the defendant is at least six years older), G.S. 14-27.28 (statutory sexual offense with a child by an adult), G.S. 14-27.30 (statutory sexual offense with a person who is 15 years of age or younger where the defendant is at least six years older), G.S. 14-190.16 (first-degree sexual exploitation of a minor), G.S. 14-190.17 (second degree sexual exploitation of a minor), G.S. 14-190.17A (third degree sexual exploitation of a minor), G.S. 14-190.18 (promoting prostitution of a minor), G.S. 14-190.19 (participating in prostitution of a minor), G.S. 14-202.1 (taking indecent liberties with children), G.S. 14-202.3 (solicitation of child by computer or certain other electronic devices to commit an unlawful sex act), G.S. 14-202.4(a) (taking indecent liberties with a student), G.S. 14-318.4(a1) (parent or caretaker commit or permit act of prostitution with or by a juvenile), or G.S. 14-318.4(a2) (commission or allowing of sexual act upon a juvenile by parent or guardian). The term shall also include a conviction of the following: any attempt, solicitation, or conspiracy to commit any of these offenses or any aiding and abetting any of these offenses. The term shall also include a conviction in another jurisdiction for an offense which if committed in this State has the same or substantially similar elements to an offense against a minor as defined by this section."

SECTION 46. G.S. 15A-290(c)(1) reads as rewritten:

"(1) Any felony offense against a minor, including any violation of ~~G.S. 14-27.7 (Intercourse and sexual offenses with certain victims; consent no defense),~~ G.S. 14-27.31 (Sexual activity by a substitute parent or custodian), G.S. 14-27.32 (Sexual activity with a student), G.S. 14-41 (Abduction of children), G.S. 14-43.11 (Human trafficking), G.S. 14-43.12 (Involuntary servitude), G.S. 14-43.13 (Sexual servitude), G.S. 14-190.16 (First degree sexual exploitation of a minor), G.S. 14-190.17 (Second degree sexual exploitation of a minor), G.S. 14-202.1 (Taking indecent liberties with children), G.S. 14-205.2(c) or (d) (Patronizing a prostitute who is a minor or a mentally disabled person), or G.S. 14-205.3(b) (Promoting prostitution of a minor or a mentally disabled person)."

SECTION 47. The Revisor of Statutes may correct statutory references, as required by this act, throughout the General Statutes. In making the changes authorized by this act, the Revisor may also adjust the order of lists of multiple statutes to maintain statutory order, correct terms, make conforming changes to catch lines and references to catch lines, and adjust subject and verb agreement and the placement of conjunctions.

SECTION 48. This act becomes effective December 1, 2015, and applies to offenses committed on or after that date. Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions.

In the General Assembly read three times and ratified this the 29th day of July, 2015.

Became law upon approval of the Governor at 3:05 p.m. on the 5th day of August, 2015.

Session Law 2015-182 **H.B. 397**

AN ACT TO CLARIFY THAT UPON CONVICTION FOR EXPLOITATION OF AN OLDER ADULT OR DISABLED ADULT, ANY SEIZED ASSETS SHALL BE USED TO SATISFY THE DEFENDANT'S RESTITUTION OBLIGATION AS ORDERED BY THE COURT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 14-112.3 reads as rewritten:

"§ **14-112.3. Asset freeze or seizure; proceeding.**

(a) For purposes of this section, the term "assets" includes funds and property as well as other assets that may be involved in a violation of G.S. 14-112.2.

(b) Whenever it appears by clear and convincing evidence that any defendant is about to or intends to divest himself or herself of assets in a manner that would render the defendant insolvent for purposes of restitution, the district attorney may make an application to the court ~~with jurisdiction over the pending charges~~ to freeze or seize the assets of the defendant. Upon a showing by clear and convincing evidence in the hearing, the court shall issue an order to freeze or seize the assets of the defendant in the amount calculated pursuant to G.S. 14-112.2(f). The procedure for petitioning the court under this section shall be governed by G.S. 1A-1, Rule 65, except as otherwise provided in this section.

(b1) An order to freeze or seize assets shall direct the appropriate State or local law enforcement agency with territorial jurisdiction over the assets to serve and execute the order as follows:

(1) Personal property or financial assets in the defendant's possession that are not held by a financial institution shall be seized and held until final disposition as directed by the order.

(2) If the asset is an account, intangible, or other financial asset held by a financial institution, the State or local law enforcement agency shall serve

the order on the entity or institution in possession of the asset with return of service to the clerk of superior court.

(3) If the asset is real property, then a lis pendens shall be filed as directed by the court with the clerk in the county or counties where the property is located in accordance with Article 11 of Chapter 1 of the General Statutes. If property is located in multiple counties, a lis pendens shall be filed in each county.

(4) For all orders served and executed in accordance with subsection (b1) of this section, a return of service shall be filed with the clerk of superior court by the State or local law enforcement agency with an inventory of items seized. If assets identified are financial assets as listed in subdivision (2) of this subsection, then the law enforcement agency shall list the financial institution wherein such funds are held and the amount of said funds. Said inventory should also identify any and all available real property and identify the counties wherein lis pendens were filed in accordance with subdivision (3) of this subsection.

(b2) A record of any personal property seized by a law enforcement agency pursuant to this section shall be kept and maintained as provided in Article 2 of Chapter 15 of the General Statutes, except that the property shall not be disposed of other than pursuant to an order of the court entered pursuant to this section. Property frozen or seized pursuant to this section shall be deemed to be in the custody of the law enforcement agency seizing it and shall be removed and stored in the discretion of that law enforcement agency, which may do any of the following:

(1) Place the property under seal.

(2) Remove the property to a place designated by the law enforcement agency.

(3) Request that the North Carolina Department of Justice take custody of the property and remove it to an appropriate location pending an order of the court for disposition.

(c) At any time after service of the order to freeze or seize assets, the defendant or any person claiming an interest in the assets may file a motion to release the assets.

(d) In any proceeding to release assets, the burden of proof shall be by clear and convincing evidence and shall be on the State to show that the defendant is about to, intends to, or did divest himself or herself of assets in a manner that would render the defendant insolvent for purposes of restitution. If the court finds that the defendant is about to, intends to, or did divest himself or herself of assets in a manner that would render the defendant insolvent for purposes of restitution, the court shall ~~order the assets frozen or held until further order of the court. The rules of evidence that apply to this proceeding are the rules that would apply in a proceeding pursuant to G.S. 1A-1, Rule 65.~~deny the motion.

(e) If the prosecution of the charge under G.S. 14-112.2 is terminated by voluntary dismissal without leave by the State or the court, or if a judgment of acquittal is entered, the court shall vacate the order to freeze or seize the assets. If assets are released pursuant to this subsection, accrued costs incident to the seizure, freeze, or storage of the assets shall not be charged against the defendant and shall be borne by the agency incurring those costs.

(e1) Upon conviction of the defendant, or entry of a plea of no contest, any frozen or seized assets shall be used to satisfy the defendant's restitution obligation as ordered by the court, accounting for costs incident to seizure, including costs of sale. However, if the defendant can satisfy the restitution order within a period of time designated by the court, the court may accept an alternate form of restitution satisfaction. Any excess assets shall be returned to the defendant.

In order to satisfy an order of restitution, frozen or seized assets shall be handled as follows:

(1) Assets shall be sold, transferred, paid out, or otherwise applied to the defendant's restitution obligation as follows:

a. If the asset is personal property or liquid assets already seized, the property shall be disposed of in accordance with the court order.

b. If the asset is held by a financial institution, the court shall enter an order directing the payment of those funds to the clerk in the amount specified in the restitution order or, if the amount is less than the full restitution award, the full amount of liquid assets shall be paid. The law enforcement agency shall deliver those funds to the clerk.

c. If the asset is real property, the court shall enter an order directing the sale of the property. The sale shall be conducted pursuant to Article 29A of Chapter 1 of the General Statutes. A private sale may be conducted pursuant to G.S. 1-339.33 through G.S. 1-339.40, if, upon receipt of the petition and satisfactory proof, it appears to the person directed to oversee the sale that a private sale is in the best interest of the victim.

(2) The proceeds of any sale, transfer, or conversion shall be disbursed as follows:

a. The law enforcement agency shall pay all proceeds to the clerk of superior court and shall provide an accounting of personal property sold or liquid assets seized.

b. All proceeds received by the clerk shall be distributed according to the following priority:

1. Payment to the victim in the full amount of the restitution order.
2. The costs and expenses of the sale.
3. All other necessary expenses incident to compliance with this section.
4. Any remaining balance to the defendant within 30 days of the clerk's receipt of the proceeds of the sale, unless the defendant directs the clerk to apply any excess to the defendant's other monetary obligations contained in the judgment of conviction.

(e2) In the event proceeds from the sale, transfer, or conversion of the seized or frozen assets under subsection (e1) of this section are not sufficient to cover the expenses allowed under sub-sub-subdivisions 2. and 3. of sub-subdivision b. of subdivision (2) of subsection (e1) of this section, after notice and a hearing at which the defendant is present, the court may enter a supplemental order of restitution for the unpaid portion of those expenses for the benefit of the agency that incurred the expenses, to be paid as part of the criminal judgment and as provided under G.S. 7A-304(d)(1)e.

(f) Any person holding any interest in the frozen or seized assets may commence a separate civil proceeding in the manner provided by law.

(g) Any filing fees, service fees, or other expenses incurred by any State or county agency for the administration or use of this section shall be recoverable only as provided in sub-sub-subdivision 2. of sub-subdivision b. of subdivision (2) of subsection (e1) of this section."

SECTION 2. G.S. 1-116(a) is amended by adding a new subdivision to read as follows:

"(5) Actions for asset freezing or seizure under G.S. 14-112.3."

SECTION 3. G.S. 1-119 reads as rewritten:

"§ **1-119. Notice void unless action prosecuted.**

(a) The notice of lis pendens is of no avail unless it is followed by the first publication of notice of the summons or by an affidavit therefor pursuant to Rule 4 (j)(1)c of the Rules of Civil Procedure or by personal service on the defendant within 60 days after the cross-indexing.

(b) When an action is commenced by the issuance of summons and permission is granted to file the complaint within 20 days, pursuant to Rule 3 of the Rules of Civil Procedure, if the complaint is not filed within the time fixed by the order of the clerk, the notice of lis

pendens shall become inoperative and of no effect. The clerk may on his own motion and shall on the ex parte application of any interested party cancel such notice of lis pendens by appropriate entry on the records, which entry shall recite the failure of the plaintiff to file his complaint within the time allowed. Such applications for cancellation, when made in a county other than that in which the action was instituted, shall include a certificate over the hand and seal of the clerk of the county in which the action was instituted that the plaintiff did not file his complaint within the time allowed. The fees of the clerk may be recovered against the plaintiff and his surety.

(c) Notwithstanding subsections (a) and (b) of this section, a notice of lis pendens filed pursuant to G.S. 1-116(a)(5) shall remain effective until the order to freeze or seize assets under G.S. 14-112.3(b1)(3) is terminated or an order directing the sale of real property under G.S. 14-112.3(e1)(1)c. is entered. Notice of lis pendens filed pursuant to G.S. 1-116(5) shall be exempt from filing fees."

SECTION 3.5. G.S. 7A-308 is amended by adding a new subsection to read:

"(b2) The fees set forth in subdivision (11) of subsection (a) of this section are not chargeable when service is performed or documents are filed pursuant to the provisions of G.S. 14-112.3."

SECTION 4. This act becomes effective October 1, 2015, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 29th day of July, 2015.

Became law upon approval of the Governor at 3:05 p.m. on the 5th day of August, 2015.

Session Law 2015-183 **H.B. 134**

AN ACT TO PROVIDE THAT A MINOR WHO IS SOLICITING AS A PROSTITUTE IS IMMUNE FROM PROSECUTION FOR THE OFFENSE OF SOLICITATION OF PROSTITUTION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 14-205.1 reads as rewritten:

"§ **14-205.1. Solicitation of prostitution.**

(a) Except as otherwise provided in this section, any person who solicits another for the purpose of prostitution is guilty of a Class 1 misdemeanor for a first offense and a Class H felony for a second or subsequent offense. Any person 18 years of age or older who willfully solicits a minor for the purpose of prostitution is guilty of a Class G felony. Any person who willfully solicits a person who is severely or profoundly mentally disabled for the purpose of prostitution is guilty of a Class E felony. Punishment under this section may include participation in a program devised for the education and prevention of sexual exploitation (i.e. "John School"), where available. A person who violates this subsection shall not be eligible for a disposition of prayer for judgment continued under any circumstances.

(b) Immunity From Prosecution for Minors. – Notwithstanding any other provision of this section, if it is determined, after a reasonable detention for investigative purposes, that a person suspected of or charged with a violation of this section is a minor who is soliciting as a prostitute, that person shall be immune from prosecution under this section and instead shall be taken into temporary protective custody as an undisciplined juvenile pursuant to Article 19 of Chapter 7B of the General Statutes. Pursuant to the provisions of G.S. 7B-301, a law enforcement officer who takes a minor into custody under this section shall immediately report an allegation of a violation of G.S. 14-43.11 and G.S. 14-43.13 to the director of the department of social services in the county where the minor resides or is found, as appropriate, which shall commence an initial investigation into child abuse or child neglect within 24 hours pursuant to G.S. 7B-301 and G.S. 7B-302."

SECTION 2. This act is effective when it becomes law and applies to violations occurring on or after that date.

In the General Assembly read three times and ratified this the 29th day of July, 2015.

Became law upon approval of the Governor at 3:06 p.m. on the 5th day of August, 2015.

Session Law 2015-184 **H.B. 185**

AN ACT TO REPEAL COMMISSIONS WITHIN THE DEPARTMENT OF CULTURAL RESOURCES THAT HAVE SERVED THEIR PURPOSE AND TO REPEAL THE STATUTORY LANGUAGE RELATING TO THE USE OF ALKALINE PAPER FOR PUBLIC DOCUMENTS AND PREVIOUSLY REPEALED COMMISSIONS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 125-11.13 reads as rewritten:

"§ **125-11.13. Alkaline paper required for government publications.**

(a) State publications that are of historical or enduring value and importance to the citizens of North Carolina shall be printed on alkaline (acid-free) paper. These publications shall be designated on an annual basis by the State Librarian and the University Librarian at the University of North Carolina at Chapel Hill and shall include publications of an historical, biographical, legal, or statistical nature relating to the State of North Carolina, past, present, or future. These publications shall identify thereon, adjacent to the name of the agency responsible for publication, a statement that the publication is printed on permanent paper.

~~(b) By November 1 of each year, the State Librarian and the University Librarian at the University of North Carolina at Chapel Hill shall designate the titles for publication on alkaline paper and shall notify each State agency that is responsible for the publication of a designated title. An agency so notified shall begin printing the designated title on alkaline paper within one year after receipt of the notification or at the awarding of the contract for the publication, whichever event occurs first. The Coordinator of the North Carolina State Publications Clearinghouse shall monitor compliance with this requirement and shall transmit a copy of the compliance report to the State Librarian and to the University Librarian at the University of North Carolina at Chapel Hill by October 1 of each year.~~

~~(c) The State Librarian and the University Librarian at the University of North Carolina at Chapel Hill shall report by November 1 of each year to the Joint Legislative Commission on Governmental Operations regarding the titles designated for printing on alkaline paper and shall include in the report the compliance report received from the Coordinator of the North Carolina State Publications Clearinghouse.~~"

SECTION 1.(b) G.S. 143-170.5 reads as rewritten:

"§ **143-170.5. Designated public documents to be printed on alkaline paper.**

~~The State Librarian and the University Librarian at the University of North Carolina at Chapel Hill shall designate annually as provided by G.S. 125-11.13 those State documents that must be printed on alkaline paper.~~ Each agency publishing a State document designated by the State Librarian and the University Librarian at the University of North Carolina at Chapel Hill as one that must be printed on alkaline paper shall comply with that publication requirement."

SECTION 2. The First Flight Centennial Commission, Article 67 of Chapter 143 of the General Statutes, being G.S. 143-640 through G.S. 143-643, is repealed.

SECTION 3. The North Carolina Postal History Commission, Article 71 of Chapter 143 of the General Statutes, being G.S. 143-675 through G.S. 143-679, is repealed.

SECTION 4. The America's Four Hundredth Committee, Part 13 of Article 2 of Chapter 143B of the General Statutes, being G.S. 143B-85 and G.S. 143B-86, is repealed.

SECTION 5. The John Motley Morehead Commission, Part 23 of Article 2 of Chapter 143B of the General Statutes, being G.S. 143B-111 through G.S. 143B-115, is

repealed. For any lawful purpose, the Department of Cultural Resources shall be the successor in interest to the John Motley Morehead Commission.

SECTION 6. G.S. 143B-51 reads as rewritten:

"§ **143B-51. Functions of the Department.**

…

(b) All such functions, powers, duties, and obligations heretofore vested in any agency enumerated in Article 17 of Chapter 143A of the General Statutes are hereby transferred to and vested in the Department of Cultural Resources except as otherwise provided by the Executive Organization Act of 1973. They shall include, by way of extension and not of limitation, the functions of:

…

~~(14) The Memorials Commission;~~

~~(15) The Commission to Promote Plans for the Celebration of the Four Hundredth Anniversary of the Landing of Sir Walter Raleigh's Colony on Roanoke Island;~~

(16) The Executive Mansion Fine Arts Commission;

~~(17) The North Carolina American Revolution Bicentennial Commission;~~

(18) The North Carolina Awards Commission;

~~(19) The Tobacco Museum Board;~~

(20) The Roanoke Island Historical Association, Inc.;

~~(21) The Sir Walter Raleigh Memorial Commission;~~

~~(22) The Governor Richard Caswell Memorial Commission;~~

~~(23) The Historic Swansboro Commission;~~

(24) The Edenton Historical Commission;

(25) The Historic Bath Commission;

(26) The Historic Hillsborough Commission; and

~~(27) The John Motley Morehead Memorial Commission;~~

(28) The Historic Murfreesboro ~~Commission;~~Commission.

~~(29) The Charles B. Aycock Memorial Commission;~~

~~(30) The Frying Pan Lightship Marine Museum Commission;~~

~~(31) The Guilford County Bicentennial Commission;~~

~~(32) The Daniel Boone Memorial Commission;~~

~~(33) The Bennett Place Memorial Commission;~~

~~(34) The Durham-Orange Historical Commission;~~

~~(35) The Pitt County Historical Commission;~~

~~(36) The Transylvania County Historical Commission;~~

~~(37) The Lenoir County Historical and Patriotic Commission;~~

~~(38) The Raleigh Historic Sites Commission; and~~

~~(39) The Stonewall Jackson Memorial Fund.~~"

SECTION 7. G.S. 143B-53 reads as rewritten:

"§ **143B-53. Organization of the Department.**

The Department of Cultural Resources shall be organized initially to include the Art Commission, the Art Museum Building Commission, the North Carolina Historical Commission, the Tryon Palace Commission, the U.S.S. North Carolina Battleship Commission, ~~the Sir Walter Raleigh Commission,~~ the Executive Mansion Fine Arts Committee, ~~the American Revolution Bicentennial Committee,~~ the North Carolina Awards Committee, ~~the America's Four Hundredth Anniversary Committee,~~ the North Carolina Arts Council, the Public Librarian Certification Commission, the State Library Commission, the North Carolina Symphony Society, Inc., and the Division of the State Library, the Division of Archives and History, the Division of the Arts, and such other divisions as may be established under the provisions of the Executive Organization Act of 1973."

SECTION 8. G.S. 143B-62 reads as rewritten:

"§ **143B-62. North Carolina Historical Commission – creation, powers and duties.**

There is hereby created the North Carolina Historical Commission of the Department of Cultural Resources to give advice and assistance to the Secretary of Cultural Resources and to promulgate rules and regulations to be followed in the acquisition, disposition, preservation, and use of records, artifacts, real and personal property, and other materials and properties of historical, archaeological, architectural, or other cultural value, and in the extension of State aid to other agencies, counties, municipalities, organizations, and individuals in the interest of historic preservation.

…

(3) The Commission shall adopt rules and regulations consistent with the provisions of this section. All current rules and regulations heretofore adopted by the Executive Board of the State Department of Archives and History, the Historic Sites Advisory Committee, the North Carolina Advisory Council on Historical Preservation, and the Executive Mansion Fine Arts ~~Commission, and the Memorials~~ Commission shall remain in full force and effect unless and until repealed or superseded by action of the Historical Commission. All rules and regulations adopted by the Commission shall be enforced by the Department of Cultural Resources."

SECTION 9. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of July, 2015.

Became law upon approval of the Governor at 3:06 p.m. on the 5th day of August, 2015.

Session Law 2015-185 **H.B. 229**

AN ACT TO MODIFY THE EXEMPTION FOR REAL PROPERTY USED FOR RELIGIOUS PURPOSES AND TO AUTHORIZE THE HOLDER OF A LIMITED DRIVING PRIVILEGE TO DRIVE TO AND FROM THE PERSON'S PLACE OF RELIGIOUS WORSHIP.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 105-278.3 reads as rewritten:

"§ **105-278.3. Real and personal property used for religious purposes.**

(a) Buildings, the land they actually occupy, and additional adjacent land reasonably necessary for the convenient use of any such building shall be exempted from taxation if wholly owned by an agency listed in subsection (c), below, and if:

(1) Wholly and exclusively used by its owner for religious purposes as defined in subsection (d)(1), below; or

(2) Occupied gratuitously by one other than the owner and wholly and exclusively used by the occupant for religious, charitable, or nonprofit educational, literary, scientific, or cultural purposes.

…

(c) The following agencies, when the other requirements of this section are met, may obtain exemption for their properties:

(1) A congregation, parish, mission, or similar local unit of a church or religious body; or

(2) A conference, association, presbytery, diocese, district, synod, or similar unit comprising local units of a church or religious body.

(d) Within the meaning of this section:

(1) A religious purpose is one that pertains to practicing, teaching, and setting forth a religion. Although worship is the most common religious purpose, the term encompasses other activities that demonstrate and further the beliefs and objectives of a given church or religious body. Within the meaning of

this section, the ownership and maintenance of a general or promotional office or headquarters by an owner listed in subdivision (2) of subsection (c), above, is a religious purpose and the ownership and maintenance of residences for clergy, rabbis, priests or nuns assigned to or serving a congregation, parish, mission or similar local unit, or a conference, association, presbytery, diocese, district, synod, province or similar unit of a church or religious body or residences for clergy on furlough or unassigned, is also a religious purpose. However, the ownership and maintenance of residences for other employees is not a religious purpose for either a local unit of a church or a religious body or a conference, association, presbytery, diocese, district, synod, or similar unit of a church or religious body. Provided, however, that where part of property which otherwise qualifies for the exemption provided herein is made available as a residence for an individual who provides guardian, janitorial and custodial services for such property, or who oversees and supervises qualifying activities upon and in connection with said property, the entire property shall be considered as wholly and exclusively used for a religious purpose.

…

~~(e) Notwithstanding the exclusive-use requirement of subsection (a), above, if part of a property that otherwise meets that subsection's requirements is used for a purpose that would require exemption if the entire property were so used, the valuation of the part so used shall be exempted from taxation.~~

…

(g) ~~Notwithstanding the exclusive-use requirement of subsection (a), above,~~ The following exceptions apply to the exclusive-use requirement of subsection (a) of this section:

(1) If part, but not all, of a property meets the requirements of subsection (a) of this section, the valuation of the part so used is exempt from taxation.

(2) ~~any~~ Any parking lot wholly owned by an agency listed in subsection ~~(c), above,~~(c) of this section may be used for parking without removing the tax exemption granted in this ~~section; provided,~~section if the total charge for ~~said~~ parking uses ~~shall~~ does not exceed that portion of the actual maintenance expenditures for the parking lot reasonably estimated to have been made on account of ~~said~~ parking uses. This subsection shall apply beginning with the taxable year that commences on January 1, 1978.

(3) A building and the land occupied by the building is exempt from taxation if it is under construction and intended to be wholly and exclusively used by its owner for religious purposes upon completion. For purposes of this subdivision, a building is under construction starting when a building permit is issued and ending at the earlier of (i) 90 days after a certificate of occupancy is issued or (ii) 180 days after the end of active construction."

SECTION 1.(b) This section is effective for taxes imposed for taxable years beginning on or after July 1, 2015.

SECTION 2.(a) G.S. 20-179.3 reads as rewritten:

"§ **20-179.3. Limited driving privilege.**

(a) Definition of Limited Driving Privilege. – A limited driving privilege is a judgment issued in the discretion of a court for good cause shown authorizing a person with a revoked driver's license to drive for essential purposes related to any of the following:

(1) ~~His~~ The person's employment.

(2) The maintenance of ~~his~~ the person's household.

(3) ~~His~~ The person's education.

(4) ~~His~~ The person's court-ordered treatment or assessment.

(5) Community service ordered as a condition of the person's probation.

(6) Emergency medical care.

(7) Religious worship.

(b) Eligibility. –

(1) A person convicted of the offense of impaired driving under G.S. 20-138.1 is eligible for a limited driving privilege if:

a. At the time of the offense ~~he~~ the person held either a valid driver's license or a license that had been expired for less than one year;

b. At the time of the offense ~~he~~ the person had not within the preceding seven years been convicted of an offense involving impaired driving;

c. Punishment Level Three, Four, or Five was imposed for the offense of impaired driving;

d. Subsequent to the offense ~~he~~ the person has not been convicted of, or had an unresolved charge lodged against ~~him~~ the person for, an offense involving impaired driving; and

e. The person has obtained and filed with the court a substance abuse assessment of the type required by G.S. 20-17.6 for the restoration of a drivers license.

A person whose North Carolina driver's license is revoked because of a conviction in another jurisdiction substantially similar to impaired driving under G.S. 20-138.1 is eligible for a limited driving privilege if ~~he~~ the person would be eligible for it had the conviction occurred in North Carolina. Eligibility for a limited driving privilege following a revocation under G.S. 20-16.2(d) is governed by G.S. 20-16.2(e1).

(2) Any person whose licensing privileges are forfeited pursuant to G.S. 15A-1331.1 is eligible for a limited driving privilege if the court finds that at the time of the forfeiture, the person held either a valid drivers license or a drivers license that had been expired for less than one year and

a. The person is supporting existing dependents or must have a drivers license to be gainfully employed; or

b. The person has an existing dependent who requires serious medical treatment and the defendant is the only person able to provide transportation to the dependent to the health care facility where the dependent can receive the needed medical treatment.

The limited driving privilege granted under this subdivision must restrict the person to essential driving related to the purposes listed above, and any driving that is not related to those purposes is unlawful even though done at times and upon routes that may be authorized by the privilege.

…

(c1) Privilege Restrictions for High-Risk Drivers. – Notwithstanding any other provision of this section, any limited driving privilege issued to a person convicted of an impaired driving offense with an alcohol concentration of 0.15 or more at the time of the offense shall:

(1) Not become effective until at least 45 days after the final conviction under G.S. 20-138.1;

(2) Require the applicant to comply with the ignition interlock requirements of subsection (g5) of this section; and

(3) Restrict the applicant to driving only to and from the applicant's place of employment, the place the applicant is enrolled in school, the applicant's place of religious worship, any court ordered treatment or substance abuse education, and any ignition interlock service facility.

For purposes of this subsection, the results of a chemical analysis presented at trial or sentencing shall be sufficient to prove a person's alcohol concentration, shall be conclusive, and shall not be subject to modification by any party, with or without approval by the court.

…

(e) Limited Basis for and Effect of Privilege. – A limited driving privilege issued under this section authorizes a person to drive if ~~his~~ the person's license is revoked solely under G.S. 20-17(a)(2) or as a result of a conviction in another jurisdiction substantially similar to impaired driving under G.S. 20-138.1; if the person's license is revoked under any other statute, the limited driving privilege is invalid.

…

(g1) Driving for Work-Related Purposes in Nonstandard Hours. – If the applicant is required to drive during nonstandard working hours for an essential work-related purpose, ~~he~~ the applicant must present documentation of that fact before the judge may authorize ~~him~~ the applicant to drive for this purpose during those hours. If the applicant is self-employed, the documentation must be attached to or made a part of the limited driving privilege. If the judge determines that it is necessary for the applicant to drive during nonstandard hours for a work-related purpose, ~~he~~ the judge may authorize the applicant to drive subject to these limitations:

(1) If the applicant is required to drive to and from a specific place of work at regular times, the limited driving privilege must specify the general times and routes in which the applicant will be driving to and from work, and restrict driving to those times and routes.

(2) If the applicant is required to drive to and from work at a specific place, but is unable to specify the times at which that driving will occur, the limited driving privilege must specify the general routes in which the applicant will be driving to and from work, and restrict the driving to those general routes.

(3) If the applicant is required to drive to and from work at regular times but is unable to specify the places at which work is to be performed, the limited driving privilege must specify the general times and geographic boundaries in which the applicant will be driving, and restrict driving to those times and within those boundaries.

(4) If the applicant can specify neither the times nor places in which ~~he~~ the applicant will be driving to and from work, or if ~~he~~ the applicant is required to drive during these nonstandard working hours as a condition of employment, the limited driving privilege must specify the geographic boundaries in which ~~he~~ the applicant will drive and restrict driving to that within those boundaries.

The limited driving privilege must state the name and address of the applicant's place of work or employer, and may include other information and restrictions applicable to work-related driving, in the discretion of the court.

(g2) Driving for Other than Work-Related Purposes. – A limited driving privilege may not allow driving for maintenance of the household except during standard working hours, and the limited driving privilege may contain any additional restrictions on that driving, in the discretion of the court. The limited driving privilege must authorize driving essential to the completion of any community work assignments, course of instruction at an Alcohol and Drug Education Traffic School, or substance abuse assessment or treatment, to which the applicant is ordered by the court as a condition of probation for the impaired driving conviction. If this driving will occur during nonstandard working hours, the limited driving privilege must specify the same limitations required by subsection (g1) for work-related driving during those hours, and it must include or have attached to it the name and address of the Alcohol and Drug Education Traffic School, the community service coordinator, or mental health treatment facility to which the applicant is assigned. Driving for educational purposes other than the course of instruction at an Alcohol and Drug Education Traffic School is subject to the same limitations applicable to work related driving under subsections (g) and (g1). Driving to and from the applicant's place of religious worship is subject to the same limitations applicable to work-related driving under subsections (g) and (g1) of this section.

…

(h) Other Mandatory and Permissive Conditions or Restrictions. – In all limited driving privileges the judge shall also include a restriction that the applicant not consume alcohol while driving or drive at any time while ~~he~~ the applicant has remaining in ~~his~~ the applicant's body any alcohol or controlled substance previously consumed, unless the controlled substance was lawfully obtained and taken in therapeutically appropriate amounts. The judge may impose any other reasonable restrictions or conditions necessary to achieve the purposes of this section.

(i) Modification or Revocation of Privilege. – A judge who issues a limited driving privilege is authorized to modify or revoke the limited driving privilege upon a showing that the circumstances have changed sufficiently to justify modification or revocation. If the judge who issued the privilege is not presiding in the court in which the privilege was issued, a presiding judge in that court may modify or revoke a privilege in accordance with this subsection. The judge must indicate in the order of modification or revocation the reasons for the order, or ~~he~~ the judge must make specific findings indicating the reason for the order and those findings must be entered in the record of the case.

(j) Effect of Violation of Restriction. – A ~~holder of~~person holding a limited driving privilege who violates any of its restrictions commits the offense of driving while ~~his~~ license is revoked under G.S. 20-28(a) and is subject to punishment and license revocation as provided in that section. If a law-enforcement officer has reasonable grounds to believe that the ~~holder of~~person holding a limited driving privilege has consumed alcohol while driving or has driven while ~~he~~ the person has remaining in ~~his~~ the person's body any alcohol previously consumed, the suspected offense of driving while license is revoked is an alcohol-related offense subject to the implied-consent provisions of G.S. 20-16.2. If a ~~holder of~~person holding a limited driving privilege is charged with driving while license revoked by violating a restriction contained in ~~his~~ the limited driving privilege, and a judicial official determines that there is probable cause for the charge, the limited driving privilege is suspended pending the resolution of the case, and the judicial official must require the ~~holder~~ person to surrender the limited driving privilege. The judicial official must also notify the ~~holder~~ person that ~~he~~ the person is not entitled to drive until ~~his~~ the case is resolved.

Notwithstanding any other provision of law, an alcohol screening test may be administered to a driver suspected of violating this section, and the results of an alcohol screening test or the driver's refusal to submit may be used by a law enforcement officer, a court, or an administrative agency in determining if alcohol was present in the driver's body. No alcohol screening tests are valid under this section unless the device used is one approved by the Department of Health and Human Services, and the screening test is conducted in accordance with the applicable regulations of the Department as to the manner of its use.

…

(k) Copy of Limited Driving Privilege to Division; Action Taken if Privilege Invalid. – The clerk of court or the child support enforcement agency must send a copy of any limited driving privilege issued in the county to the Division. A limited driving privilege that is not authorized by this section, G.S. 20-16.2(e1), 20-16.1, 50-13.12, or 110-142.2, or that does not contain the limitations required by law, is invalid. If the limited driving privilege is invalid on its face, the Division must immediately notify the court and the ~~holder of~~person holding the privilege that it considers the privilege void and that the Division records will not indicate that the ~~holder~~ person has a limited driving privilege.

…."

SECTION 2.(b) This section becomes effective October 1, 2015, and applies to limited driving privileges issued on or after that date.

SECTION 3. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of July, 2015.

Became law upon approval of the Governor at 3:10 p.m. on the 5th day of August, 2015.

Session Law 2015-186 **H.B. 529**

AN ACT TO REPEAL THE PUNISHMENT OF REVOKING A PERSON'S DRIVERS LICENSE FOR COMMITTING CERTAIN DRIVING WHILE LICENSE REVOKED OFFENSES; TO MAKE DRIVING WHILE LICENSE REVOKED A NONMOVING VIOLATION FOR CERTAIN PURPOSES; AND TO MAKE OTHER CONFORMING CHANGES.

The General Assembly of North Carolina enacts:

SECTION 1. This act shall be known as the "North Carolina Drivers License Restoration Act."

S**ECTION 2.** G.S. 20-28 reads as rewritten:

"§ **20-28. Unlawful to drive while license revoked, after notification, or while disqualified.**

(a) Driving While License Revoked. – Except as provided in ~~subsection~~ subsections (a1) or (a2) of this section, any person whose drivers license has been revoked who drives any motor vehicle upon the highways of the State while the license is revoked is guilty of a Class 3 ~~misdemeanor unless the person's license was originally revoked for an impaired driving revocation, in which case the person is guilty of a Class 1~~ misdemeanor.

(a1) Driving While License Revoked for Impaired Driving. – Any person whose drivers license has been revoked for an impaired driving revocation as defined in G.S. 20-28.2(a) and who drives any motor vehicle upon the highways of the State is guilty of a Class 1 misdemeanor. Upon conviction, the person's license shall be revoked for an additional period of one year for the first offense, two years for the second offense, and permanently for a third or subsequent offense.

If the person's license was originally revoked for an impaired driving revocation, the court may order as a condition of probation that the offender abstain from alcohol consumption and verify compliance by use of a continuous alcohol monitoring system, of a type approved by the Division of Adult Correction of the Department of Public Safety, for a minimum period of 90 days.

The restoree of a revoked drivers license who operates a motor vehicle upon the highways of the State without maintaining financial responsibility as provided by law shall be punished as for driving without a license.

~~(a1)~~(a2) Driving Without Reclaiming License. – A person convicted under subsection (a) shall be punished as if the person had been convicted of driving without a license under G.S. 20-35 if the person demonstrates to the court that either subdivisions (1) and (2), or subdivision (3) of this subsection is true:

(1) At the time of the offense, the person's license was revoked solely under G.S. 20-16.5; and

(2) a. The offense occurred more than 45 days after the effective date of a revocation order issued under G.S. 20-16.5(f) and the period of revocation was 45 days as provided under subdivision (3) of that subsection; or

b. The offense occurred more than 30 days after the effective date of the revocation order issued under any other provision of G.S. 20-16.5; or

(3) At the time of the offense the person had met the requirements of G.S. 50-13.12, or G.S. 110-142.2 and was eligible for reinstatement of the person's drivers license privilege as provided therein.

In addition, a person punished under this subsection shall be treated for drivers license and insurance rating purposes as if the person had been convicted of driving without a license under G.S. 20-35, and the conviction report sent to the Division must indicate that the person is to be so treated.

~~(a2)~~(a3) Driving After Notification or Failure to Appear. – A person shall be guilty of a Class 1 misdemeanor if:

(1) The person operates a motor vehicle upon a highway while that person's license is revoked for an impaired drivers license revocation after the Division has sent notification in accordance with G.S. 20-48; or

(2) The person fails to appear for two years from the date of the charge after being charged with an implied-consent offense.

Upon conviction, the person's drivers license shall be revoked for an additional period of one year for the first offense, two years for the second offense, and permanently for a third or subsequent offense. The restoree of a revoked drivers license who operates a motor vehicle upon the highways of the State without maintaining financial responsibility as provided by law shall be punished as for driving without a license.

…

(c) When Person May Apply for License. – A person whose license has been revoked may apply for a license as follows:

(1) If revoked under subsection ~~(a)~~ (a1) of this section for one year, the person may apply for a license after 90 days.

(2) If punished under subsection ~~(a1)~~ (a2) of this section and the original revocation was pursuant to G.S. 20-16.5, in order to obtain reinstatement of a drivers license, the person must obtain a substance abuse assessment and show proof of financial responsibility to the Division. If the assessment recommends education or treatment, the person must complete the education or treatment within the time limits specified by the Division.

(3) If revoked under subsection ~~(a2)~~ (a3) of this section for one year, the person may apply for a license after one year.

(4) If revoked under this section for two years, the person may apply for a license after one year.

(5) If revoked under this section permanently, the person may apply for a license after three years.

(c1) Upon the filing of an application the Division may, with or without a hearing, issue a new license upon satisfactory proof that the former licensee has not been convicted of a moving violation under this Chapter or the laws of another state, a violation of any provision of the alcoholic beverage laws of this State or another state, or a violation of any provisions of the drug laws of this State or another state when any of these violations occurred during the revocation period. For purposes of this subsection, a violation of subsection (a) of this section shall not be considered a moving violation.

…

(c3) A person whose license is revoked for violation of subsection ~~(a)~~ (a1) of this section where the person's license was originally revoked for an impaired driving revocation, or a person whose license is revoked for a violation of subsection ~~(a2)~~ (a3) of this section, may only have the license conditionally restored by the Division pursuant to the provisions of subsection (c4) of this section.

…

(d) Driving While Disqualified. – A person who was convicted of a violation that disqualified the person and required the person's drivers license to be revoked who drives a motor vehicle during the revocation period is punishable as provided in ~~the other subsections~~ subsection (a1) of this section. A person who has been disqualified who drives a commercial motor vehicle during the disqualification period is guilty of a Class 1 misdemeanor and is disqualified for an additional period as follows:

(1) For a first offense of driving while disqualified, a person is disqualified for a period equal to the period for which the person was disqualified when the offense occurred.

(2) For a second offense of driving while disqualified, a person is disqualified for a period equal to two times the period for which the person was disqualified when the offense occurred.

(3) For a third offense of driving while disqualified, a person is disqualified for life.

The Division may reduce a disqualification for life under this subsection to 10 years in accordance with the guidelines adopted under G.S. 20-17.4(b). A person who drives a commercial motor vehicle while the person is disqualified and the person's drivers license is revoked is punishable for both driving while the person's license was revoked and driving while disqualified."

SECTION 3. G.S. 20-28.1(a) reads as rewritten:

"(a) Upon receipt of notice of conviction of any person of a motor vehicle moving offense, ~~except a conviction punishable under G.S. 20-28(a1),~~ such offense having been committed while such person's driving privilege was in a state of suspension or revocation, the Division shall revoke such person's driving privilege for an additional period of time as set forth in subsection (b) hereof. For purposes of this section a violation of G.S. 20-7(a), 20-24.1, or 20-28(a) or (a2) shall not be considered a "motor vehicle moving offense" unless the offense occurred in a commercial motor vehicle or the person held a commercial drivers license at the time of the offense."

SECTION 4. G.S. 20-17.8(f) reads as rewritten:

"(f) Effect of Violation of Restriction. – A person subject to this section who violates any of the restrictions of this section commits the offense of driving while license revoked for impaired driving under ~~G.S. 20-28(a)~~G.S. 20-28(a1) and is subject to punishment and license revocation as provided in that section. If a law enforcement officer has reasonable grounds to believe that a person subject to this section has consumed alcohol while driving or has driven while he has remaining in his body any alcohol previously consumed, the suspected offense of driving while license is revoked is an alcohol-related offense subject to the implied-consent provisions of G.S. 20-16.2. If a person subject to this section is charged with driving while license revoked by violating a condition of subsection (b) of this section, and a judicial official determines that there is probable cause for the charge, the person's license is suspended pending the resolution of the case, and the judicial official must require the person to surrender the license. The judicial official must also notify the person that he is not entitled to drive until his case is resolved. An alcohol concentration report from the ignition interlock system shall not be admissible as evidence of driving while license revoked, nor shall it be admissible in an administrative revocation proceeding as provided in subsection (g) of this section, unless the person operated a vehicle when the ignition interlock system indicated an alcohol concentration in violation of the restriction placed upon the person by subdivision (b)(3) of this section."

SECTION 5. G.S. 20-179.3(j) reads as rewritten:

"(j) Effect of Violation of Restriction. – A holder of a limited driving privilege who violates any of its restrictions commits the offense of driving while ~~his~~ license ~~is~~ revoked for impaired driving under ~~G.S. 20-28(a)~~G.S. 20-28(a1) and is subject to punishment and license revocation as provided in that section. If a law-enforcement officer has reasonable grounds to believe that the holder of a limited driving privilege has consumed alcohol while driving or has driven while he has remaining in his body any alcohol previously consumed, the suspected offense of driving while license is revoked is an alcohol-related offense subject to the implied-consent provisions of G.S. 20-16.2. If a holder of a limited driving privilege is charged with driving while license revoked by violating a restriction contained in his limited driving privilege, and a judicial official determines that there is probable cause for the charge, the limited driving privilege is suspended pending the resolution of the case, and the judicial official must require the holder to surrender the limited driving privilege. The judicial official must also notify the holder that he is not entitled to drive until his case is resolved.

Notwithstanding any other provision of law, an alcohol screening test may be administered to a driver suspected of violating this section, and the results of an alcohol screening test or the driver's refusal to submit may be used by a law enforcement officer, a court, or an administrative agency in determining if alcohol was present in the driver's body. No alcohol screening tests are valid under this section unless the device used is one approved by the

Department of Health and Human Services, and the screening test is conducted in accordance with the applicable regulations of the Department as to the manner of its use."

SECTION 6. G.S. 20-179(c) reads as rewritten:

"(c) Determining Existence of Grossly Aggravating Factors. – At the sentencing hearing, based upon the evidence presented at trial and in the hearing, the judge, or the jury in superior court, must first determine whether there are any grossly aggravating factors in the case. Whether a prior conviction exists under subdivision (1) of this subsection, or whether a conviction exists under subdivision (d)(5) of this section, shall be matters to be determined by the judge, and not the jury, in district or superior court. If the sentencing hearing is for a case remanded back to district court from superior court, the judge shall determine whether the defendant has been convicted of any offense that was not considered at the initial sentencing hearing and impose the appropriate sentence under this section. The judge must impose the Aggravated Level One punishment under subsection (f3) of this section if it is determined that three or more grossly aggravating factors apply. The judge must impose the Level One punishment under subsection (g) of this section if it is determined that the grossly aggravating factor in subdivision (4) of this subsection applies or two of the other grossly aggravating factors apply. If the judge does not find that the aggravating factor at subdivision (4) of this subsection applies, then the judge must impose the Level Two punishment under subsection (h) of this section if it is determined that only one of the other grossly aggravating factors applies. The grossly aggravating factors are:

(1) A prior conviction for an offense involving impaired driving if:

a. The conviction occurred within seven years before the date of the offense for which the defendant is being sentenced; or

b. The conviction occurs after the date of the offense for which the defendant is presently being sentenced, but prior to or contemporaneously with the present sentencing; or

c. The conviction occurred in district court; the case was appealed to superior court; the appeal has been withdrawn, or the case has been remanded back to district court; and a new sentencing hearing has not been held pursuant to G.S. 20-38.7.

Each prior conviction is a separate grossly aggravating factor.

(2) Driving by the defendant at the time of the offense while his driver's license was revoked under ~~G.S. 20-28,~~ G.S. 20-28(a1), and the revocation was an impaired driving revocation under G.S. 20-28.2(a).

…

In imposing an Aggravated Level One, a Level One, or a Level Two punishment, the judge may consider the aggravating and mitigating factors in subsections (d) and (e) in determining the appropriate sentence. If there are no grossly aggravating factors in the case, the judge must weigh all aggravating and mitigating factors and impose punishment as required by subsection (f)."

SECTION 7. This act becomes effective December 1, 2015, and applies to convictions on or after that date. Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions.

In the General Assembly read three times and ratified this the 29th day of July, 2015.

Became law upon approval of the Governor at 3:10 p.m. on the 5th day of August, 2015.

Session Law 2015-187 **H.B. 721**

AN ACT TO AMEND THE LAWS RELATED TO LAND DEVELOPMENT.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 160A-372 reads as rewritten:

"§ **160A-372. Contents and requirements of ordinance.**

(a) A subdivision control ordinance may provide for the orderly growth and development of the city; for the coordination of transportation networks and utilities within proposed subdivisions with existing or planned streets and highways and with other public facilities; for the dedication or reservation of recreation areas serving residents of the immediate neighborhood within the subdivision or, alternatively, for provision of funds to be used to acquire recreation areas serving residents of the development or subdivision or more than one subdivision or development within the immediate area, and rights-of-way or easements for street and utility purposes including the dedication of rights-of-way pursuant to G.S. 136-66.10 or G.S. 136-66.11; and for the distribution of population and traffic in a manner that will avoid congestion and overcrowding and will create conditions that substantially promote public health, safety, and the general welfare.

(b) The ordinance may require a plat be prepared, approved, and recorded pursuant to the provisions of the ordinance whenever any subdivision of land takes place. The ordinance may include requirements that plats show sufficient data to determine readily and reproduce accurately on the ground the location, bearing, and length of every street and alley line, lot line, easement boundary line, and other property boundaries, including the radius and other data for curved property lines, to an appropriate accuracy and in conformance with good surveying practice.

(c) The ordinance may provide for the more orderly development of subdivisions by requiring the construction of community service facilities in accordance with municipal plans, policies, and standards. To assure compliance with these and other ordinance requirements, the ordinance may provide for performance guarantees to assure successful completion of required ~~improvements. If a performance guarantee is required, the city shall provide a range of options of types of performance guarantees, including, but not limited to, surety bonds or letters of credit, from which the developer may choose.~~ improvements at the time the plat is recorded as provided in subsection (b) of this section. For any specific development, the type of performance guarantee ~~from the range specified by the city~~ shall be at the election of the developer.

(d) The ordinance may provide for the reservation of school sites in accordance with comprehensive land use plans approved by the council or the planning board. In order for this authorization to become effective, before approving such plans the council or planning board and the board of education with jurisdiction over the area shall jointly determine the specific location and size of any school sites to be reserved, which information shall appear in the comprehensive land use plan. Whenever a subdivision is submitted for approval which includes part or all of a school site to be reserved under the plan, the council or planning board shall immediately notify the board of education and the board of education shall promptly decide whether it still wishes the site to be reserved. If the board of education does not wish to reserve the site, it shall so notify the council or planning board and no site shall be reserved. If the board of education does wish to reserve the site, the subdivision shall not be approved without such reservation. The board of education shall then have 18 months beginning on the date of final approval of the subdivision within which to acquire the site by purchase or by initiating condemnation proceedings. If the board of education has not purchased or begun proceedings to condemn the site within 18 months, the subdivider may treat the land as freed of the reservation.

(e) The ordinance may provide that a developer may provide funds to the city whereby the city may acquire recreational land or areas to serve the development or subdivision, including the purchase of land that may be used to serve more than one subdivision or development within the immediate area. All funds received by the city pursuant to this paragraph shall be used only for the acquisition or development of recreation, park, or open space sites. Any formula enacted to determine the amount of funds that are to be provided under this paragraph shall be based on the value of the development or subdivision for property tax purposes. The ordinance may allow a combination or partial payment of funds and partial

dedication of land when the governing body of the city determines that this combination is in the best interests of the citizens of the area to be served.

(f) The ordinance may provide that in lieu of required street construction, a developer may be required to provide funds that the city may use for the construction of roads to serve the occupants, residents, or invitees of the subdivision or development and these funds may be used for roads which serve more than one subdivision or development within the area. All funds received by the city pursuant to this paragraph shall be used only for development of roads, including design, land acquisition, and construction. However, a city may undertake these activities in conjunction with the Department of Transportation under an agreement between the city and the Department of Transportation. Any formula adopted to determine the amount of funds the developer is to pay in lieu of required street construction shall be based on the trips generated from the subdivision or development. The ordinance may require a combination of partial payment of funds and partial dedication of constructed streets when the governing body of the city determines that a combination is in the best interests of the citizens of the area to be served.

(g) For purposes of this section, all of the following shall apply with respect to performance guarantees:

(1) The term "performance guarantee" shall mean any of the following forms of guarantee:

a. Surety bond issued by any company authorized to do business in this State.

b. Letter of credit issued by any financial institution licensed to do business in this State.

c. Other form of guarantee that provides equivalent security to a surety bond or letter of credit.

(2) The performance guarantee shall be returned or released, as appropriate, in a timely manner upon the acknowledgement by the city or county that the improvements for which the performance guarantee is being required are complete. If the improvements are not complete and the current performance guarantee is expiring, the performance guarantee shall be extended, or a new performance guarantee issued, for an additional period until such required improvements are complete. A developer shall demonstrate reasonable, good faith progress toward completion of the required improvements that are the subject of the performance guarantee or any extension. The form of any extension shall remain at the election of the developer.

(3) The amount of the performance guarantee shall not exceed one hundred twenty-five percent (125%) of the reasonably estimated cost of completion at the time the performance guarantee is issued. Any extension of the performance guarantee necessary to complete required improvements shall not exceed one hundred twenty-five percent (125%) of the reasonably estimated cost of completion of the remaining incomplete improvements still outstanding at the time the extension is obtained.

(4) The performance guarantee shall only be used for completion of the required improvements and not for repairs or maintenance after completion."

SECTION 1.(b) G.S. 153A-331 reads as rewritten:

"§ **153A-331. Contents and requirements of ordinance.**

(a) A subdivision control ordinance may provide for the orderly growth and development of the county; for the coordination of transportation networks and utilities within proposed subdivisions with existing or planned streets and highways and with other public facilities; for the dedication or reservation of recreation areas serving residents of the immediate neighborhood within the subdivision and of rights-of-way or easements for street and utility purposes including the dedication of rights-of-way pursuant to G.S. 136-66.10 or G.S. 136-66.11; and for the distribution of population and traffic in a manner that will avoid

congestion and overcrowding and will create conditions that substantially promote public health, safety, and the general welfare.

(b) The ordinance may require that a plat be prepared, approved, and recorded pursuant to the provisions of the ordinance whenever any subdivision of land takes place. The ordinance may include requirements that the final plat show sufficient data to determine readily and reproduce accurately on the ground the location, bearing, and length of every street and alley line, lot line, easement boundary line, and other property boundaries, including the radius and other data for curved property lines, to an appropriate accuracy and in conformity with good surveying practice.

(c) A subdivision control ordinance may provide that a developer may provide funds to the county whereby the county may acquire recreational land or areas to serve the development or subdivision, including the purchase of land that may be used to serve more than one subdivision or development within the immediate area.

(d) The ordinance may provide that in lieu of required street construction, a developer may provide funds to be used for the development of roads to serve the occupants, residents, or invitees of the subdivision or development. All funds received by the county under this section shall be transferred to the municipality to be used solely for the development of roads, including design, land acquisition, and construction. Any municipality receiving funds from a county under this section is authorized to expend such funds outside its corporate limits for the purposes specified in the agreement between the municipality and the county. Any formula adopted to determine the amount of funds the developer is to pay in lieu of required street construction shall be based on the trips generated from the subdivision or development. The ordinance may require a combination of partial payment of funds and partial dedication of constructed streets when the governing body of the county determines that a combination is in the best interest of the citizens of the area to be served.

(e) The ordinance may provide for the more orderly development of subdivisions by requiring the construction of community service facilities in accordance with county plans, policies, and standards. To assure compliance with these and other ordinance requirements, the ordinance may provide for performance guarantees to assure successful completion of required ~~improvements. If a performance guarantee is required, the county shall provide a range of options of types of performance guarantees, including, but not limited to, surety bonds or letters of credit, from which the developer may choose.~~ improvements at the time the plat is recorded as provided in subsection (b) of this section. For any specific development, the type of performance guarantee from the range specified by the county shall be at the election of the developer.

(f) The ordinance may provide for the reservation of school sites in accordance with comprehensive land use plans approved by the board of commissioners or the planning board. For the authorization to reserve school sites to be effective, the board of commissioners or planning board, before approving a comprehensive land use plan, shall determine jointly with the board of education with jurisdiction over the area the specific location and size of each school site to be reserved, and this information shall appear in the plan. Whenever a subdivision that includes part or all of a school site to be reserved under the plan is submitted for approval, the board of commissioners or the planning board shall immediately notify the board of education. The board of education shall promptly decide whether it still wishes the site to be reserved and shall notify the board of commissioners or planning board of its decision. If the board of education does not wish the site to be reserved, no site may be reserved. If the board of education does wish the site to be reserved, the subdivision may not be approved without the reservation. The board of education must acquire the site within 18 months after the date the site is reserved, either by purchase or by exercise of the power of eminent domain. If the board of education has not purchased the site or begun proceedings to condemn the site within the 18 months, the subdivider may treat the land as freed of the reservation.

(g) Any performance guarantee shall comply with G.S. 160A-372(g)."

SECTION 1.(c) G.S. 160A-400.25 is amended by adding a new subsection to read:

"(e) Any performance guarantees under the development agreement shall comply with G.S. 160A-372(g)."

SECTION 1.(d) G.S. 153A-349.6 is amended by adding a new subsection to read:

"(e) Any performance guarantees under the development agreement shall comply with G.S. 160A-372(g)."

SECTION 2.(a) G.S. 160A-417 is amended by adding a new subsection to read:

"(e) No city may withhold issuing a building permit or certificate of occupancy that otherwise would be eligible to be issued under this section to compel, with respect to another property or parcel, completion of work for a separate permit or compliance with land use regulations under this Article unless otherwise authorized by law or unless the city reasonably determines the existence of a public safety issue directly related to the issuance of a building permit or certificate of occupancy."

SECTION 2.(b) G.S. 153A-357 is amended by adding a new subsection to read:

"(f) No county may withhold issuing a building permit or certificate of occupancy that otherwise would be eligible to be issued under this section to compel, with respect to another property or parcel, completion of work for a separate permit or compliance with land use regulations under this Article unless otherwise authorized by law or unless the county reasonably determines the existence of a public safety issue directly related to the issuance of a building permit or certificate of occupancy."

SECTION 3. This act becomes effective October 1, 2015, and applies to performance guarantees or extensions of performance guarantees issued on or after that date.

In the General Assembly read three times and ratified this the 29th day of July, 2015.

Became law upon approval of the Governor at 3:12 p.m. on the 5th day of August, 2015.

Session Law 2015-188 **S.B. 345**

AN ACT TO LIMIT THE AMOUNT OF TIME A MOTOR VEHICLE CAN BE IMPOUNDED AFTER A COLLISION.

The General Assembly of North Carolina enacts:

SECTION 1. Article 3 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"§ **20-166.3. Limit storage duration for vehicle damaged as a result of a collision.**

(a) Limited Duration of Storage. – A motor vehicle that is towed and stored at the direction of a law enforcement agency following a collision may be held for evidence for not more than 20 days without a court order. Absent a court order, the vehicle must be released to the vehicle owner, insurer, or lien holder upon payment of the towing and storage fees.

(b) Application. – This section shall not apply to a motor vehicle (i) seized as a result of a violation of law or (ii) abandoned by the owner."

SECTION 2. This act becomes effective August 1, 2015, and applies to motor vehicles impounded on or after that date.

In the General Assembly read three times and ratified this the 29th day of July, 2015.

Became law upon approval of the Governor at 3:15 p.m. on the 5th day of August, 2015.

Session Law 2015-189 **H.B. 797**

AN ACT PROVIDING THAT REGISTRATION AND SENSITIVE SECURITY INFORMATION RECEIVED OR COMPILED BY A CITY IN THE COURSE OF ADMINISTERING AN ALARM REGISTRATION ORDINANCE IS NOT A PUBLIC RECORD.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 132 of the General Statutes is amended by adding a new section to read as follows:

"**§ 132-1.7A. Alarm registration information.**

A public record, as defined by G.S. 132-1, does not include any registration or sensitive security information received or compiled by a city pursuant to an alarm registration ordinance. For purposes of this section, the term "alarm registration ordinance" means an ordinance adopted by a city that requires owners of security, burglar, fire, or similar alarm systems to register with the city. Information that is deemed confidential under this section and is not open to public inspection, examination, or copying includes registration information, including the name, home and business telephone number, and any other personal identifying information provided by an applicant pursuant to an alarm registration ordinance, and any sensitive security information pertaining to an applicant's alarm system, including residential or office blueprints, alarm system schematics, and similar drawings or diagrams."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of July, 2015.

Became law upon approval of the Governor at 3:15 p.m. on the 5th day of August, 2015.

Session Law 2015-190 **S.B. 182**

AN ACT TO REGULATE THE USE OF AUTOMATIC LICENSE PLATE READER SYSTEMS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 20 of the General Statutes is amended by adding a new Article to read:

"Article 3D.

"Automatic License Plate Reader Systems.

"**§ 20-183.22. Definitions.**

The following definitions apply in this Article:

(1) Automatic license plate reader system. – A system of one or more mobile or fixed automated high-speed cameras used in combination with computer algorithms to convert images of license plates into computer-readable data. This term shall not include a traffic control photographic system, as that term is defined in G.S. 160A-300.1(a), or an open road tolling system, as that term is defined in G.S. 136-89.210(3).

(2) Law enforcement agency. – Any agency or officer of the State of North Carolina or any political subdivision thereof who is empowered by the laws of this State to conduct investigations or to make arrests and any attorney, including the Attorney General of North Carolina, authorized by the laws of this State to prosecute or participate in the prosecution of those persons arrested or persons who may be subject to civil actions related to or concerning an arrest.

"**§ 20-183.23. Regulation of use.**

(a) Any State or local law enforcement agency using an automatic license plate reader system must adopt a written policy governing its use before the automatic license plate reader system is operational. The policy shall address all of the following:

(1) Databases used to compare data obtained by the automatic license plate reader system.

(2) Data retention.

(3) Sharing of data with other law enforcement agencies.

(4) Training of automatic license plate reader system operators.

(5) Supervisory oversight of automatic license plate reader system use.

(6) Internal data security and access.

(7) Annual or more frequent auditing and reporting of automatic license plate reader system use and effectiveness to the head of the agency responsible for operating the system.

(8) Accessing data obtained by automatic license plate reader systems not operated by the law enforcement agency.

(9) Any other subjects related to automatic license plate reader system use by the agency.

(b) Data obtained by a law enforcement agency in accordance with this section or G.S. 20-183.24 shall be obtained, accessed, preserved, or disclosed only for law enforcement or criminal justice purposes.

(c) Any law enforcement agency using an automatic license plate reader system must keep maintenance and calibration schedules and records for the system on file.

"**§ 20-183.24. Preservation and disclosure of records.**

(a) Captured plate data obtained by an automatic license plate reader system, operated by or on behalf of a law enforcement agency for law enforcement purposes, shall not be preserved for more than 90 days after the date the data is captured.

(b) Notwithstanding subsection (a) of this section, data obtained by an automatic license plate reader may be preserved for more than 90 days pursuant to any of the following:

(1) A preservation request under subsection (c) of this section.

(2) A search warrant issued pursuant to Article 11 of Chapter 15A of the General Statutes.

(3) A federal search warrant issued in compliance with the Federal Rules of Criminal Procedure.

(c) Upon the request of a law enforcement agency, the custodian of the captured plate data shall take all necessary steps to immediately preserve captured plate data in its possession. A requesting agency must specify in a written, sworn statement all of the following:

(1) The location of the particular camera or cameras for which captured plate data must be preserved and the particular license plate for which captured plate data must be preserved.

(2) The date or dates and time frames for which captured plate data must be preserved.

(3) Specific and articulable facts showing that there are reasonable grounds to believe that the captured plate data is relevant and material to an ongoing criminal or missing persons investigation or is needed to prove a violation of a motor carrier safety regulation.

(4) The case and identity of the parties involved in that case.

After one year from the date of the initial preservation request, the captured plate data obtained by an automatic license plate reader system shall be destroyed according to the custodian's own record or data retention policy, unless the custodian receives within that period another preservation request under this subsection, in which case the retention period established under this subsection shall reset.

(d) A law enforcement agency that uses an automatic license plate reader system in accordance with G.S. 20-183.23 shall update the system from the databases specified therein every 24 hours if such updates are available or as soon as practicable after such updates become available.

(e) Captured plate data obtained in accordance with this Article is confidential and not a public record as that term is defined in G.S. 132-1. Data shall not be disclosed except to a federal, State, or local law enforcement agency for a legitimate law enforcement or public safety purpose pursuant to a written request from the requesting agency. Written requests may be in electronic format. Nothing in this subsection shall be construed as requiring the disclosure

of captured plate data if a law enforcement agency determines that disclosure will compromise an ongoing investigation. Captured plate data shall not be sold for any purpose."

SECTION 2. This act becomes effective December 1, 2015.

In the General Assembly read three times and ratified this the 30th day of July, 2015.

Became law upon approval of the Governor at 3:16 p.m. on the 5th day of August, 2015.

Session Law 2015-191 **S.B. 183**

AN ACT TO ELIMINATE CONFINEMENT IN RESPONSE TO VIOLATION FOR MISDEMEANANTS SENTENCED UNDER STRUCTURED SENTENCING, AS RECOMMENDED BY THE NORTH CAROLINA SENTENCING AND POLICY ADVISORY COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 15A-1344(d2) reads as rewritten:

"(d2) Confinement in Response to Violation. – When a defendant under supervision for a felony conviction has violated a condition of probation other than G.S. 15A-1343(b)(1) or G.S. 15A-1343(b)(3a), the court may impose a period of confinement of 90 consecutive days to be served in the custody of the Division of Adult Correction of the Department of Public Safety. The court may not revoke probation unless the defendant has previously received a total of two periods of confinement under this subsection. A defendant may receive only two periods of confinement under this subsection. The 90-day term of confinement ordered under this subsection for a felony shall not be reduced by credit for time already served in the case. Any such credit shall instead be applied to the suspended sentence. However, if the time remaining on the maximum imposed sentence on a defendant under supervision for a felony conviction is 90 days or less, then the term of confinement is for the remaining period of the sentence. Confinement under this section shall be credited pursuant to G.S. 15-196.1.

When a defendant under supervision for a misdemeanor conviction sentenced pursuant to Article 81B of Chapter 15A of the General Statutes has violated a condition of probation other than G.S. 15A-1343(b)(1) or G.S. 15A-1343(b)(3a), the court may impose a period of confinement pursuant to G.S. 15A-1343(a1)(3). The court may not revoke probation unless the defendant has previously received at least two periods of confinement for violating a condition of probation other than G.S. 15A-1343(b)(1) or G.S. 15A-1343(b)(3a). Those periods of confinement may have been imposed pursuant to G.S. 15A-1343(a1)(3), 15A-1343.2(e)(5), or 15A-1343.2(f)(6). The second period of confinement must have been imposed for a violation that occurred after the defendant served the first period of confinement. Confinement under this section shall be credited pursuant to G.S. 15-196.1.

When a defendant under supervision for a misdemeanor conviction not sentenced pursuant to Article 81B of Chapter 15A of the General Statutes has violated a condition of probation other than G.S. 15A-1343(b)(1) or G.S. 15A-1343(b)(3a), the court may impose a period of confinement of up to 90 consecutive days to be served where the defendant would have served an active sentence. The court may not revoke probation unless the defendant has previously received a total of two periods of confinement under this subsection. A defendant may receive only two periods of confinement under this subsection. Confinement under this section shall be credited pursuant to G.S. 15-196.1.

The period of confinement imposed under this subsection on a defendant who is on probation for multiple offenses shall run concurrently on all cases related to the violation. Confinement shall be immediate unless otherwise specified by the court."

SECTION 2. This act becomes effective December 1, 2015, and applies to persons placed on probation on or after that date.

In the General Assembly read three times and ratified this the 30th day of July, 2015.

Became law upon approval of the Governor at 3:17 p.m. on the 5th day of August, 2015.

Session Law 2015-192 **H.B. 553**

AN ACT TO AMEND THE AUTHORITY OF CITIES AND COUNTIES TO ADOPT ORDINANCES REGARDING ANIMALS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 6 of Chapter 153A of the General Statutes is amended by adding a new section to read:

"**§ 153A-145.4. Limitations on standards of care for farm animals.**

Notwithstanding any other provision of law, no county ordinance may regulate standards of care for farm animals. For purposes of this section, "standards of care for farm animals" includes the following: the construction, repair, or improvement of farm animal shelter or housing; restrictions on the types of feed or medicines that may be administered to farm animals; and exercise and social interaction requirements. For purposes of this section, the term "farm animals" includes the following domesticated animals: cattle, oxen, bison, sheep, swine, goats, horses, ponies, mules, donkeys, hinnies, llamas, alpacas, lagomorphs, ratites, and poultry."

SECTION 2. Article 8 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"**§ 160A-203.1. Limitations on standards of care for farm animals.**

Notwithstanding any other provision of law, no city ordinance may regulate standards of care for farm animals. For purposes of this section, "standards of care for farm animals" includes the following: the construction, repair, or improvement of farm animal shelter or housing; restrictions on the types of feed or medicines that may be administered to farm animals; and exercise and social interaction requirements. For purposes of this section, the term "farm animals" includes the following domesticated animals: cattle, oxen, bison, sheep, swine, goats, horses, ponies, mules, donkeys, hinnies, llamas, alpacas, lagomorphs, ratites, and poultry flocks of greater than 20 birds."

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3rd day of August, 2015.

Became law upon approval of the Governor at 3:17 p.m. on the 5th day of August, 2015.

Session Law 2015-193 **H.B. 607**

AN ACT TO AUTHORIZE THE PLACEMENT OF A PROTECTED CONSUMER SECURITY FREEZE ON A PROTECTED CONSUMER'S CREDIT REPORT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 75-61 reads as rewritten:

"**§ 75-61. Definitions.**

The following definitions apply in this Article:

…

(11a) "Protected consumer". – An individual (i) who is under the age of 16 at the time a request for the placement of a security freeze is made pursuant to G.S. 75-63.1 or (ii) who is incapacitated or for whom a guardian or guardian ad litem has been appointed.

(11b) "Protected consumer security freeze". – A security freeze placed on a protected consumer's credit report or on a protected consumer's file pursuant to G.S. 75-63.1.

(11c) "Protected consumer's file". – A record that (i) identifies a protected consumer, (ii) is created by a consumer reporting agency solely for the

purpose of complying with the requirements of G.S. 75-63.1, and (iii) may not be created or used to consider the protected consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living.

…

(13a) "Representative". – A person who provides to a consumer reporting agency sufficient proof of authority to act on behalf of a protected consumer.

…

(16) "Sufficient proof of authority". – Either of the following:

a. A certified or official copy of the protected consumer's birth certificate, if the representative is a parent of the protected consumer.

b. Documentation that shows that a representative has authority to act on behalf of a protected consumer, including the following:

1. An order issued by a court of law.

2. A valid power of attorney.

3. A written, notarized statement signed by the person that expressly describes the authority of the representative to act on behalf of a protected consumer.

(17) "Sufficient proof of identification". – Information or documentation that identifies a protected consumer or representative, including the following:

a. A Social Security number or a copy of a Social Security card issued by the Social Security Administration.

b. A certified or official copy of a birth certificate issued by the entity authorized to issue the birth certificate.

c. A copy of a drivers license, an identification card issued by the Division of Motor Vehicles, or any other government-issued identification.

d. A copy of a bill, including a bill for telephone, sewer, septic tank, water, electric, oil, or natural gas service, that shows a name and home address."

SECTION 2. G.S. 75-63(o1) is repealed.

SECTION 3. Article 2A of Chapter 75 of the General Statutes is amended by adding a new section to read:

"**§ 75-63.1. Security freeze for protected consumers.**

(a) Obligation to Place Security Freeze. – A consumer reporting agency shall place a protected consumer security freeze on the protected consumer's credit report or on the protected consumer's file in accordance with subsection (b) of this section within 30 days of all of the following conditions being satisfied:

(1) The consumer reporting agency receives a request under this section from the protected consumer's representative for the placement of the protected consumer security freeze by any of the following methods:

a. First-class mail.

b. Telephone call.

c. Secure Web site or secure electronic mail connection.

(2) The protected consumer's representative does all of the following:

a. Submits the request to the consumer reporting agency at the address or other point of contact and in the manner specified by the consumer reporting agency.

b. Provides to the consumer reporting agency sufficient proof of identification for both the protected consumer and the representative.

c. Provides to the consumer reporting agency sufficient proof of authority to act on behalf of the protected consumer.

d. Pays to the consumer reporting agency a fee as provided in subsection (d) of this section.

(b) Action Required. – If the placement of a protected consumer security freeze is required under subsection (a) of this section, a consumer reporting agency shall do one of the following, as applicable:

(1) If no consumer report exists. – If the consumer reporting agency does not have a consumer report pertaining to the protected consumer, the consumer reporting agency shall create a protected consumer's file and place a restriction in the protected consumer's file that prohibits the release of the protected consumer's file, any consumer report subsequently created for the consumer, and any information contained in either document except as provided in this section.

(2) If a consumer report exists. – If the consumer reporting agency has a consumer report pertaining to the protected consumer, the consumer reporting agency shall place a restriction on the report that prohibits the release of the consumer report and any information contained in the report except as provided in this section.

(c) Duration of Freeze. – A protected consumer security freeze shall remain in effect until one of the following occurs, in which case the protected consumer security freeze shall be removed within 30 days:

(1) The protected consumer or the protected consumer's representative requests the consumer reporting agency to remove the protected consumer security freeze by doing all of the following:

a. Submitting a request for the removal of the protected consumer security freeze to the consumer reporting agency at the address or other point of contact and in the manner specified by the consumer reporting agency.

b. If the request is being made by the protected consumer, providing to the consumer reporting agency (i) proof that the sufficient proof of authority for the protected consumer's representative is no longer valid and (ii) sufficient proof of identification for the protected consumer.

c. If the request is being made by the representative of a protected consumer, providing to the consumer reporting agency (i) sufficient proof of identification of the protected consumer and the representative and (ii) sufficient proof of authority to act on behalf of the protected consumer.

d. Providing to the consumer reporting agency a fee as provided in subsection (d) of this section.

(2) The consumer reporting agency determines that the protected consumer security freeze was placed based on a material misrepresentation of fact by the protected consumer or the protected consumer's representative.

(d) Fees. – A consumer reporting agency may charge a reasonable fee for each placement or removal of a protected consumer security freeze in accordance with the following:

(1) Fee allowed in certain cases. – Except as provided in subdivision (2) of this subsection, a consumer reporting agency may charge a fee to a consumer not to exceed five dollars ($5.00) for placement or removal of a protected consumer security freeze.

(2) No fee allowed in certain cases. – A fee may not be charged for the placement or removal of a protected consumer security freeze under this section if any of the following conditions are satisfied:

a. The protected consumer's representative has submitted a copy of a valid investigative or incident report or complaint with a law

enforcement agency about the unlawful use of the protected consumer's identifying information by another person.

b. A request for placement or removal of a protected consumer security freeze is for a protected consumer who is under the age of 16 at the time of the request and the consumer reporting agency has a consumer report pertaining to the protected consumer.

c. The protected consumer is over the age of 62.

(3) No other fees allowed. – No fee other than those authorized under this subsection may be charged for placement or removal of a protected consumer security freeze.

(e) Exceptions. – This section does not apply to the use of a consumer credit report by any of the following:

(1) A person or the person's subsidiary, affiliate, agent, subcontractor, or assignee with whom the consumer has, or prior to assignment had, an account, contract, or debtor-creditor relationship for the purposes of reviewing the active account or collecting the financial obligation owing for the account, contract, or debt.

(2) Any person acting pursuant to a court order, warrant, or subpoena.

(3) A State or local agency, or its agents or assigns, that administers a program for establishing and enforcing child support obligations.

(4) A State or local agency, or its agents or assigns, acting to investigate fraud, including Medicaid fraud, or acting to investigate or collect delinquent taxes or assessments, including interest and penalties, unpaid court orders, or to fulfill any of its other statutory responsibilities.

(5) A federal, State, or local governmental entity, including a law enforcement agency, court, or its agent or assigns.

(6) A person for the purposes of prescreening as defined by the Fair Credit Reporting Act, 15 U.S.C. § 1681, et seq.

(7) Any person for the sole purpose of providing for a credit file monitoring subscription service to which the protected consumer has subscribed or the representative of the protected consumer has subscribed on behalf of the protected consumer.

(8) A consumer reporting agency for the purpose of providing a protected consumer or representative of a protected consumer with a copy of the protected consumer's credit report upon the request of the protected consumer or the protected consumer's representative.

(9) Any depository financial institution for checking, savings, and investment accounts.

(10) Any property and casualty insurance company for use in setting or adjusting a rate, adjusting a claim, or underwriting for property and casualty insurance purposes.

(11) A person for the purpose of furnishing or using credit reports for employment purposes pursuant to 15 U.S.C. § 1681b(b) or tenant screening pursuant to 15 U.S.C. § 1681b(a)(3)(F).

(12) A person for the purpose of criminal background record information.

(f) The following persons are not required to place a security freeze on a credit report pursuant to this section; provided, however, that any person that is not required to place a security freeze on a credit report under the provisions of subdivision (3) of this subsection shall be subject to any security freeze placed on a credit report by another consumer reporting agency from which it obtains information:

(1) A check services or fraud prevention services company, which reports on incidents of fraud or issues authorizations for the purpose of approving or

processing negotiable instruments, electronic fund transfers, or similar methods of payment.

(2) A deposit account information service company, which issues reports regarding account closures due to fraud, substantial overdrafts, ATM abuse, or other similar negative information regarding a consumer to inquiring banks or other financial institutions for use only in reviewing a consumer request for a deposit account at the inquiring bank or financial institution.

(3) A consumer reporting agency that does all of the following:

a. Acts only to resell credit information by assembling and merging information contained in a database of one or more credit reporting agencies.

b. Does not maintain a permanent database of credit information from which new credit reports are produced.

(4) A consumer reporting agency that maintains a database or file that consists of information used for any of the following purposes but that is not used for credit granting purposes:

a. Reporting of criminal record information.

b. Fraud prevention or detection.

c. Reporting personal loss history information.

d. Employment, tenant, or other individual background screening.

(g) Violation. – A violation of this section is a violation of G.S. 75-1.1."

SECTION 4. G.S. 130A-101 is amended by adding a new subsection to read:

"(h) When a birth occurs, the person responsible for preparing the birth certificate under this section shall provide the mother, father, or legal guardian of the child with information about how to request a protected consumer security freeze for the child under G.S. 75-63.1 and the potential benefits of doing so."

SECTION 5. This act becomes effective January 1, 2016.

In the General Assembly read three times and ratified this the 3rd day of August, 2015.

Became law upon approval of the Governor at 3:20 p.m. on the 5th day of August, 2015.

Session Law 2015-194 **H.B. 638**

AN ACT TO DIRECT THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, IN COOPERATION WITH THE WILDLIFE RESOURCES COMMISSION, TO TAKE ACTION THAT ENCOURAGES WETLAND MITIGATION PRACTICES SUPPORTIVE OF PUBLIC RECREATION AND HUNTING ON MITIGATION SITES.

The General Assembly of North Carolina enacts:

SECTION 1. It is the intent of the General Assembly to capitalize on the establishment of public and private wetland mitigation banks that serve to meet federal mitigation requirements for wildlife habitat and hunting opportunities. The directives to Department of Environment and Natural Resources and the Wildlife Resources Commission enacted in this act are intended to facilitate voluntary cooperation by third-party groups to realize the goal of increased wildlife habitats and hunting opportunities on lands contained within public and private wetland mitigation banks through the pursuit of federal mitigation credits without increasing the cost of achieving those credits.

SECTION 2. Article 21 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"**§ 143-214.15. Compensatory mitigation for diverse habitats.**

(a) The Department of Environment and Natural Resources shall seek more net gains of aquatic resources through compensatory mitigation by increasing wetland establishment of diverse habitats, including emergent marsh habitat, shallow open water, and other forested and non-forested wetland habitats.

(b) The Department of Environment and Natural Resources shall further establish with the district engineer of the Wilmington District of the United States Army Corps of Engineers compensatory mitigation credit ratios that incentivize the creation or establishment of diverse wetland habitats to support waterfowl and other wildlife.

(c) The Department of Environment and Natural Resources shall work in cooperation with the Wildlife Resources Commission to ensure that all purchased mitigation lands or conservation easements on these lands maximize opportunities for public recreation, including hunting, and promote wildlife and biological diversity. The Department and the Commission shall pursue the voluntary involvement of third-party groups to leverage resources and ensure that there is no additional cost to private mitigation bankers or the taxpayers in achieving these mitigation credits.

(d) The Office of Land and Water Stewardship of the Department of Environment and Natural Resources shall catalog an inventory of all its land holdings and determine how many of those holdings are potential wildlife habitats, either as currently held or with some modification. The Wildlife Resources Commission shall conduct a third-party review of this inventory, and the Commission and the Office of Land and Water Stewardship shall both report their findings to the Environmental Review Commission as part of the report required under subsection (f) of this section.

(e) If private individuals, corporations, or other nongovernmental entities wish to purchase any of the inventory of land suitable for wildlife habitat, then the Office of Land and Water Stewardship of the Department of Environment and Natural Resources shall issue a request for proposal to all interested respondents for the purchase of the land, and the State shall accept a proposal and proceed to dispose of the land only if the Department determines that the proposal meets both of the following requirements:

(1) The proposal provides for the maintenance in perpetuity of management measures listed in the original mitigation instrument or otherwise needed on an ongoing or periodic basis to maintain the functions of the mitigation site.

(2) Where the functions of the mitigation site include provision of recreation or hunting opportunities to members of the general public, the proposal includes measures needed to continue that level of access.

The instrument conveying a property interest in a mitigation site shall be executed in the manner required by Article 16 of Chapter 146 of the General Statutes, and shall reflect the requirements of this subsection.

(f) The Department of Environment and Natural Resources shall report to the Environmental Review Commission by March 1 of each year on its progress in complying with the provisions of this section."

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27th day of July, 2015.

Became law upon approval of the Governor at 3:20 p.m. on the 5th day of August, 2015.

Session Law 2015-195 **H.B. 562**

AN ACT TO AMEND VARIOUS FIREARM LAWS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 14-269(b) reads as rewritten:

"(b) This prohibition shall not apply to the following persons:

…

(4a) Any person who is a district attorney, an assistant district attorney, or an investigator employed by the office of a district attorney and who has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24; provided that the person shall not carry a concealed weapon at any time while in a courtroom or while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in the person's body. The district attorney, assistant district attorney, or investigator shall secure the weapon in a locked compartment when the weapon is not on the person of the district attorney, assistant district attorney, or ~~investigator;~~investigator. Notwithstanding the provisions of this subsection, a district attorney may carry a concealed weapon while in a courtroom;

…

(7) A person employed by the Department of Public Safety who has been designated in writing by the Secretary of the Department, who has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24, and has in the person's possession written proof of the designation by the Secretary of the Department, provided that the person shall not carry a concealed weapon at any time while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in the person's body.

(8) Any person who is an administrative law judge described in Article 60 of Chapter 7A of the General Statutes and who has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24, provided that the person shall not carry a concealed weapon at any time while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in the person's body."

SECTION 1.(b) G.S. 14-269.4 reads as rewritten:

"§ **14-269.4. Weapons on certain State property and in courthouses.**

It shall be unlawful for any person to possess, or carry, whether openly or concealed, any deadly weapon, not used solely for instructional or officially sanctioned ceremonial purposes in the State Capitol Building, the Executive Mansion, the Western Residence of the Governor, or on the grounds of any of these buildings, and in any building housing any court of the General Court of Justice. If a court is housed in a building containing nonpublic uses in addition to the court, then this prohibition shall apply only to that portion of the building used for court purposes while the building is being used for court purposes.

This section shall not apply to any of the following:

…

(7) Any person who carries or possesses an ordinary pocket knife, as defined in G.S. 14-269(d), carried in a closed position into the State Capitol Building or on the grounds of the State Capitol Building.

Any person violating the provisions of this section shall be guilty of a Class 1 misdemeanor."

SECTION 1.(c) G.S. 14-415.27 reads as rewritten:

"§ **14-415.27. Expanded permit scope for certain persons.**

Notwithstanding G.S. 14-415.11(c), any of the following persons who has a concealed handgun permit issued pursuant to this Article or that is considered valid under G.S. 14-415.24 is not subject to the area prohibitions set out in G.S. 14-415.11(c) and may carry a concealed handgun in the areas listed in G.S. 14-415.11(c) unless otherwise prohibited by federal law:

(1) A district attorney.

(2) An assistant district attorney.
(3) An investigator employed by the office of a district attorney.
(4) A North Carolina district or superior court judge.
(5) A magistrate.
(6) A person who is elected and serving as a clerk of court.
(7) A person who is elected and serving as a register of deeds.
(8) A person employed by the Department of Public Safety who has been designated in writing by the Secretary of the Department and who has in the person's possession written proof of the designation.
(9) A North Carolina administrative law judge."

SECTION 2. G.S. 14-269.2(k) reads as rewritten:

"(k) The provisions of this section shall not apply to a person who has a concealed handgun permit that is valid under Article 54B of this Chapter, or who is exempt from obtaining a permit pursuant to that Article, ~~who~~ if any of the following conditions are met:

(1) The person has a handgun in a closed compartment or container within the person's locked vehicle or in a locked container securely affixed to the person's ~~vehicle. A person may unlock~~ vehicle and only unlocks the vehicle to enter or exit the vehicle ~~provided~~ while the firearm remains in the closed compartment at all times and immediately locks the vehicle ~~is locked immediately~~ following the entrance or exit.
(2) The person has a handgun concealed on the person and the person remains in the locked vehicle and only unlocks the vehicle to allow the entrance or exit of another person.
(3) The person is within a locked vehicle and removes the handgun from concealment only for the amount of time reasonably necessary to do either of the following:
a. Move the handgun from concealment on the person to a closed compartment or container within the vehicle.
b. Move the handgun from within a closed compartment or container within the vehicle to concealment on the person."

SECTION 3. G.S. 14-269.2 is amended by adding a new subsection to read:

"(l) It is an affirmative defense to a prosecution under subsection (b) or (f) of this section that the person was authorized to have a concealed handgun in a locked vehicle pursuant to subsection (k) of this section and removed the handgun from the vehicle only in response to a threatening situation in which deadly force was justified pursuant to G.S. 14-51.3."

SECTION 4.(a) Article 45 of Chapter 106 of the General Statutes is amended by adding a new section to read:

"**§ 106-503.2. Regulation of firearms at State Fair.**

(a) Except as otherwise provided in this section, the Commissioner of Agriculture is authorized to prohibit the carrying of firearms in any manner on the State Fairgrounds during the period of time each year that the State Fair is conducted.

(b) Notwithstanding subsection (a) of this section, any prohibition under this section shall not apply to the following persons:

(1) Any person exempted by G.S. 14-269(b)(1), (2), (3), (4), or (5).
(2) Any person who has a concealed handgun permit that is valid under Article 54B of this Chapter, or who is exempt from obtaining a permit pursuant to that Article, who has a handgun in a closed compartment or container within the person's locked vehicle or in a locked container securely affixed to the person's vehicle. A person may unlock the vehicle to enter or exit the vehicle provided the firearm remains in the closed compartment at all times and the vehicle is locked immediately following the entrance or exit."

SECTION 4.(b) The Department of Agriculture, in consultation with the Department of Public Safety and the North Carolina Sheriffs' Association, shall study the best method to allow persons with concealed handgun permits to carry a concealed handgun on their person from a parking lot to the entrance of the State Fairgrounds, and a secure method of storage for and retrieval of those handguns at or near the entrance. The Department of Agriculture shall report to the Joint Legislative Oversight Committee on Justice and Public Safety by April 1, 2016, with recommendations, including any necessary legislation.

SECTION 5.(a) G.S. 14-409.46 reads as rewritten:

"§ **14-409.46. Sport shooting range protection.**

(a) Notwithstanding any other provision of law, a person who owns, operates, or uses a sport shooting range in this State shall not be subject to civil liability or criminal prosecution in any matter relating to noise or noise pollution resulting from the operation or use of the range if the range ~~was in existence at least three years prior to the effective date of this Article and the range was~~ is in compliance with any noise control laws or ordinances that applied to the range and its operation at the time the range began operation.

(b) A person who owns, operates, or uses a sport shooting range is not subject to an action for nuisance on the basis of noise or noise pollution, and a State court shall not enjoin the use or operation of a range on the basis of noise or noise pollution, if the range ~~was in existence at least three years prior to the effective date of this Article and the range was~~ is in compliance with any noise control laws or ordinances that applied to the range and its operation at the time the range began operation.

(c) Rules adopted by any State department or agency for limiting levels of noise in terms of decibel level that may occur in the outdoor atmosphere shall not apply to a sport shooting range ~~exempted from liability under this Article.~~that was in operation prior to the adoption of the rule.

(d) A person who acquires title to real property adversely affected by the use of property with a permanently located and improved sport shooting range constructed and initially operated prior to the time the person acquires title shall not maintain a nuisance action on the basis of noise or noise pollution against the person who owns the range to restrain, enjoin, or impede the use of the range. If there is a substantial change in use of the range after the person acquires title, the person may maintain a nuisance action if the action is brought within one year of the date of a substantial change in use. This section does not prohibit actions for negligence or recklessness in the operation of the range or by a person using the range.

(e) A sport shooting range that is operated and is not in violation of existing law at the time of the enactment of an ordinance ~~and was in existence at least three years prior to the effective date of this Article,~~ shall be permitted to continue in operation even if the operation of the sport shooting range at a later date does not conform to the new ordinance or an amendment to an existing ordinance, provided there has been no substantial change in use."

SECTION 5.(b) G.S. 14-409.47 reads as rewritten:

"§ **14-409.47. Application of Article.**

Except as otherwise provided in this Article, this Article does not prohibit a local government from regulating the location and construction of a sport shooting range after ~~the effective date of this Article.~~September 1, 1997."

SECTION 6. G.S. 14-415.4(a) reads as rewritten:

"(a) Definitions. – The following definitions apply in this section:

(1) Firearms rights. – The legal right in this State of a person to purchase, own, possess, or have in the person's custody, care, or control any firearm or any weapon of mass death and destruction as those terms are defined in G.S. 14-415.1 and G.S. 14-288.8(c). ~~The term does not include any weapon defined in G.S. 14-409(a).~~

(2) Nonviolent felony. – The term nonviolent felony does not include any felony that is a Class A, Class B1, or Class B2 felony. Also, the term nonviolent

felony does not include any Class C through Class I felony that is one of the following:

a. An offense that includes assault as an essential element of the offense.

b. An offense that includes the possession or use of a firearm or other deadly weapon as an essential or nonessential element of the offense, or the offender was in possession of a firearm or other deadly weapon at the time of the commission of the offense.

c. An offense for which the offender was armed with or used a firearm or other deadly weapon.

d. An offense for which the offender must register under Article 27A of Chapter 14 of the General Statutes."

SECTION 7. G.S. 14-415.12(b) reads as rewritten:

"(b) The sheriff shall deny a permit to an applicant who:

(1) Is ineligible to own, possess, or receive a firearm under the provisions of State or federal law.

(2) Is under indictment or against whom a finding of probable cause exists for a felony.

(3) Has been adjudicated guilty in any court of a felony, unless: (i) the felony is an offense that pertains to antitrust violations, unfair trade practices, or restraints of trade, or (ii) the person's firearms rights have been restored pursuant to G.S. 14-415.4.

(4) Is a fugitive from justice.

(5) Is an unlawful user of, or addicted to marijuana, alcohol, or any depressant, stimulant, or narcotic drug, or any other controlled substance as defined in 21 U.S.C. § 802.

(6) Is currently, or has been previously adjudicated by a court or administratively determined by a governmental agency whose decisions are subject to judicial review to be, lacking mental capacity or mentally ill. Receipt of previous consultative services or outpatient treatment alone shall not disqualify an applicant under this subdivision.

(7) Is or has been discharged from the Armed Forces of the United States under conditions other than honorable.

(8) ~~Is~~ Except as provided in subdivision (8a), (8b), or (8c) of this section, is or has been adjudicated guilty of or received a prayer for judgment continued or suspended sentence for one or more crimes of violence constituting a misdemeanor, including but not limited to, a violation of a misdemeanor under Article 8 of Chapter 14 of the General ~~Statutes,~~Statutes except for a violation of G.S. 14-33(a), or a violation of a misdemeanor under ~~G.S. 14-225.2, 14-226.1,~~ G.S. 14-226.1, 4-258.1, 14-269.2, 14-269.3, 14-269.4, 14-269.6, ~~14-276.1,~~ 14-277, 14-277.1, 14-277.2, ~~14-277.3A, 14-281.1, 14-283,~~ 14-283 except for a violation involving fireworks exempted under G.S. 14-414, 14-288.2, ~~14-288.4(a)(1) or (2),~~ 14-288.4(a)(1), 14-288.6, 14-288.9, former 14-288.12, former 14-288.13, former 14-288.14, ~~14-288.20A, 14-318.2,~~ 14-415.21(b), ~~14-415.26(d), or former G.S. 14-277.3.~~ or 14-415.26(d) within three years prior to the date on which the application is submitted.

(8a) Is or has been adjudicated guilty of or received a prayer for judgment continued or suspended sentence for one or more crimes of violence constituting a misdemeanor under G.S. 14-33(c)(1), 14-33(c)(2), 14-33(c)(3), 14-33(d), 14-277.3A, 14-318.2, 14-134.3, 50B-4.1, or former G.S. 14-277.3.

(8b) Is prohibited from possessing a firearm pursuant to 18 U.S.C. § 922(g) as a result of a conviction of a misdemeanor crime of domestic violence.

(8c) Has been adjudicated guilty of or received a prayer for judgment continued or suspended sentence for one or more crimes involving an assault or a threat to assault a law enforcement officer, probation or parole officer, person employed at a State or local detention facility, firefighter, emergency medical technician, medical responder, or emergency department personnel.

(9) Has had entry of a prayer for judgment continued for a criminal offense which would disqualify the person from obtaining a concealed handgun permit.

(10) Is free on bond or personal recognizance pending trial, appeal, or sentencing for a crime which would disqualify him from obtaining a concealed handgun permit.

(11) Has been convicted of an impaired driving offense under G.S. 20-138.1, 20-138.2, or 20-138.3 within three years prior to the date on which the application is submitted."

SECTION 8. G.S. 113-291.1(c) reads as rewritten:

"(c) It is a Class 1 misdemeanor for any person taking wildlife to have in his possession any:

(1) Repealed by Session Laws 2013-369, s. 23, effective October 1, 2013.

(2) Weapon of mass death and destruction as defined in G.S. 14-288.8, other than a suppressor or other device designed to muffle or minimize the report of a firearm or short-barreled rifle that is lawfully possessed by a person in compliance with 26 U.S.C. Chapter 53 §§ 5801-5871.

The Wildlife Resources Commission may prohibit individuals training dogs or taking particular species from carrying axes, saws, tree-climbing equipment, and other implements that may facilitate the unlawful taking of wildlife, except tree-climbing equipment may be carried and used by persons lawfully taking raccoons and opossums during open season."

SECTION 9. G.S. 14-415.21 reads as rewritten:

"§ **14-415.21. Violations of this Article punishable as an infraction.**

(a) A person who has been issued a valid permit who is found to be carrying a concealed handgun without the permit in the person's possession or who fails to disclose to any law enforcement officer that the person holds a valid permit and is carrying a concealed handgun, as required by G.S. 14-415.11, shall be guilty of an infraction and shall be punished in accordance with G.S. 14-3.1. Any person who has been issued a valid permit who is found to be carrying a concealed handgun in violation of G.S. 14-415.11(c)(8) shall be guilty of an infraction and may be required to pay a fine of up to five hundred dollars ($500.00). In lieu of paying a fine the person may surrender the permit.

(a1) A person who has been issued a valid permit who is found to be carrying a concealed handgun in violation of ~~subdivision (c)(8) or~~ subsection (c2) of G.S. 14-415.11 shall be guilty of a Class 1 misdemeanor.

(b) A person who violates the provisions of this Article other than as set forth in subsection (a) or (a1) of this section is guilty of a Class 2 misdemeanor."

SECTION 10.(a) G.S. 14-403 reads as rewritten:

"§ **14-403. Permit issued by sheriff; form of permit; expiration of permit.**

The sheriffs of any and all counties of this State shall issue to any person, firm, or corporation in any county a permit to purchase or receive any weapon mentioned in this Article from any person, firm, or corporation offering to sell or dispose of the weapon. The permit shall expire five years from the date of issuance. The permit shall ~~be in the following form:~~be a standard form created by the State Bureau of Investigation in consultation with the North Carolina Sheriffs' Association, shall be of a uniform size and material, and shall be designed with security features intended to minimize the ability to counterfeit or replicate the permit and shall be set forth as follows:

North Carolina,
_____ County.

I, _____, Sheriff of said County, do hereby certify that I have conducted a criminal background check of the applicant, _____ whose place of residence is_____ in _____ (or) in _____ Township, _____ County, North Carolina, and have received no information to indicate that it would be a violation of State or federal law for the applicant to purchase, transfer, receive, or possess a handgun. The applicant has further satisfied me as to his, her (or) their good moral character. Therefore, a permit is issued to _____ to purchase one pistol from any person, firm or corporation authorized to dispose of the same.

This permit expires five years from its date of issuance.

This __ day of _____, ____.

_____
Sheriff.

The standard permit created by this section shall be used statewide by the sheriffs of any and all counties and, when issued by a sheriff, shall also contain an embossed seal unique to the office of the issuing sheriff."

SECTION 10.(b) Permits issued pursuant to Article 52A of Chapter 14 of the General Statutes prior to the effective date of subsection (a) of this section shall remain valid until expiration. Any person possessing a valid permit issued prior to the effective date of subsection (a) of this section may exchange that permit for an updated permit from the sheriff that issued the original permit with no further application required. Any permit issued in exchange shall expire on the same date as the original permit for which it was exchanged.

SECTION 10.(c) The State Bureau of Investigation shall make reasonable efforts to notify federally licensed firearm dealers in this State of the new permit appearance and requirements implemented by subsection (a) of this section.

SECTION 10.(d) G.S. 14-404 reads as rewritten:

"§ **14-404. Issuance or refusal of permit; appeal from refusal; grounds for refusal; sheriff's fee.**

(a) Upon application, the sheriff shall issue the permit to a resident of that county, unless the purpose of the permit is for collecting, in which case a sheriff can issue a permit to a nonresident, when the sheriff has done all of the following:

(1) Verified, before the issuance of a permit, by a criminal history background investigation that it is not a violation of State or federal law for the applicant to purchase, transfer, receive, or possess a handgun. The sheriff shall determine the criminal and background history of any applicant by accessing computerized criminal history records as maintained by the State Bureau of Investigation and the Federal Bureau of Investigation, by conducting a national criminal history records check, by conducting a check through the National Instant Criminal Background Check System (NICS), and by conducting a criminal history check through the Administrative Office of the Courts.

(2) Fully satisfied himself or herself by affidavits, oral evidence, or otherwise, as to the good moral character of the applicant. For purposes of determining an applicant's good moral character to receive a permit, the sheriff shall only consider an applicant's conduct and criminal history for the five-year period immediately preceding the date of the application.

(3) Fully satisfied himself or herself that the applicant desires the possession of the weapon mentioned for (i) the protection of the home, business, person, family or property, (ii) target shooting, (iii) collecting, or (iv) hunting.

(b) If the sheriff is not fully satisfied, the sheriff may, for good cause shown, decline to issue the permit and shall provide to the applicant within seven days of the refusal a written statement of the reason(s) for the refusal. The statement shall cite the specific facts upon which the sheriff concluded that the applicant was not qualified for the issuance of a permit and list,

by statute number, the applicable law upon which the denial is based. An appeal from the refusal shall lie by way of petition to the ~~chief judge of the district court for~~superior court in the district in which the application was filed. The determination by the court, on appeal, shall be upon the facts, the law, and the reasonableness of the sheriff's refusal, and shall be final.

…

(e) The sheriff shall charge for the sheriff's services upon receipt of an application a fee of five dollars ($5.00) for each permit requested. There shall be no limit as to the number or frequency of permit applications and no other costs or fees other than provided in this subsection shall be charged for the permit, including, but not limited to, any costs for investigation, processing, or medical background checks by the sheriff or others providing records to the sheriff.

(e1) The application for a permit shall be on a form created by the State Bureau of Investigation in consultation with the North Carolina Sheriffs' Association. This application shall be used by all sheriffs and must be provided by the sheriff both electronically and in paper form. Only the following shall be required to be submitted by an applicant for a permit:

(1) The permit application developed pursuant to this subsection.

(2) Five dollars for each permit requested pursuant to subsection (e) of this section.

(3) A government issued identification confirming the identity of the applicant.

(4) Proof of residency.

(5) A signed release, in a form to be prescribed by the Administrative Office of the Court, that authorizes and requires disclosure to the sheriff of any court orders concerning the mental health or capacity of the applicant to be used for the sole purpose of determining whether the applicant is disqualified to receive a permit pursuant to this section.

No additional document or evidence shall be required from any applicant.

…

(i) A person or entity shall promptly disclose to the sheriff, upon presentation by the applicant or sheriff of an original or photocopied release form described in subdivision (5) of subsection (e1) of this section, any court orders concerning the mental health or capacity of the applicant who signed the release form."

SECTION 10.5. The Department of Public Safety, in consultation with the Office of Information Technology Services and the Federal Bureau of Investigation, shall study the development of a system to allow a background check to be conducted in private transfers of firearms. The study shall consider methods that would allow the seller or transferor to access the Criminal Justice Law Enforcement Automated Data Services (CJLEADS), the National Instant Criminal Background Check System (NICS), or another similar system that would provide information to the seller or transferor regarding the purchaser or transferee's eligibility to purchase a pistol.

The Department shall report its findings and any recommended legislation to the Joint Legislative Oversight Committee on Justice and Public Safety on or before January 1, 2019.

SECTION 11.(a) G.S. 122C-54(d1) is repealed.

SECTION 11.(b) G.S. 122C-54.1 is recodified as G.S. 14-409.42.

SECTION 11.(c) G.S. 14-404(c1) is repealed.

SECTION 11.(d) Article 53B of Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-409.43. Reporting of certain disqualifiers to the National Instant Criminal Background Check System (NICS).**

(a) Excluding Saturdays, Sundays, and holidays, not later than 48 hours after receiving notice of any of the following judicial determinations or findings, the clerk of superior court in the county where the determination or finding was made shall work through the Administrative

Office of the Courts to cause a record of the determination or finding to be transmitted to the National Instant Criminal Background Check System (NICS):

(1) A determination that an individual shall be involuntarily committed to a facility for inpatient mental health treatment upon a finding that the individual is mentally ill and a danger to self or others.

(2) A determination that an individual shall be involuntarily committed to a facility for outpatient mental health treatment upon a finding that the individual is mentally ill and, based on the individual's treatment history, in need of treatment in order to prevent further disability or deterioration that would predictably result in a danger to self or others.

(3) A determination that an individual shall be involuntarily committed to a facility for substance abuse treatment upon a finding that the individual is a substance abuser and a danger to self or others.

(4) A finding that an individual is not guilty by reason of insanity.

(5) A finding that an individual is mentally incompetent to proceed to criminal trial.

(6) A finding that an individual lacks the capacity to manage the individual's own affairs due to marked subnormal intelligence or mental illness, incompetency, condition, or disease.

(7) A determination to grant a petition to an individual for the removal of disabilities pursuant to G.S. 14-409.42 or any applicable federal law.

The 48-hour period for transmitting a record of a judicial determination or finding to the NICS under subsection (a) of this section begins upon receipt by the clerk of a copy of the judicial determination or finding. The Administrative Office of the Courts shall adopt rules to require clerks of court to transmit information to the NICS in a uniform manner.

(b) Excluding Saturdays, Sundays, and holidays, not later than 48 hours after receiving notice of the issuance of a felony warrant, indictment, criminal summons, or order for arrest, the Administrative Office of the Courts shall transmit any unserved felony warrants, indictments, criminal summons, or order for arrests to the NCIC (or National Instant Criminal Background Check System (NICS)).

(c) Excluding Saturdays, Sundays, and holidays, not later than 48 hours after service by the sheriff of an order issued by a judge pursuant to Chapter 50B of the General Statutes and pursuant to G.S. 50B-3(d) the sheriff shall cause a record of the order to be transmitted to the National Instant Criminal Information System."

SECTION 11.(e) G.S. 122C-54(d2) reads as rewritten:

"(d2) The record of involuntary commitment for inpatient or outpatient mental health treatment or for substance abuse treatment required ~~by subsection (d1) of this section~~ to be reported to the National Instant Criminal Background Check System (NICS) by G.S. 14-409.43 shall be accessible only by ~~an entity having proper access to NICS~~ the sheriff or the sheriff's designee for the purposes of conducting background checks under G.S. 14-404 and shall remain otherwise confidential as provided by this Article. ~~The Administrative Office of the Courts shall adopt rules to require clerks of court to transmit information to the NICS as required by subsection (d1) of this section in a uniform manner.~~"

SECTION 11.(f) G.S. 14-404(a) reads as rewritten:

"(a) Upon application, and such application must be provided by the sheriff electronically, the sheriff shall issue the permit to a resident of that county, unless the purpose of the permit is for collecting, in which case a sheriff can issue a permit to a nonresident, when the sheriff has done all of the following:

…."

SECTION 11.(g) G.S. 14-415.13(a) reads as rewritten:

"(a) A person shall apply to the sheriff of the county in which the person resides to obtain a concealed handgun permit. The applicant shall submit to the sheriff all of the following:

(1) An application, completed under oath, on a form provided by the ~~sheriff.~~sheriff, and such application form must be provided by the sheriff electronically. The sheriff shall not request employment information, character affidavits, additional background checks, photographs, or other information unless specifically permitted by this Article.

…."

SECTION 11.(h) G.S. 15A-502 reads as rewritten:

"§ **15A-502. Photographs and fingerprints.**

(a) A person charged with the commission of a felony or a misdemeanor may be photographed and his fingerprints may be taken for law-enforcement records only when he has been:

(1) Arrested or committed to a detention facility, or

(2) Committed to imprisonment upon conviction of a crime, or

(3) Convicted of a felony.

(a1) It shall be the duty of the arresting law-enforcement agency to cause a person charged with the commission of a felony to be fingerprinted and to forward those fingerprints to the State Bureau of Investigation.

(a2) It shall be the duty of the arresting law enforcement agency to cause a person charged with the commission of any of the following misdemeanors to be fingerprinted, for the purposes of reporting these offenses to the National Criminal Instant Background Check System (NICS), and to forward those fingerprints to the State Bureau of Investigation:

(1) G.S. 14-134.3 (Domestic criminal trespass), G.S. 15A-1382.1 (Offense that involved domestic violence), or G.S. 50B-4.1 (Violation of a valid protective order).

(2) G.S. 20-138.1 (Impaired driving), G.S. 20-138.2 (Impaired driving in commercial vehicle), G.S. 20-138.2A (Operating a commercial vehicle after consuming alcohol), and G.S. 20-138.2B (Operating various school, child care, EMS, firefighting, or law enforcement vehicles after consuming alcohol).

(3) G.S. 90-95(a)(3) (Possession of a controlled substance).

(a3) It shall be the duty of the arresting law enforcement agency to cause a person charged with a crime to provide to the magistrate as much of the following information as possible for the person arrested:

(1) Name including first, last, middle, maiden, and nickname or alias.

(2) Address including street, city, and state.

(3) Drivers license number and state of issuance.

(4) Date of birth.

(5) Sex.

(6) Race.

(7) Social Security number.

(8) Relationship to the alleged victim and whether it is a "personal relationship" as defined by G.S. 50B-1(b).

(a4) It shall be the duty of the arresting law enforcement agency to cause a person who has been charged with a misdemeanor offense of assault, stalking, or communicating a threat and held under G.S. 15A-534.1 to be fingerprinted for the purposes of reporting these offenses to the National Criminal Instant Background Check System (NICS) and to forward those fingerprints to the State Bureau of Investigation.

(a5) It shall be the duty of the magistrate to enter into the court information system all information provided by the arresting law enforcement agency on the person arrested.

~~(a2)~~(a6) If the person cannot be identified by a valid form of identification, it shall be the duty of the arresting law-enforcement agency to cause a person charged with the commission of:

(1) Any offense involving impaired driving, as defined in G.S. 20-4.01(24a), or

(2) Driving while license revoked if the revocation is for an Impaired Driving License Revocation as defined in G.S. 20-28.2

to be fingerprinted and photographed.

(b) This section does not authorize the taking of photographs or fingerprints when the offense charged is a Class 2 or 3 misdemeanor under Chapter 20 of the General Statutes, "Motor Vehicles." Notwithstanding the prohibition in this subsection, a photograph may be taken of a person who operates a motor vehicle on a street or highway if:

(1) The person is cited by a law enforcement officer for a motor vehicle moving violation, and

(2) The person does not produce a valid drivers license upon the request of a law enforcement officer, and

(3) The law enforcement officer has a reasonable suspicion concerning the true identity of the person.

As used in this subsection, the phrase "motor vehicle moving violation" does not include the offenses listed in the third paragraph of G.S. 20-16(c) for which no points are assessed, nor does it include equipment violations specified in Part 9 of Article 3 of Chapter 20 of the General Statutes.

(b1) Any photograph authorized by subsection (b) of this section and taken by a law enforcement officer or agency:

(1) Shall only be taken of the operator of the motor vehicle, and only from the neck up.

(2) Shall be taken at either the location where the citation is issued, or at the jail if an arrest is made.

(3) Shall be retained by the law enforcement officer or agency until the final disposition of the case.

(4) Shall not be used for any purpose other than to confirm the identity of the alleged offender.

(5) Shall be destroyed by the law enforcement officer or agency upon a final disposition of the charge.

(c) This section does not authorize the taking of photographs or fingerprints of a juvenile alleged to be delinquent except under Article 21 of Chapter 7B of the General Statutes.

(d) This section does not prevent the taking of photographs, moving pictures, video or sound recordings, fingerprints, or the like to show a condition of intoxication or for other evidentiary use.

(e) Fingerprints or photographs taken pursuant to subsection (a), (a1), or (a2) of this section may be forwarded to the State Bureau of Investigation, the Federal Bureau of Investigation, or other law-enforcement agencies."

SECTION 11.(i) The Administrative Office of the Courts shall use the sum of up to twenty thousand dollars ($20,000) available to it for the 2014-2015 fiscal year from the Court Information Technology Fund to comply with the portions of subsection (d) of this section applicable to the Administrative Office of the Courts and to provide all of the following historical records to the National Instant Criminal Background Check System (NICS) by May 31, 2019:

(1) Involuntary commitments for inpatient and outpatient mental health and substance abuse treatment from all counties.

(2) Findings of not guilty by reason of insanity or mentally incompetent to stand trial from all counties.

(3) Findings that an individual lacks the capacity to manage the individual's own affairs due to marked subnormal intelligence or mental illness, incompetency, condition, or disease from all counties.

(4) Convictions for misdemeanor possession of controlled substances under G.S. 90-95(a)(3) from all counties from January 1, 2009.

(5) Convictions for all misdemeanors as identified in G.S. 14-134.3, 15A-1382.1, or 50B-4.1 from all counties.

(6) Convictions for all misdemeanors as identified in G.S. 20-138.1, 20-138.2, 20-138.2A, and 20-138.2B or convicted and sentenced under G.S. 20-179(f3) for more than two years from all counties.

(7) Active and unserved felony warrants, indictments, criminal summons, and orders for arrest from all counties.

No later than January 1, 2018, the Administrative Office of the Courts shall report to the Joint Legislative Oversight Committee on Justice and Public Safety and the Joint Legislative Oversight Committee on Information Technology on the progress made towards providing the information required by subsection (d) of this section and providing the historical records to NICS.

SECTION 11.(j) G.S. 14-404(g) reads as rewritten:

"(g) An applicant shall not be ineligible to receive a permit under subdivision (c)(4) of this section because of involuntary commitment to mental health services if the individual's rights have been restored under ~~G.S. 122C-54.1.~~G.S. 14-409.42."

SECTION 11.(k) G.S. 14-415.3(c) reads as rewritten:

"(c) The provisions of this section shall not apply to a person whose rights have been restored pursuant to ~~G.S. 122C-54.1.~~G.S. 14-409.42."

SECTION 11.(l) G.S. 14-415.12(c) reads as rewritten:

"(c) An applicant shall not be ineligible to receive a concealed carry permit under subdivision (6) of subsection (b) of this section because of an adjudication of mental incapacity or illness or an involuntary commitment to mental health services if the individual's rights have been restored under ~~G.S. 122C-54.1.~~G.S. 14-409.42."

SECTION 11.(m) G.S. 122C-54.1(a), recodified as G.S. 14-409.42(a) by subsection (b) of this section, reads as rewritten:

"(a) Any individual over the age of 18 may petition for the removal of the disabilities pursuant to 18 U.S.C. § 922(d)(4) and (g)(4), G.S. 14-415.3, and G.S. 14-415.12 arising out of a determination or finding required to be transmitted to the National Instant Criminal Background Check System by subdivisions (1) through (6) ~~of subsection (d1) of G.S. 122C-54.~~ of subsection (a) of G.S. 14-409.43. The individual may file the petition with a district court judge upon the expiration of any current inpatient or outpatient commitment."

SECTION 11.(n) G.S. 15A-534(a) reads as rewritten:

"(a) In determining conditions of pretrial release a judicial official must impose at least one of the following conditions:

(1) Release the defendant on his written promise to appear.

(2) Release the defendant upon his execution of an unsecured appearance bond in an amount specified by the judicial official.

(3) Place the defendant in the custody of a designated person or organization agreeing to supervise him.

(4) Require the execution of an appearance bond in a specified amount secured by a cash deposit of the full amount of the bond, by a mortgage pursuant to G.S. 58-74-5, or by at least one solvent surety.

(5) House arrest with electronic monitoring.

If condition (5) is imposed, the defendant must execute a secured appearance bond under subdivision (4) of this subsection. If condition (3) is imposed, however, the defendant may elect to execute an appearance bond under subdivision (4). If the defendant is required to provide fingerprints pursuant to ~~G.S. 15A-502(a1) or (a2),~~ G.S. 15A-502(a1), (a2), (a4), or (a6), or a DNA sample pursuant to G.S. 15A-266.3A or G.S. 15A-266.4, and (i) the fingerprints or DNA sample have not yet been taken or (ii) the defendant has refused to provide the fingerprints or DNA sample, the judicial official shall make the collection of the fingerprints or DNA sample a condition of pretrial release. The judicial official may also place restrictions on the travel, associations, conduct, or place of abode of the defendant as conditions of pretrial

release. The judicial official may include as a condition of pretrial release that the defendant abstain from alcohol consumption, as verified by the use of a continuous alcohol monitoring system, of a type approved by the Division of Adult Correction of the Department of Public Safety, and that any violation of this condition be reported by the monitoring provider to the district attorney."

SECTION 11.(o) Subsections (f) and (g) of this section become effective October 1, 2015, and apply to applications submitted on or after that date. Subsections (h) and (n) of this section become effective on October 1, 2015. Subsections (a), (d), and (m) of this section become effective on January 1, 2016. The remaining subsections of this section are effective when this act becomes law.

SECTION 12. G.S. 14-409.40 reads as rewritten:

"§ **14-409.40. Statewide uniformity of local regulation.**

(a) It is declared by the General Assembly that the regulation of firearms is properly an issue of general, statewide concern, and that the entire field of regulation of firearms is preempted from regulation by local governments except as provided by this section.

(a1) The General Assembly further declares that the lawful design, marketing, manufacture, distribution, sale, or transfer of firearms or ammunition to the public is not an unreasonably dangerous activity and does not constitute a nuisance per se and furthermore, that it is the unlawful use of firearms and ammunition, rather than their lawful design, marketing, manufacture, distribution, sale, or transfer that is the proximate cause of injuries arising from their unlawful use. This subsection applies only to causes of action brought under subsection (g) of this section.

(b) Unless otherwise permitted by statute, no county or municipality, by ordinance, resolution, or other enactment, shall regulate in any manner the possession, ownership, storage, transfer, sale, purchase, licensing, <u>taxation, manufacture, transportation,</u> or registration of firearms, firearms ammunition, components of firearms, dealers in firearms, or dealers in handgun components or parts.

(c) Notwithstanding subsection (b) of this section, a county or municipality, by zoning or other ordinance, may regulate or prohibit the sale of firearms at a location only if there is a lawful, general, similar regulation or prohibition of commercial activities at that location. Nothing in this subsection shall restrict the right of a county or municipality to adopt a general zoning plan that prohibits any commercial activity within a fixed distance of a school or other educational institution except with a special use permit issued for a commercial activity found not to pose a danger to the health, safety, or general welfare of persons attending the school or educational institution within the fixed distance.

(d) No county or municipality, by zoning or other ordinance, shall regulate in any manner firearms shows with regulations more stringent than those applying to shows of other types of items.

(e) A county or municipality may regulate the transport, carrying, or possession of firearms by employees of the local unit of government in the course of their employment with that local unit of government.

(f) Nothing contained in this section prohibits municipalities or counties from application of their authority under G.S. 153A-129, 160A-189, 14-269, 14-269.2, 14-269.3, 14-269.4, 14-277.2, 14-415.11, 14-415.23, including prohibiting the possession of firearms in public-owned buildings, on the grounds or parking areas of those buildings, or in public parks or recreation areas, except nothing in this subsection shall prohibit a person from storing a firearm within a motor vehicle while the vehicle is on these grounds or areas. Nothing contained in this section prohibits municipalities or counties from exercising powers provided by law in states of emergency declared under Article 1A of Chapter 166A of the General Statutes.

(g) The authority to bring suit and the right to recover against any firearms or ammunition marketer, manufacturer, distributor, dealer, seller, or trade association by or on behalf of any governmental unit, created by or pursuant to an act of the General Assembly or

the Constitution, or any department, agency, or authority thereof, for damages, abatement, injunctive relief, or any other remedy resulting from or relating to the lawful design, marketing, manufacture, distribution, sale, or transfer of firearms or ammunition to the public is reserved exclusively to the State. Any action brought by the State pursuant to this section shall be brought by the Attorney General on behalf of the State. This section shall not prohibit a political subdivision or local governmental unit from bringing an action against a firearms or ammunition marketer, manufacturer, distributor, dealer, seller, or trade association for breach of contract or warranty for defect of materials or workmanship as to firearms or ammunition purchased by the political subdivision or local governmental unit.

(h) A person adversely affected by any ordinance, rule, or regulation promulgated or caused to be enforced by any county or municipality in violation of this section may bring an action for declaratory and injunctive relief and for actual damages arising from the violation. The court shall award the prevailing party in an action brought under this subsection reasonable attorneys' fees and court costs as authorized by law."

SECTION 13. Article 53B of Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-409.41. Chief law enforcement officer certification; certain firearms.**

(a) Definitions. – The following definitions apply in this section:

(1) Certification. – The participation and assent of the chief law enforcement officer necessary under federal law for the approval of the application to transfer or make a firearm.

(2) Chief law enforcement officer. – Any official that the United States Bureau of Alcohol, Tobacco, Firearms, and Explosives, or any successor agency, has identified by regulation or otherwise as eligible to provide any required certification for the transfer or making of a firearm.

(3) Firearm. – Any firearm that meets the definition of firearm in 26 U.S.C. § 5845.

(b) When a chief law enforcement officer's certification is required by federal law or regulation for the transfer or making of a firearm, the chief law enforcement officer shall, within 15 days of receipt of a request for certification, provide the certification if the applicant is not prohibited by State or federal law from receiving or possessing the firearm and is not the subject of a proceeding that could result in the applicant being prohibited by State or federal law from receiving or possessing the firearm. If the chief law enforcement officer is unable to make a certification as required by this section, the chief law enforcement officer shall provide the applicant with a written notification of the denial and the reason for the denial.

Nothing in this section shall require a chief law enforcement officer to make a certification the chief law enforcement officer knows to be untrue, but the chief law enforcement officer may not refuse to provide certification based on a generalized objection to private persons or entities making, possessing, or receiving firearms or any certain type of firearm the possession of which is not prohibited by law.

(c) An applicant whose request for certification is denied may appeal the decision of the chief law enforcement officer to the district court of the district in which the request for certification was made. The court shall make a de novo review of the chief law enforcement officer's decision to deny the certification. If the court finds that the applicant is not prohibited by State or federal law from receiving or possessing the firearm, is not the subject of a proceeding that could result in the applicant being prohibited by State or federal law from receiving or possessing the firearm, and that no substantial evidence supports the chief law enforcement officer's determination that the chief law enforcement officer cannot truthfully make the certification, the court shall order the chief law enforcement officer to issue the certification and award court costs and reasonable attorneys' fees to the applicant.

(d) Chief law enforcement officers and their employees who act in good faith are immune from liability arising from any act or omission in making a certification as required by this section."

SECTION 14. G.S. 14-415.15(a) reads as rewritten:

"(a) Except as permitted under subsection (b) of this section, within 45 days after receipt of the items listed in G.S. 14-415.13 from an applicant, and receipt of the required records concerning the mental health or capacity of the applicant, the sheriff shall either issue or deny the permit. The sheriff may conduct any investigation necessary to determine the qualification or competency of the person applying for the permit, including record checks. The sheriff shall make the request for any records concerning the mental health or capacity of the applicant within 10 days of receipt of the items listed in G.S. 14-415.13. No person, company, mental health provider, or governmental entity may charge additional fees to the applicant for background checks conducted under this subsection. A permit shall not be denied unless the applicant is determined to be ineligible pursuant to G.S. 14-415.12."

SECTION 15. G.S. 14-415.23 is amended by adding a new subsection to read:

"(e) A person adversely affected by any ordinance, rule, or regulation promulgated or caused to be enforced by any unit of local government in violation of this section may bring an action for declaratory and injunctive relief and for actual damages arising from the violation. The court shall award the prevailing party in an action brought under this subsection reasonable attorneys' fees and court costs as authorized by law."

SECTION 17. G.S. 14-415.12(a) reads as rewritten:

"(a) The sheriff shall issue a permit to an applicant if the applicant qualifies under the following criteria:

(1) The applicant is a citizen of the United States or has been lawfully admitted for permanent residence as defined in 8 U.S.C. § 1101(a)(20), and has been a resident of the State 30 days or longer immediately preceding the filing of the application.

(2) The applicant is 21 years of age or older.

(3) The applicant does not suffer from a physical or mental infirmity that prevents the safe handling of a handgun.

(4) The applicant has successfully completed an approved firearms safety and training course which involves the actual firing of handguns and instruction in the laws of this State governing the carrying of a concealed handgun and the use of deadly force. The North Carolina Criminal Justice Education and Training Standards Commission shall prepare and publish general guidelines for courses and qualifications of instructors which would satisfy the requirements of this subdivision. An approved course shall be any course which satisfies the requirements of this subdivision and is certified or sponsored by:

a. The North Carolina Criminal Justice Education and Training Standards Commission,

b. The National Rifle Association, or

c. A law enforcement agency, college, private or public institution or organization, or firearms training school, taught by instructors certified by the North Carolina Criminal Justice Education and Training Standards Commission or the National Rifle Association.

Every instructor of an approved course shall file a copy of the firearms course description, outline, and proof of certification annually, or upon modification of the course if more frequently, with the North Carolina Criminal Justice Education and Training Standards Commission.

(5) The applicant is not disqualified under subsection (b) of this section."

SECTION 18. Subsections (a), (b), and (c) of Section 1, and Sections 2, 3, and 8 of this act become effective July 1, 2015, and apply to offenses committed on or after that date. Section 5 of this act becomes effective July 1, 2015, but shall not apply to pending litigation. Section 6 of this act is effective when it becomes law and applies to restorations granted before, on, or after that date. Section 7 of this act becomes effective July 1, 2015, and applies to permit

applications submitted on or after that date. Section 9 of this act becomes effective December 1, 2015, and applies to offenses committed on or after that date. Section 10 of this act becomes effective December 1, 2015, and applies to permits issued on or after that date. Sections 12 and 15 of this act become effective December 1, 2015, and apply to violations occurring on or after that date. Section 13 of this act becomes effective July 1, 2015. Section 14 becomes effective October 1, 2015, and applies to applications submitted on or after that date. The remainder of this act is effective when it becomes law. Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions.

In the General Assembly read three times and ratified this the 28th day of July, 2015.

Became law upon approval of the Governor at 3:23 p.m. on the 5th day of August, 2015.

Session Law 2015-196 **H.B. 186**

AN ACT TO REQUIRE THE ENVIRONMENTAL REVIEW COMMISSION TO CONDUCT A STUDY OF WATER RESOURCES AVAILABILITY IN THE CAPE FEAR RIVER BASIN AND TO PERMIT THE RULES REVIEW COMMISSION TO RETAIN PRIVATE COUNSEL UNDER CERTAIN CIRCUMSTANCES.

The General Assembly of North Carolina enacts:

SECTION 1. The Environmental Review Commission, with the assistance of the Department of Environment and Natural Resources, shall study the aggregate uses of groundwater and surface water in or affecting the Cape Fear River Basin by all users, including, but not limited to, public water systems, industrial facilities, and agricultural operations. The study shall include all of the following elements: (i) a summary of the current and 50-year projected water-use demands along with the available water supplies for those portions of Alamance, Bladen, Brunswick, Caswell, Chatham, Columbus, Cumberland, Duplin, Durham, Guilford, Harnett, Hoke, Lee, Moore, New Hanover, Onslow, Orange, Pender, Randolph, Richmond, Robeson, Rockingham, Sampson, Scotland, and Wake counties within the Cape Fear River Basin; (ii) an evaluation of the adequacy of currently available supplies to meet the expected long-term needs for all water demands, including the identification of those areas of the basin that do not have a sustainable long-term water supply for the anticipated growth of that area; (iii) the identification of potential conflicts among the various users and recommendations for developing and enhancing coordination among users and groups of users in order to avoid or minimize those conflicts; and (iv) an enhanced review of the portions of the Cape Fear River Basin within Brunswick, New Hanover, and Pender counties addressing the increased demands on groundwater and limited surface water options in that area.

All the information and any analytical tools, such as models, employed in the conduct of the study shall be made available electronically for public review and use on the Web site of the Department's Division of Water Resources.

The Environmental Review Commission may submit an interim report to the 2016 Regular Session of the 2015 General Assembly and shall submit a final report of its findings and recommendations, including any legislative proposals, to the 2017 General Assembly.

SECTION 2. G.S. 143B-30.1 is amended by adding a new subsection to read:

"(g) In the discretion of the Commission, G.S. 114-2.3 and G.S. 147-17(a) through (c) shall not apply to the Commission if the Commission is being sued by another agency, institution, department, bureau, board, or commission of the State, whether such body is created by the Constitution or by statute. The chairman, upon approval of a majority of the Commission, may retain private counsel to represent the Commission to be paid with available State funds to defend such litigation either independently or in cooperation with the Department of Justice. If private counsel is to be so retained to represent the Commission, the chairman shall designate lead counsel who shall possess final decision-making authority with

respect to the representation, counsel, or service for the Commission. Other counsel for the Commission shall, consistent with the Rules of Professional Conduct, cooperate with such designated lead counsel."

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of July, 2015.

Became law upon approval of the Governor at 3:29 p.m. on the 5th day of August, 2015.

Session Law 2015-197 **S.B. 82**

AN ACT TO ENSURE THE INTEGRITY OF BIRTH RECORDS PRESENTED FOR REGISTRATION.

The General Assembly of North Carolina enacts:

SECTION 1. Article 2 of Chapter 161 of the General Statutes is amended by adding a new section to read:

"**§ 161-14.02. Registration of documents or instruments purporting to impact official birth records.**

(a) Prior to recording a document or instrument that (i) purports to impact an official record of birth meeting the requirements of G.S. 161-14 and (ii) is not a birth registration or birth certificate, an amendment of a birth certificate, or a certificate of identification as defined in Article 4 of Chapter 130A of the General Statutes, the Register of Deeds shall conspicuously mark the first page of the document or instrument with the following statement:

"THIS DOCUMENT IS NOT AN OFFICIAL BIRTH RECORD."

(b) This section does not apply to a document or instrument which is attached to real estate documents as an exhibit."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 29th day of July, 2015.

Became law upon approval of the Governor at 3:30 p.m. on the 5th day of August, 2015.

Session Law 2015-198 **H.B. 774**

AN ACT TO AMEND THE LAW REQUIRING THE PRESENCE OF A LICENSED PHYSICIAN AT THE EXECUTION OF A DEATH SENTENCE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 15-190(a) reads as rewritten:

"(a) Some guard or guards or other reliable person or persons to be named and designated by the warden from time to time shall cause the person, convict or felon against whom the death sentence has been so pronounced to be executed as provided by this Article and all amendments thereto. The execution shall be under the general supervision and control of the warden of the penitentiary, who shall from time to time, in writing, name and designate the guard or guards or other reliable person or persons who shall cause the person, convict or felon against whom the death sentence has been pronounced to be executed as provided by this Article and all amendments thereto. At such execution there shall be present the warden or deputy warden or some person designated by the warden in the warden's place, and a licensed ~~physician.~~ physician, or a medical professional other than a physician, to monitor the injection of the required lethal substances and certify the fact of the execution. If a licensed physician is not present at the execution, then a licensed physician shall be present on the premises and available to examine the body after the execution and pronounce the person dead. Four respectable citizens, two members of the victim's family, the counsel and any relatives of such person, convict or felon and a minister or member of the clergy or religious leader of the

person's choosing may be present if they so desire. The identities, including the names, residential addresses, residential telephone numbers, and social security numbers, of witnesses or persons designated to carry out the execution shall be confidential and exempted from Chapter 132 of the General Statutes and are not subject to discovery or introduction as evidence in any proceeding. The Senior Resident Superior Court Judge for Wake County may order disclosure of names made confidential by this section after making findings that support a conclusion that disclosure is necessary to a proper administration of justice.

For purposes of this section, a "medical professional other than a physician" means a physician assistant, nurse practitioner, registered nurse, emergency medical technician, or emergency medical technician-paramedic who is licensed or credentialed by the licensing board, agency, or organization responsible for licensing or credentialing that profession."

SECTION 2. G.S. 15-192 reads as rewritten:

"§ **15-192. Certificate filed with clerk.**

The warden, together with the ~~surgeon or physician of the penitentiary,~~ licensed physician who was present on the premises to pronounce death as required by G.S. 15-190, shall certify the fact of the execution of the condemned person, convict or felon to the clerk of the superior court in which such sentence was pronounced, and the clerk shall file such certificate with the papers of the case and enter the same upon the records thereof."

SECTION 3. G.S. 150B-1(d)(6) reads as rewritten:

"(6) The ~~Division of Adult Correction of the~~ Department of Public Safety, with respect to matters relating to executions under Article 19 of Chapter 15 of the General Statutes and matters relating solely to persons in its custody or under its supervision, including prisoners, probationers, and parolees."

SECTION 4. G.S. 150B-1(e) is amended by adding a new subdivision to read:

"(22) The Department of Public Safety, with respect to matters relating to executions under Article 19 of Chapter 15 of the General Statutes."

SECTION 5. G.S. 15-187 reads as rewritten:

"§ **15-187. Death by administration of lethal drugs.**

Death by electrocution under sentence of law and death by the administration of lethal gas under sentence of law are abolished. Any person convicted of a criminal offense and sentenced to death shall be executed ~~only by the administration of a lethal quantity of an ultrashort-acting barbiturate in combination with a chemical paralytic agent.~~ in accordance with G.S. 15-188 and the remainder of this Article. The warden of Central Prison may obtain and employ the drugs necessary to carry out the provisions of this Article, regardless of contrary provisions in Chapter 90 of the General Statutes."

SECTION 6. G.S. 132-1.2 is amended by adding a new subdivision to read:

"(7) Reveals name, address, qualifications, and other identifying information of any person or entity that manufactures, compounds, prepares, prescribes, dispenses, supplies, or administers the drugs or supplies obtained for any purpose authorized by Article 19 of Chapter 15 of the General Statutes."

SECTION 7. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end the provisions of this act are severable.

SECTION 8. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of July, 2015.

Became law upon approval of the Governor at 3:30 p.m. on the 5th day of August, 2015.

Session Law 2015-199 **H.B. 823**

AN ACT ESTABLISHING THE ADVISORY COUNCIL ON RARE DISEASES WITHIN THE SCHOOL OF MEDICINE OF THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL.

The General Assembly of North Carolina enacts:

SECTION 1. Article 1B of Chapter 130A of the General Statutes is amended by adding a new Part to read:

"Part 5. Advisory Council on Rare Diseases.

"**§ 130A-33.52. Advisory Council on Rare Diseases; membership; terms; compensation; meetings; quorum.**

(a) There is established the Advisory Council on Rare Diseases within the School of Medicine of the University of North Carolina at Chapel Hill to advise the Governor, the Secretary, and the General Assembly on research, diagnosis, treatment, and education relating to rare diseases. For purposes of this Part, "rare disease" has the same meaning as provided in 21 U.S.C. § 360bb.

(b) Advisory Council Membership. –

(1) Upon the recommendation of the Dean of the School of Medicine of the University of North Carolina at Chapel Hill, the Secretary shall appoint members to the advisory council as follows:

a. A physician licensed and practicing in this State with experience researching, diagnosing, or treating rare diseases.

b. A medical researcher with experience conducting research concerning rare diseases.

c. A registered nurse or advanced practice registered nurse licensed and practicing in the State with experience treating rare diseases.

d. One rare diseases survivor.

e. One member who represents a rare diseases foundation.

f. One representative from each academic research institution in this State that receives any grant funding for rare diseases research.

(2) The chairs of the Joint Legislative Oversight Committee on Health and Human Services, or the chairs' designees, shall serve on the advisory council. A member of the advisory council who is designated by the chairs of the Joint Legislative Oversight Committee on Health and Human Services may be a member of the General Assembly.

(3) The Secretary, or the Secretary's designee, shall serve as an ex officio, nonvoting member of the advisory council.

(c) Members appointed pursuant to subsection (b) of this section shall serve for a term of three years, and no member shall serve more than two consecutive terms.

(d) Members of the advisory council shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5 or G.S. 138-6 or travel and subsistence expenses in accordance with the provisions of G.S. 120-3.1, as applicable.

(e) All administrative support and other services required by the advisory council shall be provided by the School of Medicine of the University of North Carolina at Chapel Hill.

(f) Upon the recommendation of the Dean of the School of Medicine of the University of North Carolina at Chapel Hill, the Secretary shall select the chair of the advisory council from among the members of the council.

(g) The chair shall convene the first meeting of the advisory council no later than October 1, 2015. A majority of the council members shall constitute a quorum. A majority vote of a quorum shall be required for any official action of the advisory council. Following the first meeting, the advisory council shall meet upon the call of the chair or upon the request of a majority of council members.

"**§ 130A-33.53. Advisory Council on Rare Diseases; powers and duties; reports.**

The advisory council shall have the following powers and duties:

(1) Advise on coordinating statewide efforts for the study of the incidence of rare diseases within the State and the status of the rare disease community.

(2) Report to the Secretary, the Governor, and the Joint Legislative Oversight Committee on Health and Human Services on behalf of the General Assembly not later than January 1, 2016, and annually thereafter, on the activities of the advisory council and its findings and recommendations regarding rare disease research and care in North Carolina, including any recommendations for statutory changes and amendments to the structure, organization, and powers or duties of the advisory council."

SECTION 2. All appointments to the Advisory Council on Rare Diseases, established by Section 1 of this act, shall be made not later than 30 days after the effective date of this act.

SECTION 3. This act becomes effective August 1, 2015.

In the General Assembly read three times and ratified this the 29th day of July, 2015.

Became law upon approval of the Governor at 3:30 p.m. on the 5th day of August, 2015.

Session Law 2015-200 **H.B. 651**

AN ACT TO BAR CIVIL ACTIONS FILED AFTER THE PERIOD OF RECORD RETENTION ESTABLISHED UNDER THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE OR FIVE YEARS, WHICHEVER IS GREATER, AND TO REQUIRE APPRAISAL MANAGEMENT COMPANIES TO ACCEPT CRIMINAL BACKGROUND CHECKS PERFORMED WITHIN THE PRECEDING TWELVE MONTHS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 1-51 is amended by adding a new subdivision to read:

"(3) Notwithstanding G.S. 1-52(9) or any other provision of law, no suit, action, or proceeding shall be brought or maintained against a real estate appraiser, general real estate appraiser, or appraiser trainee who is licensed, certified, or registered pursuant to Chapter 93E of the General Statutes, unless the suit, action, or proceeding is commenced within (i) five years of the date the appraisal was performed or (ii) until the applicable time period for retention of the work file for the appraisal giving rise to the action as established by the Recordkeeping Rule of the Uniform Standards of Professional Appraisal Practice has expired, whichever is greater."

SECTION 2. G.S. 93E-2-4 is amended by adding a new subsection to read:

"(h) A registered appraisal management company that requires a real estate appraiser to submit to a criminal background check as a condition of employment, contractual relationship, or access to an appraisal portal shall accept a criminal background check that has been performed within the preceding 12 months and that substantially conforms to the criminal history record check required under G.S. 93E-1-6(c1)."

SECTION 3. This act becomes effective October 1, 2015, and applies to contracts entered into, renewed, or amended on or after that date. Nothing in this act shall be construed as being applicable to or affecting any pending litigation.

In the General Assembly read three times and ratified this the 30th day of July, 2015.

Became law upon approval of the Governor at 3:32 p.m. on the 5th day of August, 2015.

Session Law 2015-201 **S.B. 374**

AN ACT TO REPEAL THE REQUIREMENT THAT A HOLDER OF A FOR-HIRE COASTAL RECREATIONAL FISHING LICENSE SUBMIT A LOGBOOK SUMMARIZING CATCH AND EFFORT STATISTICAL DATA, TO DIRECT THE DIVISION OF MARINE FISHERIES TO STUDY THE ADVISABILITY OF REQUIRING THE SUBMISSION OF CATCH AND EFFORT STATISTICAL DATA; TO FORBID THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES FROM ENTERING INTO A JOINT ENFORCEMENT AGREEMENT WITH THE NATIONAL MARINE FISHERIES SERVICE; AND TO DIRECT THE DIVISION OF MARINE FISHERIES TO STUDY THE JOINT ENFORCEMENT AGREEMENT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 113-174.3(e), as enacted by subsection 14.8(o) of S.L. 2013-360, is repealed.

SECTION 2. The Division of Marine Fisheries of the Department of Environment and Natural Resources shall study the advisability of implementing a requirement that for-hire coastal recreational fishing license holders submit to the Division logbooks summarizing catch and effort statistical data. The study shall also include the establishment of and consultation with a stakeholder advisory group that shall only include persons who are for-hire license holders representing all major recreational fishing areas on the North Carolina coast, commercial fishing license holders on the North Carolina coast, and relevant staff to the Division. The Division shall submit its report to the Environmental Review Commission no later than January 15, 2016.

SECTION 3.(a) G.S. 113-224 reads as rewritten:

"§ **113-224. Cooperative agreements by Department.**

(a) ~~The~~ Except as otherwise provided in this section, the Department is empowered to enter into cooperative agreements with public and private agencies and individuals respecting the matters governed in this Subchapter. Pursuant to such agreements the Department may expend funds, assign employees to additional duties within or without the State, assume additional responsibilities, and take other actions that may be required by virtue of such agreements, in the overall best interests of the conservation of marine and estuarine resources.

(b) The Fisheries Director or a designee of the Fisheries Director ~~may~~ shall not enter into an agreement with the National Marine Fisheries Service of the United States Department of Commerce allowing Division of Marine Fisheries inspectors to accept delegation of law enforcement powers over matters within the jurisdiction of the National Marine Fisheries Service."

SECTION 3.(b) G.S. 128-1.1(c2) is repealed.

SECTION 4. The Division of Marine Fisheries of the Department of Environment and Natural Resources shall conduct a 12-month process to seek input from stakeholders on the impacts, costs, and benefits of a joint enforcement agreement with the National Marine Fisheries Service of the United States Department of Commerce and whether the authorization to enter into such an agreement should be reenacted. The study shall also include the establishment of and consultation with a stakeholder advisory group that shall only include persons who are for-hire license holders representing all major recreational fishing areas on the North Carolina coast, commercial fishing license holders on the North Carolina coast, and relevant staff to the Division. The Division shall submit its report to the Environmental Review Commission no later than October 15, 2016.

SECTION 5. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of July, 2015.

Became law upon approval of the Governor at 3:35 p.m. on the 5th day of August, 2015.

Session Law 2015-202 **S.B. 233**

AN ACT TO PROVIDE FOR THE AUTOMATIC EXPUNCTION OF CERTAIN RECORDS OF A PERSON WHEN THE CHARGE OR CHARGES AGAINST THE PERSON ARE DISMISSED AS A RESULT OF IDENTITY THEFT OR MISTAKEN IDENTITY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 15A-147 reads as rewritten:

"§ **15A-147. Expunction of records when charges are dismissed or there are findings of not guilty as a result of identity ~~theft.~~theft or mistaken identity.**

(a) If any person is named in a charge for an infraction or a crime, either a misdemeanor or a felony, as a result of another person using the identifying information of the named person or mistaken identity and ~~the charge against the named person is dismissed,~~ a finding of not guilty is entered, or the conviction is set aside, the named person may apply by petition or written motion to the court where the charge was last pending on a form approved by the Administrative Office of the Courts supplied by the clerk of court for an order to expunge from all official records any entries relating to the person's apprehension, charge, or trial. The court, after notice to the district attorney, shall hold a hearing on the motion or petition and, upon finding that the person's identity was used without permission and the charges were dismissed or the person was found not guilty, the court shall order the expunction.

(a1) If any person is named in a charge for an infraction or a crime, either a misdemeanor or a felony, as a result of another person using the identifying information of the named person or mistaken identity, and the charge against the named person is dismissed, the prosecutor or other judicial officer who ordered the dismissal shall provide notice to the court of the dismissal, and the court shall order the expunction of all official records containing any entries relating to the person's apprehension, charge, or trial.

(b) No person as to whom such an order has been entered under this section shall be held thereafter under any provision of any law to be guilty of perjury, or to be guilty of otherwise giving a false statement or response to any inquiry made for any purpose, by reason of the person's failure to recite or acknowledge any expunged entries concerning apprehension, charge, or trial.

(c) The court shall also order that the said entries shall be expunged from the records of the court and direct all law enforcement agencies, the Division of Adult Correction of the Department of Public Safety, the Division of Motor Vehicles, or any other State or local government agencies identified by the ~~petitioner~~petitioner, or the person eligible for automatic expungement under subsection (a1) of this section, as bearing record of the same to expunge their records of the entries. The clerk shall notify State and local agencies of the court's order as provided in G.S. 15A-150. The costs of expunging the records, as required under G.S. 15A-150, shall not be taxed against the petitioner.

(d) The Division of Motor Vehicles shall expunge from its records entries made as a result of the charge or conviction ordered expunged under this section. The Division of Motor Vehicles shall also reverse any administrative actions taken against a person whose record is expunged under this section as a result of the charges or convictions expunged, including the assessment of drivers license points and drivers license suspension or revocation. Notwithstanding any other provision of this Chapter, the Division of Motor Vehicles shall provide to the person whose motor vehicle record is expunged under this section a certified corrected driver history at no cost and shall reinstate at no cost any drivers license suspended or revoked as a result of a charge or conviction expunged under this section.

(e) The Division of Adult Correction of the Department of Public Safety and any other applicable State or local government agency shall expunge its records as provided in G.S. 15A-150. The agency shall also reverse any administrative actions taken against a person whose record is expunged under this section as a result of the charges or convictions expunged.

Notwithstanding any other provision of law, the normal fee for any reinstatement of a license or privilege resulting under this section shall be waived.

(f) Any insurance company that charged any additional premium based on insurance points assessed against a policyholder as a result of a charge or conviction that was expunged under this section shall refund those additional premiums to the policyholder upon notification of the expungement.

(g) For purposes of this section, the term "mistaken identity" means the erroneous arrest of a person for a crime as a result of misidentification by a witness or law enforcement, confusion on the part of a witness or law enforcement as to the identity of the person who committed the crime, misinformation provided to law enforcement as to the identity of the person who committed the crime, or some other mistake on the part of a witness or law enforcement as to the identity of the person who committed the crime."

SECTION 2. This act becomes effective December 1, 2015, and applies to charges filed on or after that date.

In the General Assembly read three times and ratified this the 30th day of July, 2015.

Became law upon approval of the Governor at 11:10 a.m. on the 6th day of August, 2015.

Session Law 2015-203 **H.B. 556**

AN ACT TO ENACT THE ACHIEVING A BETTER LIFE EXPERIENCE (ABLE) ACT.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 147 of the General Statutes is amended by adding a new Article to read:

"Article 6E.

"Achieving a Better Life Experience Program Trust.

"**§ 147-86.50. Policy and definitions.**

(a) Policy. – The General Assembly of North Carolina hereby finds and declares that encouraging and assisting individuals and families in saving private funds for the purpose of supporting individuals with disabilities, as authorized in the federal Achieving a Better Life Experience (ABLE) Act, to maintain health, independence, and a better quality of life is fully consistent with and furthers the long-established policy of the State to provide tools that strengthen opportunities for personal economic development and long-term financial planning.

(b) Definitions. – The following definitions apply in this section:

(1) ABLE account. – An account established and owned by an eligible individual and maintained under this Article. A guardian or agent under a power of attorney may act on behalf of an account owner.

(2) Account owner. – The person who enters into an ABLE savings agreement pursuant to the provisions of this Article. The account owner must be the designated beneficiary.

(3) Board. – The ABLE Program Board of Trustees established in G.S. 147-86.52.

(4) Contracting state. – A state without a qualified ABLE program that has entered into a contract with North Carolina to provide residents of the contracting state access to a qualified ABLE program.

(5) Designated beneficiary. – The eligible individual who established and owns an ABLE account.

(6) Disability certification. – Defined in 26 U.S.C. § 529A(e)(2).

(7) Eligible individual. – Defined in 26 U.S.C. § 529A(e)(1).

(8) Federal ABLE Act. – Division B of the Tax Increase Prevention Act of 2014, P.L. 113-295, the Achieving a Better Life Experience Act of 2014.

(9) Member of the family. – A brother, sister, stepbrother, or stepsister.

(10) Qualified disability expense. – Defined in 26 U.S.C. § 529A(e)(5).

"§ **147-86.51. ABLE Program.**

(a) Achieving a Better Life Experience (ABLE) Program Trust. – There is established an ABLE Program Trust to be administered by the ABLE Program Board of Trustees established in G.S. 146-86.52 to enable contributors to save funds to meet the costs of the qualified disability expenses of eligible individuals.

(b) Accounts. – The following provisions apply to an ABLE account:

(1) An account owner or contributor may establish an account by making an initial contribution to the ABLE Program Trust, signing an application form approved by the Board or its designee, and naming the designated beneficiary. If the contributor is not the account owner, the account owner or the account owner's guardian, trustee, or agent shall also sign the application form.

(2) Any person may make contributions to an account after the account is opened.

(3) Contributions to an account shall be made only in cash.

(4) Contributions to an account shall not exceed maximum contribution limits applicable to program accounts in accordance with the federal ABLE Act.

(5) An account owner may change the designated beneficiary of an account to an eligible individual who is a member of the family of the former designated beneficiary. At the direction of an account owner, all or a portion of an account may be transferred to another account of which the designated beneficiary is a member of the family of the designated beneficiary of the transferee account if the transferee account was created pursuant to this section or in accordance with the federal ABLE Act.

(c) Contributions. – The Board is authorized to accept, hold, invest, and disburse contributions, and interest earned on such contributions, from contributors as trustees of the ABLE Program Trust. The Board shall hold all contributions to the ABLE Program Trust, and any earnings thereon, in the ABLE Program Trust and shall invest the contributions in accordance with this section. The assets of the ABLE Program Trust shall at all times be preserved, invested, and expended for the purpose of providing benefits to designated beneficiaries and paying reasonable expenses of administering the ABLE Program Trust and investing the assets of the ABLE Program Trust. Nothing in this Article shall be construed to prohibit the Board from accepting, holding, and investing contributions from contributors who reside outside of North Carolina. Neither the contributions to the ABLE Program Trust, nor the earnings thereon, shall be considered State monies, assets of the State, or State revenue for any purpose. An account or a legal or beneficial interest in an account is not subject to attachment, levy, or execution by a creditor of the designated beneficiary.

(d) Limitations. – The Board, in administering the ABLE Program Trust, shall ensure each of the following:

(1) A rollover from an ABLE account shall constitute a qualified rollover if the rollover distribution is in accordance with the federal ABLE Act.

(2) A person may make contributions for a taxable year for the benefit of an individual who is an eligible individual for the taxable year to an ABLE account that is established to meet the qualified disability expenses of the designated beneficiary of the account.

(3) A designated beneficiary is limited to one ABLE account.

(4) An ABLE account may be established only for a designated beneficiary who is a resident of North Carolina or a resident of a contracting state.

(5) Except as permitted under the federal ABLE Act, a person does not direct the investment of any contributions to or earnings from the Achieving a Better Life Experience Program more than two times each year.

(6) An account or a legal or beneficial interest in an account is not assignable, pledged, or otherwise used to secure or obtain a loan or other advancement.
(7) Separate records and accounting are maintained for each ABLE account.
(8) Reports are made no less frequently than annually to each ABLE account owner.
(9) A trustee or guardian appointed as a signatory of an ABLE account does not have or acquire any beneficial interest in the account and administers the account for the benefit of the designated beneficiary.

"**§ 147-86.52. ABLE Program Board of Trustees.**

(a) Board. – There is established a Board of Trustees to provide oversight of the general administration and proper operation of the ABLE Program and to determine the appropriate investment strategy for the ABLE Program Trust. The Board of Trustees shall consist of the following six members:

(1) The State Treasurer, ex officio, or the State Treasurer's designee, as chair.
(2) The Commissioner of Banks, ex officio, or the Commissioner of Banks' designee.
(3) The Secretary of the North Carolina Department of Health and Human Services, ex officio, or the Secretary's designee.
(4) A person appointed by the Governor having experience in investments and finance.
(5) A person appointed by the President Pro Tempore of the Senate having experience in advocacy for the disabled.
(6) A person appointed by the Speaker of the House of Representatives that is an immediate family member of an eligible individual or a guardian of an eligible individual.

(b) Terms. – The members of the Board, except those members serving in an ex officio capacity, shall be appointed for terms of three years and shall serve until their successors are appointed and qualified. Vacancies are filled in the same manner as the original appointment. No appointed member of the Board may serve longer than any of the following:

(1) Two consecutive three-year terms.
(2) Three consecutive terms of any length, in the event that one or more of the terms is for less than three years in duration or the member serves a partial term as a result of filling a vacancy.
(3) Eight consecutive years, regardless of term lengths.

(c) Duties. – The Board of Trustees is authorized to:

(1) Delegate the authority to the State Treasurer to develop and perform all functions necessary and desirable to (i) administer the ABLE Program Trust in such a manner as to meet and comply with the requirements of the federal ABLE Act and federal regulations under the Act, (ii) implement the investment strategy of the Board, and (iii) provide other services as the Board shall deem necessary to facilitate participation in the ABLE Program Trust.
(2) Notwithstanding provisions of Article 3 of Chapter 143 of the General Statutes, engage the services of consultants on a contract basis for rendering professional and technical assistance and advice.
(3) Retain the services of auditors, attorneys, investment counseling firms, custodians, or other persons or firms possessing specialized skills or knowledge necessary for the proper administration of investment programs that the Board administers pursuant to this Article.
(4) Develop marketing plans and promotional material.
(5) Establish the methods by which the funds held in accounts shall be dispersed.

(6) Establish the method by which funds shall be allocated to pay for administrative costs.

(7) Do all things necessary and proper to carry out the purposes of this act.

(d) Investments. – The Board shall determine and document in an investment policy statement an appropriate investment strategy for the ABLE Program Trust containing one or more forms of investment or strategies for investment from which account owners may select. The Board shall authorize the State Treasurer to be responsible for engaging and discharging investment managers and service providers, including contracting and contract monitoring, to implement the investment strategy established by the Board. All amounts maintained in an account shall be invested according to the account owner's election of one or more of the strategies approved by the Board. Each strategy may include a combination of fixed income assets and preferred or common stocks issued by any company incorporated, or otherwise located within or outside the United States, or other appropriate investment instruments to achieve long-term return through a combination of capital appreciation and current income. If the Board approves multiple forms of investment as investment strategy options, transfers of an account owner's accumulated funds shall be permitted among the various approved forms of investments, subject to reasonable restrictions approved by the Board.

(e) Discharge of Duties by the Board. – The assets of the ABLE Program Trust shall be held in trust for the designated beneficiaries. The assets of the ABLE Program Trust shall at all times be preserved, invested, and expended for the exclusive purpose of providing benefits to designated beneficiaries and paying reasonable expenses of administering the ABLE Program Trust and investing the assets of the ABLE Program Trust. Compliance by the Board with this section must be determined in light of the facts and circumstances existing at the time of the Board's decision or action and not by hindsight. The Board shall discharge its duties with respect to the ABLE Program Trust as follows:

(1) Solely in the interest of the designated beneficiaries.

(2) With the care, skill, and caution under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an activity of like character and purpose.

(3) Impartially, taking into account any differing interests of designated beneficiaries.

(4) Incurring only costs that are appropriate and reasonable.

(5) In accordance with a good-faith interpretation of the law governing the ABLE Program Trust.

(f) Immunity. – A person serving on the ABLE Board of Trustees shall be immune individually from civil liability for monetary damages, and exempt to the extent covered by insurance, for any act or failure to act arising out of that service except where any of the following apply:

(1) The person was not acting within the scope of that person's official duties.

(2) The person was not acting in good faith.

(3) The person committed gross negligence or willful or wanton misconduct that resulted in the damages or injury.

(4) The person derived an improper personal financial benefit, either directly or indirectly, from the transaction.

(g) Report. – The Board shall submit an annual evaluation of the ABLE Program and prepare and submit an annual report of such evaluation to the Joint Legislative Oversight Committee on Health and Human Services.

(h) Other States. – With consent of the State Treasurer, the Board may enter into agreements with other states to either (i) allow North Carolina residents to participate in a plan operated by a contracting state with a qualified ABLE program or (ii) allow residents of other states to participate in the qualified North Carolina ABLE Program Trust.

"**§ 147-86.53. Administration of ABLE Program.**

(a) Administration. – The Board may delegate to the State Treasurer the authority to develop and perform all functions necessary and desirable to (i) administer the ABLE Program Trust in such a manner as to meet and comply with the requirements of the federal ABLE Act and federal regulations under the Act, (ii) implement the investment strategy established by the Board, and (iii) provide such other services as the State Treasurer shall deem necessary to facilitate participation in the ABLE Program Trust. The State Treasurer is further authorized to obtain the services of such investment managers, investment advisors, service providers, or program managers as may be necessary for the proper administration, marketing, and investment of the ABLE Program Trust.

(b) Disclaimer. – Nothing in this section shall be construed to create any obligation of the State Treasurer, the State, or any agency or instrumentality of the State to guarantee for the benefit of any parent, other interested party, or designated beneficiary the rate of return or other return for any contribution to the ABLE Program Trust and the payment of interest or other return on any contribution to the ABLE Trust Fund.

(c) Fees and Costs. – The State Treasurer may establish application, account, and administration fees in an amount not to exceed the amount necessary to offset the costs of the program. The following costs may be paid directly from the ABLE Program Trust:

(1) The costs of administration, management, investment, and operation of the ABLE Program Trust.

(2) The costs of all actions authorized by the Board.

(3) The costs of all actions delegated to the State Treasurer and the State Treasurer's staff by the Board under this section. Such costs shall be allocated among the designated beneficiaries in such manner as may be prescribed by the Board. The Board shall no less than annually approve a budget and allocation of costs.

(d) Means-Tested Programs. – Notwithstanding any other provision of law, an ABLE account shall not be considered a resource for purposes of means-tested State benefits. Distributions for qualified disability expenses shall not be considered income for any State benefits eligibility program that limits eligibility based on income.

(e) Claim for Medical Assistance Benefits. – To the extent provided in subsection 26 U.S.C. § 529A(f) upon the death of a designated beneficiary, the State shall have a claim for payment from the beneficiary's account in an amount equal to the total medical assistance paid for the designated beneficiary after the establishment of the account. The State may file its claim for repayment from the account with the State Treasurer within 60 days of receiving notice from the State Treasurer of the death of the designated beneficiary. Any remaining funds in the beneficiary's account shall be distributed as provided in the account agreement or distributed to the beneficiary's estate if no other designation is made.

(f) Notice of the Death of a Designated Beneficiary. – Within 30 days of the date the State Treasurer receives notice of the death of a designated beneficiary, the State Treasurer shall provide notice of the designated beneficiary's death to the Department of Health and Human Services, Division of Medical Assistance.

(g) Notice for Designated Beneficiary Receiving Medicaid. – Notice of the State's right to file a claim against the estate following the death of a designated beneficiary who received medical assistance must be provided to the personal representative. The notice shall be on a form prescribed by the Department of Health and Human Services, Division of Medical Assistance, and shall explain the following:

(1) The types of Medicaid payments subject to a claim against the estate.

(2) That a claim will not be made if the individual is survived by a legal spouse, a child or children under the age of 21, or a blind or disabled child or children of any age who became blind or disabled before age 21 and still live on the property of the deceased designated beneficiary.

(3) That a claim against the estate is limited to specified conditions.

(4) That a claim against the estate may be waived in the case of undue hardship and the procedure for claiming an undue hardship.

(h) Account Information. – The information related to individual ABLE accounts are not public records as defined in Chapter 132 of the General Statutes."

SECTION 2. The Department of Health and Human Services shall provide information and assistance to the Department of State Treasurer and shall enter into a data-sharing agreement with the Department of State Treasurer for the purpose of the ongoing implementation of this act. The Department of State Treasurer shall consult with other departments as needed.

SECTION 3. The Department of State Treasurer and the Department of Health and Human Services are authorized to adopt rules necessary to implement this act.

SECTION 4. The State Treasurer shall begin accepting contributions authorized under this act when federal regulations regarding the Achieving a Better Life Experience Program, as provided under the Tax Increase Prevention Act of 2014, P.L. No. 113-295, have been issued and provide the guidance necessary to implement the Achieving a Better Life Experience Trust Fund Program established in this act. If the federal regulations are materially inconsistent with this act, the Board may delay implementation of this act until a change in this act has been made. If the Board delays implementation, the Board shall provide a written report to the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate identifying the changes in this act that must be made to be consistent with federal regulation.

SECTION 5. The Board authorized in G.S. 147-86.52 shall be organized immediately after a majority of the members have been qualified or appointed and have taken the oath of office. The terms for the trustees that are appointed shall be for initial terms to expire June 30, 2018.

SECTION 6. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 4th day of August, 2015.

Became law upon approval of the Governor at 10:40 a.m. on the 11th day of August, 2015.

Session Law 2015-204 **S.B. 273**

AN ACT TO AUTHORIZE FLEXIBILITY IN WAIVING PENALTIES AND INTEREST FOR MOTOR VEHICLE TAXES FOR TAX YEARS PRIOR TO JULY 1, 2013.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-330.4 reads as rewritten:

"§ **105-330.4. Due date, interest, and enforcement remedies.**

(a) Due Date. – The registration of a classified motor vehicle may not be issued unless a temporary registration plate is issued for the motor vehicle under G.S. 20-79.1A or the taxes for the motor vehicle's tax year that begins after the issuance of the registration are paid upon registration. A registration of a classified motor vehicle may not be renewed unless the taxes for the motor vehicle's tax year that begins after the registration expires are paid upon registration. If the registration of a classified motor vehicle is renewed earlier than the date the taxes are due, the taxes must be paid as if they were due. Taxes on a classified motor vehicle are due as follows:

(1) For an unregistered classified motor vehicle, the taxes are due on September 1 following the date by which the vehicle was required to be listed.

(2) For a registered classified motor vehicle that is registered under the staggered system, the taxes are due each year on the date the owner applies for a new registration or the fifteenth day of the month following the month in which the registration renewal sticker expires pursuant to G.S. 20-66(g).

(3) For a registered classified motor vehicle that is registered under the annual system, taxes are due on the date the owner applies for a new registration or 45 days after the registration expires.

(4) For a registered classified motor vehicle that has a temporary registration plate issued under G.S. 20-79.1 or a limited registration plate issued under G.S. 20-79.1A, the taxes are due on the last day of the second month following the date the owner applied for the plate.

(a1) Repealed by Session Laws 2009-445, s. 24(a), effective July 1, 2013, and applicable to combined tax and registration notices issued on or after that date.

(b) Interest. – Interest accrues on unpaid taxes and unpaid registration fees for registered classified motor vehicles at the rate of five percent (5%) for the remainder of the month the taxes are due under subsection (a) of this section. Interest does not accrue for the first month following the due date. Interest accrues at the rate of three-fourths percent (3/4%) beginning the second month following the due date and for each following month until the taxes and fees are paid. Subject to the provisions of G.S. 105-395.1, interest accrues on delinquent taxes on unregistered classified motor vehicles as provided in G.S. 105-360(a) and the discounts allowed in G.S. 105-360(a) apply to the payment of the taxes.

(c) Remedies. – The enforcement remedies in this Subchapter apply to unpaid taxes on an unregistered classified motor vehicle and to unpaid taxes on a registered classified motor vehicle for which the tax year begins before October 1, 2013.

(d) Payments. – Tax payments submitted by mail are deemed to be received as of the date shown on the postmark affixed by the United States Postal Service. If no date is shown on the postmark or if the postmark is not affixed by the United States Postal Service, the tax payment is deemed to be received when the payment is received by the collecting authority. In any dispute arising under this subsection, the burden of proof is on the taxpayer to show that the payment was timely made.

(e) Waiver. – Notwithstanding G.S. 105-380, the governing board of a county may adopt a resolution to create a uniform policy to allow the reduction or waiver of interest or penalties on delinquent motor vehicle taxes for registered classified motor vehicles for tax years prior to July 1, 2013."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 6th day of August, 2015.

Became law upon approval of the Governor at 1:30 p.m. on the 11th day of August, 2015.

Session Law 2015-205 **S.B. 336**

AN ACT TO AMEND THE LAW GOVERNING ESTATE PLANNING AND FIDUCIARIES, TO AMEND THE UNIFORM TRUST CODE, AND TO ESTABLISH A UNIFORM POWERS OF APPOINTMENT ACT.

The General Assembly of North Carolina enacts:

PART I. AMEND STANDBY GUARDIAN STATUTE TO PROVIDE FOR APPOINTMENT OF STANDBY AND SUCCESSOR GUARDIANS FOR INCOMPETENT ADULTS

SECTION 1. Subchapter IV of Chapter 35A of the General Statutes reads as rewritten:

"**SUBCHAPTER IV. STANDBY ~~GUARDIANS FOR MINOR CHILDREN.~~GUARDIANS.**

"Article 21.

"Standby Guardianship.

"§ **35A-1370. Definitions.**

For purposes of this Article:

(1) "Alternate standby guardian" means a person identified in either a petition or designation to become the guardian of the person or, when appropriate, the general guardian of a minor ~~child,~~ child or incompetent adult, pursuant to G.S. 35A-1373 or to G.S. 35A-1374, when the person identified as the standby guardian and the designator or petitioner has identified an alternate standby guardian.

(2) "Attending physician" means the physician who has primary responsibility for the treatment and care of the parent or legal guardian. When more than one physician shares this responsibility, or when a physician is acting on the primary physician's behalf, any such physician may act as the attending physician pursuant to this section. When no physician has this responsibility, a physician who is familiar with the petitioner's medical condition may act as the attending physician pursuant to this Article.

(3) "Debilitation" means a chronic and substantial inability, as a result of a physically debilitating illness, disease, or injury, to care for one's minor ~~child.~~child or to satisfy his or her duties as guardian of the person or as general guardian of an incompetent adult.

(4) "Designation" means a written document voluntarily executed by the designator pursuant to this Article.

(5) "Designator" means a person who suffers from a progressive chronic illness or an irreversible fatal illness and who is (i) the biological or adoptive parent, the guardian of the person, or the general guardian of a minor ~~child.~~ child or (ii) the guardian of the person or the general guardian of an incompetent adult. A designation under this Article may be made on behalf of a designator by the guardian of the person or the general guardian of the designator.

(6) "Determination of debilitation" means a written determination made by the attending physician which contains the physician's opinion to a reasonable degree of medical certainty regarding the nature, cause, extent, and probable duration of the debilitation of the petitioner or designator.

(7) "Determination of incapacity" means a written determination made by the attending physician which contains the physician's opinion to a reasonable degree of medical certainty regarding the nature, cause, extent, and probable duration of the incapacity of the petitioner or designator.

(8) "Incapacity" means a chronic and substantial inability, as a result of mental or organic impairment, to understand the nature and consequences of decisions concerning the care of one's minor ~~child,~~ child or of an incompetent adult, and a consequent inability to make these decisions.

(8a) "Incompetent adult" means an adult or emancipated minor who is subject to a guardianship of the person or a general guardianship.

(9) "Minor child" means an unemancipated child or children under the age of 18 years.

(10) "Petitioner" means a person who suffers from a progressive chronic illness or an irreversible fatal illness and who is (i) the biological parent, the adoptive parent, the guardian of the person, or the general guardian of a minor ~~child.~~ child or (ii) the guardian of the person or the general guardian of an incompetent adult. A proceeding under this Article may be initiated and pursued on behalf of a petitioner by the guardian of the person, the general guardian of the petitioner, or by a person appointed by the clerk of superior court pursuant to Rule 17 of the Rules of Civil Procedure as

guardian ad litem for the purpose of initiating and pursuing a proceeding under this Article on behalf of a petitioner.

(11) "Standby guardian" means a person appointed pursuant to G.S. 35A-1373 or designated pursuant to G.S. 35A-1374 to become the guardian of the person or, when appropriate, the general guardian of a minor child or incompetent adult upon the death of a petitioner or designator, upon a determination of debilitation or incapacity of a petitioner or designator, or with the consent of a petitioner or designator.

(12) "Triggering event" means an event stated in the designation executed or order entered under this Article which empowers the standby guardian, or the alternate standby guardian, if one is identified and the standby guardian is unwilling or unable to serve, to assume the duties of the office, which event may be the death of a petitioner or designator, incapacity of a petitioner or designator, debilitation of a petitioner or designator with the petitioner's or designator's consent, or the consent of the petitioner or designator, whichever occurs first.

…

"§ **35A-1373. Appointment by petition of standby guardian; petition, notice, hearing, order.**

(a) A petitioner shall commence a proceeding under this Article for the appointment of a standby guardian (i) in the case of a minor ~~child~~ child, by filing a petition with the clerk of superior court of the county in which the minor child resides or is domiciled at the time of ~~filing.~~ filing or (ii) in the case of an incompetent adult, by filing a petition with the clerk of superior court in the county where the guardianship is docketed. A petition filed by a guardian of the person or a general guardian of the minor child who was appointed under this Chapter shall be treated as a motion in the cause in the original guardianship, but the provisions of this section shall otherwise apply.

(b) A petition for the judicial appointment of a standby guardian ~~of a minor child~~ shall:

(1) Identify the petitioner, the minor ~~child,~~ child or incompetent adult, the person designated to be the standby guardian, and the person designated to be the alternate standby guardian, if any;

(2) State that the authority of the standby guardian is to become effective upon the death of the petitioner, upon the incapacity of the petitioner, upon the debilitation of the petitioner with the consent of the petitioner, or upon the petitioner's signing of a written consent stating that the standby guardian's authority is in effect, whichever occurs first;

(3) State that the petitioner suffers from a progressively chronic illness or an irreversible fatal illness, and the basis for such a statement, such as the date and source of a medical diagnosis, without requiring the identification of the illness in question;

(4) State whether there are any lawsuits, in this or any other jurisdiction, involving the minor child or incompetent adult and, if so, identify the parties, the case numbers, and the states and counties where filed; and

(5) Be verified by the petitioner in front of a notary public or another person authorized to administer oaths.

(c) A copy of the petition and written notice of the time, date, and place set for a hearing shall be served upon any biological or adoptive parent of the minor child who is not a ~~petitioner,~~ petitioner (if the petition concerns a minor child) or on such as would be required if the petition was filed as a motion in the cause under G.S. 35A-1207 (if the petition concerns an incompetent adult), and on any other person the clerk may direct, including the minor ~~child. Service~~ child or incompetent adult. If the petition concerns a minor child, service shall be made pursuant to Rule 4 of the Rules of Civil Procedure, unless the clerk directs otherwise. If the petition concerns an incompetent adult, service shall be made pursuant to Rule 5 of the Rules of

Civil Procedure, unless the clerk directs otherwise. When service is made by the sheriff, the sheriff shall make such service without demanding his fees in advance. Parties may waive their right to notice of the hearing and the clerk may proceed to consider the petition upon determining that all necessary parties are before the court and agree to have the petition considered.

(d) If at or before the hearing any parent entitled to notice under subsection (c) of this section presents to the clerk a written claim for custody of the minor child, the clerk shall stay further proceedings under this Article pending the filing of a complaint for custody of the minor child under Chapter 50 of the General Statutes and, upon the filing of such a complaint, shall dismiss the petition. If no such complaint is filed within 30 days after the claim is presented, the clerk shall conduct a hearing and enter an order as provided for in this section.

(e) The petitioner's appearance at the hearing shall not be required if the petitioner is medically unable to appear, unless the clerk determines that the petitioner is able with reasonable accommodation to appear and that the interests of justice require that the petitioner be present at the hearing.

(f) At the hearing, the clerk shall receive evidence necessary to determine whether the requirements of this Article for the appointment of a standby guardian have been satisfied. If the clerk finds that the petitioner suffers from a progressive chronic illness or an irreversible fatal illness, that the best interests of the minor child or incompetent adult will be promoted by the appointment of a standby guardian of the person or general guardian, and that the standby guardian and the alternate standby guardian, if any, are fit to serve as guardian of the person or general guardian of the minor ~~child,~~ child or incompetent adult, the clerk shall enter an order appointing the standby guardian named in the petition as standby guardian of the person or standby general guardian of the minor child or incompetent adult and shall issue letters of appointment to the standby guardian. The order may also appoint the alternate standby guardian named in the petition as the alternate standby guardian of the person or alternate general guardian of the minor child or incompetent adult in the event that the person named as standby guardian is unwilling or unable to serve as standby guardian and shall provide that, upon a showing of that unwillingness or inability, letters of appointment will be issued to the alternate standby guardian.

…

"§ **35A-1374. Appointment by written designation; form.**

(a) A designator may designate a standby guardian by means of a written designation, signed by the designator in the presence of two witnesses at least 18 years of age, other than the standby guardian or alternate standby guardian, who shall also sign the writing. Another person may sign the written designation on the behalf of and at the direction of the designator if the designator is physically unable to do so, provided that the designation is signed in the presence of the designator and the two witnesses.

(b) A designation of a standby guardian shall identify the designator, the minor ~~child,~~ child or incompetent adult, the person designated to be the standby guardian, and the person designated to be the alternate standby guardian, if any, and shall indicate that the designator intends for the standby guardian or the alternate standby guardian to become the ~~minor child's~~ guardian of the minor child or incompetent adult in the event that the designator either:

(1) Becomes incapacitated;

(2) Becomes debilitated and consents to the commencement of the standby guardian's authority;

(3) Dies prior to the commencement of a judicial proceeding to appoint a guardian of the person or general guardian of a minor child; or

(4) Consents to the commencement of the standby guardian's authority.

(c) The authority of the standby guardian under a designation shall commence upon the same conditions as set forth in G.S. 35A-1373(i) through ~~(l).~~(l), as if the order referred to therein was a written description under this section.

(d) The standby guardian or, if the standby guardian is unable or unwilling to serve, the alternate standby guardian shall commence a proceeding under this Article to be appointed guardian of the person or general guardian of the minor child ~~by~~ or incompetent adult by, in the case of a minor child, filing a petition with the clerk of superior court of the county in which the minor child resides or is domiciled at the time of ~~filing.~~ filing or, in the case of an incompetent adult, filing a petition with the clerk of superior court in the county where the guardianship is docketed. The petition shall be filed after receipt of either:

(1) A copy of a determination of incapacity made pursuant to G.S. 35A-1375;

(2) A copy of a determination of debilitation made pursuant to G.S. 35A-1375 and a copy of the designator's written consent to such commencement;

(3) A copy of the designator's written consent to such commencement, made pursuant to G.S. 35A-1373(l); or

(4) Proof of death of the designator, such as a copy of a death certificate or a funeral home receipt.

(e) The standby guardian shall file a petition pursuant to subsection (d) of this section within 90 days of the date of the commencement of the standby guardian's authority under this section, or the standby guardian's authority shall lapse after the expiration of those 90 days, to recommence only upon filing of the petition.

(f) A petition filed pursuant to subsection (d) of this section shall:

(1) Append the written designation of such person as standby guardian; and

(2) Append a copy of either (i) the determination of incapacity of the designator; (ii) the determination of debilitation of the designator and the written consent of the designator; (iii) the designator's consent; or (iv) proof of death of the designator, such as a copy of a death certificate or a funeral home receipt; and

(3) If the petition is by a person designated as an alternate standby guardian, state that the person designated as the standby guardian is unwilling or unable to act as standby guardian, and the basis for that statement; and

(4) State whether there are any lawsuits, in this State or any other jurisdiction, involving the minor child or incompetent adult and, if so, identify the parties, the case numbers, and the states and counties where filed; and

(5) Be verified by the standby guardian or alternate standby guardian in front of a notary public or another person authorized to administer oaths.

(g) A copy of the petition and written notice of the time, date, and place set for a hearing shall be served upon any biological or adoptive parent of the minor child who is not a ~~designator,~~ designator (if the petition concerns a minor child), on such persons as would be required if the petition was filed as a motion in the cause under G.S. 35A-1207 (if the petition concerns an incompetent adult), and on any other person the clerk may direct, including the minor ~~child. Service~~ child or incompetent adult. If the petition concerns a minor child, service shall be made pursuant to Rule 4 of the Rules of Civil Procedure, unless the clerk directs otherwise. If the petition concerns an incompetent adult, service shall be made pursuant to Rule 5 of the Rules of Civil Procedure, unless the clerk directs otherwise. When service is made by the sheriff, the sheriff shall make such service without demanding his fees in advance. Parties may waive their right to notice of the hearing and the clerk may proceed to consider the petition upon determining that all necessary parties are before the court and agree to have the petition considered.

(h) If at or before the hearing any parent entitled to notice under subsection (c) of this section presents to the clerk a written claim for custody of the minor child, the clerk shall stay further proceedings under this Article pending the filing of a complaint for custody of the minor child under Chapter 50 of the General Statutes and, upon the filing of such a complaint, shall dismiss the petition. If no such complaint is filed within 30 days after the claim is presented, the clerk shall conduct a hearing and enter an order as provided for in this section.

(i) At the hearing, the clerk shall receive evidence necessary to determine whether the requirements of this section have been satisfied. The clerk shall enter an order appointing the standby guardian or alternate standby guardian as guardian of the person or general guardian of the minor child or incompetent adult if the clerk finds that:

(1) The person was duly designated as a standby guardian or alternate standby guardian;

(2) That (i) there has been a determination of ~~incapacity;~~ incapacity of the designator; (ii) there has been a determination of debilitation and the designator has consented to the commencement of the standby guardian's authority; (iii) the designator has consented to that commencement; or (iv) the designator has died, such information coming from a document, such as a copy of a death certificate or a funeral home receipt;

(3) That the best interests of the minor child or incompetent adult will be promoted by the appointment of the person designated as standby guardian or alternate standby guardian as guardian of the person or general guardian of the minor ~~child;~~child or incompetent adult;

(4) That the standby guardian or alternate standby guardian is fit to serve as guardian of the person or general guardian of the minor ~~child;~~ child or incompetent adult; and

(5) That, if the petition is by a person designated as an alternate standby guardian, the person designated as standby guardian is unwilling or unable to serve as standby guardian.

(j) The designator may revoke a standby guardianship created under this section by:

(1) Notifying the standby guardian in writing of the intent to revoke the standby guardianship prior to the filing of the petition under this section; or

(2) Where the petition has already been filed, by executing a written revocation, filing it in the office of the clerk with whom the petition was filed, and promptly providing the standby guardian with a copy of the written revocation.

…

"§ **35A-1376. Restoration of capacity or ability; suspension of guardianship.**

In the event that the authority of the standby guardian becomes effective upon the receipt of a determination of incapacity or debilitation and the petitioner or designator is subsequently restored to capacity or ability to care for the child, the authority of the standby guardian based on that incapacity or debilitation shall be suspended. The attending physician shall provide a copy of the determination of restored capacity or ability to the standby guardian, if the identity of the standby guardian is known to the attending physician. If an order appointing the standby guardian as guardian of the person or general guardian of the minor child or incompetent adult has been entered, the standby guardian shall, and the petitioner or designator may, file a copy of the determination of restored capacity or ability in the office of the clerk who entered the order. A determination of restored capacity or ability shall:

(1) Be made by the attending physician to a reasonable degree of medical certainty;

(2) Be in writing; and

(3) Contain the attending physician's opinion regarding the cause and nature of the parent's or legal guardian's restoration to capacity or ability.

Any order appointing the standby guardian as guardian of the person or general guardian of the minor child or incompetent adult shall remain in full force and effect, and the authority of the standby guardian shall recommence upon the standby guardian's receipt of a subsequent determination of the petitioner's or designator's incapacity, pursuant to G.S. 35A-1373(j), or upon the standby guardian's receipt of a subsequent determination of debilitation pursuant to G.S. 35A-1373(k), or upon the receipt of proof of death of the petitioner or designator, or upon the written consent of the petitioner or designator, pursuant to G.S. 35A-1373(l).

…

"§ **35A-1379. Appointment of guardian ad litem.**

(a) The clerk may appoint a volunteer guardian ad litem, if available, to represent the best interests of the minor child or incompetent adult and, where appropriate, express the wishes of the minor ~~child.~~child or incompetent adult.

(b) The duties of the guardian ad litem, when appointed, shall be to make an investigation to determine the facts, the needs of the minor child or incompetent adult and the available resources within the family to meet those needs, and to protect and promote the best interests of the minor child or incompetent adult until formally relieved of the responsibility by the clerk.

(c) The court may order the guardian ad litem to conduct an investigation to determine the fitness of the intended standby guardian and alternate standby guardian, if any, to perform the duties of standby guardian.

…

"§ **35A-1382. Termination.**

(a) Any standby guardianship created under this Article shall continue ~~until~~ until:

(1) If the ward is a minor child, the child reaches 18 years of age unless sooner terminated by order of the clerk who entered the order appointing the standby ~~guardian, by revocation pursuant to this Article, or by renunciation pursuant to this Article.~~ guardian.

(2) Revocation pursuant to this Article.

(3) Renunciation pursuant to this Article.

(b) A standby guardianship shall terminate, and the authority of the standby guardian designated pursuant to G.S. 35A-1374 or of a guardian of the person or general guardian appointed pursuant to this Article shall cease, upon the entry of an order of the district court granting custody of the minor child to any other person."

PART II. AUTHORIZE LIVING PROBATE PROCEDURE ALLOWING A PERSON TO PETITION THE PROBATE COURT FOR AN ORDER CONFIRMING THE VALIDITY OF THAT PERSON'S WILL

SECTION 2. Chapter 28A of the General Statutes is amended by adding a new Article to read:

"Article 2B.

"Living Probate.

"§ **28A-2B-1. Establishment before death that a will or codicil is valid.**

(a) Any petitioner who is a resident of North Carolina and who has executed a will or codicil may file a petition seeking a judicial declaration that the will or codicil is valid.

(b) The petition shall be filed with the clerk of superior court and the matter shall proceed as a contested estate proceeding governed by Article 2 of Chapter 28A of the General Statutes. At the hearing before the clerk of superior court, the petitioner shall produce the evidence necessary to establish that the will or codicil would be admitted to probate if the petitioner were deceased.

If an interested party contests the validity of the will or codicil, that person shall file a written challenge to the will or codicil before the hearing or make an objection to the validity of the will or codicil at the hearing. Upon the filing of a challenge or the raising of an issue contesting the validity of the will or codicil, the clerk shall transfer the cause to the superior court. The matter shall be heard as if it were a caveat proceeding, and the court shall make a determination as to the validity of the will or codicil and enter judgment accordingly.

If no interested party contests the validity of the will or codicil and if the clerk of superior court determines that the will or codicil would be admitted to probate if the petitioner were deceased, the clerk of superior court shall enter an order adjudging the will or codicil to be valid.

(c) Failure to use the procedure authorized by this Article shall not have any evidentiary or procedural effect on any future probate proceedings.

(d) For purposes of this Article only, a "petitioner" is a person who requests a judicial declaration that confirms the validity of that person's will or codicil.

"**§ 28A-2B-2. Venue.**

The venue for a petition under G.S. 28A-2B-1 is the county of this State in which the petitioner whose will or codicil is the subject of the petition is domiciled.

"**§ 28A-2B-3. Contents of petition for will validity.**

(a) Petition. – A petition requesting an order declaring that a petitioner's will or codicil is valid shall be verified and shall contain the following information:

(1) ***A statement that the petitioner is a resident of North Carolina and specifying the county of the petitioner's residence.***

(2) Allegations that the will was prepared and executed in accordance with North Carolina law and a statement that the will was executed with testamentary intent.

(3) A statement that the petitioner had testamentary capacity at the time the will was executed.

(4) A statement that the petitioner was free from undue influence and duress and executed the will in the exercise of the petitioner's free will.

(5) A statement identifying the petitioner, and all persons believed by the petitioner to have an interest in the proceeding, including, for any interested parties who are minors, information regarding the minor's appropriate representative.

(b) The petitioner shall file the original will or codicil with the petition. If an order is entered declaring the will or codicil to be valid, the court shall affix a certificate of validity to the will or codicil.

"**§ 28A-2B-4. Declaration by court; bar to caveat.**

(a) If the court enters a judgment declaring a will or codicil to be valid, such judgment shall be binding upon all parties to the proceeding, including any persons represented in the proceeding pursuant to the provisions of G.S. 28A-2-7, and no party bound by the judgment shall have any further right to, and shall be barred from filing, a caveat to the will or codicil once that will or codicil is entered into probate following the petitioner's death. If a party shows, by clear and convincing evidence, that before and during the hearing, the petitioner was subject to financial or physical duress or coercion which was so significant that the petitioner would not have reasonably disclosed it at the hearing, the party may make a motion to the superior court that the party be permitted to file a caveat, notwithstanding the entry of the judgment.

(b) If the court declares a will or codicil to be valid, upon the motion of the petitioner or the court, the court may order that the will or codicil cannot be revoked and that no subsequent will or codicil will be valid unless the revocation or the subsequent will or codicil is declared valid in a proceeding under this Article. If the court enters such an order, any subsequent revocation of the will or codicil not declared valid in a proceeding under this Article shall be void and any subsequent will or codicil not declared valid in a proceeding under this Article shall be void and shall not be admitted to probate.

(c) If a will or codicil judicially declared valid is revoked or modified by a subsequent will or codicil, nothing in this section shall bar an interested person from contesting the validity of that subsequent will or codicil, unless that subsequent will or codicil is also declared valid in a proceeding under this Article in which the interested person was a party. If a will or codicil judicially declared valid is revoked by a method other than the execution of a subsequent will or codicil, nothing in this section shall bar an interested person from contesting the validity of that revocation, unless that revocation is also declared valid in a proceeding under this Article in which the interested person was a party.

"**§ 28A-2B-5. Confidentiality.**

(a) Following the entry of a judgment, a party to the proceeding may move that the contents of the file be sealed and kept confidential, and upon such motion, the clerk shall seal the contents of the file from public inspection. The contents of the file shall not be released except by order of the clerk to any person other than:

(1) The petitioner named in the petition.

(2) The attorney for the petitioner.

(3) Any court of competent jurisdiction hearing or reviewing the matter.

For good cause shown, the court may order the records that are confidential under this section to be made available to a person who is not listed in this section. Following the petitioner's death, a sealed file shall be unsealed upon the request of any interested person for the purpose of probate or other estate proceedings.

"**§ 28A-2B-6. Costs and attorneys' fees.**

Costs, including reasonable attorneys' fees, incurred by a party in a proceeding under this Article shall be taxed against any party, or apportioned among the parties, in the discretion of the court, except that the court shall allow attorneys' fees for the attorneys of a party contesting the proceeding only if the court finds that the party had reasonable grounds for contesting the proceeding."

PART III. ENACT THE UNIFORM POWERS OF APPOINTMENT ACT

SECTION 3.(a) The General Statutes are amended by adding a new Chapter to read:

"**Chapter 31D.**

"**North Carolina Uniform Powers of Appointment Act.**

"Article 1.

"General Provisions and Definitions.

"**§ 31D-1-101. Short title.**

This Chapter may be cited as the North Carolina Uniform Powers of Appointment Act.

"**§ 31D-1-102. Definitions.**

The following definitions apply in this Chapter:

(1) "Appointee" means a person to whom a power holder makes an appointment of appointive property.

(2) "Appointive property" means the property or property interest subject to a power of appointment.

(3) "Blanket-exercise clause" means a clause in an instrument which exercises a power of appointment and is not a specific-exercise clause. The term includes a clause that:

a. Expressly uses the words "any power" in exercising any power of appointment the power holder has.

b. Expressly uses the words "any property" in appointing any property over which the power holder has a power of appointment.

c. Disposes of all property subject to disposition by the power holder.

(4) "Donor" means a person who creates a power of appointment.

(5) "Exclusionary power of appointment" means a power of appointment exercisable in favor of any one or more of the permissible appointees to the exclusion of the other permissible appointees.

(6) "General power of appointment" means a power of appointment exercisable in favor of the power holder, the power holder's estate, a creditor of the power holder, or a creditor of the power holder's estate.

(7) "Gift-in-default clause" means a clause identifying a taker in default of appointment.

(8) "Impermissible appointee" means a person that is not a permissible appointee.

(9) "Instrument" means a writing.

(10) "Nongeneral power of appointment" means a power of appointment that is not a general power of appointment.

(11) "Permissible appointee" means a person in whose favor a power holder may exercise a power of appointment.

(12) "Person" means an individual, estate, trust, business or nonprofit entity, public corporation, government or governmental subdivision, agency, instrumentality, or other legal entity.

(13) "Power holder" means a person in whom a donor creates a power of appointment.

(14) "Power of appointment" means a power that enables a power holder acting in a nonfiduciary capacity to designate a recipient of an ownership interest in or another power of appointment over the appointive property. The power of appointment may be general or nongeneral and presently exercisable or not presently exercisable. The term does not include a power of attorney.

(15) "Presently exercisable power of appointment" means a power of appointment exercisable by the power holder at the relevant time. The term:

a. Includes a power of appointment not exercisable until the occurrence of a specified event, the satisfaction of an ascertainable standard relating to an individual's health, education, and support or maintenance within the meaning of section 2041(b)(1)(A) or section 2514(c)(1) of the Internal Revenue Code, as amended, or the passage of a specified time only after one of the following:

1. The occurrence of the specified event.

2. The satisfaction of the ascertainable standard.

3. The passage of the specified time.

b. Does not include a power exercisable only at the power holder's death.

(16) "Specific-exercise clause" means a clause in an instrument which specifically refers to and exercises a particular power of appointment.

(17) "Taker in default of appointment" means a person who takes all or part of the appointive property to the extent the power holder does not effectively exercise the power of appointment.

(18) "Terms of the instrument" means the manifestation of the intent of the maker of the instrument regarding the instrument's provisions as expressed in the instrument or as may be established in a judicial proceeding.

"**§ 31D-1-103. Governing law.**

(a) The creation, revocation, or amendment of the power of appointment is governed by either of the following:

(1) The law of the jurisdiction designated in the terms of the instrument creating the power.

(2) If no jurisdiction's law is designated in the terms of the instrument creating the power or if the jurisdiction's law so designated is contrary to a strong public policy of the law of the jurisdiction of the donor's domicile at the relevant time, then the law of the jurisdiction of the donor's domicile at the relevant time.

(b) The exercise, release, or disclaimer of the power, or the revocation or amendment of the exercise, release, or disclaimer of the power, is governed by either of the following:

(1) The law of the jurisdiction designated in the terms of the instrument creating the power.

(2) If no jurisdiction's law is designated in the terms of the instrument creating the power or if the jurisdiction's law so designated is contrary to a strong public policy of the law of the jurisdiction of the power holder's domicile at

the relevant time, then the law of the jurisdiction of the power holder's domicile at the relevant time.

"**§ 31D-1-104. Common law and principles of equity.**

The common law and principles of equity supplement this Chapter, except to the extent modified by this Chapter or another statute of this State.

"Article 2.

"Creation, Revocation, and Amendment of Power of Appointment.

"**§ 31D-2-201. Creation of power of appointment.**

(a) A power of appointment is created only if all of the following apply:

(1) The instrument creating the power is valid under applicable law.

(2) Except as otherwise provided in subsection (b) of this section, the instrument creating the power transfers the appointive property.

(3) The terms of the instrument creating the power manifest the donor's intent to create in a power holder a power of appointment over the appointive property exercisable in favor of a permissible appointee.

(b) Subdivision (1) of subsection (a) of this section does not apply to the creation of a power of appointment by the exercise of a power of appointment.

(c) A power of appointment may not be created in a deceased individual.

(d) Subject to an applicable rule against perpetuities or restraint on alienation, a power of appointment may be created in an unborn or unascertained power holder.

"**§ 31D-2-202. Nontransferability.**

A power holder may not transfer a power of appointment. If a power holder dies without exercising or releasing a power, the power lapses.

"**§ 31D-2-203. Presumption of unlimited authority.**

Subject to the provisions of G.S. 31D-2-205, and unless the terms of the instrument creating a power of appointment manifest a contrary intent, the power is all of the following:

(1) Presently exercisable.

(2) Exclusionary.

(3) Except as otherwise provided in G.S. 31D-2-204, general.

"**§ 31D-2-204. Exception to presumption of unlimited authority.**

Unless the terms of the instrument creating a power of appointment manifest a contrary intent, the power is nongeneral if both of the following apply:

(1) The power is exercisable only at the power holder's death.

(2) The permissible appointees of the power are a defined and limited class that does not include the power holder's estate, the power holder's creditors, or the creditors of the power holder's estate.

"**§ 31D-2-205. Rules of classification.**

(a) In this section, the term "adverse party" means a person with a substantial beneficial interest in property who would be affected adversely by a power holder's exercise or nonexercise of a power of appointment in favor of the power holder, the power holder's estate, a creditor of the power holder, or a creditor of the power holder's estate.

(b) If a power holder may exercise a power of appointment only with the consent or joinder of an adverse party, the power is nongeneral.

(c) If the permissible appointees of a power of appointment are not defined and limited, the power is exclusionary.

"**§ 31D-2-206. Power to revoke or amend.**

A donor may revoke or amend a power of appointment only to the extent that either of the following apply:

(1) The instrument creating the power is revocable by the donor.

(2) The donor reserves a power of revocation or amendment in the instrument creating the power of appointment.

"Article 3.

"Exercise of Power of Appointment.

"**§ 31D-3-301. Requisites for exercise of power of appointment.**

A power of appointment is exercised only to the extent that the appointment is a permissible exercise of the power, and only if all of the following apply:

(1) The instrument exercising the power is valid under applicable law.

(2) The terms of the instrument exercising the power manifest the power holder's intent to exercise the power.

(3) Subject to the provisions of G.S. 31D-3-304, the terms of the instrument exercising the power satisfy the requirements of exercise, if any, imposed by the donor.

"**§ 31D-3-302. Intent to exercise; determining intent from residuary clause.**

A residuary clause that does not contain a blanket-exercisable clause or specific-exercise clause manifests the power holder's intent to exercise a power of appointment only if all of the following apply:

(1) The terms of the instrument containing the residuary clause (including any valid codicil or amendment to the instrument) do not manifest a contrary intent.

(2) The power is a general power exercisable in favor of the power holder's estate.

(3) There is no gift-in-default clause or the clause is ineffective.

(4) The power holder did not release the power.

"**§ 31D-3-303. Intent to exercise after acquired power.**

Unless the terms of an instrument exercising a power of appointment manifest a contrary intent:

(1) If the power holder is not also the donor of the power, a blanket-exercise clause in the instrument extends to a power acquired by the power holder after executing the instrument containing the clause.

(2) If the power holder is also the donor of the power, the blanket-exercise clause extends to the power acquired by the power holder after executing the instrument only if there is no gift-in-default clause or the gift-in-default clause is ineffective. The blanket-exercise clause does not extend to the power if there is a gift-in-default clause that is effective.

"**§ 31D-3-304. Substantial compliance with donor-imposed formal requirement.**

A power holder's substantial compliance with a formal requirement of appointment imposed by the donor, including a requirement that the instrument exercising the power of appointment make reference or specific reference to the power, is sufficient if both of the following apply:

(1) The power holder knows of and intends to exercise the power.

(2) The power holder's manner of attempted exercise of the power does not impair a material purpose of the donor in imposing the requirement.

"**§ 31D-3-305. Permissible appointment.**

(a) If a power holder of a general power of appointment permits appointment to the power holder or the power holder's estate, the power holder may make any appointment, including an appointment in trust or an appointment that creates a new power of appointment that the power holder could make in disposing of the power holder's own property.

(b) If a power holder of a general power of appointment permits appointment only to the creditors of the power holder or the creditors of the power holder's estate, or both, the power holder may appoint only to those creditors.

(c) Unless the terms of the instrument creating a power of appointment manifest a contrary intent, the power holder of a nongeneral power may:

(1) Make an appointment in any form, including an appointment in trust, in favor of a permissible appointee.

(2) Create a general power in a permissible appointee.

(d) The terms of the instrument may permit the power holder of a nongeneral power to create a nongeneral power in any person to appoint to one or more of the permissible appointees of the original nongeneral power.

"**§ 31D-3-306. Appointment to deceased appointee.**

An appointment to a deceased appointee is ineffective.

"**§ 31D-3-307. Impermissible appointment.**

(a) An exercise of a power of appointment in favor of an impermissible appointee is ineffective.

(b) An exercise of a power of appointment in favor of a permissible appointee is ineffective to the extent that the appointment is a fraud on the power.

"**§ 31D-3-308. Selective allocation doctrine.**

If a power holder exercises a power of appointment in a disposition that also disposes of property the power holder owns, the owned property and the appointive property must be allocated in the permissible manner that best carries out the power holder's intent.

"**§ 31D-3-309. Capture doctrine; disposition of ineffectively appointed property under general power.**

To the extent a power holder of a general power of appointment, other than a power to withdraw property from, revoke, or amend a trust, makes an ineffective appointment:

(1) The gift-in-default clause controls the disposition of the ineffectively appointed property.

(2) If there is no gift-in-default clause or to the extent the clause is ineffective, the ineffectively appointed property passes as follows:

a. To the power holder if the power holder is a permissible appointee and living.

b. If the power holder is an impermissible appointee or deceased, to the power holder's estate if the estate is a permissible appointee.

c. If the power holder is an impermissible appointee or deceased and if the estate is not a permissible appointee, under a reversionary interest to the donor or the donor's transferee or successor in interest.

"**§ 31D-3-310. Disposition of unappointed property under released or unexercised general power.**

(a) To the extent that a power holder releases a general power of appointment other than a power to withdraw property from, revoke, or amend a trust, the gift-in-default clause controls the disposition of the unappointed property. If there is no gift-in-default clause or to the extent that the clause is ineffective, the unappointed property passes under a reversionary interest to the donor or the donor's transferee or successor in interest.

(b) To the extent a power holder fails to exercise a general power of appointment other than a power to withdraw property from, revoke, or amend a trust, the gift-in-default clause controls the disposition of the unappointed property. If there is no gift-in-default clause or to the extent the clause is ineffective, the unappointed property passes as follows:

(1) To the power holder if the power holder is a permissible appointee and living.

(2) If the power holder is an impermissible appointee or deceased, to the power holder's estate if the estate is a permissible appointee.

(3) If the power holder is an impermissible appointee or deceased and if the estate is not a permissible appointee, under a reversionary interest to the donor or the donor's transferee or successor in interest.

"**§ 31D-3-311. Disposition of unappointed property under released or unexercised nongeneral power.**

To the extent that a power holder releases, ineffectively exercises, or fails to exercise a nongeneral power of appointment:

(1) The gift-in-default clause controls the disposition of the unappointed property.

(2) If there is no gift-in-default clause, or to the extent that the clause is ineffective, the unappointed property:

a. Passes to the permissible appointees, if both of the following apply:

1. The permissible appointees are defined and limited.

2. The terms of the instrument creating the power do not manifest a contrary intent.

b. If there is no taker under sub-subdivision a. of this subdivision, passes under a reversionary interest to the donor or the donor's transferee or successor in interest.

"**§ 31D-3-312. Disposition of unappointed property if partial appointment to taker in default.**

Unless the terms of the instrument creating or exercising a power of appointment manifest a contrary intent, if the power holder makes a valid partial appointment to a taker in default of appointment, then the taker in default of appointment may share fully in unappointed property.

"**§ 31D-3-313. Appointment to taker in default.**

If a power holder makes an appointment to a taker in default of appointment and the appointee would have taken the property under a gift-in-default clause had the property not been appointed, then the power of appointment is deemed not to have been exercised and the appointee takes under the clause.

"**§ 31D-3-314. Power holder's authority to revoke or amend exercise.**

If the terms of an instrument creating a power of appointment do not prohibit the power holder from revoking or amending an exercise of the power, a power holder may revoke or amend the exercise of a power only if one of the following apply:

(1) The instrument creating the exercise of the power of appointment may be revoked or amended.

(2) The power holder reserves a power of revocation or amendment in the instrument exercising the power of appointment.

"Article 4.

"Disclaimer or Release; Contract to Appoint or Not to Appoint.

"**§ 31D-4-401. Disclaimer.**

Consistent with Chapter 31B of the General Statutes:

(1) A power holder may disclaim all or part of a power of appointment.

(2) A permissible appointee, appointee, or taker in default of appointment may disclaim all or part of an interest in appointive property.

"**§ 31D-4-402. Authority to release.**

A power holder may release a power of appointment, in whole or in part, except to the extent that the terms of the instrument creating the power prevent the release.

"**§ 31D-4-403. Method of release.**

A power holder of a releasable power of appointment may release the power in whole or in part as follows:

(1) By substantial compliance with a method provided in the terms of the instrument creating the power.

(2) If the terms of the instrument creating the power do not provide a method or the method provided in the terms of the instrument is not expressly made exclusive, by an instrument manifesting the power holder's intent by clear and convincing evidence.

"**§ 31D-4-404. Revocation or amendment of release.**

A power holder may revoke or amend a release of a power of appointment only to the extent that one of the following applies:

(1) The instrument of release is revocable by the power holder.

(2) The power holder reserves a power of revocation or amendment in the instrument of release.

"**§ 31D-4-405. Power to contract; presently exercisable power of appointment.**

A power holder of a presently exercisable power of appointment may contract:

(1) Not to exercise the power.

(2) To exercise the power if the contract when made does not confer a benefit on an impermissible appointee.

"**§ 31D-4-406. Power to contract; power of appointment not presently exercisable.**

A power holder of a power of appointment that is not presently exercisable may contract to exercise or not to exercise the power only if the power holder both:

(1) Is also the donor of the power.

(2) Has reserved the power in a revocable trust.

"**§ 31D-4-407. Remedy for breach of contract to appoint or not to appoint.**

The remedy for a power holder's breach of a contract to appoint or not to appoint appointive property is limited to damages payable out of the appointive property or, if appropriate, specific performance of the contract.

"Article 5.

"Rights of Power Holder's Creditors in Appointive Property.

"**§ 31D-5-501. Creditor claim; general power created by power holder.**

(a) In this section, "power of appointment created by the power holder" includes a power of appointment created in a transfer by another person to the extent the power holder contributed value to the transfer.

(b) Appointive property subject to a general power of appointment created by the power holder is subject to a claim of a creditor of the power holder or of the power holder's estate to the extent provided in the Uniform Voidable Transactions Act, Article 3A of Chapter 39 of the General Statutes.

(c) Subject to subsection (b) of this section, appointive property subject to a general power of appointment created by the power holder is not subject to a claim of a creditor of the power holder or the power holder's estate to the extent the power holder irrevocably appointed the property in favor of a person other than the power holder or the power holder's estate.

(d) Subject to subsections (b) and (c) of this section, and notwithstanding the presence of a spendthrift provision or whether the claim arose before or after the creation of the power of appointment, appointive property subject to a general power of appointment created by the power holder is subject to a claim of a creditor of:

(1) The power holder, to the same extent as if the power holder owned the appointive property, if the power is presently exercisable.

(2) The power holder's estate, to the extent that the estate is insufficient to satisfy the claim and subject to the right of a decedent to direct the source from which liabilities are paid, if the power is exercisable at the power holder's death.

"**§ 31D-5-502. Creditor claim; general power not created by power holder.**

(a) Except as otherwise provided in subsection (b) of this section, and only when and to the extent that the power holder exercises the power, appointive property subject to a general power of appointment created by a person other than the power holder is subject to a claim of a creditor of:

(1) The power holder, to the extent the power holder's property is insufficient, if the power is presently exercisable.

(2) The power holder's estate, to the extent the estate is insufficient, subject to the right of a decedent to direct the source from which liabilities are paid.

(b) Subject to the provisions of G.S. 31D-5-504(c), a power of appointment created by a person other than the power holder which is subject to an ascertainable standard relating to an individual's health, education, support, or maintenance within the meaning of section 2041(b)(1)(A) or section 2514(c)(1) of the Internal Revenue Code, as amended, is treated for purposes of this Article as a nongeneral power.

"**§ 31D-5-503. Power to withdraw.**

(a) For purposes of this Article, a power to withdraw property from a trust is treated as a presently exercisable general power of appointment to the extent of the property subject to the power to withdraw.

(b) The lapse, release, or waiver of a power to withdraw property from a trust shall not be deemed to be an exercise of the power.

"**§ 31D-5-504. Creditor claim; nongeneral power.**

(a) Except as otherwise provided in subsections (b) and (c) of this section, appointive property subject to a nongeneral power of appointment is exempt from a claim of a creditor of the power holder or the power holder's estate.

(b) Appointive property subject to a nongeneral power of appointment is subject to a claim of a creditor of the power holder or the power holder's estate to the extent that the power holder owned the property and, reserving the nongeneral power, transferred the property in violation of the Uniform Voidable Transactions Act, Article 3A of Chapter 39 of the General Statutes.

(c) If the initial gift in default of appointment is to the power holder or the power holder's estate, a nongeneral power of appointment is treated for purposes of this Article as a general power.

"Article 6.

"Miscellaneous Provisions.

"**§ 31D-6-601. Uniformity of application and construction.**

In applying and construing this Chapter, consideration shall be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

"**§ 31D-6-602. Relation to Electronic Signatures in Global and National Commerce Act.**

This Chapter modifies, limits, or supersedes the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 et seq., but does not modify, limit, or supersede section 101(c) of 15 U.S.C. § 7001(c), or authorize electronic delivery of any of the notices described in section 103(b) of 15 U.S.C. § 7003(b).

"**§ 31D-6-603. Application to existing relationships.**

(a) Except as otherwise provided in this Chapter, on or after the effective date of this Chapter:

(1) This Chapter applies to a power of appointment created before, on or after the effective date of this Chapter.

(2) This Chapter applies to a judicial proceeding concerning a power of appointment commenced on or after the effective date of this Chapter.

(3) This Chapter applies to a judicial proceeding concerning a power of appointment commenced before the effective date of this Chapter unless the court finds that application of a particular provision of this Chapter would interfere substantially with the effective conduct of the judicial proceeding or prejudice a right of a party, in which case the particular provision of this Chapter does not apply and the superseded law applies.

(4) A rule of construction or presumption provided in this Chapter applies to an instrument executed before the effective date of this Chapter unless there is a clear indication of a contrary intent in the terms of the instrument or unless application of that rule of construction or presumption would impair substantial rights of a party created under North Carolina law in effect prior to the effective date of this Chapter, in which case that rule of construction or presumption does not apply and the superseded rule of construction or presumption applies.

(5) Except as otherwise provided in subdivisions (1) through (4) of this subsection, an action taken before the effective date of this Chapter is not affected by this Chapter.

(b) If a right is acquired, extinguished, or barred on the expiration of a prescribed period that commenced under law of this State other than this Chapter before the effective date of this Chapter, the law continues to apply to the right."

SECTION 3.(b) G.S. 31-4 and G.S. 31-43 are repealed.

PART IV. AMEND THE ELECTIVE SHARE STATUTES REGARDING VALUATION OF PARTIAL OR CONTINGENT INTEREST PROPERTY

SECTION 4.1 G.S. 30-3.3A(e) reads as rewritten:

"(e) Partial or Contingent Interest Property. – The valuation of partial and contingent property interests, outright or in trust, which are limited to commence or terminate upon the death of one or more persons, upon the expiration of a period of time, or upon the occurrence of one or more contingencies, shall be determined by computations based upon the mortality and annuity tables set forth in G.S. 8-46 and G.S. 8-47, and by using a presumed rate of return of six percent (6%) of the value of the underlying property in which those interests are ~~limited.~~ limited, unless upon good cause shown by one of the parties, the clerk determines that the use of such tables or rate of return is not appropriate, then the value of such interests shall be determined under subsection (f) of this section. However, in valuing partial and contingent interests passing to the surviving spouse, the following special rules apply:

(1) The value of the beneficial interest of a spouse shall be the entire fair market value of any property held in trust if the decedent was the settlor of the trust, if the trust is held for the exclusive benefit of the surviving spouse during the surviving spouse's lifetime, and if the terms of the trust meet the following requirements:

a. During the lifetime of the surviving spouse, the trust is controlled by one or more nonadverse trustees.

b. The trustee shall distribute to or for the benefit of the surviving spouse either (i) the entire net income of the trust at least annually or (ii) the income of the trust in such amounts and at such times as the trustee, in its discretion, determines necessary for the health, maintenance, and support of the surviving spouse.

c. The trustee shall distribute to or for the benefit of the surviving spouse out of the principal of the trust such amounts and at such times as the trustee, in its discretion, determines necessary for the health, maintenance, and support of the surviving spouse.

d. In exercising discretion, the trustee may be authorized or required to take into consideration all other income assets and other means of support available to the surviving spouse.

(2) To the extent that the partial or contingent interest is dependent upon the occurrence of any contingency that is not subject to the control of the surviving spouse and that is not subject to valuation by reference to the mortality and annuity tables set forth in G.S. 8-46 and G.S. 8-47, the contingency will be conclusively presumed to result in the lowest possible value passing to the surviving spouse. However, a life estate or income interest that will terminate upon the surviving spouse's death or remarriage will be valued without regard to the possibility of termination upon remarriage.

~~(3) To the extent that the valuation of a partial or contingent interest is dependent upon the life expectancy of the surviving spouse, that life expectancy shall be conclusively presumed to be no less than 10 years, regardless of the actual attained age of the surviving spouse at the decedent's death.~~"

PART V. AMEND THE LAW PROVIDING FOR CONVEYANCE OF TENANCY BY THE ENTIRETIES TO A TRUST

SECTION 5. G.S. 39-13.7 reads as rewritten:

"§ **39-13.7. Tenancy by the entireties trusts in real property.**

(a) Any real property held by a husband and wife as a tenancy by the entireties and conveyed ~~to their joint revocable or irrevocable trust, or to their separate revocable or irrevocable trusts, shall have the same immunity from the claims of the spouses' separate creditors as would exist if the spouses had continued to hold the property as a tenancy by the entireties, so long as (i) the spouses remain husband and wife, (ii) the real property continues to be held in the trust or trusts, and (iii) the spouses remain the beneficial owners of the real property.~~to (i) a joint trust or (ii) in equal shares to two separate trusts; shall no longer be held by the husband and wife as tenants by the entirety and shall be disposed of by the terms of the trust or trusts, but, subject to the provisions of subsection (b) of this section, the real property shall have the same immunity from the claims of the separate creditors of the husband and wife as would exist if the spouses had continued to hold the property as tenants by the entireties.

(b) The immunity from the claims of separate creditors provided by subsection (a) of this section shall apply as long as all of the following apply:

(1) The husband and wife remain married.

(2) The real property continues to be held in the trust or trusts as provided in subsection (a) of this section.

(3) Both husband and wife are current beneficiaries of the joint trust if the real property is conveyed to that trust or of each separate trust if the real property is conveyed in equal shares to their separate trusts.

(c) After the death of the first of the husband and wife to die, all property held in trust that was immune from the claims of their separate creditors under subsection (a) of this section immediately prior to the individual's death shall continue to have immunity from the claims of the decedent's separate creditors as would have existed if the husband and wife continued to hold the property conveyed in trust as tenants by the entirety.

(d) The trustee acting under the express provisions of a trust instrument or with the written consent of both the husband and wife may waive the immunity from the claims of separate creditors provided under this section as to any specific creditor or any specifically described property including all separate creditors of a husband and wife or all former tenancy by the entirety property conveyed to the trustee.

(e) For purposes of this section:

(1) The reference to the real property conveyed to or held in the trust shall be deemed to include the proceeds arising from the involuntary conversion of the real property.

(2) The reference to a "joint trust" means a revocable or irrevocable trust of which both the husband and wife are the settlors, and the reference to "separate trusts" means revocable or irrevocable trusts of which the husband is the settlor of one trust and the wife is the settlor of the other trust.

(3) The husband and wife are "beneficiaries" of a trust if they are distributees or permissible distributees of the income or principal of the trust whether or not other persons are also current or future beneficiaries of the trust."

PART VI. UNIFORM TRUST CODE; AMEND THE STATUTE OF LIMITATIONS AGAINST A TRUSTEE

SECTION 6. G.S. 36C-10-1005(b) reads as rewritten:

"(b) Except as provided in subsection (a) of this section, Chapter 1 of the General Statutes governs the limitations of actions on judicial proceedings involving trusts. However, for purposes of those limitations both of the following apply:

(1) On the date that any limitation starts running as to a person with respect to a claim held by the person involving a trust, the limitation also shall start

running as to all other persons the person would be entitled to represent under Article 3 of this Chapter, whether or not the person consented to serve as a representative.

(2) G.S. 1-17 of the General Statutes shall not apply to toll the running of the limitation as to the persons described in subdivision (1) of this subsection. Those persons shall be treated as if they were under no disability on the date that the limitation starts running."

PART VII. UNIFORM TRUST CODE; CLARIFY APPLICABILITY OF DEFAULT AND MANDATORY RULES GOVERNING POWER HOLDERS

SECTION 7. G.S. 36C-1-105 reads as rewritten:

"§ **36C-1-105. Default and mandatory rules.**

(a) Except as otherwise provided in the terms of the trust, this Chapter governs the duties and powers of a ~~trustee,~~ trustee and a power holder under Article 8A of this Chapter, relations among ~~trustees,~~ trustees and those power holders, and the rights and interests of a beneficiary.

(b) The terms of a trust prevail over any provision of this Chapter except:

(1) The requirements for creating a trust.

(2) The duty of a trustee or a power holder under Article 8A of this Chapter to act in good faith and in accordance with the terms and purposes of the trust and the interests of the ~~beneficiaries.~~beneficiaries, except as otherwise provided in subsection (c) of this section.

(3) The requirement that a trust and its terms be for the benefit of its beneficiaries, and that the trust have a purpose that is lawful, not contrary to public policy, and possible to achieve.

(4) The power of the court to modify or terminate a trust under G.S. 36C-4-410 through G.S. 36C-4-416.

(5) The effect of a spendthrift provision and the rights of certain creditors and assignees to reach a trust as provided in Article 5 of this Chapter.

(6) The effect of an exculpatory term under ~~G.S. 36C-10-1008.~~G.S. 36C-10-1008, except as otherwise provided in subsection (c) of this section.

(7) The rights under G.S. 36C-10-1010 through G.S. 36C-10-1013 of a person other than a trustee or beneficiary.

(8) Periods of limitation for commencing a judicial proceeding.

(9) The power of the court to take any action and exercise any jurisdiction as may be necessary in the interests of justice.

(10) The subject-matter jurisdiction of the court and venue for commencing a proceeding as provided in G.S. 36C-2-203 and G.S. 36C-2-204.

(11) The requirement that the exercise of the powers described in G.S. 36C-6-602.1(a) shall not alter the designation of beneficiaries to receive property on the settlor's death under that settlor's existing estate plan.

(12) The power of a trustee to renounce an interest in or power over property under G.S. 36C-8-816(32).

(c) The provisions of subdivisions (2) and (6) of subsection (b) of this section shall not apply to a power holder described in Article 8A of this Chapter with respect to powers conferred upon the power holder in a nonfiduciary capacity under G.S. 36C-8A-3(a) or under the terms of the trust."

PART VIII. UNIFORM TRUST CODE; AMEND THE LAW GOVERNING DECANTING FROM A TRADITIONAL TRUST TO A SUPPLEMENTAL NEEDS TRUST

SECTION 8. G.S. 36C-8-816.1 reads as rewritten:

"§ **36C-8-816.1. Trustee's special power to appoint to a second trust.**

(a) For purposes of this section, the following definitions apply:

(1) Current beneficiary. – A person who is a permissible distributee of trust income or principal.

(2) Original trust. – A trust established under an irrevocable trust instrument pursuant to the terms of which a trustee has a discretionary power to distribute principal or income of the trust to or for the benefit of one or more current beneficiaries of the trust.

(3) Second trust. – A trust established under an irrevocable trust instrument, the current beneficiaries of which are one or more of the current beneficiaries of the original trust. The second trust may be a trust created under the same trust instrument as the original trust or under a different trust instrument.

(b) A trustee of an original trust may, without authorization by the court, exercise the discretionary power to distribute principal or income to or for the benefit of one or more current beneficiaries of the original trust by appointing all or part of the principal or income of the original trust subject to the power in favor of a trustee of a second trust. The trustee of the original trust may exercise this power whether or not there is a current need to distribute principal or income under any standard provided in the terms of the original trust. The trustee's special power to appoint trust principal or income in further trust under this section includes the power to create the second trust. The second trust may have a duration that is longer than the duration of the first trust.

(c) The terms of the second trust shall be subject to all of the following:

(1) The beneficiaries of the second trust may include only beneficiaries of the original trust.

(2) A beneficiary who has only a future beneficial interest, vested or contingent, in the original trust cannot have the future beneficial interest accelerated to a present interest in the second trust.

(3) The terms of the second trust may not reduce any fixed income, annuity, or unitrust interest of a beneficiary in the assets of the original trust if that interest has come into effect with respect to the beneficiary.

(4) If any contribution to the original trust qualified for a marital or charitable deduction for federal income, gift, or estate tax purposes under the Internal Revenue Code, then the second trust shall not contain any provision that, if included in the original trust, would have prevented the original trust from qualifying for the deduction or that would have reduced the amount of the deduction.

(5) If contributions to the original trust have been excluded from the gift tax by the application of section 2503(b) and section 2503(c) of the Internal Revenue Code, then the second trust shall provide that the beneficiary's remainder interest in the contributions shall vest and become distributable no later than the date upon which the interest would have vested and become distributable under the terms of the original trust.

(6) If any beneficiary of the original trust has a power of withdrawal over trust property, then either:

a. The terms of the second trust must provide a power of withdrawal in the second trust identical to the power of withdrawal in the original trust; or

b. Sufficient trust property must remain in the original trust to satisfy the outstanding power of withdrawal.

(7) If a trustee of an original trust exercises a power to distribute principal or income that is subject to an ascertainable standard by appointing property to a second trust, then the power to distribute income or principal in the second trust must be subject to the same ascertainable standard as in the original

trust and must be exercisable in favor of the same current beneficiaries to whom such distribution could be made in the original trust.

(8) The second trust may confer a power of appointment upon a beneficiary of the original trust to whom or for the benefit of whom the trustee has the power to distribute principal or income of the original trust. The permissible appointees of the power of appointment conferred upon a beneficiary may include persons who are not beneficiaries of the original or second trust. The power of appointment conferred upon a beneficiary shall be subject to the provisions of G.S. 41-23 specifying the permissible period allowed for the suspension of the power of alienation of the original trust and the time from which that permissible period is computed.

(9) The terms of the second trust shall not contain any provisions that would jeopardize (i) the qualification of a transfer as a direct skip under section 2642(c) of the Code, (ii) if the first trust owns subchapter S Corporation stock, the election to treat a corporation as a subchapter S Corporation under section 1362 of the Code, (iii) if the first trust owns an interest in property subject to the minimum distribution rules of section 401(a)(9) of the Code, a favorable distribution period by shortening the minimum distribution period, or (iv) any other specific tax benefit for which a contribution originally qualified for income, gift, estate, or generation-skipping transfer tax purposes. In this subdivision, "tax benefit" means a federal or State tax deduction, exemption, exclusion, or other benefit not otherwise listed in this section, except for the benefit from having the settlor considered the owner under sections 671 through 679 of the Code. Subject to clause (ii) above, the second trust may be a trust as to which the settlor is not considered the owner under sections 671 through 679 of the Code even if the settlor is considered the owner of the first trust, and the second trust may be a trust as to which the settlor of the first trust is considered the owner under sections 671 through 679 of the Code, even if the settlor is not considered the owner of the first trust.

(10) Notwithstanding any other provision of this section, but subject to the limitations of subdivisions (1), (2), (4), (5), and (9) of this subsection, a trustee may exercise the power to appoint principal and income under subsection (b) of this section with respect to a disabled beneficiary's interest in the original trust to a second trust that is a supplemental needs trust that does not have (i) an ascertainable standard (or has a different ascertainable standard); (ii) a fixed income, annuity, or unitrust interest in the assets of the original trust; or (iii) a right of withdrawal, if the trustee determines that it would be in the best interest of the disabled beneficiary. For purposes of this subsection, the following apply:

a. A "supplemental needs trust" means a trust that is a discretionary trust under G.S. 36C-5-504 and relative to the original trust contains either lesser or greater restrictions on the trustee's power to distribute income or principal, and which the trustee believes would, if implemented, allow the disabled beneficiary to receive greater governmental benefits than the disabled beneficiary would receive if the power to appoint principal and income had not been exercised.

b. "Governmental benefits" means medical assistance, financial aid, or services from any local, State, or federal agency or department.

c. A "disabled beneficiary" means a current beneficiary of the original trust who the trustee determines has a condition that substantially impairs the beneficiary's ability to provide for his or her own support,

care, or custody whether or not the beneficiary has been adjudicated a "disabled person" by any government agency or department.

d. The second supplemental needs trust shall not be liable to pay or reimburse the State or any government or public agency for medical assistance, financial aid, or services provided to the disabled beneficiary except as provided in the second supplemental needs trust.

…."

PART IX. UNIFORM TRUST CODE; PROVIDE PERMISSIBLE BENEFICIARIES FOR CERTAIN IRREVOCABLE INTER VIVOS TRUSTS

SECTION 9. G.S. 36C-5-505(c) reads as rewritten:

"(c) Subject to the Uniform Voidable Transactions Act, Article 3A of Chapter 39 of the General Statutes, for purposes of this ~~section, if the settlor is a beneficiary of the following trusts after the death of the settlor's spouse, the property of the trusts shall, after the death of the settlor's spouse, be deemed to have been contributed by the settlor's spouse and not by the settlor:~~section, property contributed to the following trusts is not considered to have been contributed by the settlor and a person who would otherwise be treated as a settlor or a deemed settlor of the following trusts may not be treated as a settlor:

(1) If the settlor is a beneficiary after the death of the settlor's spouse:

a. An irrevocable intervivos marital trust that is treated as a general power of appointment trust described in section 2523(e) of the Internal Revenue Code.

~~(2)~~b. An irrevocable intervivos marital trust that is treated as a qualified terminable interest ~~property~~ trust under section 2523(f) of the Internal Revenue Code.

~~(3)~~c. An irrevocable intervivos trust of which the settlor's spouse is ~~the sole~~ a beneficiary during the spouse's lifetime ~~of the settlor's spouse~~ but which does not qualify for the federal gift tax marital ~~deduction.~~deduction, and during the lifetime of the settlor's spouse (i) the settlor's spouse is the only beneficiary or (ii) the settlor's spouse and the settlor's issue are the only beneficiaries.

~~(4)~~d. Another trust, to the extent that the property of the other trust is attributable to property passing from a trust described in ~~subdivision (1), (2), or (3) of this subsection.~~sub-subdivisions a., b., and c. of this subdivision.

For purposes of this ~~subsection,~~ subdivision, notwithstanding the provisions of G.S. 36C-1-103(3), the settlor is a beneficiary whether so named under the initial trust instrument or through the exercise of a limited or general power of ~~appointment, and~~ appointment.

(2) An irrevocable inter vivos trust for the benefit of a person if the settlor is the person's spouse, regardless of whether or when that person was a settlor of an irrevocable inter vivos trust for the benefit of the person's spouse.

For purposes of this subsection, the "settlor's spouse" refers to the person to whom the settlor was married at the time the irrevocable intervivos trust was created, notwithstanding a subsequent dissolution of the marriage."

PART X. UNIFORM TRUST CODE; CLARIFY STANDARD OF LIABILITY OF DIRECTED COTRUSTEE

SECTION 10. G.S. 36C-7-703 reads as rewritten:

"§ **36C-7-703. Cotrustees.**

…

~~(e1) If the terms of a trust confer upon a cotrustee, to the exclusion of another cotrustee, the power to take certain actions with respect to the trust, including the power to direct or prevent certain actions of the trustees, the following apply:~~

~~(1) The duty and liability of the excluded trustee is as follows:~~

~~a. If the terms of a trust confer upon the cotrustee the power to direct certain actions of the excluded trustee, the excluded trustee must act in accordance with the direction and is not liable, individually or as a fiduciary, for any loss resulting directly or indirectly from compliance with the direction unless compliance with the direction constitutes intentional misconduct on the part of the directed cotrustee.~~

~~b. If the terms of the trust confer upon the cotrustee any other power, the excluded trustee is not liable, individually or as a fiduciary, for any loss resulting directly or indirectly from the action taken by the cotrustee.~~

~~c. The excluded trustee has no duty to monitor the conduct of the cotrustee, provide advice to the cotrustee, or consult with or request directions from the cotrustee. The excluded trustee is not required to give notice to any beneficiary of any action taken or not taken by the cotrustee whether or not the excluded trustee agrees with the result. Administrative actions taken by the excluded trustee for the purpose of implementing directions of the cotrustee, including confirming that the directions of the cotrustee have been carried out, do not constitute monitoring of the cotrustee nor do they constitute participation in decisions within the scope of the cotrustee's authority.~~

~~(2) Except as otherwise provided in sub-subdivision a. of subdivision (1) of this subsection, the cotrustee holding the power to take certain actions with respect to the trust shall be liable to the beneficiaries with respect to the exercise of the power as if the excluded trustee were not in office and has the exclusive obligation to account to the beneficiaries and defend any action brought by the beneficiaries with respect to the exercise of the power.~~

(f) Repealed by Session Laws 2007-106, s. 27, effective October 1, 2007.

(g) ~~A trustee~~ Except as provided in subsection (g1) and (h) of this section, each cotrustee shall exercise reasonable care ~~in connection with matters for which the trustee is given authority under the terms of a trust~~ to:

(1) Avoid enabling a cotrustee to commit a serious breach of trust; and

(2) Compel a cotrustee to redress a serious breach of trust.

(g1) If the terms of the trust confer upon a cotrustee, to the exclusion of another cotrustee, the power to take certain actions with respect to the trust:

(1) The excluded cotrustee is not liable, directly or indirectly, for the action taken by the cotrustee holding the exclusive power.

(2) The excluded cotrustee has no duty to monitor the conduct of the cotrustee holding the exclusive power, provide advice to that cotrustee, or consult with or request directions from that cotrustee. The excluded trustee is not required to give notice to any beneficiary of any action taken or not taken by that cotrustee.

(3) The cotrustee holding the exclusive power to take certain actions with respect to the trust:

a. Shall be liable to the beneficiaries with respect to the exercise of the power as if the excluded trustee were not in office.

b. Has the exclusive obligation to account to the beneficiaries and defend any action brought by the beneficiaries with respect to the exercise of the power.

(h) ~~Notwithstanding subsection (g) of this section, a cotrustee is not liable for the action of a majority of the other trustees if either of the following apply:~~If the terms of the trust confer the power to take actions on both or all cotrustees but under the terms of the trust or this Chapter the decision of one or more of the cotrustees controls in the event of a disagreement, then, unless the dissenting cotrustee had actual knowledge that the action constituted a serious breach of trust, a cotrustee who dissents from the action taken by one or more of the other cotrustees is not liable for the action if either of the following apply:

(1) The ~~trustee~~ dissenting cotrustee does not join in ~~an action approved by a majority of the other trustees.~~the action.

(2) The dissenting ~~trustee~~ cotrustee joins in ~~an~~ the action necessary to carry out the decision of the ~~majority of the trustees and notifies in writing the~~ other cotrustee or cotrustees and gives notice of the dissent to the other cotrustee or cotrustees at or before joining in the ~~action, unless the trustee had knowledge that the action taken involved intentional misconduct or was taken with an intention to directly or indirectly provide an improper personal benefit to one or more trustees approving the~~ action.

…."

PART XI. COMMENTS AND EFFECTIVE DATES

SECTION 11.(a) The Revisor of Statutes shall cause to be printed, as annotations to the published General Statutes, all relevant portions of the Official Commentary to the Uniform Powers of Appointment Act and of the Official Commentary to the Uniform Trust Code and all explanatory comments of the drafters of those acts, as the Revisor may deem appropriate.

SECTION 11.(b) Sections 6, 7, 8, 9, and 10 of this act become effective October 1, 2015, and apply to (i) all trusts created before, on, or after that date; (ii) all judicial proceedings concerning trusts or transfers to or by trusts commenced on or after that date; and (iii) all judicial proceedings concerning trusts or transfers to or by trusts commenced before that date, unless the court finds that application of a particular provision of these sections would substantially interfere with the effective conduct of the judicial proceedings or prejudice the rights of the parties, in which case the law as it existed on September 30, 2015, applies. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 5th day of August, 2015.

Became law upon approval of the Governor at 1:30 p.m. on the 11th day of August, 2015.

Session Law 2015-206 **S.B. 386**

AN ACT TO SPECIFY FEES FOR RECORDING INSTRUMENTS GOVERNED BY THE UNIFORM COMMERCIAL CODE WITH REGISTERS OF DEEDS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 161-10 reads as rewritten:

"§ **161-10. Uniform fees of registers of deeds.**

(a) Except as otherwise provided in this Article, all fees collected under this section shall be deposited into the county general fund. While performing the duties of the office, the register of deeds shall collect the following fees which shall be uniform throughout the State:

…

(13) Uniform Commercial Code. – ~~Such fees as are provided for in Chapter 25, Article 9, Part 5, of the General Statutes.~~The following fees apply for

services related to financing statements or other records under Part 5 of Article 9 of Chapter 25 of the General Statutes:

a. For filing and indexing financing statements or records with two or fewer pages, thirty-eight dollars ($38.00).

b. For filing and indexing financing statements or records with more than two pages, forty-five dollars ($45.00) for the first 10 pages, plus two dollars ($2.00) for each additional page.

c. For responding to an information request, including a communication with respect to requests for financing statement information for a particular debtor, thirty-eight dollars ($38.00).

This subdivision shall not apply to either the recording or the satisfaction of a deed of trust or mortgage, when such deed of trust or mortgage acted as a fixture filing or financing statement covering as-extracted collateral or timber to be cut as authorized under G.S. 25-9-502(c).

…."

SECTION 2. G.S. 25-9-525 reads as rewritten:

"§ **25-9-525. Fees.**

(a) ~~Initial~~ Filing of initial financing statement or other ~~record:~~record with the office of the Secretary of State: general rule. – Except as otherwise provided in subsection (e) of this section, the Secretary of State shall collect the following fees~~fee~~ for filing and indexing a record under this ~~Part is:~~Part:

(1) Thirty-eight dollars ($38.00) if the record is communicated in writing and consists of one or two pages;

(2) Forty-five dollars ($45.00) if the record is communicated in writing and consists of more than two pages, plus two dollars ($2.00) for each page over 10 pages; and

(3) Thirty dollars ($30.00) if the record is communicated by another medium authorized by filing-office rule.

(b) Filing with the register of deeds. – The fees to be collected by the register of deeds for filing and indexing a record under this Part are provided under G.S. 161-10(a)(13).

(c) Number of names. – The number of names required to be indexed does not affect the amount of the fee in subsection (a) of this section.

(d) Response to information request. – The fee for responding to a request for information from the ~~filing office,~~ office of the Secretary of State, including for communicating whether there is on file any financing statement naming a particular debtor, is:

(1) Thirty-eight dollars ($38.00) if the request is communicated in writing; and

(2) Thirty dollars ($30.00) if the request is communicated by another medium authorized by filing-office rule.

Upon request the ~~filing~~ office of the Secretary of State shall furnish a copy of any filed financing statement or statement of assignment for a uniform fee of two dollars ($2.00) per page. This subsection does not require that a fee be charged for remote access searching of the filing office database.

(e) Record of mortgage. – This section does not require a fee with respect to a record of a mortgage which is effective as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut under G.S. 25-9-502(c). However, the recording and satisfaction fees that otherwise would be applicable to the record of the mortgage apply."

SECTION 3. This act becomes effective October 1, 2015, and applies to instruments registered on or after that date.

In the General Assembly read three times and ratified this the 5th day of August, 2015.

Became law upon approval of the Governor at 1:30 p.m. on the 11th day of August, 2015.

Session Law 2015-207 **H.B. 538**

AN ACT TO AMEND AND CLARIFY THE POWERS OF WATER AND SEWER AUTHORITIES, TO AUTHORIZE COUNTIES AND CITIES TO PLEDGE A SECURITY INTEREST IN AN ESCROW ACCOUNT UNDER CERTAIN CONDITIONS, TO ALLOW THE LOCAL GOVERNMENT COMMISSION TO AUTHORIZE A THIRTY-YEAR MATURITY DATE FOR THE FINANCING OF CERTAIN WATER SYSTEM PROJECTS, TO AUTHORIZE METROPOLITAN WATER DISTRICTS AND METROPOLITAN WATER AND SEWERAGE DISTRICTS TO ENTER INTO INSTALLMENT CONTRACT FINANCING AGREEMENTS, AND TO REQUIRE PUBLIC OR COMMUNITY WASTEWATER SYSTEMS TO ACCEPT LIQUID CONDENSATE GENERATED BY RESIDENTIAL HEATING AND COOLING SYSTEMS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 162A-6(a)(14c) reads as rewritten:

"(14c) To adopt ordinances concerning any of the following:

a. ~~to regulate~~ The regulation and control of the discharge of sewage or stormwater into any sewerage system owned or operated by the ~~authority, to adopt ordinances concerning stormwater~~ authority.

b. The regulation and control of a water system owned or operated by the authority.

c. Stormwater management programs designed to protect water quality by controlling the level of pollutants in and the quantity and flow of ~~stormwater, and to adopt ordinances to regulate~~ stormwater.

d. The regulation and control of structural and natural stormwater and drainage systems of all types.

Prior to the adoption of any such ordinance or any amendment to any such ordinance, the authority shall first pass a declaration of intent to adopt such ordinance or amendment. The declaration of intent shall describe the ordinance which it is proposed that the authority adopt. The declaration of intent shall be submitted to each governing body for review and comment. The authority shall consider any comment or suggestions offered by any governing body with respect to the proposed ordinance or amendment. Thereafter, the authority shall be authorized to adopt such ordinance or amendment to it at any time after 60 days following the submission of the declaration of intent to each governing body."

SECTION 2. G.S. 162A-6(a) is amended by adding two new subdivisions to read:

"(17) To enter into reimbursement agreements to be paid by the authority to a private developer or property owner for the design and construction of infrastructure that is included on the authority's capital improvement plan and serves the developer or property owner. An authority shall enact ordinances setting forth procedures and terms under which such agreements may be approved. An authority may provide for such reimbursements to be paid from any lawful source. Reimbursement agreements authorized by this subdivision shall not be subject to Article 8 of Chapter 143 of the General Statutes, except as provided by this subsection. A developer or property owner who is party to a reimbursement agreement authorized under this subdivision shall solicit bids in accordance with Article 8 of Chapter 143 of the General Statutes when awarding contracts for work that would have required competitive bidding if the contract had been awarded by the authority. For the purpose of this subdivision, infrastructure includes,

without limitation, water mains, sanitary sewer lines, lift stations, water pump stations, stormwater lines, and other associated facilities.

(18) To offer and pay rewards in an amount not exceeding five thousand dollars ($5,000) for information leading to the arrest and conviction of any person who willfully defaces, damages or destroys, or commits acts of vandalism or larceny of any authority property. The amount necessary to pay said rewards shall be an item in the current expense budget of the authority."

SECTION 3. Article 3 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"**§ 160A-17.2. Security interests in United States Department of Agriculture loans.**

(a) A county or municipality may pledge a security interest in an escrow account funded with loan proceeds, or a certificate of deposit, to secure repayment of the loan, only if the loan is an interest-free loan agreement entered into with the United States Department of Agriculture or an authorized intermediary acting on behalf of the United States Department of Agriculture. Any such escrow account must be substantiated by a written escrow agreement, and the funds must be deposited in accordance with G.S. 159-30 and G.S. 159-31. Any certificate of deposit shall comply with the requirements of G.S. 159-30.

(b) An interest-free loan agreement entered into under this section is subject to approval by the Local Government Commission under Article 8 of Chapter 159 of the General Statutes, unless exempted in G.S. 159-148(b).

(c) No deficiency judgment may be rendered against any county or municipality in any action for breach of a contractual obligation authorized by this section. The taxing power of a county or municipality is not and may not be pledged directly or indirectly to secure any moneys due under a contract authorized by this section."

SECTION 4.(a) G.S. 159G-40(b) reads as rewritten:

"(b) Interest Rate and Maturity. – The interest rate payable on and the maximum maturity of a loan are subject to the following limitations:

(1) Interest rate. – The interest rate for a loan may not exceed the lesser of four percent (4%) or one half the prevailing national market rate for tax-exempt general obligation debt of similar maturities derived from a published indicator. When recommended by the Department, the Local Government Commission may set an interest rate for a loan for a targeted interest rate project at a rate that is lower than the standard rate to achieve the purpose of the target.

(2) Maturity. – ~~The~~ Except as provided in this subsection, the maximum maturity for a loan for a project that is not a ~~high-unit-cost~~ targeted interest rate project may not exceed 20 years or the project's expected life, whichever is shorter. ~~The maximum maturity for a loan for a high-unit-cost project is 30 years or the project's expected life, whichever is shorter.~~Upon approval of the Local Government Commission, the maximum maturity for a loan that is not a targeted interest rate project may extend to 30 years. Such approval is explicitly limited to local government units that meet all of the following criteria:

a. The project serves a system that is ranked as Tier I on the 2007-08 Tier Drought Vulnerability List developed by the Department.

b. The loan amount is at least as great as eight times the amount of the operating revenue of the unit's system for which the loan is being granted."

SECTION 4.(b) This section is effective when it becomes law and expires July 1, 2016. The sunset does not affect the validity of any loan agreement approved by the Local Government Commission prior to the sunset or loan increases approved after the sunset, provided the loan was approved in accordance with G.S. 159G-40, as amended by this section, prior to the sunset.

SECTION 5.(a) G.S. 160A-20(h) is amended by adding two new subdivisions to read:

"(h) Local Government Defined. – As used in this section, the term "unit of local government" means any of the following:

…

(3d) A metropolitan water district created under Article 4 of Chapter 162A of the General Statutes.

(3e) A metropolitan water and sewerage district created under Article 5A of Chapter 162A of the General Statutes.

…."

SECTION 5.(b) G.S. 162A-36(a) is amended by adding a new subdivision to read:

"(a) Each district shall be deemed to be a public body and body politic and corporate, exercising public and essential governmental functions, to provide for the preservation and promotion of the public health and welfare, and said district is hereby authorized and empowered:

…

(7a) To pledge a security interest in accordance with G.S. 160A-20.

…."

SECTION 5.(c) G.S. 162A-69 is amended by adding a new subdivision to read:

"§ **162A-69. Powers generally; fiscal year.**

Each district shall be deemed to be a public body and body politic and corporate exercising public and essential governmental functions to provide for the preservation and promotion of the public health and welfare, and each district is hereby authorized and empowered:

…

(11a) To pledge a security interest in accordance with G.S. 160A-20.

…."

SECTION 6. Article 11 of Chapter 130A of the General Statutes is amended by adding a new section to read:

"**§ 130A-345. Disposal of liquid condensate from residential heating and cooling systems.**

Notwithstanding any other provision of law, every public or community wastewater system, as defined in G.S. 130A-334(8), shall provide for the collection of liquid condensate from residential heating and cooling systems by the public or community wastewater system."

SECTION 7. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 6th day of August, 2015.

Became law upon approval of the Governor at 1:30 p.m. on the 11th day of August, 2015.

Session Law 2015-208 **H.B. 584**

AN ACT TO CLARIFY THAT A LEGISLATOR OR PUBLIC SERVANT MAY REFERENCE THEIR PUBLIC POSITION IN A LETTER OF REFERENCE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 138A-31(b) reads as rewritten:

"(b) A covered person shall not mention or authorize another person to mention the covered person's public position in nongovernmental advertising that advances the private interest of the covered person or others. The prohibition in this subsection shall not apply to any of the following:

(1) Political advertising.

(2) News stories and articles.

(3) The inclusion of a covered person's public position in a directory or a biographical listing.

(4) The inclusion of a covered person's public position in an agenda or other document related to a meeting, conference, or similar event when the disclosure could reasonably be considered material by an individual attending the meeting, conference, or similar event.

(5) The inclusion of a covered person's public position in a charitable solicitation for a nonprofit business entity qualifying under 26 U.S.C. § 501(c)(3).

(6) The disclosure of a covered person's position to an existing or prospective customer, supplier, or client when the disclosure could reasonably be considered material by the customer, supplier, or client.

(7) A letter of character reference for any of the following:

a. A student seeking admittance to a school or institution of higher education.

b. An individual seeking an academic scholarship.

c. An individual seeking leniency upon sentencing by the courts, or other matters related to probation or parole.

d. An individual seeking employment, at the request of that individual or in response to the inquiry of a potential employer as to the qualifications and character of that individual."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 5th day of August, 2015.

Became law upon approval of the Governor at 1:32 p.m. on the 11th day of August, 2015.

Session Law 2015-209 **H.B. 800**

AN ACT TO CLARIFY MOTOR VEHICLE DEALERS AND MANUFACTURERS LICENSING LAW.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-286(10) reads as rewritten:

"(10) Motor vehicle. – Any motor propelled vehicle, trailer or semitrailer, required to be registered under the laws of this State.

a. "New motor vehicle" means a motor vehicle that has never been the subject of a completed, successful, or conditional sale that was subsequently approved other than between new motor vehicle dealers, or between manufacturer and dealer of the same franchise.

b. "Used motor vehicle" means a motor vehicle other than a motor vehicle described in ~~paragraph (10)a above.~~sub-subdivision a. of this subdivision."

SECTION 2. G.S. 20-305(6) reads as rewritten:

"(6) Notwithstanding the terms, provisions or conditions of any franchise or notwithstanding the terms or provisions of any waiver, to terminate, cancel or fail to renew any franchise with a licensed new motor vehicle dealer unless the manufacturer has satisfied the notice requirements of ~~subparagraphs~~sub-subdivision c. of this subdivision and the Commissioner has determined, if requested in writing by the dealer within (i) the time period specified in G.S. 20-305(6)c.1.II., III., or IV., as applicable, or (ii) the effective date of the franchise termination specified or proposed by the manufacturer in the notice of termination, whichever period of time is longer, and after a hearing on the matter, that there is good cause for the termination, cancellation, or nonrenewal of the franchise and that the

manufacturer has acted in good faith as defined in this act regarding the termination, cancellation or nonrenewal. When such a petition is made to the Commissioner by a dealer for determination as to the existence of good cause and good faith for the termination, cancellation or nonrenewal of a franchise, the Commissioner shall promptly inform the manufacturer that a timely petition has been filed, and the franchise in question shall continue in effect pending the Commissioner's decision. The Commissioner shall try to conduct the hearing and render a final determination within 180 days after a petition has been filed. If the termination, cancellation or nonrenewal is pursuant to G.S. 20-305(6)c.1.III. then the Commissioner shall give the proceeding priority consideration and shall try to render his final determination no later than 90 days after the petition has been filed. Any parties to a hearing by the Commissioner under this section shall have a right of review of the decision in a court of competent jurisdiction pursuant to Chapter 150B of the General Statutes. Any determination of the Commissioner under this section finding that good cause exists for the nonrenewal, cancellation, or termination of any franchise shall automatically be stayed during any period that the affected dealer shall have the right to judicial review or appeal of the determination before the superior court or any other appellate court and during the pendency of any appeal; provided, however, that within 30 days of entry of the Commissioner's order, the affected dealer provide such security as the reviewing court, in its discretion, may deem appropriate for payment of such costs and damages as may be incurred or sustained by the manufacturer by reason of and during the pendency of the stay. Although the right of the affected dealer to such stay is automatic, the procedure for providing such security and for the award of damages, if any, to the manufacturer upon dissolution of the stay shall be in accordance with G.S. 1A-1, Rule 65(d) and (e). No such security provided by or on behalf of any affected dealer shall be forfeited or damages awarded against a dealer who obtains a stay under this subdivision in the event the ownership of the affected dealership is subsequently transferred, sold, or assigned to a third party in accordance with this subdivision or subdivision (4) of this section and the closing on such transfer, sale, or assignment occurs no later than 180 days after the date of entry of the Commissioner's order. Furthermore, unless and until the termination, cancellation, or nonrenewal of a dealer's franchise shall finally become effective, in light of any stay or any order of the Commissioner determining that good cause exists for the termination, cancellation, or nonrenewal of a dealer's franchise as provided in this ~~paragraph,~~subdivision, a dealer who receives a notice of termination, cancellation, or nonrenewal from a manufacturer as provided in this subdivision shall continue to have the same rights to assign, sell, or transfer the franchise to a third party under the franchise and as permitted under G.S. 20-305(4) as if notice of the termination had not been given by the manufacturer. Any franchise under notice or threat of termination, cancellation, or nonrenewal by the manufacturer which is duly transferred in accordance with G.S. 20-305(4) shall not be subject to termination by reason of failure of performance or breaches of the franchise on the part of the transferor.

…

c. Notification of Termination, Cancellation and Nonrenewal. –

1. Notwithstanding the terms, provisions or conditions of any franchise prior to the termination, cancellation or nonrenewal of any franchise, the manufacturer shall furnish notification

of termination, cancellation or nonrenewal to the new motor vehicle dealer as follows:

…

IV. Not less than 180 days prior to the effective date of such termination, cancellation, or nonrenewal which occurs as a result of any change in ownership, operation, or control of all or any part of the business of the manufacturer, factory branch, distributor, or distributor branch whether by sale or transfer of assets, corporate stock or other equity interest, assignment, merger, consolidation, combination, joint venture, redemption, operation of law or otherwise; or the termination, suspension, or cessation of a part or all of the business operations of the manufacturers, factory branch, distributor, or distributor branch; or discontinuance of the sale of the ~~product line~~ line-make or brand, or a change in distribution system by the manufacturer whether through a change in distributors or the manufacturer's decision to cease conducting business through a distributor altogether.

…

d. Payments.

…

2. The compensation provided above shall be paid by the manufacturer or distributor not later than 90 days after the manufacturer or distributor has received notice in writing from or on behalf of the new motor vehicle dealer specifying the elements of compensation requested by the dealer; provided the new motor vehicle dealer has, or can obtain, clear title to the inventory and has conveyed, or can convey, title and possession of the same to the manufacturer or distributor. Within 15 days after receipt of the dealer's written request for compensation, the manufacturer or distributor shall send the dealer detailed written instructions and forms required by the manufacturer or distributor to effectuate the receipt of the compensation requested by the dealer. The manufacturer or distributor shall be obligated to pay or reimburse the dealer for any transportation charges associated with the repurchase obligations of the manufacturer or distributor under this ~~sub-subparagraph.~~sub-subdivision. The manufacturer or distributor shall also compensate the dealer for any handling, packing, or similar payments contemplated in the franchise. In no event may the manufacturer or distributor charge the dealer any handling, restocking, or other similar costs or fees associated with items repurchased by the manufacturer under this ~~sub-subparagraph.~~sub-subdivision.

3. In addition to the other payments set forth in this section, if a termination, cancellation, or nonrenewal is premised upon any of the occurrences set forth in G.S. 20-305(6)c.1.IV., then the manufacturer or distributor shall be liable to the dealer for an amount at least equivalent to the fair market value of the franchise on (i) the date the franchisor announces the action

which results in termination, cancellation, or nonrenewal; or (ii) the date the action which results in termination, cancellation, or nonrenewal first became general knowledge; or (iii) the day 18 months prior to the date on which the notice of termination, cancellation, or nonrenewal is issued, whichever amount is higher. Payment is due not later than 90 days after the manufacturer or distributor has received notice in writing from, or on behalf of, the new motor vehicle dealer specifying the elements of compensation requested by the dealer. Any contract, agreement, or release entered into between any manufacturer and any dealer in which the dealer waives the dealer's right to receive monetary compensation in any sum or amount not less than the fair market value of the franchise as provided in this subdivision, including any contract, agreement, or release in which the dealer would accept the right to continue to offer and be compensated for service, parts, or both service and parts provided by the dealer in lieu of receiving all or a portion of the fair market value of the franchise, shall be voidable at the election of the dealer within 90 days of the effective date of the agreement. If the termination, cancellation, or nonrenewal is due to a manufacturer's change in distributors, but the line-make or brand in this State would continue to be sold through the new distributor, the manufacturer may avoid paying fair market value to the dealer if the new distributor or the manufacturer offers the dealer a franchise agreement with terms acceptable to the dealer.

e. Dealership Facilities Assistance upon Termination, Cancellation or Nonrenewal.

In the event of the occurrence of any of the events specified in G.S. 20-305(6)d.1. above, except termination, cancellation or nonrenewal for license revocation, conviction of a crime involving moral turpitude, or fraud by a dealer-owner:

1. Subject to ~~paragraph 3,~~sub-sub-subdivision 3. of this sub-subdivision, if the new motor vehicle dealer is leasing the dealership facilities from a lessor other than the manufacturer or distributor, the manufacturer or distributor shall pay the new motor vehicle dealer a sum equivalent to the rent for the unexpired term of the lease or three year's rent, whichever is less, or such longer term as is provided in the franchise agreement between the dealer and manufacturer; except that, in the case of motorcycle dealerships, the manufacturer shall pay the new motor vehicle dealer the sum equivalent to the rent for the unexpired term of the lease or one year's rent, whichever is less, or such longer term as provided in the franchise agreement between the dealer and manufacturer; or
2. Subject to ~~paragraph 3,~~sub-sub-subdivision 3. of this sub-subdivision, if the new motor vehicle dealer owns the dealership facilities, the manufacturer or distributor shall pay the new motor vehicle dealer a sum equivalent to the reasonable rental value of the dealership facilities for three years, or for one year in the case of motorcycle dealerships.

3. In order to be entitled to facilities assistance from the manufacturer or distributor, as provided in this ~~paragraph e.,~~sub-subdivision, the dealer, owner, or lessee, as the case may be, shall have the obligation to mitigate damages by listing the demised premises for lease or sublease with a licensed real estate agent within 30 days after the effective date of the termination of the franchise and thereafter by reasonably cooperating with said real estate agent in the performance of the agent's duties and responsibilities. In the event that the dealer, owner, or lessee is able to lease or sublease the demised premises, the dealer shall be obligated to pay the manufacturer the net revenue received from such mitigation up to the total amount of facilities assistance which the dealer has received from the manufacturer pursuant to sub-subdivisions 1. and 2. To the extent and for such uses and purposes as may be consistent with the terms of the lease, a manufacturer who pays facilities assistance to a dealer under this ~~paragraph e.~~sub-subdivision shall be entitled to occupy and use the dealership facilities during the years for which the manufacturer shall have paid rent under sub-subdivisions 1. and 2.

…

5. The compensation required for facilities assistance under this ~~paragraph e.~~sub-subdivision shall be paid by the manufacturer or distributor within 90 days after the manufacturer or distributor has received notice in writing from, or on behalf of, a new motor vehicle dealer specifying the elements of compensation requested by the dealer.

…."

SECTION 3. G.S. 20-305(7)d. reads as rewritten:

"d. Within 60 days after the death or incapacity of the owner or principal operator, a designated successor appointed in substantial compliance with this section shall give the affected manufacturer or distributor written notice of his or her succession to the position of owner or principal operator of the new motor vehicle dealership; provided, however, that the failure of the designated successor to give the manufacturer or distributor written notice as provided above within 60 days of the death or incapacity of the owner or principal operator shall not result in the waiver or termination of the designated successor's right to succeed to the ownership of the new motor vehicle dealership unless the manufacturer or distributor gives written notice of this provision to either the designated successor or the deceased or incapacitated owner's executor, administrator, guardian or other fiduciary by certified or registered mail, return receipt requested, and said written notice grants not less than 30 days time within which the designated successor may give the notice required hereunder, provided the designated successor or the deceased or incapacitated owner's executor, administrator, guardian or other fiduciary has given the manufacturer reasonable notice of death or incapacity. Within 30 days of receipt of the notice by the manufacturer or distributor from the designated successor provided in this ~~paragraph,~~ sub-subdivision, the manufacturer or distributor may request that the designated successor complete the application

forms generally utilized by the manufacturer or distributor to review the designated successor's qualifications to establish a successor dealership. Within 30 days of receipt of the completed forms, the manufacturer or distributor shall send a letter by certified or registered mail, return receipt requested, advising the designated successor of facts and circumstances which have changed since the manufacturer's or distributor's original approval of the designated successor, and which have caused the manufacturer or distributor to object to the designated successor. Upon receipt of such notice, the designated successor may either designate an alternative successor or may file a request for evidentiary hearing in accordance with the procedures provided in sub-subdivisions b.2.-5. of this subdivision. In any such hearing, the manufacturer or distributor shall be limited to facts and circumstances which did not exist at the time the designated successor was originally approved or evidence which was originally requested to be produced by the designated successor at the time of the original request and was fraudulent."

SECTION 4. G.S. 20-305(38) reads as rewritten:

"(38) Notwithstanding the terms, provisions, or conditions of any agreement, franchise, novation, waiver, or other written instrument, to assign or change a franchised new motor vehicle dealer's area of responsibility under the franchise arbitrarily or without due regard to the present or projected future pattern of motor vehicle sales and registrations within the dealer's market and without having provided the affected dealer with written notice of the change in the dealer's area of responsibility and a detailed description of the change in writing by registered or certified mail, return receipt requested. A franchised new motor vehicle dealer who believes that a manufacturer, factory branch, distributor, or distributor branch with whom the dealer has entered into a franchise has ~~violated this subdivision~~assigned or changed the dealer's area of responsibility, is proposing to assign or change the dealer's area of responsibility arbitrarily or without due regard to the present or projected future pattern of motor vehicle sales and registrations within the dealer's market, or failed to provide the dealer with the notice required under this subdivision may file a petition within 60 days of receiving notice of a manufacturer, factory branch, distributor, or distributor branch's proposed assignment or change to the dealer's area of responsibility and have an evidentiary hearing before the Commissioner as provided in G.S. 20-301(b) contesting the franchised new motor vehicle dealer's assigned area of responsibility. In determining at the evidentiary hearing whether a manufacturer, factory branch, distributor, or distributor branch has assigned or changed the dealer's area of responsibility or is proposing to assign or change the dealer's area of responsibility arbitrarily or without due regard to the present or projected future pattern of motor vehicle sales and registrations within the dealer's market, the Commissioner may take into consideration the relevant circumstances, including, but not limited to:

a. The investment of time, money, or other resources made for the purpose of developing the market for the vehicles of the same line-make in the existing or proposed area of responsibility by the petitioning dealer, other same line-make dealers who would be affected by the change in the area of responsibility, or by the manufacturer, factory branch, distributor, distributor branch, or any dealer or regional advertising association.

b. The present and future projected traffic patterns and drive times between consumers and the same line-make franchised dealers of the affected manufacturer, factory branch, distributor, or distributor branch who are located within the market.

c. The historical and projected future pattern of new vehicle sales and registrations of the affected manufacturer, factory branch, distributor, or distributor branch within various portions of the area of responsibility and within the market as a whole.

d. The growth or decline in population, density of population, and new car registrations in the market.

e. If the affected manufacturer, factory branch, distributor, or distributor branch has removed territory from a dealer's area of responsibility or is proposing to remove territory from a dealer's area of responsibility, the projected economic effects, if any, that these changes in the dealer's area of responsibility will have on the petitioning dealer, other same line-make dealers, the public, and the manufacturer, factory branch, distributor, or distributor branch.

f. The projected effects that the changes in the petitioning dealer's area of responsibility that have been made or proposed by the affected manufacturer, manufacturer branch, distributor, or distributor branch will have on the consuming public within the market.

g. The presence or absence of natural geographical obstacles or boundaries, such as mountains and rivers.

h. The proximity of census tracts or other geographic units used by the affected manufacturer, factory branch, distributor, or distributor branch in determining same line-make dealers' respective areas of responsibility.

i. The public interest, consumer welfare, and customer convenience.

j. The reasonableness of the change or proposed change to the dealer's area of responsibility considering the benefits and harm to the petitioning dealer, other same line-make dealers, and the manufacturer, factory branch, distributor, or distributor branch.

At the evidentiary hearing before the Commissioner, the affected manufacturer, factory branch, distributor, or distributor branch shall have the burden of proving that all portions of its current or proposed area of responsibility for the petitioning franchised new motor vehicle dealer are reasonable in light of the present or projected future pattern of motor vehicle sales and registrations within the franchised new motor vehicle dealer's market. A policy or protocol of a manufacturer, factory branch, distributor, or distributor branch that determines a dealer's area of responsibility based solely on the proximity of census tracts or other geographic units to its franchised dealers and the existence of natural boundaries fails to satisfy the burden of proof on the affected manufacturer, factory branch, distributor, or distributor branch under this subdivision. Upon the filing of a petition before the Commissioner under this subdivision, any changes in the petitioning franchised new motor vehicle dealer's area of responsibility that have been proposed by the affected manufacturer, factory branch, distributor, or distributor branch shall be stayed during the pendency of the determination by the Commissioner. If a protest is or has been filed under G.S. 20-305(5) and the franchised new motor vehicle dealer's area of responsibility is included in the relevant market area under the protest, any protest filed under this subdivision shall be consolidated with that protest for hearing and joint disposition of all of the protests. Nothing in this subdivision shall apply to the determination of whether good cause exists for the establishment by a manufacturer, factory branch, distributor, or distributor branch of

an additional new motor vehicle dealer or relocation of an existing new motor vehicle dealer, which shall be governed in accordance with the requirements and criteria contained in G.S. 20-305(5) and not this subdivision."

SECTION 5. G.S. 20-305 is amended by adding a new subdivision to read:

"(49) A manufacturer or distributor may not charge a dealer more than a reasonable cost for any tool that the manufacturer or distributor sells to a dealer and designates as a special or essential tool. A manufacturer or distributor that collects tool fees as a convenience for the dealer and passes the payment through to a tool manufacturer or supplier which is not owned, operated, or controlled by the manufacturer, distributor, or affiliate shall not be considered to be selling the tool provided that the manufacturer or distributor's involvement does not increase the cost of the special tool or essential tool. Nothing in this subdivision shall prohibit a manufacturer or distributor from charging a reasonable nominal fee in addition to the cost of the special or essential tool that includes manufacturer or distributor handling costs. For any special or essential tool that the manufacturer or distributor sells to the dealer at a price exceeding two hundred fifty dollars ($250.00), the manufacturer or distributor shall disclose on an invoice or similar billing statement submitted to the dealer for the tool, the actual cost of the special or essential tool paid by the manufacturer or distributor."

SECTION 6. G.S. 20-305.1(a2) reads as rewritten:

"(a2) In calculating the retail rate customarily charged by the dealer for parts and labor, the following work shall not be included in the calculation:

(1) Repairs for manufacturer or distributor special events, specials, coupons, or other promotional discounts for retail customer repairs.
(2) Parts sold at wholesale or at reduced or specially negotiated rates for insurance repairs.
(3) Engine assemblies.
(4) Routine ~~maintenance not covered under warranty, such as~~ maintenance, including fluids, filters, alignments, flushes, oil changes, ~~and belts~~ belts, and brake drums/rotors and shoes/pads not provided in the course of repairs.
(5) Nuts, bolts, fasteners, and similar items that do not have an individual part number.
(6) ~~Tires.~~Tires and vehicle alignments.
(7) Vehicle reconditioning.
(8) Batteries and light bulbs."

SECTION 7. G.S. 20-305.1(b3) reads as rewritten:

"(b3) ~~Notwithstanding the terms of any franchise or other agreement, or the terms of any program, policy, or procedure of any manufacturer, it shall be unlawful for a manufacturer to take or threaten to take any adverse action against a dealer located in this State, or to otherwise discriminate against any dealer located in this State, on the basis that the dealer sold or leased a motor vehicle to a customer who either exported the vehicle to a foreign country or who resold the vehicle to a third party, unless the dealer knew or reasonably should have known that the customer intended to export or resell the motor vehicle prior to the customer's purchase of the vehicle from the dealer. The conduct prohibited under this subsection includes, but is not limited to, a manufacturer's actual or threatened: (i) failure or refusal to allocate, sell, or deliver motor vehicles to the dealer; or (ii) discrimination against any dealer in the allocation of vehicles; or (iii) charging back or withholding payments or other compensation or consideration for which a dealer is otherwise eligible for warranty reimbursement or under a sales promotion, incentive program, or contest; or (iv) disqualification of a dealer from participating in or discrimination against any dealer relating to any sales promotion, incentive program, or contest; or (v) termination of a franchise. In any proceeding brought pursuant to this subsection, there shall be a rebuttable presumption that the dealer, prior to the customer's~~

~~purchase of the vehicle, did not know nor should have reasonably known that the customer intended to export or resell the motor vehicle, if (i) following the sale, the vehicle is titled, registered, and, where applicable, taxes paid in any state or territory within the United States in the name of a customer who was physically present at the dealership at or prior to the time of sale, and (ii) the dealer did not know, prior to the consummation of the sale, that the vehicle would be shipped to a foreign country.~~ For purposes of this subsection, the term "manufacturer" shall include the terms "manufacturer," "manufacturer branch," "distributor," and "distributor branch," as those terms are defined in G.S. 20-286.

(1) Notwithstanding the terms of any franchise or other agreement, or the terms of any program, policy, or procedure of any manufacturer, it shall be unlawful for any manufacturer to take or threaten to take any adverse action against a dealer located in this State, or to otherwise discriminate against any dealer located in this State when:

a. The dealer failed to ensure that the purchaser or lessee paid personal property tax on the vehicle purchased or leased from the dealer;

b. The dealer failed to ensure that the vehicle being purchased or leased had been permanently registered in this State or in any other state in which the dealer was not required to ensure that the vehicle's permanent registration was processed or submitted at the time of the vehicle's purchase or lease;

c. The manufacturer extrapolated the imposition of any adverse action based on a certain number or percentage of the vehicles sold or leased by a dealer over a specified period of time having been exported or brokered; or

d. The dealer sold or leased a motor vehicle to a customer who either exported the vehicle to a foreign country or who resold the vehicle to a third party, unless:

1. The dealer reasonably should have known that the customer intended to export or resell the motor vehicle prior to the customer's purchase or lease of the vehicle from the dealer;

2. The vehicle sold or leased by the dealer was exported to a foreign country within 180 days after the date of sale or lease by the dealer; and

3. The affected manufacturer provided written notification to the affected motor vehicle dealer of the resale or export within 12 months from the date of sale or lease.

Notwithstanding the provisions of sub-subdivision d. of this subdivision, a manufacturer may take adverse action against a dealer located in this State if the dealer sold or leased a motor vehicle to a customer who either exported the vehicle to a foreign country or who resold the vehicle to a third party and the dealer, prior to the customer's purchase or lease of the vehicle from the dealer, had actual knowledge that the customer intended to export or resell the motor vehicle.

(2) The adverse action and discrimination prohibited under this subsection includes, but is not limited to, a manufacturer's actual or threatened:

a. Failure or refusal to allocate, sell, or deliver motor vehicles to the dealer;

b. Discrimination against any dealer in the allocation of vehicles;

c. Charging back or withholding payments or other compensation or consideration that a dealer is otherwise entitled to receive and that is not otherwise the subject of a dispute for warranty reimbursement or under a sales promotion, incentive program, contest, or other

program or policy that would provide any compensation or support for the dealer;

d. Disqualification of a dealer from participating in, or discrimination against any dealer relating to, any sales promotion, incentive program, contest, or other program or policy that would provide any compensation or support for the dealer;

e. Termination of a franchise; or

f. The imposition of any fine, penalty, chargeback, or other disciplinary or punitive measure.

(3) In any proceeding brought pursuant to this subsection, the affected manufacturer shall have the burden of proving that the dealer knew or reasonably should have known that the customer intended to export or resell the motor vehicle prior to the customer's purchase or lease of the vehicle from the dealer, subject to the following provisions:

a. There shall be a rebuttable presumption that the dealer, prior to the customer's purchase or lease of the vehicle, did not know nor should have reasonably known that the customer intended to export or resell the motor vehicle, if:

1. Following the sale or lease, the dealer submitted the requisite documentation to the appropriate governmental entity to enable the vehicle to be titled, registered and, where applicable, sales or highway use tax paid in any state or territory within the United States in the name of a customer who was physically present at the dealership at or prior to the time of sale or lease; and

2. The customer's identifying information was not included on a list of known or suspected exporters or resellers identified and made readily accessible to the dealer by the applicable manufacturer at the time of the sale or lease.

b. There shall be a rebuttable presumption that the dealer, prior to the customer's purchase or lease of the vehicle, knew or reasonably should have known that the customer intended to export or resell the motor vehicle if the customer's identifying information was included on a list of known or suspected exporters or resellers identified and made readily accessible to the dealer by the applicable manufacturer at the time of the sale or lease.

c. Nothing contained in subdivision (1) of this subsection shall be deemed to prevent or prohibit the Commissioner or the affected manufacturer from considering one or more of the factors delineated in sub-subdivisions a. through c. of subdivision (1) of this subsection in determining whether the dealer knew or reasonably should have known that the customer intended to export or resell the motor vehicle prior to the customer's purchase or lease of the vehicle from the dealer.

(4) Any audit of a dealer by a manufacturer for sales or leases made to exporters or brokers shall only be for the 12-month period immediately preceding the audit."

SECTION 8. G.S. 20-305.1(c) reads as rewritten:

"(c) In the event there is a dispute between the manufacturer, factory branch, distributor, or distributor branch, and the dealer with respect to any matter referred to in subsection (a), (b), (b1), (b2), (b3), or (d) of this section, either party may petition the Commissioner in writing, within 30 days after either party has given written notice of the dispute to the other, for a hearing on the subject and the decision of the Commissioner shall be binding on the parties,

subject to rights of judicial review and appeal as provided in Chapter 150B of the General Statutes; provided, however, that nothing contained herein shall give the Commissioner any authority as to the content of any manufacturer's or distributor's warranty. Upon the filing of a petition before the Commissioner under this subsection, any chargeback to or any payment required of a dealer by a manufacturer relating to warranty parts or service compensation, or to sales incentives, service incentives, rebates, ~~or~~ other forms of incentive compensation, or the withholding or chargeback of other compensation or support that a dealer would otherwise be eligible to receive shall be stayed during the pendency of the determination by the Commissioner."

SECTION 9. G.S. 20-305.1(g) reads as rewritten:

"(g) Truck Dealer Cost Reimbursement. – Every manufacturer, manufacturer branch, distributor, or distributor branch of new motor vehicles, or any affiliate or subsidiary thereof, which manufactures or distributes new motor vehicles with a gross vehicle weight rating of 16,000 pounds or more shall compensate its new motor vehicle dealers located in this State for the cost of special tools, equipment, and training for which its dealers are liable when the applicable manufacturer, manufacturer branch, distributor, or distributor branch sells a portion of its vehicle inventory to converters and other nondealer retailers. The purpose of this reimbursement is to compensate truck dealers for special additional costs these dealers are required to pay for servicing these vehicles when the dealers are excluded from compensation for these expenses at the point of sale. The compensation which shall be paid pursuant to this subsection shall be applicable only with respect to new motor vehicles with a gross vehicle weight rating of 16,000 pounds or more which are registered to end users within this State and that are sold by a manufacturer, manufacturer branch, distributor, or distributor branch to ~~either:~~either of the following:

(1) Persons or entities other than new motor vehicle dealers with whom the manufacturer, manufacturer branch, distributor, or distributor branch has entered into ~~franchises; or~~franchises.

(2) Persons or entities that install custom bodies on truck chassis, including, but not limited to, mounted equipment or specialized bodies for concrete distribution, firefighting equipment, waste disposal, recycling, garbage disposal, buses, utility service, street sweepers, wreckers, and rollback bodies for vehicle recovery; provided, however, that no compensation shall be required to be paid pursuant to this subdivision with respect to vehicles sold for purposes of manufacturing or assembling school buses. Additionally, no compensation shall be required to be paid pursuant to this subdivision with respect to any vehicles that were sold to the end user by a franchised new motor vehicle dealer.

The amount of compensation ~~which~~ that shall be payable by the applicable manufacturer, manufacturer branch, distributor, or distributor branch shall be ~~six~~ nine hundred dollars ~~($600.00)~~ ($900.00) per new motor vehicle registered in this State whose chassis has a gross vehicle weight rating of 16,000 pounds or more. The compensation required pursuant to this subsection shall be paid by the applicable manufacturer, manufacturer branch, distributor, or distributor branch to its franchised new motor vehicle dealer in closest proximity to the registered address of the end user to whom the motor vehicle has been registered within 30 days after ~~such registration.~~registration of the vehicle. Upon receiving a request in writing from one of its franchised dealers located in this State, a manufacturer, manufacturer branch, distributor, or distributor branch shall promptly make available to ~~such~~ the dealer its records relating to the registered addresses of its new motor vehicles registered in this State for the previous 12 months and its payment of compensation to dealers as provided in this subsection."

SECTION 10. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end, the provisions of this act are severable.

SECTION 11. This act is effective when it becomes law and applies to all current and future franchises and other agreements in existence between any new motor vehicle dealer located in this State and a manufacturer or distributor as of the effective date of this act.

In the General Assembly read three times and ratified this the 5th day of August, 2015.

Became law upon approval of the Governor at 1:32 p.m. on the 11th day of August, 2015.

Session Law 2015-210 **H.B. 284**

AN ACT TO CLARIFY THAT IMPOSITION OF A FINE IS NOT AN ALLOWABLE SANCTION FOR CIVIL CONTEMPT AND TO PERMIT EXCUSED JURY DUTY FOR STUDENTS ATTENDING POSTSECONDARY SCHOOLS OUT OF STATE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 5A-21 is amended by adding a new subsection to read:

"(d) A person who is found in civil contempt under this Article is not subject to the imposition of a fine."

SECTION 2. G.S. 9-6 reads as rewritten:

"§ **9-6. Jury service a public duty; excuses to be allowed in exceptional cases; procedure.**

…

(b1) A prospective juror who is summoned for jury service in a session of court scheduled during a period of time when the prospective juror is taking classes or exams as a full-time student enrolled at an out-of-state postsecondary public or private educational institution, including any out-of-state trade or professional institution, college, or university, shall be excused from jury service upon request made pursuant to G.S. 9-6.1(a) and supported by documentation showing enrollment at the out-of-state educational institution.

(c) A prospective juror excused by a judge in the exercise of the discretion conferred by subsection (b) of this section or excused pursuant to subsection (b1) of this section may be required by the judge to serve as a juror in a subsequent session of court. If required to serve subsequently, the juror shall be considered on such occasion the same as if he were a member of the panel regularly summoned for jury service at that time.

…."

SECTION 3. G.S. 9-6.1 reads as rewritten:

"§ **9-6.1. Requests to be excused.**

(a) Any person summoned as a juror who is a full-time student and who wishes to be excused pursuant to G.S. 9-6.1(b1) or who is 72 years or older and who wishes to be excused, deferred, or ~~exempted~~ exempted, may make the request without appearing in person by filing a signed statement of the ground of the request with the chief district court judge of that district, or the district court judge or trial court administrator designated by the chief district court judge pursuant to G.S. 9-6(b), at any time five business days before the date upon which the person is summoned to appear.

…."

SECTION 4. The Administrative Office of the Courts, in consultation with the North Carolina Conference of Clerks of Superior Court, shall study excusals from jury service. It shall consider all of the current exemptions from jury service and examine whether or not excusals should be granted for prospective jurors who are on work assignment outside the State of North Carolina. The Administrative Office of the Courts shall report its findings and any recommendations to the Joint Legislative Oversight Committee on Justice and Public Safety and the General Assembly upon the convening of the 2016 Regular Session of the 2015 General Assembly.

SECTION 5. Section 1 of this act becomes effective October 1, 2015, and applies to civil contempt orders entered on or after that date. Sections 2 and 3 of this act become

effective when this act becomes law and apply to requests for excusal from jury service made on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 4th day of August, 2015.

Became law upon approval of the Governor at 1:33 p.m. on the 11th day of August, 2015.

Session Law 2015-211 **H.B. 814**

AN ACT REQUIRING THE CHIEF MEDICAL EXAMINER TO ESTABLISH A MEDICAL EXAMINER TRAINING PROGRAM THAT INCLUDES TRAINING REGARDING SUDDEN UNEXPECTED DEATH IN EPILEPSY DURING MEDICOLEGAL DEATH INVESTIGATIONS.

Whereas, sudden unexpected death in epilepsy (SUDEP) is a mysterious, rare condition in which typically young or middle-aged individuals with epilepsy die without a clear cause and is generally defined by the medical community as a sudden, unexpected, nontraumatic, nondrowning death in an otherwise healthy individual with epilepsy, where the postmortem examination does not reveal an anatomic or toxicologic cause of the death; and

Whereas, SUDEP is believed to account for up to 17 percent of deaths in individuals with epilepsy; and

Whereas, autopsy plays a key role in determining the diagnosis of SUDEP, yet the Institute of Medicine has found that SUDEP may be underreported for several reasons, including, but not limited to, a lack of awareness about SUDEP among medical examiners; and

Whereas, the cause of SUDEP is not known, and opportunities for its prevention have been hindered by the lack of a systematic effort to collect information about individuals who have died from SUDEP, as is done with many other disorders; and

Whereas, it is appropriate to raise awareness of SUDEP among medical examiners by developing a SUDEP awareness program and by facilitating research into the causes and prevention of SUDEP; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 130A-382 reads as rewritten:

"§ **130A-382. County medical examiners; appointment; term of office; ~~vacancies.~~vacancies; training requirements; revocation for cause.**

(a) The Chief Medical Examiner shall appoint ~~one~~ two or more county medical examiners for each county for a three-year term. In appointing medical examiners for each county, the Chief Medical Examiner shall give preference to physicians licensed to practice medicine in this State but may also appoint licensed physician assistants, nurse practitioners, nurses, ~~coroners,~~ or emergency medical technician paramedics. A medical examiner may serve more than one county. The Chief Medical Examiner may take jurisdiction in any case or appoint another medical examiner to do so.

(b) County medical examiners shall complete continuing education training as directed by the Office of the Chief Medical Examiner and based upon established and published guidelines for conducting death investigations. The continuing education training shall include training regarding sudden unexpected death in epilepsy. The Office of the Chief Medical Examiner shall annually update and publish these guidelines on its Internet Web site. Newly appointed county medical examiners shall complete mandatory orientation training as directed by the Office of the Chief Medical Examiner within 90 days of their appointment.

(c) The Chief Medical Examiner may revoke a county medical examiner's appointment for failure to adequately perform the duties of the office after providing the county medical examiner with written notice of the basis for the revocation and an opportunity to respond."

SECTION 2. This act becomes effective January 1, 2016.

In the General Assembly read three times and ratified this the 4th day of August, 2015.

Became law upon approval of the Governor at 1:34 p.m. on the 11th day of August, 2015.

Session Law 2015-212 **H.B. 566**

AN ACT TO AMEND THE EYEWITNESS IDENTIFICATION REFORM ACT TO CLARIFY THAT THE PROVISIONS OF THE ACT APPLY TO LAW ENFORCEMENT OFFICERS WHO ARE EYEWITNESSES, TO CLARIFY THAT A PHOTO LINEUP IS DIFFERENT FROM A SHOW-UP, AND TO ESTABLISH A PROCEDURE FOR CONDUCTING A SHOW-UP.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 15A-284.52 reads as rewritten:

"§ **15A-284.52. Eyewitness identification reform.**

(a) Definitions. – The following definitions apply in this Article:

(1) Eyewitness. – A ~~person~~ person, including a law enforcement officer, whose identification by sight of another person may be relevant in a criminal proceeding.

(2) Filler. – A person or a photograph of a person who is not suspected of an offense and is included in a lineup.

(3) Independent administrator. – A lineup administrator who is not participating in the investigation of the criminal offense and is unaware of which person in the lineup is the suspect.

(4) Lineup. – A photo lineup or live lineup.

(5) Lineup administrator. – The person who conducts a lineup.

(6) Live lineup. – A procedure in which a group of people is displayed to an eyewitness for the purpose of determining if the eyewitness is able to identify the perpetrator of a crime.

(7) Photo lineup. – A procedure in which an array of photographs is displayed to an eyewitness for the purpose of determining if the eyewitness is able to identify the perpetrator of a crime.

(8) Show-up. – A procedure in which an eyewitness is presented with a single live suspect for the purpose of determining whether the eyewitness is able to identify the perpetrator of a crime.

(b) Eyewitness Identification Procedures. – Lineups conducted by State, county, and other local law enforcement officers shall meet all of the following requirements:

(1) A lineup shall be conducted by an independent administrator or by an alternative method as provided by subsection (c) of this section.

(2) Individuals or photos shall be presented to witnesses sequentially, with each individual or photo presented to the witness separately, in a previously determined order, and removed after it is viewed before the next individual or photo is presented.

(3) Before a lineup, the eyewitness shall be instructed that:

a. The perpetrator might or might not be presented in the lineup,

b. The lineup administrator does not know the suspect's identity,

c. The eyewitness should not feel compelled to make an identification,

d. It is as important to exclude innocent persons as it is to identify the perpetrator, and

e. The investigation will continue whether or not an identification is made.

The eyewitness shall acknowledge the receipt of the instructions in writing. If the eyewitness refuses to sign, the lineup administrator shall note the refusal of the eyewitness to sign the acknowledgement and shall also sign the acknowledgement.

(4) In a photo lineup, the photograph of the suspect shall be contemporary and, to the extent practicable, shall resemble the suspect's appearance at the time of the offense.

(5) The lineup shall be composed so that the fillers generally resemble the eyewitness's description of the perpetrator, while ensuring that the suspect does not unduly stand out from the fillers. In addition:

a. All fillers selected shall resemble, as much as practicable, the eyewitness's description of the perpetrator in significant features, including any unique or unusual features.

b. At least five fillers shall be included in a photo lineup, in addition to the suspect.

c. At least five fillers shall be included in a live lineup, in addition to the suspect.

d. If the eyewitness has previously viewed a photo lineup or live lineup in connection with the identification of another person suspected of involvement in the offense, the fillers in the lineup in which the current suspect participates shall be different from the fillers used in any prior lineups.

(6) If there are multiple eyewitnesses, the suspect shall be placed in a different position in the lineup or photo array for each eyewitness.

(7) In a lineup, no writings or information concerning any previous arrest, indictment, or conviction of the suspect shall be visible or made known to the eyewitness.

(8) In a live lineup, any identifying actions, such as speech, gestures, or other movements, shall be performed by all lineup participants.

(9) In a live lineup, all lineup participants must be out of view of the eyewitness prior to the lineup.

(10) Only one suspect shall be included in a lineup.

(11) Nothing shall be said to the eyewitness regarding the suspect's position in the lineup or regarding anything that might influence the eyewitness's identification.

(12) The lineup administrator shall seek and document a clear statement from the eyewitness, at the time of the identification and in the eyewitness's own words, as to the eyewitness's confidence level that the person identified in a given lineup is the perpetrator. The lineup administrator shall separate all witnesses in order to discourage witnesses from conferring with one another before or during the procedure. Each witness shall be given instructions regarding the identification procedures without other witnesses present.

(13) If the eyewitness identifies a person as the perpetrator, the eyewitness shall not be provided any information concerning the person before the lineup administrator obtains the eyewitness's confidence statement about the selection. There shall not be anyone present during the live lineup or photographic identification procedures who knows the suspect's identity, except the eyewitness and counsel as required by law.

(14) Unless it is not practical, a video record of live identification procedures shall be made. If a video record is not practical, the reasons shall be documented, and an audio record shall be made. If neither a video nor audio record are practical, the reasons shall be documented, and the lineup administrator shall make a written record of the lineup.

(15) Whether video, audio, or in writing, the record shall include all of the following information:

a. All identification and nonidentification results obtained during the identification procedure, signed by the eyewitness, including the eyewitness's confidence statement. If the eyewitness refuses to sign, the lineup administrator shall note the refusal of the eyewitness to sign the results and shall also sign the notation.

b. The names of all persons present at the lineup.

c. The date, time, and location of the lineup.

d. The words used by the eyewitness in any identification, including words that describe the eyewitness's certainty of identification.

e. Whether it was a photo lineup or live lineup and how many photos or individuals were presented in the lineup.

f. The sources of all photographs or persons used.

g. In a photo lineup, the photographs themselves.

h. In a live lineup, a photo or other visual recording of the lineup that includes all persons who participated in the lineup.

(c) Alternative Methods for Identification if Independent Administrator Is Not Used. – In lieu of using an independent administrator, a photo lineup eyewitness identification procedure may be conducted using an alternative method specified and approved by the North Carolina Criminal Justice Education and Training Standards Commission. Any alternative method shall be carefully structured to achieve neutral administration and to prevent the administrator from knowing which photograph is being presented to the eyewitness during the identification procedure. Alternative methods may include any of the following:

(1) Automated computer programs that can automatically administer the photo lineup directly to an eyewitness and prevent the administrator from seeing which photo the witness is viewing until after the procedure is completed.

(2) A procedure in which photographs are placed in folders, randomly numbered, and shuffled and then presented to an eyewitness such that the administrator cannot see or track which photograph is being presented to the witness until after the procedure is completed.

(3) Any other procedures that achieve neutral administration.

(c1) Show-Up Procedures. – A show-up conducted by State, county, and other local law enforcement officers shall meet all of the following requirements:

(1) A show-up may only be conducted when a suspect matching the description of the perpetrator is located in close proximity in time and place to the crime, or there is reasonable belief that the perpetrator has changed his or her appearance in close time to the crime, and only if there are circumstances that require the immediate display of a suspect to an eyewitness.

(2) A show-up shall only be performed using a live suspect and shall not be conducted with a photograph.

(3) Investigators shall photograph a suspect at the time and place of the show-up to preserve a record of the appearance of the suspect at the time of the show-up procedure.

(c2) The North Carolina Criminal Justice Education and Training Standards Commission shall develop a policy regarding standard procedures for the conduct of show-ups in accordance with this section. The policy shall apply to all law enforcement agencies and shall address all of the following, in addition to the provisions of this section:

(1) Standard instructions for eyewitnesses.

(2) Confidence statements by the eyewitness, including information related to the eyewitness' vision, the circumstances of the events witnessed, and communications with other eyewitnesses, if any.

(3) Training of law enforcement officers specific to conducting show-ups.

(4) Any other matters deemed appropriate by the Commission.

(d) Remedies. – All of the following shall be available as consequences of compliance or noncompliance with the requirements of this section:

(1) Failure to comply with any of the requirements of this section shall be considered by the court in adjudicating motions to suppress eyewitness identification.

(2) Failure to comply with any of the requirements of this section shall be admissible in support of claims of eyewitness misidentification, as long as such evidence is otherwise admissible.

(3) When evidence of compliance or noncompliance with the requirements of this section has been presented at trial, the jury shall be instructed that it may consider credible evidence of compliance or noncompliance to determine the reliability of eyewitness identifications.

(e) Nothing in this section shall be construed to require a law enforcement officer while acting in his or her official capacity to be required to participate in a show-up as an eyewitness."

SECTION 2. G.S. 15A-284.53 reads as rewritten:

"§ **15A-284.53. Training of law enforcement officers.**

Pursuant to its authority under G.S. 17C-6 and G.S. 17E-4, the North Carolina Criminal Justice Education and Training Standards Commission and the North Carolina Sheriffs' Education and Training Standards Commission, in consultation with the Department of Justice, shall create educational materials and conduct training programs on how to conduct lineups and show-ups in compliance with this Article."

SECTION 3. The standards to be adopted by the North Carolina Criminal Justice Education and Training Standards Commission, as enacted in G.S. 15A-284.52(c2) in Section 1 of this act, shall be adopted on or before August 1, 2016, and shall be applicable to all law enforcement on August 1, 2016. The remainder of this act becomes effective December 1, 2015, and applies to eyewitness identifications and show-ups conducted on or after that date.

In the General Assembly read three times and ratified this the 4th day of August, 2015.

Became law upon approval of the Governor at 1:35 p.m. on the 11th day of August, 2015.

Session Law 2015-213 **H.B. 724**

AN ACT TO REVISE THE MEMBERSHIP OF THE NORTH CAROLINA MEDICAL BOARD TO ENSURE THAT AT LEAST ONE PHYSICIAN ASSISTANT AND AT LEAST ONE NURSE PRACTITIONER SERVE AS MEMBERS OF THE BOARD.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 90-2(a) reads as rewritten:

"(a) There is established the North Carolina Medical Board to regulate the practice of medicine and surgery for the benefit and protection of the people of North Carolina. The Board shall consist of ~~12~~ 13 members.

(1) Seven of the members shall be duly licensed physicians recommended by the Review Panel and appointed by the Governor as set forth in G.S. 90-3.

(2) The remaining ~~five~~ six members shall all be appointed by the Governor as follows:

a. One shall be a duly licensed physician who is a doctor of osteopathy or a full-time faculty member of one of the medical schools in North Carolina who utilizes integrative medicine in that person's clinical practice or a member of The Old North State Medical Society. This

Board position shall not be subject to recommendations of the Review Panel pursuant to G.S. 90-3.

b. Three shall be public members, and these Board positions shall not be subject to recommendations of the Review Panel pursuant to G.S. 90-3. A public member shall not be a health care provider nor the spouse of a health care provider. For the purpose of Board membership, "health care provider" means any licensed health care professional, agent or employee of a health care institution, health care insurer, health care professional school, or a member of any allied health profession. For purposes of this section, a person enrolled in a program as preparation to be a licensed health care professional or an allied health professional shall be deemed a health care provider. For purposes of this section, any person with significant financial interest in a health service or profession is not a public member.

c. One shall be a physician assistant as defined in G.S. 90-18.1 ~~or a nurse practitioner as defined in G.S. 90-18.2~~ as recommended by the Review Panel pursuant to G.S. 90-3.

d. One shall be a nurse practitioner as defined in G.S. 90-18.2 as recommended by the Review Panel pursuant to G.S. 90-3."

SECTION 2. G.S. 90-3 reads as rewritten:

"§ **90-3. Review Panel recommends certain Board members; criteria for recommendations.**

(a) There is created a Review Panel to review all applicants for the physician ~~positions and~~ positions, the physician ~~assistant or~~ assistant position, and the nurse practitioner position on the Board except as provided in G.S. 90-2(a)(2)a. The Review Panel shall consist of nine members, including four from the Medical Society, one from the Old North State Medical Society, one from the North Carolina Osteopathic Medical Association, one from the North Carolina Academy of Physician Assistants, one from the North Carolina Nurses Association Council of Nurse Practitioners, and one public member currently serving on the Board. All physicians, physician assistants, and nurse practitioners serving on the Review Panel shall be actively practicing in North Carolina.

The Review Panel shall contract for the independent administrative services needed to complete its functions and duties. The Board shall provide funds to pay the reasonable cost for the administrative services of the Review Panel. The Board shall convene the initial meeting of the Review Panel. The Review Panel shall elect a chair, and all subsequent meetings shall be convened by the Review Panel.

The Governor shall appoint Board members as provided in G.S. 90-2. The Review Panel shall attempt to make its recommendations to the Governor reflect the composition of the State with regard to gender, ethnic, racial, and age composition.

The Review Panel and its members and staff shall not be held liable in any civil or criminal proceeding for exercising, in good faith, the powers and duties authorized by law.

(b) To be considered qualified for a physician ~~position or~~ position, the physician assistant position, or nurse practitioner position on the Board, an applicant shall meet each of the following criteria:

(1) Hold an active, nonlimited license to practice medicine in North Carolina, or in the case of a physician assistant ~~or~~ and nurse practitioner, hold an active license or approval to perform medical acts, tasks, and functions in North Carolina.

(2) Have an active clinical or teaching practice. For purposes of this subdivision, the term "active" means patient care, or instruction of students in an accredited medical school or residency, or clinical research program, for 20 hours or more per week.

(3) Have actively practiced in this State for at least five consecutive years immediately preceding the appointment.
(4) Intend to remain in active practice in this State for the duration of the term on the Board.
(5) Submit at least three letters of recommendation, either from individuals or from professional or other societies or organizations.
(6) Have no public disciplinary history with the Board or any other licensing board in this State or another state over the past 10 years before applying for appointment to the Board.
(7) Have no history of felony convictions of any kind.
(8) Have no misdemeanor convictions related to the practice of medicine.
(9) Indicate, in a manner prescribed by the Review Panel, that the applicant: (i) understands that the primary purpose of the Board is to protect the public; (ii) is willing to take appropriate disciplinary action against his or her peers for misconduct or violations of the standards of care or practice of medicine; and (iii) is aware of the time commitment needed to be a constructive member of the Board.

(c) The ~~review panel~~ Review Panel shall recommend at least two qualified nominees for each open position on the Board. If the Governor chooses not to appoint either of the recommended nominees, the Review Panel shall recommend at least two new qualified nominees.

(d) Notice of open ~~physician positions or the physician assistant or nurse practitioner position~~ physician, physician assistant, or nurse practitioner positions on the Board shall be sent to all physicians currently licensed to practice medicine in North Carolina and all physician assistants and nurse practitioners currently licensed or approved to perform medical acts, tasks, and functions in this State.

(e) Applicants for positions on the Board shall not be required to be members of any professional association or society, except as provided in G.S. 90-2(a)(2)a."

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 4th day of August, 2015.

Became law upon approval of the Governor at 1:35 p.m. on the 11th day of August, 2015.

Session Law 2015-214 **S.B. 560**

AN ACT AUTHORIZING THE DIRECTOR OF THE BUDGET TO CONTINUE EXPENDITURES FOR THE OPERATION OF GOVERNMENT AT THE LEVEL IN EFFECT ON JUNE 30, 2015, UNTIL AUGUST 31, 2015.

The General Assembly of North Carolina enacts:

BUDGET CONTINUATION

SECTION 1.1. Date Extended. – Section 9 of S.L. 2015-133 reads as rewritten:

"**SECTION 9.** Except as otherwise provided, this act becomes effective July 1, 2015, and expires ~~August 14, 2015,~~ August 31, 2015, at 11:59 P.M."

SECTION 1.2. Economic Development Funds. – There is appropriated from the General Fund for fiscal year 2015-2016 (i) to the JDIG Reserve established pursuant to G.S. 143C-9-6 the sum of ten million three hundred forty-two thousand five hundred forty-two dollars ($10,342,542) to satisfy grant obligations and amounts to be transferred pursuant to G.S. 143B-437.61 to be paid during the fiscal year and (ii) to the One North Carolina Fund established pursuant to G.S. 143B-437.71 the sum of five million one hundred forty thousand

two hundred thirty-nine dollars ($5,140,239) to satisfy Fund allocations to be transferred pursuant to G.S. 143B-437.72 to be paid during the fiscal year.

SECTION 1.3. Continue ITS Rates. – Until expressly authorized by the General Assembly, the Office of Information Technology Services shall continue using the rates approved by the Office of State Budget and Management for fiscal year 2014-2015 for billing State agencies, local government entities, and any other supported organizations for its services.

SECTION 1.4. ITS Broadband Funding. – Beginning September 1, 2015, of the funding available to the Office of Information Technology Services, Office of Digital Infrastructure, the sum of up to thirty-five thousand two hundred six dollars ($35,206) of appropriate funding may be used monthly during the 2015-2016 fiscal year to fund the following positions: an Information Technology Manager, a Networking Analyst, a Research Specialist, and one-half of the time for a Communications Specialist.

SECTION 1.5. At-Sea Observer Program. – Receipts generated from fee increases authorized in Section 14.9 of S.L. 2014-100 are appropriated for the purposes set forth in G.S. 113-173.1(b).

FEDERAL BLOCK GRANTS

SECTION 2.1. Effective July 1, 2015, Section 6 of S.L. 2015-133 reads as rewritten:

"**SECTION 6.(a)** ~~The~~ Except as otherwise provided in subsection (b) of this section, the Director of the Budget shall continue to allocate federal block grant funds at no greater than the levels provided in Section 12J.1 of S.L. 2014-100, Section 15.14 of S.L. 2013-360, and as otherwise provided by law, and appropriations from federal block grants are hereby made.

"**SECTION 6.(b)** There is appropriated to the Department of Health and Human Services, Division of Social Services, from Temporary Assistance for Needy Families (TANF) Emergency Contingency Funds block grant funds, the sum of three million six hundred forty-seven thousand eight hundred twenty-five dollars ($3,647,825) in additional funds for the 2015-2016 fiscal year to be allocated for subsidized child care."

OTHER RECEIPTS FROM PENDING GRANT AWARDS

SECTION 3.1.(a) Notwithstanding G.S. 143C-6-4, State agencies may, with approval of the Director of the Budget, spend funds received from grants awarded subsequent to the enactment of this act for grant awards that are for less than two million five hundred thousand dollars ($2,500,000), do not require State matching funds, and will not be used for a capital project. State agencies shall report to the Joint Legislative Commission on Governmental Operations within 30 days of receipt of such funds.

State agencies may spend all other funds from grants awarded after the enactment of this act only with approval of the Director of the Budget and after consultation with the Joint Legislative Commission on Governmental Operations.

SECTION 3.1.(b) The Office of State Budget and Management shall work with the recipient State agencies to budget grant awards according to the annual program needs and within the parameters of the respective granting entities. Depending on the nature of the award, additional State personnel may be employed on a time-limited basis. Funds received from such grants are hereby appropriated and shall be incorporated into the authorized budget of the recipient State agency.

SECTION 3.1.(c) Notwithstanding the provisions of this section, no State agency may accept a grant not anticipated in this act if acceptance of the grant would obligate the State to make future expenditures relating to the program receiving the grant or would otherwise result in a financial obligation as a consequence of accepting the grant funds.

HEALTH AND HUMAN SERVICES

SECTION 4.1. Revise Child Care Subsidy Policy Definition. – Effective September 1, 2015, the Department of Health and Human Services, Division of Child

Development and Early Education, shall revise its child care subsidy policy to exclude from the policy's definition of "income unit" a nonparent relative caretaker, and the caretaker's spouse and child, if applicable, when the parent of the child receiving child care subsidy does not live in the home with the child.

EFFECTIVE DATE

SECTION 5.1. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 13th day of August, 2015.

Became law upon approval of the Governor at 2:40 p.m. on the 13th day of August, 2015.

Session Law 2015-215 **H.B. 371**

AN ACT CREATING A CIVIL CLAIM FOR RELIEF FOR DAMAGES SUSTAINED AS THE RESULT OF TERRORIST ACTS, AMENDING LAWS RELATED TO MEMBERS OF THE NORTH CAROLINA NATIONAL GUARD CARRYING CONCEALED WEAPONS, AND TO PERMIT THE RULES REVIEW COMMISSION TO RETAIN PRIVATE COUNSEL UNDER CERTAIN CIRCUMSTANCES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 43 of Chapter 1 of the General Statutes is amended by adding a new section to read:

"**§ 1-539.2D. Civil liability for acts of terror.**

(a) The following definitions apply in this section:

(1) Act of terror. – An activity with all of the following characteristics:

a. Involves violent acts or acts dangerous to human life that violate federal or State law.

b. Appears to be intended (i) to intimidate or coerce a civilian population, (ii) to influence the policy of a government by intimidation or coercion, or (iii) to affect the conduct of a government by mass destruction, assassination, or kidnapping.

c. Occurs primarily within this State.

(2) Terrorist. – A person who commits an act of terror, including a person who acts as an accessory before or after the fact, aids or abets, solicits, or conspires to commit an act of terror or who lends material support to an act of terror.

(b) Any person whose property or person is injured by a terrorist may sue for and recover damages from the terrorist.

(c) Any person who files an action under this section is entitled to recover three times the actual damages sustained or fifty thousand dollars ($50,000), whichever is greater, as well as court costs and attorneys' fees in the trial and appellate courts if the person prevails in the claim.

(d) The rights and remedies provided by this section are in addition to any other rights and remedies provided by law."

SECTION 1.5. G.S. 1-51 is amended by adding a new subdivision to read:

"(3) No suit, action, or proceeding shall be brought or maintained against a terrorist for damages under G.S. 1-539.2D unless such suit, action, or proceeding is commenced within five years from the date of the injury."

SECTION 2. G.S. 14-10.1 is amended by adding a new subsection to read:

"(e) Any person whose property or person is injured by reason of a violation of this section may sue for and recover treble damages, costs, and attorneys' fees pursuant to G.S. 1-539.2D."

SECTION 2.5. G.S. 14-269(b) reads as rewritten:

"(b) This prohibition shall not apply to the following persons:

…

(3a) A member of the North Carolina National Guard who has been designated in writing by the Adjutant General, State of North Carolina, who has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24, and is acting in the discharge of his or her official duties, provided that the member does not carry a concealed weapon while consuming alcohol or an unlawful controlled substance or while alcohol or an unlawful controlled substance remains in the member's body.

…."

SECTION 2.7. G.S. 143B-30.1 is amended by adding a new subsection to read:

"(g) In the discretion of the Commission, G.S. 114-2.3 and G.S. 147-17 (a) through (c) shall not apply to the Commission if the Commission is being sued by another agency, institution, department, bureau, board, or commission of the State, whether such body is created by the Constitution or by statute. The chairman, upon approval of a majority of the Commission, may retain private counsel to represent the Commission to be paid with available State funds to defend such litigation either independently or in cooperation with the Department of Justice. If private counsel is to be so retained to represent the Commission, the chairman shall designate lead counsel who shall possess final decision-making authority with respect to the representation, counsel, or service for the Commission. Other counsel for the Commission shall, consistent with the Rules of Professional Conduct, cooperate with such designated lead counsel."

SECTION 3. Sections 1 and 2 of this act become effective October 1, 2015, and apply to acts committed on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 10th day of August, 2015.

Became law upon approval of the Governor at 11:05 a.m. on the 18th day of August, 2015.

Session Law 2015-216 **S.B. 199**

AN ACT TO INCREASE THE AMOUNT OF FUNDS IN A SINGLE ACCOUNT ON DEPOSIT WITH THE CLERK OF SUPERIOR COURT ABOVE WHICH THE EXCESS MUST BE INVESTED PURSUANT TO STATUTORY REQUIREMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 7A-112 reads as rewritten:

"§ **7A-112. Investment of funds in clerk's hands.**

(a) The clerk of the superior court may in his or her discretion invest moneys secured by virtue or color of the clerk's office or as receiver in any of the following securities:

(1) Obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States;

(2) Obligations of the State of North Carolina;

(3) Obligations of North Carolina cities or counties approved by the Local Government Commission; and

(4) Shares of any building and loan association organized under the laws of this State, or of any federal savings and loan association having its principal office in this State, and certificates of deposit for time deposits or savings accounts in any bank or trust company authorized to do business in North Carolina, to the extent in each instance that such shares or deposits are

insured by the State or federal government or any agency thereof or by any mutual deposit guaranty association authorized by the Commissioner of Banks of North Carolina to do business in North Carolina pursuant to Article 7A of Chapter 54 of the General Statutes. If the clerk desires to deposit in a bank, saving and loan, or trust company funds entrusted to the clerk by virtue or color of the clerk's office, beyond the extent that such deposits are insured by the State or federal government or an agency thereof or by any mutual deposit guaranty association authorized by the Commissioner of Banks of North Carolina to do business in North Carolina pursuant to Article 7A of Chapter 54 of the General Statutes, the clerk shall require such depository to furnish a corporate surety bond or obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States or obligations of the State of North Carolina, or of counties and municipalities of North Carolina whose obligations have been approved by the Local Government Commission.

(b) When money in a single account in excess of ~~two thousand dollars ($2,000)~~ten thousand dollars ($10,000) is received by the clerk by virtue or color of ~~his~~ the clerk's office and it can reasonably be expected that the money will remain on deposit with the clerk in excess of six months from date of receipt, the money exceeding ~~two thousand dollars ($2,000)~~ten thousand dollars ($10,000) shall be invested by the clerk within 60 days of receipt in investments authorized by this section. The first ~~two thousand dollars ($2,000)~~ten thousand dollars ($10,000) of these accounts and money in a single account totaling less than ~~two thousand dollars ($2,000),~~ten thousand dollars ($10,000), received by the clerk by virtue or color of ~~his~~ the clerk's office, shall be invested, or administered, or invested and administered, by the clerk in accordance with regulations promulgated by the Administrative Officer of the Courts. This subsection shall not apply to cash bonds or to money received by the clerk to be disbursed to governmental units.

(c) The State Auditor is hereby authorized and empowered to inspect the records of the clerk to insure compliance with this section, and ~~he~~ shall report noncompliance with the provisions of this section to the Administrative Officer of the Courts.

(d) It shall be unlawful for the clerk of the superior court of any county receiving any money by virtue or color of ~~his~~ the clerk's office to apply or invest any of ~~it~~ those monies except as authorized under this section. Any clerk violating the provisions of this section shall be guilty of a Class 1 misdemeanor."

SECTION 2. This act becomes effective September 1, 2015.

In the General Assembly read three times and ratified this the 11th day of August, 2015.

Became law upon approval of the Governor at 2:15 p.m. on the 18th day of August, 2015.

Session Law 2015-217 **S.B. 581**

AN ACT TO DIRECT THE DEPARTMENT OF TRANSPORTATION TO STUDY THE PROCESS FOR ACCEPTING SUBDIVISION STREETS DEDICATED AS PUBLIC ON THE STATE HIGHWAY SYSTEM FOR MAINTENANCE AND TO AMEND THE PERCENTAGE OF PROPERTY OWNERS NEEDED TO APPROVE TRAFFIC CALMING DEVICES IN CERTAIN SUBDIVISIONS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Study. – The Department of Transportation shall study the process that must be followed, and the requirements that must be met, for the Department of Transportation to accept subdivision streets dedicated as public on the State highway system for maintenance, including (i) whether the process that must be followed is efficient and timely,

(ii) whether the minimum right-of-way and construction standards established by the Board of Transportation for acceptance on the State highway system are reasonable, (iii) what the financial impact is on the State and homeowners when subdivision streets are or are not accepted on the State highway system for maintenance, and (iv) any other matters the Department of Transportation deems relevant to the study.

SECTION 1.(b) Report. – The Department shall report its findings and recommendations, including any legislative proposals, to the Joint Legislative Transportation Oversight Committee no later than February 1, 2016.

SECTION 2. G.S. 136-102.8(4) reads as rewritten:

"(4) The homeowners association has the written support, for the installation of each traffic table or traffic calming device approved by the Department pursuant to this section, of at least ~~seventy percent (70%)~~ sixty percent (60%) of the member property owners, or the neighborhood agreement is signed by at least ~~seventy percent (70%)~~ sixty percent (60%) of the neighborhood property owners."

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 10th day of August, 2015.

Became law upon approval of the Governor at 2:15 p.m. on the 18th day of August, 2015.

Session Law 2015-218 **H.B. 184**

AN ACT TO ALLOW THE DEPARTMENT OF CULTURAL RESOURCES, OFFICE OF ARCHIVES AND HISTORY, TO USE THE NET PROCEEDS OF THE SALE OF ARTIFACTS FOR MAINTENANCE OR CONSERVATION OF OTHER ARTIFACTS; TO CLARIFY THE PROCESS FOR TRANSFERRING TITLE OF UNCLAIMED OR UNDOCUMENTED PROPERTY LOANED TO MUSEUMS AND HISTORICAL REPOSITORIES TO THOSE MUSEUMS AND HISTORICAL REPOSITORIES; TO SET A TIME LIMITATION ON CONFIDENTIALITY OF RECORDS; TO CLARIFY THAT PHOTOGRAPHS AND VIDEO RECORDINGS OF DERELICT VESSELS OR SHIPWRECKS ARE PUBLIC RECORDS WHEN IN THE CUSTODY OF NORTH CAROLINA AGENCIES; AND TO PROVIDE THAT CERTAIN MERCHANDISE CREDITS ARE NOT DEEMED ABANDONED PROPERTY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 121-7 reads as rewritten:

"§ **121-7. Historical museums.**

(a) The Department of Cultural Resources shall maintain and administer State historic ~~attractions~~ sites and museums under the management of the Office of Archives and History for the collection, preservation, study, and exhibition of authentic artifacts and other historical materials relating to the history and heritage of North Carolina. The Department, with the approval of the Historical Commission, may acquire, either by purchase, gift, or loan such artifacts and materials, and, having acquired them, shall according to accepted museum practices classify, accession, preserve, and where feasible exhibit such materials and make them available for study. Within available funds, one or more branch museums of history or specialized regional history museums may be established and administered by the Department. The Department of Cultural Resources, subject to the availability of staff and funds, may give financial, technical, and professional assistance to nonstate historical museums sponsored by governmental agencies and nonprofit organizations according to regulations adopted by the North Carolina Historical Commission.

The Department of Cultural Resources may, with the explicit approval of the North Carolina Historical Commission sell, trade, or place on ~~permanent~~ loan any artifact owned by

the State of North Carolina and in the custody of and curated by the Office of Archives and History, unless the sale, trade, or loan would be contrary to the terms of acquisition. The net proceeds of any sale, after deduction of the expenses attributable to that sale, shall be deposited ~~to the State treasury to the credit of~~ in the Office of Archives and History Artifact Fund to the credit of the museum or archives that had custody of the artifact sold and shall be used only for the ~~purchase~~ expenses associated with the purchase, maintenance, or conservation of other artifacts. No artifact curated by any agency of the Department of Cultural Resources may be pledged or mortgaged.

…

~~(c) Title to an artifact whose ownership is unknown or whose owner cannot be located passes to the Department of Cultural Resources if:~~

~~(1) The artifact was placed on loan with the Office of Archives and History for a period of time exceeding five years or for an indefinite period of time or the artifact's status with the Office of Archives and History as a loan, gift, purchase, or other arrangement is unknown; and~~

~~(2) The artifact has been a part of the inventory of the Office of Archives and History for more than five years; and~~

~~(3) The Department of Cultural Resources makes a reasonable effort, including a diligent search of its own records, to locate and inform the owner, his heirs or successors, that the Office of Archives and History is holding the artifact and to clarify the artifact's status with that Office.~~

~~To initiate the procedure to clarify title to an artifact, the Department of Cultural Resources shall mail, first class postage prepaid, a notice to the last known address of the owner of the artifact or the last known address of the owner's heirs or successors. The Department need not mail a notice, if after exercising due diligence to find a record within the Department of Cultural Resources indicating the owner of the artifact and his latest address, that information is not available. If no claim is made within 90 days from the date that notice is mailed, the Department of Cultural Resources shall publish a notice in three papers of general circulation once a week for four consecutive weeks. If, at the end of 30 days, no claim of ownership is submitted to the Department of Cultural Resources, the Department may determine that legal title to the artifact is vested in the Office of Archives and History.~~

~~(d) Any person claiming legal title to an artifact to which the North Carolina Office of Archives and History also claims title as provided by subsection (c) may file a claim with the Department of Cultural Resources on a form prescribed by the Department. If the claimant is not the owner from whom the Department originally obtained the artifact, the claimant shall state in addition to any other information required by the Department, the facts surrounding the unavailability of the person who originally loaned or bestowed the property to the Office of Archives and History and the basis for the claim to title of the artifact. If the Department of Cultural Resources is satisfied that the claim is valid and that the claimant is the legal owner of the artifact, the Department shall return the artifact to the owner. If the Department determines that the claim is not valid and rejects the claim to the artifact, the claimant may appeal the determination as provided by Chapter 150B.~~"

SECTION 2. Chapter 121 of the General Statutes is amended by adding a new Article to read:

"Article 5.

"Museum and Archives Repository Property.

"**§ 121-50. Legislative findings and declaration.**

The General Assembly finds and declares that the growth and maintenance of collections in museums and archives repositories, both public and private, is a matter of general public interest to the citizens of North Carolina. Museums and archives repositories of all kinds depend upon loans of various articles of property to promote and encourage the teaching of North Carolina and local history and to preserve and care for historical manuscripts, materials, and artifacts. The uncertainty regarding title to and responsibility for loaned property is a

hindrance to museums and archives repositories in their efforts to maintain, repair, and dispose of property in their possession. The purpose of this Article is to terminate stale claims and to fairly and reasonably allocate responsibilities for the determination of title and financial responsibilities in certain cases.

"**§ 121-51. Definitions.**

The following definitions apply in this Article:

(1) Address. – A description of the location of the lender as shown on a museum or archives repository's records that is sufficient for delivery by mail.

(2) Archives repository. – An archives repository shall have the same meaning as the term "North Carolina State Archives" as defined in G.S. 121-2(7).

(3) Loan. – The placement of property with a museum or archives repository that is not accompanied by a transfer of title of the property to the museum or archives repository and for which there is some record that the owner intended to retain title to the property. The term "loan" does not include transfers between museums, between archives repositories, or between museums and archives repositories unless the transferring institution specifically provides in writing that the transfer is a loan under this Article.

(4) Museum. – A museum shall include any museum or historic site administered by the Department of Cultural Resources, including the term "North Carolina Museum of History" as defined in G.S. 121-2(6).

(5) Property. – A tangible object under the care of a museum or archives repository that has intrinsic historic, artistic, scientific, educational, or cultural value.

(6) Valid claim. – A written notice of intent to preserve an interest in property on loan to a museum or archives repository, including all of the following:

a. A description of the property adequate to enable the museum or archives repository to identify the property.

b. Documentation sufficient to establish the claimant as owner of the property.

c. A statement attesting to the truth, to the best of the signer's knowledge, of all information included in or with the notice.

d. The signature, under penalty of perjury, of the claimant or a person authorized to act on behalf of the claimant.

"**§ 121-52. Acquisition of title to loaned property.**

(a) A museum or archives repository may acquire the title to documented property loaned to the museum or archives repository if (i) the term of the loan has expired and at least seven years have passed without written or other contact between the lender and the museum or archives repository or (ii) the term of the loan does not have an expiration date but at least seven years have passed without written or other contact between the lender and the museum or archives repository since the loan was made.

(b) To acquire title to property under this section, the museum or archives repository shall first send a notice by certified mail to the lender's last known address. The notice must include all of the following:

(1) The lender's name and last known address.

(2) A brief and general description of the property.

(3) A statement that the term of the loan has been terminated.

(4) The date or approximate date, if known, when the owner loaned the property to the museum or archives repository.

(5) The name, address, and telephone number of the museum or archives repository representative to contact for more information or to claim ownership.

(6) A statement that outlines the schedule and requirements for the museum or archives repository to acquire title under this section.

(c) If a valid claim to the property is not received by the museum or archives repository within 30 days from the date the notice was mailed, or if the museum or archives repository does not have an address for the lender, the museum or archives repository shall comply with the following:

(1) If the property has an estimated value in excess of $10,000, the museum or archives repository shall make a reasonable effort to locate and inform the owner, the owner's heirs or successors and publish a notice for no less than 365 consecutive days on an official Internet Web site created by the Department of Cultural Resources for such purpose.

(2) If the property has an estimated value that is less than or equal to $10,000, the museum or archives repository shall make a reasonable effort to locate and inform the owner, the owner's heirs or successors and publish a notice for no less than 180 consecutive days on an official Internet Web site created by the Department of Cultural Resources for such purpose.

(3) The notices required by subdivisions (1) and (2) of this subsection shall include all of the following:

a. The information described in subdivisions (1) through (5) of subsection (b) of this section.

b. A digital image of the property and any documentation executed by the parties.

c. The date that the notice was posted.

d. The date that the notice will be removed from the museum or archives repository's official Internet Web site and a statement that the museum or archives repository will acquire title to the loaned property if a valid claim to the property is not received by the museum or archives repository within 45 days of that date.

(d) If the requirements of this section are satisfied and if a valid claim to the loaned property is received by the museum or archives repository within 45 days after the date of the last publication of the notice required by subsection (c) of this section, the Department of Cultural Resources shall have 45 days to determine whether the claim is valid and that the claimant is the legal owner of the artifact. If the Department determines that the claim is valid and that the claimant is the legal owner of the artifact, the Department shall return the artifact to the owner at the owner's expense.

(e) If the requirements of this section are satisfied and if a valid claim to the loaned property is not received by the museum or archives repository within 45 days after the date of the last publication of the notice required by subsection (c) of this section, the museum or archives repository acquires the title to the property on the forty-sixth day after the date of the last publication of the notice under subsection (c) of this section. Upon acquiring title, the museum or archives repository shall own the property free and clear from all claims of ownership.

"**§ 121-53. Disputed ownership.**

(a) If the Department determines that the claim of ownership is not valid and rejects the claim to the artifact, the claimant may appeal the determination as provided by Chapter 150B of the General Statutes. The burden shall be on the claimant to prove that the claimant is the legal owner of the property.

(b) Nothing in this Article shall be construed to convert a loan into a bailment. All equitable and legal defenses shall be available to museums and archives repositories in the event of a dispute over ownership.

(c) In cases of disputed ownership of loaned property, a museum or archives repository may maintain possession of loaned property during the dispute and shall not be held liable for its refusal to surrender loaned property in its possession except in reliance upon a court order or judgment.

"**§ 121-54. Responsibilities of owners of loaned property; representation of ownership.**

(a) Lender's Responsibilities. – In all cases, it shall be the responsibility of the owner of loaned property to notify the museum or archives repository in writing of the owner's identity and current address. It shall be the responsibility of any new owner acquiring loaned property to notify the museum or archives repository within 60 days of his or her name and address. Any owner of loaned property shall, upon request from a museum or archives repository holding loaned property, promptly provide evidence of ownership satisfactory to the museum or archives repository. This section shall apply to all changes in ownership, whether by sale, gift, devise, operation of law, or any other means. So long as a museum or archives repository deals honestly and in good faith, no museum or archives repository shall be prejudiced by reason of any failure to deal with the true owner of any loaned property if the owner has failed to comply with the requirements of this section.

(b) Representation of Ownership. – A museum or archives repository shall not be liable for actions taken in reasonable reliance upon the representations of the person who first transfers an item of property to the museum or archives repository that the transferee is the true owner of the loaned property.

"**§ 121-55. Museum or archives repository's lien for expenses.**

(a) When the lender of loaned property is known, a museum or archives repository may charge the lender expenses for the reasonable care of loaned property unclaimed after the expiration date of the loan.

(b) When the lender of loaned property is unknown, a museum or archives repository may place a lien against the value of specific loaned property for expenses reasonably necessary to protect the loaned property from ordinary decay and deterioration due to natural causes, theft, or vandalism.

"**§ 121-56. Acquisition of undocumented property.**

(a) Property in the possession of a museum or archives repository that the museum or archives repository has reason to believe may be on loan and for which the museum or archives repository does not know the owner or have any reasonable means of determining the owner becomes the property of the museum or archives repository as provided in this section. If no person has claimed the property within seven years after the museum or archives repository or a predecessor or assignor of the museum or archives repository took possession of the property, then the museum or archives repository shall follow the notification process set out in G.S. 121-52(c). Pursuant to G.S. 121-52(d), if the Department receives a claim and determines that the claim is valid and that the claimant is the legal owner of the artifact, the Department shall return the artifact to the owner at the owner's expense. Otherwise, after following the notification process and consistent with G.S. 121-52(e), the museum or archives repository shall become the owner of the property, shall acquire title to the property and shall own the property free and clear from all claims of ownership.

(b) The requirements of G.S. 121-52 and G.S. 121-53 shall apply to valid and disputed claims of ownership to undocumented property.

"**§ 121-57. Exclusivity of provisions.**

The provisions of this Article shall control the procedure and disposition of any property to which it applies in lieu of any other procedure prescribed by law."

SECTION 3. Chapter 132 of the General Statutes is amended by adding a new section to read:

"**§ 132-11. Time limitation on confidentiality of records.**

(a) Notwithstanding any other provision of law, all restrictions on access to public records shall expire 100 years after the creation of the record.

(b) Subsection (a) of this section shall apply to any public record in existence at the time of, or created after, the effective date of this section.

(c) No provision of this section shall be construed to authorize or require the opening of any record that meets any of the following criteria:

(1) Is ordered to be sealed by any state or federal court, except as provided by that court.
(2) Is prohibited from being disclosed under federal law, rule, or regulation.
(3) Contains federal Social Security numbers.
(4) Is a juvenile, probationer, parolee, post-releasee, or prison inmate record, including medical and mental health records.
(5) Contains detailed plans and drawings of public buildings and infrastructure facilities.

(d) For purposes of this section, the custodian of the record shall be the Department of Cultural Resources or other agency in actual possession of the record."

SECTION 4.(a) G.S. 121-25 reads as rewritten:

"§ **121-25. License to conduct exploration, recovery or salvage operations.**

(a) Any qualified person, firm or corporation desiring to conduct any type of exploration, recovery or salvage operations, in the course of which any part of a derelict vessel or its contents or other archaeological site may be removed, displaced or destroyed, shall first make application to the Department of Cultural Resources and obtain a permit or license to conduct such operations. If the Department of Cultural Resources shall find that the granting of such permit or license is in the best interest of the State, it may grant such applicant a permit or license for such a period of time and under such conditions as the Department may deem to be in the best interest of the State. ~~Such~~ Except as otherwise provided in subsection (b) of this section, such permit or license may include but need not be limited to any of the following:

(1) Payment of monetary fee to be set by the ~~Department;~~Department.
(2) That a portion or all of the historic material or artifacts be delivered to custody and possession of the ~~Department;~~Department.
(3) That a portion of all of such relics or artifacts may be sold or retained by the ~~licensee;~~licensee.
(4) That a portion or all of such relics or artifacts may be sold or traded by the Department.

Permits or licenses may be renewed upon or prior to expiration upon such terms as the applicant and the Department may mutually agree. Holders of permits or licenses shall be responsible for obtaining permission of any federal agencies having jurisdiction, including the United States Coast Guard, the United States Department of the Navy and the United States Army Corps of Engineers prior to conducting any salvaging operations.

(b) All photographs, video recordings, or other documentary materials of a derelict vessel or shipwreck or its contents, relics, artifacts, or historic materials in the custody of any agency of North Carolina government or its subdivisions shall be a public record pursuant to G.S. 132-1. There shall be no limitation on the use of or no requirement to alter any such photograph, video recordings, or other documentary material, and any such provision in any agreement, permit, or license shall be void and unenforceable as a matter of public policy."

SECTION 4.(b) This section is effective when this act becomes law and applies to any agreement entered into, or any permit or license issued or renewed, on or after that date.

SECTION 4.5.(a) G.S. 116B-54 reads as rewritten:

"§ **116B-54. Exclusion for forfeited reservation deposits, certain gift certificates or electronic gift cards, prepaid calling cards, certain manufactured home buyer deposits, ~~and certain credit balances.~~certain credit balances, unclaimed lottery prizes, and certain merchandise credits.**

(a) A forfeited reservation deposit is not abandoned property. For the purposes of this section, the term "reservation deposit" means an amount of money paid to a business association to guarantee that the business association holds a specific service, such as a room accommodation at a hotel, seating at a restaurant, or an appointment with a doctor, for a specified date and place. The term "reservation deposit" does not include an application fee, a utility deposit, or a deposit made toward the purchase of real property.

(b) A gift certificate or electronic gift card is not abandoned property when the gift certificate or electronic gift card:

(1) Conspicuously states that the gift certificate or electronic gift card does not expire;

(2) Bears no expiration date; or

(3) States that a date of expiration printed on the gift certificate or electronic gift card is not applicable in North Carolina.

(c) A prepaid calling card issued by a public utility as defined in G.S. 62-3(23)a.6. is not abandoned property.

(d) A buyer deposit that a dealer is authorized to retain under either G.S. 143-143.21A or G.S. 143-143.21B is not abandoned property and is not subject to this Article.

(e) Credit balances as shown on the records of a business association to or for the benefit of another business association, shall not constitute abandoned property. For purposes of this section, the term "credit balances" means items such as overpayments or underpayments on the sale of goods or services.

(f) A lottery prize that remains unclaimed after the period set by the North Carolina State Lottery Commission for claiming those prizes shall not constitute abandoned property.

(g) A card or certificate, whether paper, electronic, or other format, issued for a merchandise credit that meets the requirements of subsection (b) of this section is not abandoned property under G.S. 116B-53(c)(7)."

SECTION 4.5.(b) This section becomes effective July 1, 2012, and applies to merchandise credits issued on or after July 1, 2012. This section shall not be construed to affect the interpretation of any statute that is the subject of pending litigation or future litigation based on merchandise credits issued prior to the effective date of this section.

SECTION 5. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 11th day of August, 2015.

Became law upon approval of the Governor at 2:16 p.m. on the 18th day of August, 2015.

Session Law 2015-219 **H.B. 512**

AN ACT TO ALLOW TIME EXTENSIONS FOR IMPLEMENTATION OF BACK-UP PSAP REQUIREMENTS, TO DEFINE UNIFORM STANDARDS FOR BACK-UP PSAPS, AND TO DEVELOP A MASTER PURCHASING LIST FOR 911 SYSTEM ELIGIBLE EXPENSES.

Whereas, Session Law 2014-66 amended Article 3 of Chapter 62A of the North Carolina General Statutes to require development of a back-up PSAP when calls cannot be completed by the primary PSAP; and

Whereas, the changes in Session Law 2014-66 are applicable to 911 fund distributions made on or after July 1, 2016; and

Whereas, many counties in North Carolina are unable to fully implement a back-up PSAP by July 1, 2016; and

Whereas, counties would save cost and increase efficiency by partnering under a standard model for a back-up PSAP developed by the 911 Board; and

Whereas, the assistance of the 911 Board in facilitating group procurement pricing for eligible 911 expense items would save money and eliminate price disparities between larger and smaller jurisdictions; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 62A-46(e)(4a) reads as rewritten:

"(4a) ~~A~~ By July 1, 2016, a PSAP must have a plan and means for 911 call-taking in the event 911 calls cannot be received and processed in the primary PSAP. If a PSAP has made substantial progress toward implementation of the plan and means, the 911 Board may grant the PSAP an extension until July 1, 2017, to complete implementation of the plan and means. The plan must identify the alternative capability of taking the redirected 911 calls. This subdivision does not require a PSAP to construct an alternative facility to serve as a back-up PSAP."

SECTION 2. The 911 Board shall investigate alternatives for facilitation of uniform procurement and pricing of 911 eligible expenses through bulk purchasing and other means. No later than May 1, 2016, the Board shall report its findings, including any requests for legislative action, to the Joint Legislative Oversight Committee on Information Technology.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 11th day of August, 2015.

Became law upon approval of the Governor at 2:17 p.m. on the 18th day of August, 2015.

Session Law 2015-220 **H.B. 308**

AN ACT TO AMEND THE LAWS PERTAINING TO THE MEDICAL SUPPORT AND HEALTH INSURANCE COVERAGE RELATING TO CHILD SUPPORT TO ALIGN STATE LAW WITH FEDERAL GUIDELINES THAT NO LONGER INCLUDE THE PROVISION THAT EMPLOYER-PROVIDED GROUP HEALTH INSURANCE IS AUTOMATICALLY CONSIDERED "REASONABLE" AND TO MODIFY THE LONG-TERM CARE OMBUDSMAN PROGRAM TO CONFORM WITH FEDERAL GUIDELINES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 50-13.11(a1) reads as rewritten:

"(a1) The court shall order the parent of a minor child or other responsible party to maintain health insurance for the benefit of the child when health insurance is available at a reasonable cost. If health insurance is not presently available at a reasonable cost, the court shall order the parent of a minor child or other responsible party to maintain health insurance for the benefit of the child when health insurance becomes available at a reasonable cost. As used in this subsection, health insurance for the benefit of the child is considered reasonable in cost if ~~it is employment related or other group health insurance, regardless of service delivery mechanism.~~the coverage for the child is available at a cost to the parent that does not exceed five percent (5%) of the parent's gross income. In applying this standard, the cost is the cost of (i) adding the child to the parent's existing coverage, (ii) child-only coverage, or (iii) if new coverage must be obtained, the difference between the cost of self-only and family coverage. The court may require one or both parties to maintain dental insurance."

SECTION 2. Part 14D of Chapter 143B of the General Statutes reads as rewritten:

"Part 14D. Long-Term Care Ombudsman Program.

"§ **143B-181.15. Long-Term Care Ombudsman Program/Office; policy.**

The General Assembly finds that a significant number of older citizens of this State reside in long-term care facilities and are dependent on others to provide their care. It is the intent of the General Assembly to protect and improve the quality of care and life for residents through the establishment of a program to assist residents and providers in the resolution of complaints or common concerns, to promote community involvement and volunteerism in long-term care facilities, and to educate the public about the long-term care system. It is the further intent of the General Assembly that the Department of Health and Human Services, within available resources and pursuant to its duties under the Older Americans Act of 1965, as amended, 42

U.S.C. § 3001 et seq., and regulations promulgated thereunder, ensure that the quality of care and life for these residents is maintained, that necessary reports are made, and that, when necessary, corrective action is taken at the Department level.

"§ **143B-181.16. Long-Term Care Ombudsman Program/Office; definition.**

Unless the content clearly requires otherwise, as used in this Article:

(1) "Long-term care facility" means any skilled nursing facility and intermediate care facility as defined in G.S. 131A-3(4) or any adult care home as defined in G.S. 131D-20(2).

(1b) "Programmatic supervision" means the monitoring of the performance of the duties of the Regional Ombudsman and ensuring that the Area Agency on Aging has personnel policies and procedures consistent with the laws and policies governing the Ombudsman Program as performed by the State Ombudsman.

(1c) "Regional Ombudsman" means a person employed by an Area Agency on Aging who is certified and designated by the State Ombudsman to carry out the functions of the Regional Ombudsman Office established by this Article, 42 U.S.C. § 3001, et seq. and regulations promulgated thereunder.

(2) "Resident" means any person who is receiving treatment or care in any long-term care facility.

(3) "State Ombudsman" means the State Ombudsman as defined by the Older Americans Act of 1965, as amended, 42 U.S.C. § 3001 et seq., and regulations promulgated thereunder, who carries out the duties and functions established by this ~~Article~~Article and 42 U.S.C. § 3001, et seq. and regulations promulgated thereunder.

(4) "Willful interference" means actions or inactions taken by an individual in an attempt to intentionally prevent, interfere with, or attempt to impede the Ombudsman or a representative of the Office from performing any of the functions, responsibilities, or duties set forth in 42 U.S.C. § 3001 et seq., and regulations promulgated thereunder.

"§ **143B-181.17. Office of State Long-Term Care Ombudsman Program/Office; establishment.**

The Secretary of Department of Health and Human Services shall establish and maintain the Office of State Long-Term Ombudsman in the Division of Aging. The Office shall carry out the functions and duties required by the Older Americans Act of 1965, as ~~amended.~~amended, and as set forth in 42 U.S.C. § 3001 et seq. and regulations promulgated thereunder. This Office shall be headed by a State Ombudsman who is a person qualified by training and with experience in geriatrics and long-term care. The Attorney General shall provide legal staff and advice to this Office.

"§ **143B-181.18. Office of State Long-Term Care Ombudsman Program/State Ombudsman duties.**

The State Ombudsman ~~shall:~~shall perform the duties provided below:

(1) Promote community involvement with long-term care providers and residents of long-term care facilities and serve as liaison between residents, residents' families, facility personnel, and facility ~~administration;~~administration.

(2) Supervise the Long-Term Care Program pursuant to rules adopted by the Secretary of the Department of Health and Human Services pursuant to ~~G.S. 143B-10;~~G.S. 143B-10.

(3) Certify regional ombudsmen. Certification requirements shall include an internship, training in the aging process, complaint resolution, long-term care issues, mediation techniques, recruitment and training of volunteers, and relevant federal, State, and local laws, policies, and ~~standards;~~standards.

(3a) Designate certified Regional Ombudsmen as representatives of the State Ombudsman Office as well as refuse, suspend, or remove designation as a representative of the Office in accordance with the Office of the State Ombudsman Policies and Procedures.

(4) Attempt to resolve complaints made by or on behalf of individuals who are residents of long-term care facilities, which complaints relate to administrative action that may adversely affect the health, safety, or welfare of ~~residents;~~residents.

(5) Provide training and technical assistance to regional ~~ombudsmen;~~ombudsmen.

(6) Establish procedures for appropriate access by regional ombudsmen to long-term care facilities and residents' ~~records~~ files, records, and other information, including procedures to protect the confidentiality of these ~~records~~files, records, and other information and to ensure that the identity of any complainant or resident will not be disclosed except as permitted under the Older Americans Act of 1965, as amended, 42 U.S.C. § 3001 et seq. and regulations promulgated thereunder.

(7) Analyze data relating to complaints and conditions in long-term care facilities to identify significant problems and recommend ~~solutions;~~solutions.

(8) Prepare an annual report containing data and findings regarding the types of problems experienced and complaints reported by residents as well as recommendations for resolutions of identified long-term care ~~issues;~~issues.

(9) Prepare findings regarding public education and community involvement efforts and innovative programs being provided in long-term care ~~facilities; and~~facilities.

(10) Provide information to public agencies, and through the State Ombudsman, to legislators, and others regarding problems encountered by residents or providers as well as recommendations for resolution.

(11) Provide leadership for statewide systems advocacy efforts of the Office on behalf of long-term care residents, including independent determinations and positions that shall not be required to represent the position of the State agency or other agency within which the Ombudsman Program is organizationally located. Provide coordination of systems advocacy efforts with representatives of the Office as outlined in Ombudsman Policies and Procedures.

(12) To the extent required to meet the requirement of the Older Americans Act and regulations promulgated thereunder regarding allotments for Vulnerable Elder Rights Protection Activities, the State Ombudsman and representatives of the Office are excluded from any State lobbying prohibitions under requirements to conduct systems advocacy on behalf of long-term care residents.

(13) Determine the use of the fiscal resources as required by 42 U.S.C. § 3001 et seq. and regulations promulgated thereunder.

"§ **143B-181.19. Office of Regional Long-Term Care Ombudsman; Regional Ombudsman; duties.**

(a) An Office of Regional Ombudsman Program shall be established in each of the Area Agencies on Aging, and shall be headed by a designated Regional Ombudsman who shall carry out the functions and duties of the Office. The State Long-Term Care Ombudsman shall designate all Regional Ombudsmen housed within the Area Agency. The Area ~~Agency~~ Agencies on Aging ~~administration~~ shall provide ~~administrative supervision to~~ only personnel management for each Regional ~~Ombudsman.~~ Ombudsman in accordance with personnel policies and procedures of the Agency that are consistent with federal and State Ombudsman

law and policy. The State Ombudsman shall ensure that the Area Agency does not have personnel policies or practices that conflict with the laws and policies governing the Ombudsman Program.

(b) Pursuant to policies and procedures established by the State Office of Long-Term Care Ombudsman, ~~the~~a Regional Ombudsman shall:

(1) Promote community involvement with long-term care facilities and residents of long-term care facilities and serve as a liaison between residents, residents' families, facility personnel, and facility administration;

(2) Receive and attempt to resolve complaints made by or on behalf of residents in long-term care facilities;

(3) Collect data about the number and types of complaints handled;

(4) Work with long-term care providers to resolve issues of common concern;

(5) Work with long-term care providers to promote increased community involvement;

(6) Offer assistance to long-term care providers in staff training regarding residents' rights;

(7) Report regularly to the office of State Ombudsman about the data collected and about the activities of the Regional Ombudsman;

(8) Provide training and technical assistance to the community advisory committees; and

(9) Provide information to the general public on long-term care ~~issues.~~ issues and with the authorization of the Office of the State Long-Term Care Ombudsman conduct systems advocacy activities on behalf of long-term care residents.

"§ **143B-181.20. State/Regional Long-Term Care Ombudsman; authority to enter; cooperation of government agencies; communication with residents.**

(a) The State and Regional Ombudsman may enter any long-term care facility at any time during regular visiting hours or at any other time when access may be required by the circumstances to be investigated, and may have ~~reasonable~~ access to any resident in the ~~reasonable~~ pursuit of his function. The Ombudsman may communicate privately and confidentially with residents of the facility individually or in groups. The Ombudsman shall have access to the ~~patient records~~resident's files, records, and other information as permitted under the Older Americans Act of 1965, as amended, 42 U.S.C. § 3001 et seq., and regulations promulgated thereunder, and under procedures established by the State Ombudsman pursuant to G.S. 143B-181.18(6). Entry shall be conducted in a manner that will not significantly disrupt the provision of nursing or other care to residents and if the long-term care facility requires registration of all visitors entering the facility, then the State or Regional Ombudsman must also register. Any State or Regional Ombudsman who discloses any information obtained from the ~~patient's~~ resident's records except as permitted under the Older Americans Act of 1965, as amended, 42 U.S.C. § 3001 et seq., and regulations promulgated thereunder, is guilty of a Class 1 misdemeanor.

(b) The State or Regional Ombudsman shall identify himself as such to the resident, and the resident has the right to refuse to communicate with the Ombudsman.

(c) The resident has the right to participate in planning any course of action to be taken on his behalf by the State or Regional Ombudsman, and the resident has the right to approve or disapprove any proposed action to be taken on his behalf by the Ombudsman.

(d) The State or Regional Ombudsman shall meet with the facility administrator or person in charge before any action is taken to allow the facility the opportunity to respond, provide additional information, or take appropriate action to resolve the concern.

(e) The State and Regional Ombudsman may obtain from any government agency, and this agency shall provide, that cooperation, assistance, services, data, and access to files and records that will enable the Ombudsman to properly perform his duties and exercise his powers, provided this information is not privileged by law.

(f) If the subject of the complaint involves suspected abuse, neglect, or exploitation, the ~~State or~~ Regional Ombudsman shall only with the written informed consent of the resident or authorization by the State Ombudsman notify the ~~county department of social services'~~ Adult Protection Services section of the county department of social ~~services, pursuant to~~services. Except as provided herein, the State or Regional Ombudsman is not subject to the reporting requirements of Article 6 of Chapter 108A of the General Statutes.

"§ **143B-181.21. State/Regional Long-Term Care Ombudsman; resolution of complaints.**

(a) Following receipt of a complaint, the State or Regional Ombudsman shall attempt to resolve the complaint using, whenever possible, informal ~~technique~~techniques of mediation, conciliation, and persuasion.

(b) Complaints or conditions adversely affecting residents of long-term care facilities that cannot be resolved in the manner described in subsection (a) of this section shall be referred by the State or Regional Ombudsman to the appropriate licensure agency pursuant to G.S. 131E-100 through 110 and Part 1 of Article 1 of Chapter 131D of the General Statutes.

"§ **143B-181.22. State/Regional Long-Term Care Ombudsman; confidentiality.**

The identity of any complainant, resident on whose behalf a complaint is made, or any individual providing information on behalf of the resident or complainant relevant to the attempted resolution of the complaint along with the files, records, and other information produced by the process of complaint resolution is confidential and shall be disclosed only as permitted under the Older Americans Act of 1965, as amended, 42 U.S.C. § 3001 et seq.

"§ **143B-181.23. State/Regional Long-Term Care Ombudsman; prohibition of retaliation.**

No person shall discriminate or retaliate in any manner against any resident or relative or guardian of a resident, any employee of a long-term care facility, or any other person because of the making of a complaint or providing of information in good faith to the State Ombudsman or Regional Ombudsman. The Department shall determine instances of discrimination or retaliation and assess a monetary penalty in the amount of two thousand five hundred dollars ($2,500) per incident. The Department shall adopt rules pertaining to this determination of discrimination or retaliation.

"§ **143B-181.24. Office of State/Regional Long-Term Care Ombudsman; immunity from liability.**

No representative of the Office shall be liable for good faith performance of official duties.

"§ **143B-181.25. Office of State/Regional Long-Term Care Ombudsman; penalty for willful interference.**

Willful or unnecessary obstruction with the State or Regional Long-Term Care Ombudsman in the performance of his official duties is a Class 1 ~~misdemeanor.~~misdemeanor and subject to a fine of two thousand five hundred dollars ($2,500)."

SECTION 3. Sections 1 and 3 of this act are effective when this act becomes law and apply to orders issued or agreements entered into on or after that date. Section 2 of this act becomes effective July 1, 2016.

In the General Assembly read three times and ratified this the 10th day of August, 2015.

Became law upon approval of the Governor at 2:18 p.m. on the 18th day of August, 2015.

Session Law 2015-221 **S.B. 429**

AN ACT MAKING TECHNICAL, CONFORMING, AND OTHER CHANGES TO THE LABOR LAWS OF NORTH CAROLINA.

The General Assembly of North Carolina enacts:

PART I. TECHNICAL AND CONFORMING CHANGES

SECTION 1.1. G.S. 95-3 reads as rewritten:

"§ **95-3. Divisions of Department; Commissioner; administrative officers.**

The Department of Labor shall consist of the following officers, divisions and sections:

A Commissioner of Labor.

A Division of Standards and Inspections.

A Division of ~~Statistics.~~Occupational Safety and Health.

Each division shall be in the charge of a chief administrative officer and shall be organized under such rules and regulations as the Commissioner of Labor and the head of the division ~~concerned, with the approval of the Governor,~~ concerned shall prescribe and promulgate. The Commissioner of ~~Labor, with the approval of the Governor,~~ Labor may make provision for one person to act as chief administrative officer of two or more divisions, when such is deemed advisable. The chief administrative officers of the several divisions shall be appointed by the Commissioner of ~~Labor with the approval of the Governor.~~ Labor. The Commissioner of ~~Labor, with the approval of the Governor~~ Labor may combine or consolidate the activities of two or more of the divisions of the Department, or provide for the setting up of other divisions when such action shall be deemed advisable for the more efficient and economical administration of the work and duties of the Department."

SECTION 1.2. G.S. 95-4 reads as rewritten:

"§ **95-4. Authority, powers and duties of Commissioner.**

The Commissioner of Labor shall be the executive and administrative head of the Department of Labor. In addition to the other powers and duties conferred upon the Commissioner of Labor by this Article, the said Commissioner shall have authority and be charged with the duty:

(1) To appoint and assign to duty such clerks, stenographers, and other employees in the various divisions of the Department, ~~with approval of said director of division,~~ as may be necessary to perform the work of the Department, and fix their compensation, subject to the approval of the Department of Administration. The Commissioner of Labor may assign or transfer stenographers, or clerks, from one division to another, or inspectors from one division to another, or combine the clerical force of two or more divisions, or require from one division assistance in the work of another division, as he may consider necessary and advisable: Provided, however, the provisions of this subdivision shall not apply to the Industrial Commission, or the Division of Workers' Compensation.

(2) To make such rules and regulations with reference to the work of the Department and of the several divisions thereof as shall be necessary to properly carry out the duties imposed upon the said Commissioner and the work of the ~~Department; such rules and regulations to be made subject to the approval of the Governor.~~Department.

(3) To take and preserve testimony, examine witnesses, administer oaths, and under proper restriction enter any public institution of the State, any factory, store, workshop, laundry, public eating house or mine, and interrogate any person employed therein or connected therewith, or the proper officer of a corporation, or file a written or printed list of interrogatories and require full and complete answers to the same, to be returned under oath within 30 days of the receipt of said list of questions.

(4) To secure the enforcement of all laws relating to the inspection of factories, mercantile establishments, mills, workshops, public eating places, and commercial institutions in the State. To aid him in the work, he shall have power to appoint factory inspectors and other assistants. The duties of such inspectors and other assistants shall be prescribed by the Commissioner of Labor.

(5) To visit and inspect, personally or through his assistants and factory inspectors, at reasonable hours, as often as practicable, the factories, mercantile establishments, mills, workshops, public eating places, and

commercial institutions in the State, where goods, wares, or merchandise are manufactured, purchased, or sold, at wholesale or retail.

(6) To enforce the provisions of this section and to prosecute all violations of laws relating to the inspection of factories, mercantile establishments, mills, workshops, public eating houses, and commercial institutions in this State before any court of competent jurisdiction. It shall be the duty of the district attorney of the proper district upon the request of the Commissioner of Labor, or any of his assistants or deputies, to prosecute any violation of a law, which it is made the duty of the said Commissioner of Labor to enforce."

SECTION 1.3. G.S. 95-69.11 reads as rewritten:

"§ **95-69.11. Powers and duties of Commissioner.**

The Commissioner of Labor is hereby charged, directed, and empowered:

(1) To adopt, modify, or revoke rules governing the construction, operation, and use of boilers and pressure vessels, including, where necessary, requirements for fencing to prevent unauthorized persons from coming in contact with boilers and pressure vessels or the systems they are connected to.

(2) To delegate to the Chief Inspector any powers, duties, and responsibilities that the Commissioner determines will best serve the public interest in the safe operation of boilers and pressure vessels, and to supervise the Chief Inspector in the performance of those duties.

(3) To enforce rules adopted under authority of this Article.

(4) To inspect boilers and pressure vessels covered under this Article.

(5) To issue inspection certificates to those boilers and pressure vessels found in compliance with this Article.

(6) To enjoin violations of this Article in the civil and criminal courts of this State.

(7) To keep adequate records of the type, dimensions, age, conditions, pressure allowed upon, location, and date of the last inspection of all boilers and pressure vessels to which this Article applies.

(8) To require such periodic reports from inspectors, owners, and operators of boilers and pressure vessels as he deems appropriate in carrying out the purposes of this Article.

(9) To have free access, without notice, to any location in this State, during reasonable hours, where a boiler or pressure vessel is being built, installed, or operated for the purpose of ascertaining whether such boiler or pressure vessel is built, installed, or operated in accordance with the provisions of this Article.

(10) To investigate serious accidents involving boilers and pressure vessels to determine the causes of the accidents, and to have full subpoena powers in conducting the investigation.

(11) To establish reasonable fees for the inspection and issuance of inspection certificates for boilers and pressure vessels that are in use.

(12) To establish reasonable fees for the examination and certification of inspectors.

~~(13) To appoint qualified individuals to the Board of Boiler and Pressure Vessel Rules.~~

(14) To perform inspections and audits relating to the construction and repair of boilers and pressure vessels and to establish and collect fees for these activities.

(15) To order the payment of civil penalties provided by this section.

(16) To require that before any boiler or pressure vessel that is subject to this Article is transferred into the State, or is moved from one location to another

within the State, the owner or the owner's authorized agent shall file with the Commissioner a written notice of intent to do so and the type of device involved and provide a copy of the specifications, previous inspection documents, or other information that the Commissioner deems necessary to determine whether the boiler or pressure vessel is in compliance with the provisions of this Article and the rules adopted under this Article.

(17) To grant exceptions from the requirements of the rules and regulations adopted under authority of this Article and to permit the use of other devices when such exceptions and uses will not expose the public to an unsafe condition likely to result in serious personal injury or property damage.

(18) To devise and proctor examinations covering this Article and the rules adopted under this Article to applicants seeking a commission as inspectors of boilers and pressure vessels in this State.

(19) To act as proctors during the administration of the National Board commissioning examination.

(20) To issue, suspend, or revoke inspector's commissions as inspectors of boilers and pressure vessels within this State. Whenever action is taken under this section to suspend or revoke a commission, the affected party shall be given notice of the availability of an administrative hearing and of judicial review in accordance with Chapter 150B of the General Statutes, the Administrative Procedure Act."

SECTION 1.4. G.S. 95-69.17(c) reads as rewritten:

"(c) ~~Whenever action is taken under this section, the affected party shall be given notice of the availability of an administrative hearing and of judicial review in accordance with Chapter 150B of the General Statutes, the Administrative Procedure Act.~~Any action taken under this section by the Commissioner shall be final, unless within 15 days after receipt of notice thereof by certified mail with return receipt, by signature confirmation as provided by the U.S. Postal Service, by a designated delivery service authorized pursuant to 26 U.S.C. § 7502(f)(2) with delivery receipt, or via hand delivery, the person against whom such action was taken takes exception to the determination, in which event the final determination of the action shall be made in an administrative proceeding and in a judicial proceeding pursuant to Chapter 150B of the General Statutes, the Administrative Procedure Act."

SECTION 1.5. G.S. 95-110.6(c) reads as rewritten:

"(c) ~~Whenever action is taken under this section, the affected party shall be given notice of the availability of an administrative hearing and of judicial review in accordance with Chapter 150B of the General Statutes, the Administrative Procedure Act.~~Any action taken under this section by the Commissioner shall be final, unless within 15 days after receipt of notice thereof by certified mail with return receipt, by signature confirmation as provided by the U.S. Postal Service, by a designated delivery service authorized pursuant to 26 U.S.C. § 7502(f)(2) with delivery receipt, or via hand delivery, the person against whom such action was taken takes exception to the determination, in which event the final determination of the action shall be made in an administrative proceeding and in a judicial proceeding pursuant to Chapter 150B of the General Statutes, the Administrative Procedure Act."

SECTION 1.6. G.S. 95-111.6(c) reads as rewritten:

"(c) ~~Whenever action is taken under this section, the affected party shall be given notice of the availability of an administrative hearing and of judicial review in accordance with Chapter 150B of the General Statutes, the Administrative Procedure Act.~~Any action taken under this section by the Commissioner shall be final, unless within 15 days after receipt of notice thereof by certified mail with return receipt, by signature confirmation as provided by the U.S. Postal Service, by a designated delivery service authorized pursuant to 26 U.S.C. § 7502(f)(2) with delivery receipt, or via hand delivery, the person against whom such action was taken takes exception to the determination, in which event the final determination of the action

shall be made in an administrative proceeding and in a judicial proceeding pursuant to Chapter 150B of the General Statutes, the Administrative Procedure Act."

PART II. STATUTORY UPDATING/REPEALS

SECTION 2.1. G.S. 95-5 is repealed.

SECTION 2.2. G.S. 95-6 is repealed.

SECTION 2.3. G.S. 95-7 reads as rewritten:

"§ **95-7. Power of Commissioner to compel the giving of ~~such~~ information; refusal as contempt.**

The Commissioner of Labor, or his authorized representative, ~~for the purpose of securing the statistical details referred to in G.S. 95-6,~~ shall have power to examine witnesses on oath, to compel the attendance of witnesses and the giving of such testimony and production of such papers as shall be necessary to enable him to gain the necessary information. Upon the refusal of any witness to comply with the requirements of the Commissioner of Labor or his representative in this respect, it shall be the duty of any judge of the superior court, upon the application of the Commissioner of Labor, or his representative, to order the witness to show cause why he should not comply with the requirements of the said Commissioner, or his representative, if in the discretion of the judge such requirement is reasonable and proper. Refusal to comply with the order of the judge of the superior court shall be dealt with as for contempt of court."

SECTION 2.4. G.S. 95-11 is repealed.

SECTION 2.5. G.S. 95-12 is repealed.

SECTION 2.6. G.S. 95-69.13 is repealed.

SECTION 2.7. G.S. 95-69.9(a) is repealed.

SECTION 2.8. G.S. 95-69.14 reads as rewritten:

"§ **95-69.14. Rules and regulations governing the construction, operation and use of boilers and pressure vessels.**

The ~~Commissioner, after consultation with the Board,~~Commissioner may adopt, modify, or revoke any rules and regulations governing the construction, installation, repair, alteration, inspection, use, and operation of boilers and pressure vessels as the Commissioner deems appropriate to insure the safe operation and avoidance of injury to person or property from boilers and pressure vessels. The rules and regulations will conform as nearly as possible to the standards of the American Society of Mechanical Engineers and the amendments and interpretations of those engineering standards.

The procedure for the adoption, modification, or revocation of the rules and regulations shall be in accordance with Chapter 150B of the General Statutes, the Administrative Procedure Act."

SECTION 2.9. G.S. 95-69.16 reads as rewritten:

"§ **95-69.16. Inspection certificate required.**

All boilers and pressure vessels subject to the provisions of this Article shall be inspected by a commissioned inspector. The Commissioner may determine both the frequency and the method of inspection. In determining the frequency of inspection, the Commissioner shall give due consideration to the hazard involved and the need for the protection of the public. The method of inspection must provide an adequate procedure to insure the safety of individuals likely to be injured by an explosion or accident involving a boiler or pressure vessel.

No boiler or pressure vessel may be operated without an inspection certificate, except pressure vessels being operated under an owner-user provision where administrative procedures of equal safety and competency have been approved by the ~~Board and~~ Commissioner. No more than 60 days grace period may be granted beyond the certificate expiration date."

PART III. YOUTH EMPLOYMENT EXCEPTION FOR POINT OF SALE FOR OFF-PREMISES CONSUMPTION

SECTION 3.1. G.S. 95-25.5(j) reads as rewritten:

"(j) No person who holds any ABC permit issued pursuant to the provisions of Chapter 18B of the General Statutes for the on-premises sale or consumption of alcoholic beverages, including any mixed beverages, shall employ a youth:

(1) Under 16 years of age on the premises for any purpose, unless the youth is at least 14 years of age and each of the following conditions is met:

a. The person obtains the written consent of a parent or guardian of the youth.

b. The youth is employed to work on the outside grounds of the premises for a purpose that does not involve the preparation, serving, dispensing, or sale of alcoholic beverages.

(2) Under 18 years of age to prepare, serve, dispense or sell any alcoholic beverages, including mixed ~~beverages.~~beverages, except for sale of alcoholic beverages at the point-of-sale for only off-premises consumption."

PART IV. EFFECTIVE DATE

SECTION 4.1. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 12th day of August, 2015.

Became law upon approval of the Governor at 2:20 p.m. on the 18th day of August, 2015.

Session Law 2015-222 **H.B. 13**

AN ACT TO REQUIRE EACH CHILD PRESENTED FOR ADMISSION INTO THE PUBLIC SCHOOLS FOR THE FIRST TIME TO SUBMIT PROOF OF A HEALTH ASSESSMENT; TO REQUIRE THAT ABSENCES DUE TO THE FAILURE TO PRESENT THE HEALTH ASSESSMENT TRANSMITTAL FORM NOT RESULT IN SUSPENSIONS AND TO ALLOW STUDENTS TO MAKE UP THE WORK MISSED; TO SPECIFY WHAT INFORMATION SHALL BE INCLUDED ON THE HEALTH ASSESSMENT TRANSMITTAL FORM AND WHO IS AUTHORIZED TO HAVE ACCESS TO THE FORM; AND TO REQUIRE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THE DEPARTMENT OF PUBLIC INSTRUCTION TO AMEND THE HEALTH ASSESSMENT TRANSMITTAL FORM AND TO REPORT TO THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON HEALTH AND HUMAN SERVICES AND TO THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

SECTION 1. The title of Article 18 of Chapter 130A of the General Statutes reads as rewritten:

"Article 18.

"Health Assessments for ~~Kindergarten~~ Children in the Public Schools."

SECTION 2. G.S. 130A-440 reads as rewritten:

"§ **130A-440. Health assessment required.**

(a) Every parent, guardian, or person standing in loco parentis shall submit proof of a health assessment for each child in this State ~~entering kindergarten in~~ who is presented for admission into kindergarten or a higher grade in the public schools ~~shall receive a health assessment.~~for the first time. The health assessment shall be made no more than 12 months prior to the date ~~of school entry.~~the child would have first been eligible for initial entry into the public schools. ~~No child shall attend kindergarten~~ Within 30 calendar days of a child's first day of attendance in the public schools, ~~unless~~ a health assessment transmittal form, developed pursuant to G.S. 130A-441, indicating that the child has received the health assessment required by this section, ~~is~~ shall be presented to the school principal. The only health

assessment transmittal form utilized by public schools shall be the form developed pursuant to G.S. 130A-441. ~~The medical provider, or the parent, guardian, or person in loco parentis, must present a~~ A completed health assessment transmittal form shall be presented to the principal of the school ~~on or before the child's first day of attendance.~~ by either (i) the parent, guardian, or person standing in loco parentis or (ii) the health care provider specified in G.S. 130A-440(c), if authorized in writing by the parent, guardian, or person standing in loco parentis. At the time of enrollment, the parent, guardian, or person standing in loco parentis shall be advised that a health assessment transmittal form is needed on or before the child's first day of attendance. If a health assessment transmittal form is not presented on or before the child's first ~~day,~~day of attendance, the principal shall present a notice of deficiency to the parent, guardian, or ~~responsible person.~~ person standing in loco parentis. The notice of deficiency shall include at least the following information: (i) the health assessment transmittal form must be submitted to the principal within 30 calendar days of the child's first day of attendance or the child will not be permitted to attend school until the form is submitted and (ii) an explanation for how the child may make up work missed in accordance with G.S. 115C-390.2(l). The parent, guardian, or ~~responsible person~~ person standing in loco parentis shall have 30 calendar days from the first day of attendance to present the required health assessment transmittal form for the child. Upon termination of 30 calendar days, the principal shall not permit the child to attend the school until the required health assessment transmittal form has been presented. A child shall not be suspended for absences accrued for failure to present the required health assessment transmittal form upon the termination of 30 calendar days, and the child shall be allowed to make up work missed in accordance with G.S. 115C-390.2(l). It shall be noted in the child's official school record when the health assessment transmittal form has been received.

(b) A health assessment shall include a medical history and physical examination with screening for vision and hearing and, if appropriate, testing for anemia and tuberculosis. Vision screening shall be conducted in accordance with G.S. 130A-440.1. The health assessment may also include dental screening and developmental screening for cognition, language, and motor function. The developmental screening of cognition and language abilities may be conducted in accordance with G.S. 115C-83.5(a).

(c) The health assessment shall be conducted by a physician licensed to practice medicine, a physician's assistant as defined in G.S. 90-18.1(a), a certified nurse practitioner, or a public health nurse meeting the Department's Standards for Early Periodic Screening, Diagnosis, and Treatment Screening.

(d) This Article shall not apply to children entering ~~kindergarten in~~ private church schools, schools of religious charter, or qualified nonpublic schools, regulated by Article 39 of Chapter 115C of the General Statutes.

(e) As used in this section, "parent, guardian, or person standing in loco parentis" means parent, legal guardian, legal custodian, and caregiver adult, as those terms are used in G.S. 115C-366."

SECTION 3. G.S. 130A-441 reads as rewritten:

"§ **130A-441. Reporting.**

(a) Health assessment results shall be submitted ~~to the school principal by the medical provider~~ on the statewide standardized health assessment transmittal ~~forms~~ form developed by the Department and the Department of Public ~~Instruction.~~Instruction and submitted to the school principal by either (i) the parent, guardian, or person standing in loco parentis for the student or (ii) the health care provider specified in G.S. 130A-440(c), if authorized in writing by the parent, guardian, or person standing in loco parentis. The health assessment transmittal form shall include only the items listed below:

(1) A statement that the form and information on the form will be maintained on file in the school once it has been completed.

(2) The name of the school the student is attending or will attend.

(3) A student information section to be completed by the parent, guardian, or person standing in loco parentis for the student that requires the following

about the student: first, middle, and last name; date of birth; sex; race; ethnicity; county of residence; and home address.

(4) A parent information section that includes the following: name of the parent, guardian, or person standing in loco parentis for the student; a telephone number; and space allowing the parent to share any concerns about the student's health with those individuals authorized to have access to the form in subsection (b) of this section.

(5) A section that includes the following information, if applicable, supplied by a health care provider specified in G.S. 130A-440(c):

a. A list of medications prescribed for the student.

b. A list of the student's allergies, the type of allergic reaction, and the response required.

c. Guidance regarding a special diet for the student.

d. Health-related recommendations to enhance the student's school performance.

e. Information on whether the student passed a vision screening and any concerns related to the student's vision.

f. Information on whether the student passed a hearing screening and any concerns related to the student's hearing.

g. An opportunity to indicate whether there are recommendations, concerns, or needs related to the student's health and whether school follow-up is needed.

h. An opportunity to provide comments.

(6) Instructions to the health care provider specified in G.S. 130A-440(c) to provide the student's current immunization record and any of the following applicable school health forms:

a. School medication authorization form.

b. Diabetes care plan.

c. Asthma action plan.

d. Health care plans for any other condition for which the school needs to be aware.

(7) A certification from a health care provider specified in G.S. 130A-440(c) stating: "I certify that I performed, on the student named above, a health assessment in accordance with G.S. 130A-440(b) that included a medical history and physical examination with screening for vision and hearing and, if appropriate, testing for anemia and tuberculosis. I certify that the information on this form is accurate and complete to the best of my knowledge."

(8) The date the health assessment was conducted.

(9) The health care provider's name, signature, telephone and fax number, and the name and address for the health care provider's practice.

(10) A section for the health care provider's stamp.

(b) ~~Each school having a kindergarten shall maintain on file the health assessment results.~~The form will be maintained on file in the school once it has been submitted. A student's official school record shall only reflect whether or not a health assessment transmittal form has been received. The ~~files~~health assessment transmittal form shall be open to inspection only by ~~the Department, the Department of Public Instruction, or their authorized representatives and persons inspecting the files~~authorized North Carolina public school administrators, teachers, and other school personnel who require such access to perform their assigned duties. These personnel shall maintain the confidentiality of the ~~files. Upon transfer of a child to another kindergarten, a copy of the health assessment results shall be provided upon request and without charge to the new kindergarten.~~form. Information contained on the health assessment transmittal form is confidential and is not a public record within the meaning of G.S. 132-1.

The local board of education shall provide, upon request, de-identified health assessment information from the forms to authorized employees of the Department of Health and Human Services who require such information to perform their assigned duties.

(c) Within 60 calendar days after the commencement of a new school year, the principal shall file a health assessment status report with the Department on ~~forms~~ a form developed by the Department and the Department of Public Instruction. The report shall document the number of newly enrolled children in compliance and not in compliance with G.S. 130A-440(a)."

SECTION 4.5. G.S. 115C-390.2 is amended by adding a new subsection to read:

"(l) Board policies shall state that absences under G.S. 130A-440 shall not be suspensions. A student subject to an absence under G.S. 130A-440 shall be provided the following:

(1) The opportunity to take textbooks and school-furnished digital devices home for the duration of the absence.

(2) Upon request, the right to receive all missed assignments and, to the extent practicable, the materials distributed to students in connection with the assignment.

(3) The opportunity to take any quarterly, semester, or grading period examinations missed during the absence period."

SECTION 5. The Department of Health and Human Services and the Department of Public Instruction, pursuant to G.S. 130A-441, as amended by this act, shall develop a health assessment transmittal form for the 2016-2017 school year and shall report to the Joint Legislative Oversight Committee on Health and Human Services and to the Joint Legislative Education Oversight Committee on the revised health assessment transmittal form on or before December 1, 2015.

SECTION 6. Sections 1 through 4.5 of this act are effective when this act becomes law and apply to children enrolling in the public schools for the first time beginning with the 2016-2017 school year. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 13th day of August, 2015.

Became law upon approval of the Governor at 2:20 p.m. on the 18th day of August, 2015.

Session Law 2015-223 **H.B. 168**

AN ACT TO EXEMPT FROM PROPERTY TAX THE INCREASE IN VALUE OF REAL PROPERTY HELD FOR SALE BY A BUILDER, TO THE EXTENT THE INCREASE IS ATTRIBUTABLE TO SUBDIVISION OR IMPROVEMENTS BY THE BUILDER.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-273(3a) is reenacted and reads as rewritten:

"(3a) "Builder" means a taxpayer ~~licensed as a general contractor under G.S. 87-1 and~~ engaged in the business of buying real property, making improvements to it, and then reselling it."

SECTION 2. Article 12 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"**§ 105-277.02. Certain real property held for sale classified for taxation at reduced valuation.**

(a) Residential Real Property. – Residential real property held for sale by a builder is designated a special class of property under authority of Article V, Sec. 2(2) of the North Carolina Constitution. For purposes of this subsection, "residential real property" is real property that is intended to be sold and used as an individual's residence immediately or after construction of a residence, and the term excludes property that is either occupied by a tenant

or used for commercial purposes such as residences shown to prospective buyers as models. Any increase in value of this classified property attributable to subdivision of, improvements other than buildings, or the construction of either a new single-family residence or a duplex on the property by the builder is excluded from taxation under this Subchapter as long as the builder continues to hold the property for sale. In no event shall this exclusion extend for more than three years from the time the improved property was first subject to being listed for taxation by the builder.

(b) Commercial Property. – Commercial real property held for sale by a builder is designated a special class of property under authority of Article V, Sec. 2(2) of the North Carolina Constitution. For purposes of this subsection, "commercial real property" is real property that is intended to be sold and used for commercial purposes immediately or after improvement. Any increase in value of this classified property attributable to subdivision of or other improvements made to the property, by the builder, is excluded from taxation under this Subchapter as long as the builder continues to hold the property for sale. The exclusion authorized by this subsection ends at the earlier of the following:

(1) Five years from the time the improved property was first subject to being listed for taxation by the builder.

(2) Issuance of a building permit.

(3) Sale of the property.

(c) The builder must apply for any exclusion under this section annually as provided in G.S. 105-282.1.

(d) In appraising property classified under this section, the assessor shall specify what portion of the value is an increase attributable to subdivision or other improvement by the builder."

SECTION 3. This act is effective for taxes imposed for taxable years beginning on or after July 1, 2016, and applies to subdivision of or other improvements made on or after July 1, 2015.

In the General Assembly read three times and ratified this the 13th day of August, 2015.

Became law upon approval of the Governor at 2:22 p.m. on the 18th day of August, 2015.

Session Law 2015-224 **S.B. 448**

AN ACT TO EQUALIZE THE TAXATION OF LIQUEFIED PROPANE GAS WHEN USED AS A MOTOR FUEL.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-449.130 is amended by adding a new subdivision to read:

"(1h) Gas gallon equivalent of liquefied propane gas. – The energy equivalent of 5.75 pounds of liquefied propane gas."

SECTION 2. G.S. 105-449.136(a) reads as rewritten:

"(a) Rate. – A tax at the motor fuel rate is imposed on liquid alternative fuel used to operate a highway vehicle by means of a vehicle supply tank that stores fuel only for the purpose of supplying fuel to operate the vehicle. The tax on liquefied natural gas is imposed on each diesel gallon equivalent of liquefied natural gas. The tax on liquefied propane gas is imposed on each gas gallon equivalent of liquefied propane gas. A tax at the equivalent of the motor fuel rate is imposed on all other alternative fuel used to operate a highway vehicle. The tax on compressed natural gas is imposed on each gas gallon equivalent of compressed natural gas. The Secretary must determine the equivalent rate for all other non-liquid alternative fuels."

SECTION 3. This act becomes effective January 1, 2016.

In the General Assembly read three times and ratified this the 13th day of August, 2015.

Became law upon approval of the Governor at 2:25 p.m. on the 18th day of August, 2015.

Session Law 2015-225 **S.B. 699**

AN ACT TO PROTECT CERTAIN PERSONAL INFORMATION OF LAW ENFORCEMENT OFFICERS FROM DISCLOSURE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 153A-98 is amended by adding a new subsection to read:

"(c4) Even if considered part of an employee's personnel file, the following information regarding any sworn law enforcement officer shall not be disclosed to an employee or any other person, unless disclosed in accordance with G.S. 132-1.4, or in accordance with G.S. 132-1.10, or for the personal safety of that sworn law enforcement officer or any other person residing in the same residence:

(1) Information that might identify the residence of a sworn law enforcement officer.

(2) Emergency contact information.

(3) Any identifying information as defined in G.S. 14-113.20."

SECTION 2. G.S. 160A-168 is amended by adding a new subsection to read:

"(c4) Even if considered part of an employee's personnel file, the following information regarding any sworn law enforcement officer shall not be disclosed to an employee or any other person, unless disclosed in accordance with G.S. 132-1.4, or in accordance with G.S. 132-1.10, or for the personal safety of that sworn law enforcement officer or any other person residing in the same residence:

(1) Information that might identify the residence of a sworn law enforcement officer.

(2) Emergency contact information.

(3) Any identifying information as defined in G.S. 14-113.20."

SECTION 3. G.S. 132-1.7 is amended by adding a new subsection to read:

"(b1) Public records shall not include mobile telephone numbers issued by a local, county, or State government to any of the following:

(1) A sworn law enforcement officer or nonsworn employee of a public law enforcement agency.

(2) An employee of a fire department.

(3) Any employee whose duties include responding to an emergency."

SECTION 4. This act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 13th day of August, 2015.

Became law upon approval of the Governor at 2:25 p.m. on the 18th day of August, 2015.

Session Law 2015-226 **S.B. 52**

AN ACT AUTHORIZING CITIES TO ALLOW ACTIVATION OF PARKING METERS BY COINS, TOKENS, CASH, CREDIT CARDS, DEBIT CARDS, OR OTHER ELECTRONIC MEANS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-301 reads as rewritten:

"§ **160A-301. Parking.**

(a) On-Street Parking. – A city may by ordinance regulate, restrict, and prohibit the parking of vehicles on the public streets, alleys, and bridges within the city. When parking is

permitted for a specified period of time at a particular location, a city may install a parking meter at that location and require any person parking a vehicle therein to place the meter in operation for the entire time that the vehicle remains in that location, up to the maximum time allowed for parking there. Parking meters may be activated by ~~coins or tokens.~~ coins, tokens, cash, credit cards, debit cards, or electronic means. Proceeds from the use of parking meters on public streets must be used to defray the cost of enforcing and administering traffic and parking ordinances and regulations.

…."

SECTION 2. This act shall not be construed to repeal or otherwise limit the authority to activate parking meters and use proceeds from parking meters granted to the Towns of Wrightsville Beach, Carolina Beach, Kure Beach, and the City of Wilmington in S.L. 1998-86, as amended by S.L. 2001-9, the City of Raleigh and the Town of Chapel Hill in S.L. 2009-164, the Towns of Atlantic Beach and Beaufort in S.L. 2011-79, and the City of Durham in S.L. 2014-34.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 19th day of August, 2015.

Became law upon approval of the Governor at 10:05 a.m. on the 25th day of August, 2015.

Session Law 2015-227 **S.B. 332**

AN ACT TO ENABLE REGISTERS OF DEEDS TO COLLECT ADDITIONAL FEES FOR INDEXING INSTRUMENTS THAT CONTAIN EXHIBITS WITH MULTIPLE ENTERABLE PARTIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 161-10(a) reads as rewritten:

"§ **161-10. Uniform fees of registers of deeds.**

(a) Except as otherwise provided in this Article, all fees collected under this section shall be deposited into the county general fund. While performing the duties of the office, the register of deeds shall collect the following fees which shall be uniform throughout the State:

(1) Instruments in General. – For registering or filing any instrument for which no other provision is made by this section, the fee shall be twenty-six dollars ($26.00) for the first 15 pages plus four dollars ($4.00) for each additional page or fraction thereof.

For any instrument that assigns more than one security instrument as defined in G.S. 45-36.4(18) by reference to previously recorded instrument recording data that are required to be indexed pursuant to G.S. 161-14.1(b), the fee shall be an additional ten dollars ($10.00) for each additional reference.

For an instrument that contains excessive recording data, the fee shall be an additional two dollars ($2.00) for each party listed in the instrument in excess of 20. An instrument contains excessive recording data when there are more than 20 distinct parties listed in the instrument, including any attachments and exhibits, that require indexing pursuant to G.S. 147-54.3 or this Chapter.

When a document is presented for registration that consists of multiple instruments, the fee shall be an additional ten dollars ($10.00) for each additional instrument. A document consists of multiple instruments when it contains two or more instruments with different legal consequences or intent, each of which is separately executed and acknowledged and could be recorded alone.

…."

SECTION 2. This act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 19th day of August, 2015.

Became law upon approval of the Governor at 10:05 a.m. on the 25th day of August, 2015.

Session Law 2015-228 **S.B. 675**

AN ACT TO LIMIT THE FREQUENCY OF PAROLE REVIEWS FOR INMATES CONVICTED OF SEXUALLY VIOLENT OFFENSES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 15A-1371(b), repealed by Section 22 of Chapter 538 of the 1993 Session Laws, but still applicable to sentences based on offenses occurring before October 1, 1994, under Section 56 of that act, as amended by S.L. 2008-133, reads as rewritten:

"(b) Consideration for Parole. – The Parole Commission must consider the desirability of parole for each person sentenced as a felon for a maximum term of 18 months or longer:

(1) Within the period of 90 days prior to his eligibility for parole, if he is ineligible for parole until he has served more than a year;

(2) Within the period of 90 days prior to the expiration of the first year of the sentence, if he is eligible for parole at any time. Whenever the Parole Commission will be considering for parole a prisoner who, if released, would have served less than half of the maximum term of his sentence, the Commission must notify the prisoner and the district attorney of the district where the prisoner was convicted at least 30 days in advance of considering the parole. If the district attorney makes a written request in such cases, the Commission must publicly conduct its consideration of parole. Following its consideration, the Commission must give the prisoner written notice of its decision. If parole is denied, the Commission must consider its decision while the prisoner is eligible for parole at least once a year until parole is granted and must give the prisoner written notice of its decision at least once a year, except as provided in ~~subdivision (4)~~subdivisions (4) and (5) of this subsection, or

(3) Whenever the Parole Commission will be considering for parole a prisoner convicted of first- or second-degree murder, first-degree rape, or first-degree sexual offense, the Commission must notify, at least 30 days in advance of considering the parole, by first class mail at the last known address:

a. The prisoner;

b. The district attorney of the district where the prisoner was convicted;

c. The head of the law enforcement agency that arrested the prisoner, if the head of the agency has requested in writing that he be notified;

d. Any of the victim's immediate family members who have requested in writing to be notified; and

e. The victim, in cases of first-degree rape or first-degree sexual offense, if the victim has requested in writing to be notified.

The Parole Commission must consider any information provided by any such parties before consideration of parole. The Commission must also give the district attorney, the head of the law enforcement agency who has requested in writing to be notified, the victim, or any member of the victim's immediate family who has requested to be notified, written notice of its decision within 10 days of that decision.

(4) The Commission shall review cases where the prisoner was convicted of first or second degree murder, and in its discretion, give consideration of parole and written notice of its decision once every third year; except that the Commission may give more frequent parole consideration if it finds that exigent circumstances or the interests of justice demand it.

(5) The Commission shall review cases where the prisoner was convicted of a sexually violent offense as defined in G.S. 14-208.6(5), and in its discretion, give consideration of parole and written notice of its decision once every second year; except that the Commission may give more frequent parole consideration if it finds that exigent circumstances or the interests of justice demand it."

SECTION 2. This act becomes effective October 1, 2015, and applies to parole reviews conducted on and after that date.

In the General Assembly read three times and ratified this the 24th day of August, 2015.

Became law upon approval of the Governor at 10:05 a.m. on the 25th day of August, 2015.

Session Law 2015-229 **S.B. 185**

AN ACT TO CLARIFY CREDIT FOR TIME SERVED AS RECOMMENDED BY THE NORTH CAROLINA SENTENCING AND POLICY ADVISORY COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 15-196.1 reads as rewritten:

"§ **15-196.1. Credits allowed.**

The minimum and maximum term of a sentence shall be credited with and diminished by the total amount of time a defendant has spent, committed to or in confinement in any State or local correctional, mental or other institution as a result of the charge that culminated in the ~~sentence.~~ sentence or the incident from which the charge arose. The credit provided shall be calculated from the date custody under the charge commenced and shall include credit for all time spent in custody pending trial, trial de novo, appeal, retrial, or pending parole, probation, or post-release supervision revocation hearing: Provided, however, the credit available herein shall not include any time that ~~is credited on the term of a previously imposed sentence to which a defendant is subject.~~a defendant has spent in custody as a result of a pending charge while serving a sentence imposed for another offense."

SECTION 2. This act becomes effective December 1, 2015.

In the General Assembly read three times and ratified this the 19th day of August, 2015.

Became law upon approval of the Governor at 10:06 a.m. on the 25th day of August, 2015.

Session Law 2015-230 **S.B. 477**

AN ACT TO TRANSFER THE FORMER BLADEN CORRECTIONAL CENTER PROPERTY TO THE BLADEN COUNTY BOARD OF COMMISSIONERS.

The General Assembly of North Carolina enacts:

SECTION 1. The State of North Carolina shall convey to the Bladen County Board of Commissioners, for consideration of one dollar ($1.00), all its right, title, and interest in that portion of the former Bladen County Correctional Center property that resides within a fenced-off area of that property and shall also convey to the County a right-of-way that allows ingress and egress to property in the general direction of the nearby firing range. The

conveyance is subject to a reversionary interest reserved by the State. The property shall be conveyed to the Bladen County Board of Commissioners for so long as it is utilized for county government purposes.

SECTION 2. The State of North Carolina shall convey the real property described in Section 1 of this act "as is" and "where is" without warranty. The State makes no representations or warranties concerning the title to the property, the boundaries of the property, the uses to which the property may be put, zoning, local ordinances, or any physical, environmental, health, and safety conditions relating to the property. All costs associated with the conveyance of the property shall be borne by Bladen County.

SECTION 3. The conveyance of the State's right, title, and interest in the real property described in Section 1 of this act shall be exempt from the provisions of Article 7 of Chapter 146 of the General Statutes. The conveyance shall comply with the provisions of Article 16 of Chapter 146 of the General Statutes, provided that the provisions of G.S. 146-74 shall not apply.

SECTION 4. This act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 19th day of August, 2015.

Became law upon approval of the Governor at 10:06 a.m. on the 25th day of August, 2015.

Session Law 2015-231 **H.B. 268**

AN ACT TO MAKE VARIOUS CHANGES TO THE TRANSPORTATION LAWS OF THE STATE.

The General Assembly of North Carolina enacts:

AMEND HIGHWAY OBSTRUCTION QUICK CLEARANCE REQUIREMENTS

SECTION 1. G.S. 20-161(f) reads as rewritten:

"(f) ~~Any~~ An investigating law enforcement officer, with the concurrence of the Department of Transportation, or the Department of Transportation, with the concurrence of an investigating law enforcement officer, may immediately remove or cause to be removed from the State highway system any wrecked, abandoned, disabled, unattended, burned, or partially dismantled vehicle, cargo, or other personal property interfering with the regular flow of traffic or which otherwise constitutes a hazard. In the event of a motor vehicle crash involving serious personal injury or death, no removal shall occur until the investigating law enforcement officer determines that adequate information has been obtained for preparation of a crash report. No state or local law enforcement officer, Department of Transportation employee, or person or firm contracting or assisting in the removal or disposition of any such vehicle, cargo, or other personal property shall be held criminally or civilly liable for any damage or economic injury related to carrying out or enforcing the provisions of this section."

AUTHORIZE THE DEPARTMENT OF TRANSPORTATION TO PERMIT ENCROACHMENT OF AIR SPACE ABOVE STATE ROAD 1347

SECTION 2. The Department of Transportation is hereby authorized to permit private use and encroachment upon the air space above State Road 1347, Nevada Boulevard, in the City of Charlotte, for the purpose of construction of a material conveyance system; provided, in the opinion of the Department of Transportation, the material conveyance system will not unreasonably interfere with or impair the property rights or easements of abutting owners nor unreasonably interfere with or obstruct the public use of Nevada Boulevard. This encroachment shall be subject to all other rules, regulations, and conditions of the Department of Transportation for encroachments. The location, plans, and specifications for the material conveyance system shall be approved by the Department.

DELAY FOR TWO YEARS THE SUNSET ON THE DEPARTMENT OF TRANSPORTATION'S PROGRAM FOR PARTICIPATION BY DISADVANTAGED MINORITY-OWNED AND WOMEN-OWNED BUSINESSES

SECTION 3. G.S. 136-28.4 reads as rewritten:

"§ **136-28.4. State policy concerning participation by disadvantaged minority-owned and women-owned businesses in transportation contracts.**

…

(b1) Based upon the findings of the Department's ~~2009~~2014 study entitled ~~"Measuring Business Opportunity: A Disparity Study of NCDOT's State and Federal Programs"~~"North Carolina Department of Transportation Disparity Study, 2014," hereinafter referred to as "Study", the program design shall, to the extent reasonably practicable, incorporate narrowly tailored remedies identified in the Study, and the Department shall implement a comprehensive antidiscrimination enforcement policy. As appropriate, the program design shall be modified by rules adopted by the Department that are consistent with findings made in the Study and in subsequent studies conducted in accordance with subsection (b) of this section. As part of this program, the Department shall review its budget and establish aspirational goals every three years, not mandatory goals, in percentages, for the overall participation in contracts by disadvantaged minority-owned and women-owned businesses. These aspirational goals for disadvantaged minority-owned and women-owned businesses shall be established consistent with federal methodology, and they shall not be applied rigidly on specific contracts or projects. Instead, the Department shall establish contract-specific goals or project-specific goals for the participation of such firms in a manner consistent with availability of disadvantaged minority-owned and women-owned businesses, as appropriately defined by its most recent Study, for each disadvantaged minority-owned and women-owned business category that has demonstrated significant disparity in contract utilization. Nothing in this section shall authorize the use of quotas. Any program implemented as a result of the Study conducted in accordance with this section shall be narrowly tailored to eliminate the effects of historical and continuing discrimination and its impacts on such disadvantaged minority-owned and women-owned businesses without any undue burden on other contractors. The Department shall give equal opportunity for contracts it lets without regard to race, religion, color, creed, national origin, sex, age, or handicapping condition, as defined in G.S. 168A-3, to all contractors and businesses otherwise qualified.

…

(e) This section expires ~~August 31, 2015.~~August 31, 2017."

EFFECTIVE DATE

SECTION 4. Section 1 of this act is effective when this act becomes law and applies to any obstructions to traffic arising on or after 12:01 A.M. of the day following that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 19th day of August, 2015.

Became law upon approval of the Governor at 10:08 a.m. on the 25th day of August, 2015.

Session Law 2015-232 **S.B. 446**

AN ACT TO PROVIDE FOR THE UNIFORM TREATMENT OF FRANCHISED DEALER LOANER VEHICLES; TO CLARIFY THAT AGENTS OR AGENCIES OF THE STATE OR A POLITICAL SUBDIVISION OF THE STATE SHALL HAVE AUTHORITY TO PROCURE AND OPERATE UNMANNED AIRCRAFT SYSTEMS UPON APPROVAL OF THE STATE CHIEF INFORMATION OFFICER AND TO MODIFY THE REGULATION OF UNMANNED AIRCRAFT SYSTEMS TO CONFORM TO FAA

GUIDELINES; AND TO AUTHORIZE BRUNSWICK COUNTY TO REGULATE NAVIGABLE WATERS WITHIN ITS BOUNDARIES.

The General Assembly of North Carolina enacts:

PART I. UNIFORM TREATMENT OF FRANCHISED DEALER LOANER VEHICLES

SECTION 1.1.(a) G.S. 20-4.01(48a) reads as rewritten:

"(48a) U-drive-it vehicles. – The following vehicles that are either rented to a person, to be operated by that ~~person:~~person, or loaned by a franchised motor vehicle dealer, with or without charge, to a customer of that dealer who is having a vehicle serviced or repaired by the dealer:

a. A private passenger vehicle other than the following:
   1. A private passenger vehicle of nine-passenger capacity or less that is rented for a term of one year or more.
   2. A private passenger vehicle that is rented to public school authorities for driver-training instruction.

b. A property-hauling vehicle under 7,000 pounds that does not haul products for hire and that is rented for a term of less than one year.

c. Motorcycles."

SECTION 1.1.(b) This section is effective when this act becomes law and expires December 31, 2018.

SECTION 1.2. G.S. 20-286(10), as amended by Section 8 of S.L. 2015-125, reads as rewritten:

"(10) Motor vehicle. – Any motor propelled vehicle, trailer or semitrailer, required to be registered under the laws of this State. This term does not include mopeds, as that term is defined in G.S. 20-4.01.

a. "New motor vehicle" means a motor vehicle that has never been the subject of a completed, successful, or conditional sale that was subsequently approved other than between new motor vehicle dealers, or between a manufacturer and a new motor vehicle dealer of the same franchise. For purposes of this subdivision, the use of a new motor vehicle by a new motor vehicle dealer for demonstration or service loaner purposes does not render the new motor vehicle a used motor vehicle, notwithstanding the commencement of (i) the manufacturer's original warranty as a result of the franchised dealer's use of the vehicle for demonstration or loaner purposes or the dealer's receipt of incentive or warranty compensation or other reimbursement or consideration from a manufacturer, factory branch, distributor, distributor branch or (ii) a third-party warranty, maintenance, or service contract company relating to the use of a vehicle as a demonstrator or service loaner.

b. "Used motor vehicle" means a motor vehicle other than described in paragraph (10)a above."

SECTION 1.3.(a) Article 3 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"**§ 20-79.02. Loaner/Dealer "LD" license plate for franchised dealer loaner vehicles.**

(a) Application; Fee. – A franchised motor vehicle dealer, as defined in G.S. 20-286(8b) and licensed in accordance with Article 12 of this Chapter, who agrees to loan, with or without charge, a new motor vehicle owned by the dealer to a customer of the dealer who is having his or her vehicle serviced by the dealer, may obtain a Loaner/Dealer "LD" license plate for the vehicle by filing an application with the Division and paying the required fee. Receipt by a franchised motor vehicle dealer of compensation or other consideration from a manufacturer, distributor, manufacturer branch, distributor branch, third-party warranty,

maintenance or service contract company, or other third-party source related to a vehicle, including, but not limited to, incentive compensation or reimbursement for maintenance, repairs, or other work performed on the vehicle, does not prevent the franchised motor vehicle dealer from receiving an LD license plate for the vehicle. An application must be filed on a form provided by the Division and contain the information required by the Division. The annual fee for an LD license plate is two hundred dollars ($200.00) per 12 calendar months.

(b) Number of Plates. – There is no limit on the number of LD license plates that a franchised motor vehicle dealer may be issued, provided that the applicable annual fee for each plate is paid.

(c) Form and Duration. – An LD license plate is subject to G.S. 20-63, except for the requirement that the plate display the registration number of a motor vehicle and the requirement that the plate be a "First in Flight" or "First in Freedom" plate. An LD license plate must have a distinguishing symbol identifying the plate as an LD license plate. Subject to the limitations in this section, an LD license plate may continue in existence perpetually and may be transferred to other vehicles in the dealer's loaner fleet when the vehicle on which the LD license plate is displayed has been sold or leased to a third party or otherwise removed from the dealer's loaner fleet.

(d) Restrictions on Use. – The following restrictions apply with regard to the use and display of an LD license plate:

(1) An LD license plate may be displayed only on a motor vehicle that meets all of the following requirements:

a. Is part of the inventory of a franchised motor vehicle dealer.

b. Is not consigned to the franchised motor vehicle dealer or affiliate.

c. Is covered by liability insurance that meets the requirements of Article 9A of this Chapter; provided, however, that nothing herein prevents or prohibits a franchised motor vehicle dealer from contractually shifting the risk of loss and insurance requirements contained in Article 9A of this Chapter to an individual or entity to which a vehicle is loaned.

d. Is not used by the franchised motor vehicle dealer in another business in which the dealer is engaged.

e. Is driven on a highway by a customer of the franchised motor vehicle dealer who is having a vehicle serviced or repaired by the dealer.

(2) The person operating the motor vehicle must carry a copy of the assignment by the franchised motor vehicle dealer and a copy of the registration card for the LD license plate issued to the franchised motor vehicle dealer, or, if the person is operating the motor vehicle in this State, the registration card must be maintained on file at the franchised motor vehicle dealer's address listed on the registration card, and the registration card must be able to be produced within 24 hours upon request of a law enforcement officer.

(3) A vehicle displaying an LD license plate may be driven only by a person who is licensed to drive the type of motor vehicle for which the plate is issued.

(4) An LD license plate may be displayed only on the motor vehicle for which it has been assigned by the franchised motor vehicle dealer.

(5) The franchised motor vehicle dealer to whom an LD license plate is issued is responsible for completing and maintaining documentation prescribed by the Division relating to the assignment of each motor vehicle on which an LD license plate is displayed to a customer of the franchised dealer.

(e) Penalties. – A driver of a motor vehicle or a franchised motor vehicle dealer who violates a restriction on the use or display of an LD license plate as set out in subsection (d) of this section is subject to the penalties listed in this subsection. The clear proceeds of all civil penalties, civil forfeitures, and civil fines that are collected pursuant to this section shall be

remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2. The penalties are as follows:

(1) The driver of the motor vehicle who violates a restriction on the use or display of an LD license plate is responsible for an infraction and is subject to a penalty of one hundred dollars ($100.00).

(2) A franchised motor vehicle dealer to whom the plate is issued who violates a restriction on the use or display of an LD license plate is subject to an infraction and is subject to a penalty of two hundred fifty dollars ($250.00). The Division may rescind all LD license plates issued to the franchised motor vehicle dealer for knowing repeated violations of subsection (d) of this section.

(f) Transfer of Dealer Registration. – A change in the name of a firm, partnership, or corporation is not considered a new business, and the franchised motor vehicle dealer's LD license plates may continue to be used.

(g) Applicability. – Prior to January 1, 2019, a new motor vehicle dealer may, but is not required to, display an LD license plate on a service loaner vehicle. Beginning on or after January 1, 2019, a new motor vehicle dealer shall display an LD license plate on any new motor vehicle placed into service as a loaner vehicle if either of the following circumstances exists:

(1) The new motor vehicle dealer is receiving incentive or warranty compensation from a manufacturer, factory branch, distributor, or distributor branch for the use of the vehicle as a service loaner.

(2) The new motor vehicle dealer is receiving a fee or other compensation from the dealer's customers for the use of the vehicle as a service loaner."

SECTION 1.3.(b) This section becomes effective July 1, 2016.

SECTION 1.4.(a) G.S. 20-79(d) reads as rewritten:

"(d) Restrictions on Use. – A dealer license plate may be displayed only on a motor vehicle that meets all of the following requirements:

(1) Is part of the inventory of the dealer.

(2) Is not consigned to the dealer.

(3) Is covered by liability insurance that meets the requirements of Article 9A of this Chapter.

(4) Is not used by the dealer in another business in which the dealer is engaged.

(5) Is driven on a highway by a person who meets one of the following descriptions:

a. Has a demonstration permit to test-drive the motor vehicle and carries the demonstration permit while driving the motor vehicle.

b. Is an officer or sales representative of the dealer and is driving the vehicle for a business purpose of the dealer.

c. Is an employee of the dealer and is driving the vehicle in the course of employment.

d. Is an employee of the dealer or of a contractor of the dealer and is driving the vehicle within a 20-mile radius of a place where the vehicle is being repaired or otherwise prepared for sale.

e. Is an employee of the dealer or of a contractor of the dealer and is transporting the vehicle to or from a vehicle auction or to the dealer's established salesroom.

f. Is an officer, sales representative, or other employee of a franchised motor vehicle dealer or is an immediate family member of an officer, sales representative, or other employee of a franchised motor vehicle dealer.

(6) A copy of the registration card for the dealer plate issued to the dealer is carried by the person operating the motor vehicle or, if the person is

operating the motor vehicle in this State, the registration card is maintained on file at the dealer's address listed on the registration card, and the registration card must be able to be produced within 24 hours upon request of any law enforcement officer.

A dealer may issue a demonstration permit for a motor vehicle to a person licensed to drive that type of motor vehicle. A demonstration permit authorizes each person named in the permit to drive the motor vehicle described in the permit for up to 96 hours after the time the permit is issued. A dealer may, for good cause, renew a demonstration permit for one additional 96-hour period. A franchised motor vehicle dealer is not prohibited from using a demonstration permit pursuant to this subsection by reason of the dealer's receipt of (i) incentive or warranty compensation or other reimbursement or consideration from a manufacturer, factory branch, distributor, distributor branch or (ii) a third-party warranty, maintenance, or service contract company relating to the use of the vehicle as a demonstrator or service loaner.

A dealer may not lend, rent, lease, or otherwise place a dealer license plate at the disposal of a person except as authorized by this subsection."

SECTION 1.4.(b) This section is effective when this act becomes law and expires December 31, 2018.

PART II. UNMANNED AIRCRAFT SYSTEMS

SECTION 2.1. Section 7.16(e) of S.L. 2013-360, as amended by Section 7.11(a) of S.L. 2014-100, reads as rewritten:

"**SECTION 7.16.(e)** Until December 31, 2015, ~~no State or local governmental entity or officer may procure or operate an unmanned aircraft system or disclose personal information about any person acquired through the operation of an unmanned aircraft system unless the State CIO approves an exception specifically granting disclosure, use, or purchase. Any exceptions to the prohibition in this subsection shall be reported immediately~~ the State CIO shall have the authority to approve or disapprove (i) the procurement or operation of an unmanned aircraft system by agents or agencies of the State or a political subdivision of the State and (ii) the disclosure of personal information about any person acquired through the operation of an unmanned aircraft system by agents or agencies of the State or a political subdivision of the State. When making a decision under this subsection, the State CIO may consult with the Division of Aviation of the Department of Transportation. The State CIO shall immediately report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research ~~Division.~~ Division on all decisions made under this subsection. Notwithstanding G.S. 63-95(c), agents or agencies of the State or a political subdivision of the State that receive State CIO approval under this subsection may procure or operate an unmanned aircraft system prior to the implementation of the knowledge test required by G.S. 63-95. In addition to receiving approval from the State CIO under this subsection, agents or agencies of the State or a political subdivision of the State who submit a request on or after the date of implementation of the knowledge test required by G.S. 63-95 shall also be subject to the provisions of that section. The following definitions apply in this section:

(1) "Unmanned aircraft" means an aircraft that is operated without the possibility of human intervention from within or on the aircraft.

(2) "Unmanned aircraft system" means an unmanned aircraft and associated elements, including communication links and components that control the unmanned aircraft that are required for the pilot in command to operate safely and efficiently in the national airspace system."

SECTION 2.2. Section 34.30(j) of S.L. 2014-100 reads as rewritten:

"**SECTION 34.30.(j)** ~~No~~ Except as authorized under Section 7.16(e) of S.L. 2013-360, as amended by Section 7.11(a) of S.L. 2014-100, no operation of unmanned aircraft systems by agents or agencies of the ~~State, or agents or agencies of~~ State or a political subdivision of the ~~State,~~ State shall be authorized in this State until the knowledge ~~and skills~~ test required by G.S. 63-95, as enacted in subsection (g) of this section, has been implemented.

~~No operation of unmanned aircraft systems for commercial purposes shall be authorized in this State until the FAA has authorized commercial operations and the licensing system required by G.S. 63-96, as enacted in subsection (g) of this section, has been implemented.~~"

SECTION 2.3. G.S. 63-95(b) reads as rewritten:

"(b) The Division shall develop a knowledge ~~and skills~~ test for operating an unmanned aircraft system that complies with all applicable State and federal regulations and shall provide for administration of the test. The test shall ensure that the operator of an unmanned aircraft system is knowledgeable of the State statutes and regulations regarding the operation of unmanned aircraft systems. The Division may permit a person, including an agency of this State, an agency of a political subdivision of this State, an employer, or a private training facility, to administer the test developed pursuant to this subsection, provided the test is the same as that administered by the Division and complies with all applicable State and federal regulations."

SECTION 2.4. G.S. 63-96 reads as rewritten:

"§ **63-96. ~~License~~ Permit required for commercial operation of unmanned aircraft systems.**

(a) No person shall operate an unmanned aircraft system, as defined in G.S. 15A-300.1, in this State for commercial purposes unless the person is in possession of a ~~license~~ permit issued by the Division valid for the unmanned aircraft system being operated. Application for ~~such license~~ the permit shall be made in the manner provided by the Division. Unless suspended or revoked, the ~~license~~ permit shall be effective for a period to be established by the Division not exceeding eight years.

(b) No person shall be issued a ~~license~~ permit under this section unless all of the following apply:

(1) The person is at least ~~18~~ 17 years of age.

(2) The person possesses a valid drivers license issued by any state or territory of the United States or the District of Columbia.

(3) The person has passed the knowledge ~~and skills~~ test for operating an unmanned aircraft system as prescribed in G.S. 63-95(b).

(4) The person has satisfied all other applicable requirements of this Article or federal regulation.

(c) A ~~license~~ permit to operate an unmanned aircraft system for commercial purposes shall not be issued to a person while the person's license or permit to operate an unmanned aircraft system is suspended, revoked, or cancelled in any state.

(d) The Division shall develop and administer a program that complies with all applicable federal regulations to ~~license~~ issue permits to operators of unmanned aircraft systems for commercial purposes. The program must include the following components:

(1) A system for classifying unmanned aircraft systems based on characteristics determined to be appropriate by the Division.

(2) A fee structure for ~~licenses.~~permits.

(3) A ~~license~~ permit application ~~process.~~process, which shall include a requirement that the Division provide notice to an applicant of the Division's decision on issuance of a permit no later than 10 days from the date the Division receives the applicant's application.

(4) Technical guidance for complying with program requirements.

(5) Criteria under which the Division may suspend or revoke a ~~license.~~permit.

(6) Criteria under which the Division may waive ~~licensure~~ permitting requirements for applicants currently holding a valid license or permit to operate unmanned aircraft systems issued by another state or territory of the United States, the District of Columbia, or the United States.

(7) A designation of the geographic area within which a ~~licensee~~ permittee shall be authorized to operate an unmanned aircraft system. The rules adopted by the Division for designating a geographic area pursuant to this subdivision

shall be no more restrictive than the rules or regulations adopted by the Federal Aviation Administration for designating a geographic area for the commercial operation of unmanned aircraft systems.

(8) Requirements pertaining to the collection, use, and retention of data by ~~licensees~~ permittees obtained through the operation of unmanned aircraft systems, to be established in consultation with the State Chief Information Officer.

(9) Requirements for the marking of each unmanned aircraft system operated pursuant to a ~~license~~ permit issued under this section sufficient to ~~permit~~ allow identification of the owner of the system and the person ~~licensed~~ issued a permit to operate it.

(10) A system for providing agencies that conduct other operations within regulated airspace with the identity and contact information of ~~licensees~~ permittees and the geographic areas within which the ~~licensee~~ permittee is ~~permitted~~ authorized to operate an unmanned aircraft system.

(e) A person who operates an unmanned aircraft system for commercial purposes other than as ~~permitted~~ authorized under this section shall be guilty of a Class 1 misdemeanor.

(f) The Division may issue rules and regulations to implement the provisions of this section."

SECTION 2.5. Prior to the implementation of the knowledge test and permitting process required by G.S. 63-96, any person authorized by the FAA for commercial operation of an unmanned aircraft system in this State shall not be in violation of that statute, provided that the person makes application for a State permit for commercial operation within 60 days of the full implementation of the permitting process and is issued a State commercial operation permit in due course.

PART III. BRUNSWICK COUNTY TO REGULATE NAVIGABLE WATERS WITHIN ITS BOUNDARIES

SECTION 3.1. The Board of Commissioners of Brunswick County may adopt and enforce ordinances for the navigable waters within the county's jurisdictional boundaries that (i) relate to the operation of boats and vessels, including restrictions concerning the types of activities conducted on the navigable waters within the jurisdictional limits of the county; (ii) restrict the anchoring of boats and vessels as to location; and (iii) generally regulate the anchoring of vessels within its navigable waters. The Board may make all reasonable rules and regulations as it deems necessary for the safe and proper use of the navigable waters within the jurisdictional limits of the county for the occupants of boats and vessels, swimmers, fishermen, and others using the navigable waters and may provide for enforcement of ordinances adopted by the county under this section in accordance with G.S. 153A-123.

SECTION 3.2. If any rules or regulations of the North Carolina Wildlife Resources Commission, the Division of Marine Fisheries of the Department of Environment and Natural Resources, the Marine Fisheries Commission, the U.S. Coast Guard, or the U.S. Army Corps of Engineers expressly conflict with ordinances adopted by the county under the authority granted by this section, then the State or federal rule or regulation shall prevail over the county ordinance to the extent of the conflict.

SECTION 3.3. Brunswick County may appropriate funds to carry out the power and authority granted by this section.

SECTION 3.4. If any part or parts of this section are held unconstitutional, the unconstitutionality shall not affect the validity of the remaining parts of this section.

PART IV. EFFECTIVE DATE

SECTION 4. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 20th day of August, 2015.

Became law upon approval of the Governor at 10:10 a.m. on the 25th day of August, 2015.

Session Law 2015-233 **H.B. 18**

AN ACT AUTHORIZING THE DIRECTOR OF THE BUDGET TO CONTINUE EXPENDITURES FOR THE OPERATION OF GOVERNMENT AT THE LEVEL IN EFFECT ON JUNE 30, 2015, UNTIL SEPTEMBER 18, 2015.

The General Assembly of North Carolina enacts:

SECTION 1. Section 9 of S.L. 2015-133, as amended by Section 1.1 of S.L. 2015-214, reads as rewritten:

"**SECTION 9.** Except as otherwise provided, this act becomes effective July 1, 2015, and expires ~~August 31, 2015,~~September 18, 2015, at 11:59 P.M."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27th day of August, 2015.

Became law upon approval of the Governor at 3:00 p.m. on the 27th day of August, 2015.

Session Law 2015-234 **S.B. 156**

AN ACT TO REVISE AND CONSOLIDATE THE CHARTER OF THE TOWN OF MOUNT GILEAD.

The General Assembly of North Carolina enacts:

SECTION 1. The Charter of the Town of Mount Gilead is revised and consolidated to read as follows:

"THE CHARTER OF THE TOWN OF MOUNT GILEAD

"ARTICLE I. INCORPORATION, CORPORATE POWERS, AND BOUNDARIES

"Section 1.1. Incorporation. The Town of Mount Gilead, North Carolina, in Montgomery County and the inhabitants thereof shall continue to be a municipal body politic and corporate, under the name of the "Town of Mount Gilead," hereinafter at times referred to as the "Town."

"Section 1.2. Powers. The Town shall have and may exercise all of the powers, duties, rights, privileges, and immunities conferred upon the Town of Mount Gilead specifically by this Charter or upon municipal corporations by general law. The term "general law" is employed herein as defined in G.S. 160A-1.

"Section 1.3. Corporate Limits. The corporate limits shall be those existing at the time of ratification of this Charter, as set forth on the official map of the Town, and as they may be altered from time to time in accordance with law. An official map of the Town, showing the current municipal boundaries, shall be maintained permanently in the Office of the Town Clerk and shall be available for public inspection. Upon alteration of the corporate limits pursuant to law, the appropriate changes to the official map shall be made and copies shall be filed in the Office of the Secretary of State, the Montgomery County Register of Deeds, and the appropriate board of elections.

"ARTICLE II. GOVERNING BODY

"Section 2.1. Town Governing Body; Composition. The Board of Commissioners, hereinafter referred to as the "Board," and the Mayor shall be the governing body of the Town.

"Section 2.2. Town Board of Commissioners; Composition; Terms of Office. The Board of Commissioners shall be composed of four members, to be elected by all the qualified voters of the Town, for staggered terms of four years, or until their successors are elected and qualified.

"Section 2.3. Mayor; Term of Office; Duties. The Mayor shall be elected by all the qualified voters of the Town for a term of two years or until his or her successor is elected and qualified. The Mayor shall be the official head of the Town government, shall preside at meetings of the Board, shall have the right to vote only when there is an equal division on any question or matter before the Board, and shall exercise the powers and duties conferred by law or as directed by the Board.

"Section 2.4. Mayor Pro Tempore. The Board shall elect one of its members as Mayor Pro Tempore to perform the duties of the Mayor during his or her absence or disability, in accordance with general law. The Mayor Pro Tempore shall serve in such capacity at the pleasure of the Board.

"Section 2.5. Meetings. In accordance with general law, the Board shall establish a suitable time and place for its regular meetings. Special and emergency meetings may be held as provided by general law.

"Section 2.6. Quorum; Voting. Official actions of the Board and all votes shall be taken in accordance with the applicable provisions of general law, particularly G.S. 160A-75. The quorum provisions of G.S. 160A-74 shall apply.

"Section 2.7. Compensation; Qualifications for Office; Vacancies. The compensation and qualifications of the Mayor and Commissioners shall be in accordance with general law. Vacancies that occur in any elective office of the Town shall be filled by majority vote of the remaining members of the Board and shall be filled for the remainder of the unexpired term, despite the contrary provisions of G.S. 160A-63.

"ARTICLE III. ELECTIONS

"Section 3.1. Regular Municipal Elections. Regular municipal elections shall be held in each odd-numbered year in accordance with the uniform municipal election laws of North Carolina. Elections shall be conducted on a nonpartisan basis and the results determined using the nonpartisan plurality method as provided in G.S. 163-292.

"Section 3.2. Election of Mayor. A Mayor shall be elected in the regular municipal election in 2015 and every two years thereafter.

"Section 3.3. Election of Commissioners. In the regular municipal election in 2015, and quadrennially thereafter, two Commissioners shall be elected for four-year terms in those positions whose terms are then expiring. In the regular municipal election in 2017, and quadrennially thereafter, two Commissioners shall be elected for four-year terms in those positions whose terms are then expiring.

"Section 3.4. Special Elections and Referenda. Special elections and referenda may be held only as provided by general law or applicable local acts of the General Assembly. Recall elections may be held as provided in Article IV of this Charter.

"ARTICLE IV. RECALL OF ELECTED OFFICIALS

"Section 4.1. Power of Recall. The qualified voters of the Town shall have the power to remove from office any member of the Town's governing body as provided herein. An officer is removed upon the filing of a sufficient recall petition and the affirmative vote of a majority of those voting on the question of removal at a recall election.

"Section 4.2. Petition. Voters seeking the recall of any member of the Town's governing body shall proceed by way of a recall petition addressed to the Board, identifying the official concerned, requesting his or her removal from office, and stating in general the grounds for which removal is sought. Any recall petition must be filed with the Town Clerk and must be signed by qualified voters of the Town equal in number to at least twenty-five percent (25%) of the number of qualified voters of the Town as shown by the registration records of the last preceding municipal election.

"Section 4.3. Certification of Sufficiency. The Town Clerk shall forward the petition to the board of elections that conducts elections for the Town. The board of elections shall verify the petition signatures. If a sufficient recall petition is submitted, the board of elections shall certify its sufficiency to the governing body.

"Section 4.4. Election. After receiving certification of a sufficient petition, the governing body shall adopt a resolution calling for a recall election to be held not less than 60 nor more than 100 days after the date of certification of the petition. The election may be held by itself or at the same time as any other general or special election within the period established in this section and shall be held as otherwise provided in G.S. 163-287. The board of elections shall conduct the recall election and the registered voters of the Town shall be eligible to vote in the recall election. The proposition submitted to the voters shall be substantially in the following form:

"FOR [ ] the recall of [name of officer]
AGAINST [ ] the recall of [name of officer]"

"Section 4.5. Results. If less than a majority of the votes cast on the question are for the officer's recall, the officer continues in office. If a majority of the votes cast on the question are for the officer's recall, the officer is removed on the date the board of elections certifies the results of the election. A vacancy created by removal of the Mayor or a member of the Board of Commissioners shall be filled in accordance with the provisions of G.S. 160A-63, provided that any officer so appointed shall fill the vacancy for the remainder of the unexpired term.

"Section 4.6. Limitation on Petitions. No petition to recall an officer may be filed within six months after the officer's election to the governing body nor within six months before the expiration of the officer's term. No more than one election may be held to recall an officer within a single term of office of that officer.

"ARTICLE V. ORGANIZATION AND ADMINISTRATION

"Section 5.1. Form of Government. The Town shall operate under the council-manager form of government in accordance with Part 2 of Article 7 of Chapter 160A of the General Statutes.

"Section 5.2. Town Manager; Appointment; Powers and Duties. The Board shall appoint a Town Manager who shall be responsible for the administration of all departments of the Town government. The Town Manager shall have all the powers and duties conferred by general law, except as expressly limited by the provisions of this Charter, and the additional powers and duties conferred by the Board, so far as authorized by general law.

"Section 5.3. Town Attorney. The Board shall appoint a Town Attorney licensed to practice law in North Carolina. It shall be the duty of the Town Attorney to represent the Town, advise Town officials, and perform other duties required by law or as the Board may direct.

"Section 5.4. Town Clerk. The Board shall appoint a Town Clerk to keep a journal of the proceedings of the Board, to maintain official records and documents, to give notice of meetings, and to perform such other duties required by law or as the Town Manager may direct.

"Section 5.5. Tax Collector. The Town shall have a Tax Collector to collect all taxes owed to the Town, perform those duties specified in G.S. 105-350, and such other duties as prescribed by law.

"Section 5.6. Other Administrative Officers and Employees. The Board may authorize other positions to be filled by appointment by the Town Manager and may organize the Town government as deemed appropriate, subject to the requirements of general law.

"Section 5.7. Town Manager's Personnel Authority; Role of Elected Officials. As chief administrator, the Town Manager shall have the power to appoint, suspend, and remove all nonelected officers, department heads, and employees of the Town, with the exception of the Town Attorney and Clerk and any other official whose appointment or removal is specifically vested in the Board by this Charter or by general law. Neither the Mayor nor the Board of Commissioners nor any of its committees or members shall take part in the appointment or removal of nonelected officers, department heads, and employees in the administrative service of the Town, except as provided by this Charter. Except for the purpose of inquiry, or for consultation with the Town Attorney, the Mayor and the Board and its members shall deal with officers and employees in the administrative service only through the Town Manager, Acting Manager, or Interim Manager, and neither the Mayor nor the Board nor any of its members

shall give orders or directions to any subordinate of the Town Manager, Acting Manager, or Interim Manager, either publicly or privately.

"ARTICLE VI. PUBLIC ENTERPRISE SERVICES

"Section 6.1. Collection of Delinquent Bills. If a fee charged by the Town for a public enterprise service remains unpaid for a period of at least 90 days, the Town may collect it in any manner by which delinquent personal or real property taxes can be collected.

"Section 6.2. Liens. If the delinquent fees are collected in the same manner as delinquent real property taxes, the delinquent fees are a lien on the real property owned by the person contracting with the Town for the service. If a lien is placed on real property, the lien shall be valid from the time of filing in the office of the clerk of superior court of the county in which the service was provided and shall include a statement containing the name and address of the person against whom the lien is claimed, the name of the Town, the specific service that was provided, the amount of the unpaid charge for that service, and the date and place of furnishing that service. A lien on real property is not effective against an interest in real property conveyed after the fees become delinquent if the interest is recorded in the office of the register of deeds prior to the filing of the lien for delinquent fees. No lien under this Article shall be valid unless filed in accordance with this section after 90 days of the date of the failure to pay for the service or availability fees and within 180 days of the date of the failure to pay for the service or fees. The lien may be discharged as provided in G.S. 44-48. The Town shall adopt an appeals process providing notice and an opportunity to be heard in protest of the imposition of such liens. The county tax office, once notified of the Town's lien, shall include the lien amount on any tax bills printed subsequent to the notification. The county tax office shall add or remove liens from the tax bill at the request of the Town, such as in the case of an appeal where the Town decides to cancel the lien.

"Section 6.3. Remedies Not Exclusive. The remedies authorized in this Article are not exclusive, and the Town may use any and all other collection procedures authorized by general law, including, but not limited to, the debt setoff provisions of Chapter 105A of the General Statutes.

"ARTICLE VII. STREET AND SIDEWALK IMPROVEMENTS

"Section 7.1. Assessments for Street Improvements. In addition to any authority granted by general law, the Board may, without the necessity of a petition, order street improvements and assess fifty percent (50%) of the costs thereof against abutting property, exclusive of the costs incurred at street intersections, according to one or more of the assessment bases set forth in Article 10 of Chapter 160A of the General Statutes.

(a) For the purposes of this Article, the term "street improvement" shall include grading, regrading, surfacing, resurfacing, widening, paving, repaving, and the construction or reconstruction of curbs, gutters, and street drainage facilities.

(b) The Board must find that the street improvement project does not exceed 1,200 linear feet.

(c) The Board must make at least one of the following findings of fact:

(1) The street or part thereof is unsafe for vehicular traffic or creates a safety or health hazard, and it is in the public interest to make such improvement;

(2) It is in the public interest to connect two streets or portions of a street already improved;

(3) It is in the public interest to widen a street or part thereof, which is already improved; provided that assessments for widening any street or portion of a street without a petition shall be limited to fifty percent (50%) of the cost of widening and otherwise improving such street in accordance with street classification and improvement standards established by the Town's thoroughfare or major street plan for the particular street or part thereof.

"Section 7.2. Assessments for Sidewalk Improvements. In addition to any authority granted by general law, the Board may levy special assessments for sidewalk improvements or repairs without the necessity of a petition. Improvements or repairs may be ordered according to

standards and specifications of the Town, and fifty percent (50%) of the total costs assessed against abutting property, not including the cost of improvements made at intersections, according to one or more of the assessment bases set forth in Article 10 of Chapter 160A of the General Statutes.

"Section 7.3. Procedure; Effect of Assessment. In ordering street or sidewalk improvements without a petition and assessing the costs thereof under authority of this Article, the Board shall comply with the procedures provided by Article 10 of Chapter 160A of the General Statutes, except those provisions relating to petitions of property owners and the sufficiency thereof. The effect of the act of levying assessments under authority of this Article shall be the same as if the assessments were levied under authority of Article 10 of Chapter 160A of the General Statutes."

SECTION 2. The purpose of this act is to revise the Charter of the Town of Mount Gilead and to consolidate certain acts concerning the property, affairs, and government of the Town. It is intended to continue without interruption those provisions of prior acts that are expressly consolidated into this act so that all rights and liabilities that have accrued are preserved and may be enforced.

SECTION 3. This act does not repeal or affect any acts concerning the property, affairs, or government of public schools or any acts validating official actions, proceedings, contracts, or obligations of any kind.

SECTION 4. The following acts, having served the purposes for which they were enacted or having been consolidated into this act, are expressly repealed:

Chapter 90 of the 1899 Private Laws.
Chapter 133 of the 1913 Private Laws.
Chapter 228 of the 1951 Session Laws.
Chapter 152 of the 1953 Session Laws.
Chapter 767 of the 1953 Session Laws.
Chapter 163 of the 1957 Session Laws.
Chapter 623 of the 1957 Session Laws.
Chapter 407 of the 1967 Session Laws.

SECTION 5. The Mayor and Commissioners serving on the date of ratification of this act shall serve until the expiration of their terms or until their successors are elected and qualified. Thereafter, those offices shall be filled as provided in Articles II and III of the Charter contained in Section 1 of this act.

SECTION 6. This act does not affect any rights or interests that arose under any provisions repealed by this act.

SECTION 7. All existing ordinances, resolutions, and other provisions of the Town of Mount Gilead not inconsistent with the provisions of this act shall continue in effect until repealed or amended.

SECTION 8. No action or proceeding pending on the effective date of this act by or against the Town or any of its departments or agencies shall be abated or otherwise affected by this act.

SECTION 9. If any provision of this act or application thereof is held invalid, such invalidity shall not affect other provisions or applications of this act that can be given effect without the invalid provision or application, and to this end, the provisions of this act are declared to be severable.

SECTION 10. Whenever a reference is made in this act to a particular provision of the General Statutes, and such provision is later amended, superseded, or recodified, the reference shall be deemed amended to refer to the amended General Statute or to the General Statute that most clearly corresponds to the statutory provision which is superseded or recodified.

SECTION 11. Section 2 of Chapter 1070 of the 1989 Session Laws, as amended by S.L. 1998-84 and S.L. 1999-127, reads as rewritten:

"Sec. 2. This act applies to the Towns of Chadbourn, Richfield, ~~Mount Gilead,~~ and Stanfield, the City of Locust, and Montgomery County only."

SECTION 12. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2nd day of September, 2015.

Became law on the date it was ratified.

Session Law 2015-235 **S.B. 399**

AN ACT TO ALLOW A JOINT AGENCY CREATED TO PROVIDE POLICE PROTECTION, FIRE PROTECTION, AND EMERGENCY SERVICES A REFUND OF SALES AND USE TAXES PAID AND TO DIRECT THE REVENUE LAW STUDY COMMITTEE TO EXAMINE THE APPLICATION OF THE EXEMPTION OF THE MOTOR FUELS TAX TO ENTITIES COMPRISED OF MULTIPLE LOCAL GOVERNMENT UNITS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-164.14(c)(17) reads as rewritten:

"(c) Certain Governmental Entities. – A governmental entity listed in this subsection is allowed an annual refund of sales and use taxes paid by it under this Article on direct purchases of tangible personal property and services. Sales and use tax liability indirectly incurred by a governmental entity on building materials, supplies, fixtures, and equipment that become a part of or annexed to any building or structure that is owned or leased by the governmental entity and is being erected, altered, or repaired for use by the governmental entity is considered a sales or use tax liability incurred on direct purchases by the governmental entity for the purpose of this subsection. The refund allowed under this subsection does not apply to purchases of electricity, telecommunications service, ancillary service, piped natural gas, video programming, or a prepaid meal plan. A request for a refund must be in writing and must include any information and documentation required by the Secretary. A request for a refund is due within six months after the end of the governmental entity's fiscal year.

This subsection applies only to the following governmental entities:

…

(17) A joint agency created by interlocal agreement pursuant to G.S. 160A-462 to <u>(i) provide fire protection, emergency services, or police protection or (ii)</u> operate a public broadcasting television station.

…."

SECTION 2. The Revenue Laws Study Committee is directed to study the application of the motor fuels tax exemption to entities that are comprised of multiple local government units. The study may include an examination of how the exemption applies to joint agencies created by interlocal agreements and regional authorities created by agreement of multiple counties.

SECTION 3. Section 1 of this act becomes effective July 1, 2015, and applies to sales made on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 31st day of August, 2015.

Became law upon approval of the Governor at 10:30 a.m. on the 1st day of September, 2015.

Session Law 2015-236 **S.B. 665**

AN ACT TO ENACT THE NORTH CAROLINA UNCLAIMED LIFE INSURANCE BENEFITS ACT.

The General Assembly of North Carolina enacts:

SECTION 1. Article 58 of Chapter 58 of the General Statutes is amended by adding a new Part to read:

"Part 7. Unclaimed Life Insurance Benefits.

"**§ 58-58-360. Purpose.**

(a) This part shall be known as the "Unclaimed Life Insurance Benefits Act".

"**§ 58-58-370. No preemption of Unclaimed Property Act.**

Nothing in this Part shall be construed to amend, modify, or supersede the North Carolina Unclaimed Property Act, Article 4 of Chapter 116B of the General Statutes, including the authority of the North Carolina Department of State Treasurer to examine records and conduct an audit. Specifically, nothing in this Part shall restrict the authority of the North Carolina Department of State Treasurer to request or access records of an insurer and conduct an examination of the insurer's records under Chapter 116B of the General Statutes.

"**§ 58-58-380. Definitions.**

The following definitions apply in this Part:

(1) Account owner. – The owner of a retained asset account opened by a resident of this State.

(2) Active premium payment. – Payment of premiums for policies or annuities that the insurer receives from outside the policy value, by check, payroll deduction, or any other similar method of deliberate payment.

(3) Annuity. – Any active annuity contract issued in this State, other than an annuity used to fund an employment-based retirement plan or program where (i) the insurer does not perform the record-keeping services, (ii) the insurer is not committed by terms of the annuity contract to pay death benefits to the beneficiaries of specific plan participants, or (iii) the annuity is used to fund a preneed funeral contract as defined in G.S. 90-210.60.

(4) Asymmetric conduct. – An insurer's selective use of information from the DMF prior to October 1, 2015, to identify whether certain persons are deceased, in order to terminate benefits, but not to determine whether insureds under the insurer's insurance policies in a non-active premium paying status are deceased for the purpose of paying benefits.

(5) Beneficiary. – An individual or other entity entitled to benefits under a policy or annuity due to the death of the policy insured, annuity owner, annuitant, or account owner.

(6) Death master file or DMF. – Any of the following:

a. The death master file from the United States Social Security Administration.

b. Any other database or service that an insurer may determine is substantially as inclusive as the death master file from the United States Social Security Administration for determining that a person has reportedly died.

(7) Death master file match or DMF match. – A search of a DMF that results in a match of a person's Social Security number or name and date of birth.

(8) Insurer. – Any insurance company authorized to transact life insurance business in this State.

(9) Person. – The policy insured, annuity owner, annuitant, or account owner, as applicable under the policy, annuity, or retained asset account subject to this Part.

(10) Policy. – any policy or certificate of life insurance issued in this State, but does not include any policy or certificate of life insurance that provides a death benefit under any of the following:

a. An employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as periodically amended, compiled at 29 U.S.C. § 1002 et seq.
b. Any federal employee benefit program.
c. Government plans or church plans as defined in the Employee Retirement Income Security Act of 1974, as periodically amended, 29 U.S.C. § 1002 et seq.
d. A policy or certificate of life insurance that is used to fund a preneed funeral contract as defined in G.S. 90-210.60.
e. A policy or certificate of credit life or accident and health insurance.

(11) Record-keeping services. – Those circumstances under which the insurer has agreed with a group life insurance policyholder to be responsible for obtaining, maintaining, and administering in its own systems information about each individual insured under the policyholder's group life insurance contract that includes at least all of the following items:
a. Individual insured's Social Security number or name and date of birth.
b. Beneficiary designation information.
c. Coverage eligibility.
d. Benefit amount.
e. Premium payment status.

(12) Retained asset account. – An account created when a life insurance company pays the proceeds from a life insurance policy or annuity contract to a beneficiary by establishing an account containing those proceeds in name of and for use by the beneficiary.

"§ **58-58-390. Requirements for insurers.**

(a) To the extent that an insurer's records of its in-force policies, annuities, and account owners are available electronically, an insurer shall perform a comparison of such in-force policies, annuities, and account owners against a death master file, on a semiannual basis, to identify potential death master file matches. To the extent that an insurer's records of its in-force policies, annuities, and account owners are not available electronically, an insurer shall perform a comparison of such in-force policies, annuities, and account owners against a death master file, on a semiannual basis, to identify potential death master file matches, using the records most easily accessible by the insurer.

(b) The requirements of subsection (a) of this section shall not apply to any of the following:

(1) Policies or annuities for which the insurer has received an active premium payment within the 18 months immediately preceding the death master file comparison.

(2) Any policies, annuities, or retained asset accounts issued or delivered prior to October 1, 2015, for which the insurer attests, in a sworn statement signed by an officer or director of the insurer that is subject to perjury and delivered to the Commissioner, that the insurer has done all of the following:
a. Not engaged in asymmetric conduct.
b. Has historically practiced compliance with the requirements of G.S. 58-63-15(11) with respect to the investigation, handling, and payment of policy proceeds.
c. Monitored the limiting age of each person, as stated in the policy, and performed its obligations under Chapter 116B of the General Statutes when an insured reached the limiting age.

(3) Group life insurance policies for which the insurer does not perform record-keeping services.

(c) An insurer may comply with the requirements of subsection (a) of this section by using the full death master file once and thereafter using the death master file update files for future comparisons.

(d) An insurer exempted under subdivision (b)(2) of this section shall comply with the requirements of subsection (a) of this section for all policies, annuities, or retained asset accounts issued or delivered on or after October 1, 2015.

(e) Within 90 days of learning of the possible death of a person, through a DMF match or otherwise, the insurer shall do all of the following:

(1) Confirm the death of such person against other available records and information.

(2) Review its records to determine whether such deceased person had purchased any other products with the insurer.

(3) Determine whether benefits may be due in accordance with any applicable policy, annuity, or retained asset account.

(4) Locate the beneficiary or beneficiaries.

(5) Provide the appropriate claims forms or instructions to the beneficiary to make a claim and notify the beneficiary of the actions necessary to submit a valid claim.

(6) Maintain documentation of all efforts to locate the beneficiary or person, as applicable.

(f) Except as prohibited by law, an insurer may disclose only the minimum necessary identifying personal information about such an insured, annuitant, account owner, or beneficiary to anyone who the insurer reasonably believes may be able to assist the insurer in locating the beneficiary or a person otherwise entitled to payment of the claims proceeds.

(g) An insurer or its service provider shall not charge any beneficiary or other person who may be entitled to benefits any fees or costs associated with a DMF search or the verification of a DMF match conducted pursuant to this section.

(h) The benefits from life insurance policies, annuities, or retained asset accounts and any applicable accrued contractual interest shall first be payable to the beneficiaries or account owners as provided for in such policies, annuities, or retained asset accounts. In the event the beneficiaries or account owners cannot be found, the benefits and any associated contractual interest shall escheat to the State as unclaimed property as set forth in Article 4 of Chapter 116B of the General Statutes.

(i) Nothing in this section limits an insurer from requiring a valid death certificate as part of any claims validation process or otherwise requiring compliance with the terms and conditions of the policy or annuity relative to filing and payment of claims.

"**§ 58-58-400. Noncompliance may constitute unfair claims settlement practice.**

A pattern of failures to meet the requirements of this Part may constitute an unfair claims settlement practice under G.S. 58-3-100(a)(5) and G.S. 58-63-15. Nothing in this Part shall be construed to create or imply a private cause of action for a violation of this Part."

SECTION 2. The Commissioner of Insurance is authorized to adopt rules under Article 2A of Chapter 150B of the General Statutes to implement this act, provided such rules shall not impose any duty or requirements not stated in this act.

SECTION 3. Section 2 of this act is effective when it becomes law. The remainder of this act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 26th day of August, 2015.

Became law upon approval of the Governor at 10:30 a.m. on the 1st day of September, 2015.

Session Law 2015-237 **S.B. 541**

AN ACT TO REGULATE TRANSPORTATION NETWORK COMPANIES.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 20 of the General Statutes is amended by adding a new Article to read:

"Article 10A.

"Transportation Network Companies.

"§ **20-280.1. Definitions.**

The following definitions apply in this Article:

(1) Airport operator. – Any person with police powers that owns or operates an airport.

(2) Brokering transportation network company. – A transportation network company, as defined by this section, that exclusively dispatches TNC drivers that operate either of the following:

a. For-hire passenger vehicles regulated under G.S. 160A-304.

b. For-hire passenger vehicles regulated under G.S. 62-260(f) and subject to the requirements for security for protection of the public and safety of operation established for regulated motor common carriers.

(3) Prearranged transportation services. – Transportation services available by advance request excluding for-hire passenger vehicles soliciting passengers for immediate transportation. No minimum waiting period is required between the advance request and the provision of the transportation services.

(4) TNC driver. – An individual that uses a passenger vehicle in connection with a transportation network company's online-enabled application or platform to connect with passengers in exchange for payment of a fee to the transportation network company.

(5) TNC service. – Prearranged transportation service provided by a TNC driver in connection with a transportation network company. The TNC service begins when the TNC driver accepts a ride request on the transportation network company's online-enabled application or platform and ends at the later of the following:

a. The time that the driver completes the transaction on the online-enabled application or platform.

b. The time that all passengers exit the vehicle and complete unloading of the vehicle.

(6) Transportation network company (TNC). – Any person that uses an online-enabled application or platform to connect passengers with TNC drivers who provide prearranged transportation services.

"§ **20-280.2. Permissible services and limitations.**

(a) A transportation network company holding a valid permit issued under this Article and continuously meeting the requirements of this Article may operate in the State. The transportation network company may charge a fee for the TNC service. The fee must meet the following requirements:

(1) The transportation network company's online-enabled application or platform must disclose the fee calculation method before a passenger makes a ride request.

(2) The transportation network company's online-enabled application or platform must provide the option for a passenger to receive an estimated fee before the passenger makes a ride request.

(3) The transportation network company must send an electronic receipt to the customer that includes the following:

a. The locations where the TNC service started and ended.

b. The total time and distance of the TNC service.

c. An itemization and calculation of the total fee paid.

(4) The fee must be paid electronically through the transportation network company's online-enabled application or platform. No cash may be exchanged for the TNC service.

(b) A TNC driver may provide TNC service for compensation in the State.

"**§ 20-280.3. Permits.**

(a) Every transportation network company must obtain a permit from the Division before operating in the State. Every transportation network company must pay to the Division a nonrefundable application fee of five thousand dollars ($5,000).

(b) Every transportation network company must renew the permit annually and pay to the Division a nonrefundable renewal fee of five thousand dollars ($5,000).

(c) The Division must prescribe the form of the application for a permit and renewal of a permit.

(d) The initial application and renewal application must require information sufficient to confirm compliance with this Article and include the following:

(1) Proof of insurance meeting the requirements of G.S. 20-280.4. This subdivision does not apply to brokering transportation network companies.

(2) Resident agent for service of process.

(3) Proof the transportation network company is registered with the Secretary of State to do business in the State if the transportation network company is a foreign corporation.

(4) Policy of nondiscrimination based on customers' geographic departure point or destination.

(5) Policy of nondiscrimination based on customers' race, color, national origin, religious belief or affiliation, sex, disability, or age.

(e) The Division may retain the fees collected under this section and use the funds for its operations.

"**§ 20-280.4. Financial responsibility.**

(a) Except as provided in subsection (n) of this section, TNC drivers or transportation network companies must maintain primary automobile insurance that meets all of the following requirements:

(1) Recognizes that the driver is a TNC driver or uses a vehicle to transport passengers for compensation.

(2) The following automobile insurance requirements apply while a TNC driver is logged on to the transportation network company's online-enabled application or platform but is not providing TNC service:

a. Primary automobile liability insurance in the amount of at least fifty thousand dollars ($50,000) because of death of or bodily injury to one person in any one accident and, subject to said limit for one person, one hundred thousand dollars ($100,000) because of death of or bodily injury to two or more persons in any one accident, and at least twenty-five thousand dollars ($25,000) because of injury to or destruction of property of others in any one accident.

b. Combined uninsured and underinsured motorist coverage, with limits for combined uninsured and underinsured motorist bodily injury coverage which at least equals the bodily injury liability limits of the policy, and which otherwise complies with the requirements of G.S. 20-279.21(b)(3) and (b)(4).

(3) The following automobile insurance requirements apply while a TNC driver is engaged in TNC service:

a. Primary automobile liability insurance in the amount of at least one million five hundred thousand dollars ($1,500,000) because of death of one or more persons, bodily injury to one or more persons, injury to or destruction of property of others, or any combination thereof, in any one accident.

b. Combined uninsured and underinsured motorist coverage, with limits for combined uninsured and underinsured motorist bodily injury coverage of at least one million dollars ($1,000,000), and which otherwise complies with the requirements of G.S. 20-279.21(b)(3) and (b)(4).

(4) The coverage requirements of subdivisions (2) and (3) of this subsection may be satisfied by any of the following:

a. Automobile insurance maintained by the TNC driver.

b. Automobile insurance maintained by the transportation network company.

c. Any combination of sub-subdivisions a. and b. of this subdivision.

(b) If insurance maintained by the TNC driver under subsection (a) of this section has lapsed or does not provide the required coverage, insurance maintained by the transportation network company must provide the coverage required under subsection (a) of this section beginning with the first dollar of a claim and must provide the defense of the claim.

(c) Insurance coverage under an automobile insurance policy maintained by the transportation network company must not be dependent on a personal automobile insurer denying a claim.

(d) Insurance required by this section may be placed with an insurer licensed in the State or with a surplus lines insurer eligible to write policies in the State.

(e) Insurance satisfying the requirements of this section satisfies the financial responsibility requirement for a motor vehicle.

(f) A TNC driver must carry proof of coverage satisfying the requirements of this section at all times during use of a vehicle in connection with a transportation network company's online-enabled application or platform. In the event of an accident, a TNC driver must provide insurance coverage information directly to interested parties, automobile insurers, and investigating police officers, upon request. Upon such request, a TNC driver must also disclose to directly interested parties, automobile insurers, and investigating police officers whether the TNC driver was logged on or off of the transportation network company's online-enabled application or platform at the time of the accident.

(g) Before any vehicle is used in connection with a transportation network company's online-enabled application or platform, a TNC driver must notify both the insurer of the vehicle and any lienholder with an interest in the vehicle of the TNC driver's intent to use the vehicle in connection with a transportation network company's online-enabled application or platform.

(h) Transportation network companies must disclose in writing to potential TNC drivers the following before the TNC driver provides TNC service:

(1) The insurance coverage, including the types of coverage and the limits for each coverage, that the transportation network company provides while the TNC driver uses a private passenger vehicle in connection with a transportation network company's online-enabled application or platform.

(2) The TNC driver may not have any coverage under a personal automobile insurance policy while using the transportation network company's online-enabled application or platform.

(3) The following notice in a distinctive clause: "If the vehicle with which you provide transportation network company services has a lien against it, you must notify the lienholder prior to providing transportation network

company services of your intent to provide transportation services with the vehicle. You may disclose to the lienholder all insurance coverage information provided to you by the transportation network company. If you fail to provide the required insurance coverage under the terms of your contract with the lienholder or show evidence to the lienholder of the coverage provided by the transportation network company, you may violate the terms of your contract."

(i) Insurers that write automobile insurance in the State may exclude coverage under the policy issued to an owner or operator of a personal vehicle for any loss that occurs while the driver is logged on to a transportation network company's online-enabled application or platform or while the driver provides TNC service. This right to exclude all coverage applies to any coverage included in an automobile insurance policy, including all of the following:

(1) Liability coverage for bodily injury and property damage.
(2) Personal injury protection coverage.
(3) Uninsured and underinsured motorist coverage.
(4) Medical payments coverage.
(5) Comprehensive physical damage coverage.
(6) Collision physical damage coverage.

(j) Automobile insurers that exclude the coverage described in subsection (i) of this section have no duty to defend or indemnify any claim expressly excluded. An automobile insurer that defends or indemnifies a claim against a driver that is excluded under the terms of its policy has a right of contribution against other insurers that provide automobile insurance to the same driver in satisfaction of the coverage requirements of this section.

(k) No insurer is required to sell a policy of insurance providing the coverage required by this section.

(l) Notwithstanding G.S. 58-37-35(b)(1)e., no insurance policy providing coverage required by this section is cedable to the North Carolina Reinsurance Facility due solely to the requirements of this section.

(m) In a claims coverage investigation or accident, a TNC driver, transportation network companies, any insurer potentially providing coverage under this section, and other directly involved parties must exchange the following information:

(1) Description of the coverage, exclusions, and limits provided under any insurance policy.
(2) Precise times that a TNC driver logged on and off of the transportation network company's online-enabled application or platform in the 12-hour period immediately preceding and in the 12-hour period immediately following the accident.
(3) Precise times that a TNC driver provided TNC service in the 12-hour period immediately preceding and in the 12-hour period immediately following the accident.

(n) This section does not apply to brokering transportation network companies.

"**§ 20-280.5. Safety requirements.**

(a) The transportation network company must require TNC drivers have their vehicles inspected annually to meet State safety requirements. The Division may, by regulation, specify alternative inspections that are acceptable as equivalent inspections, such as an inspection performed in another state. This subsection does not apply to brokering transportation network companies.

(b) The transportation network company's online-enabled application or platform must provide the following information to customers after a ride request is accepted by a TNC driver:

(1) Photograph of the TNC driver.
(2) License plate number of the TNC driver's vehicle.
(3) Description of the TNC driver's vehicle.

(4) Approximate location of the TNC driver's vehicle displayed on a map.

(c) The transportation network company must maintain the following records:

(1) The record of each TNC service provided in this State for one year from the date the TNC service occurred.

(2) The record of each TNC driver in this State for one year from the date the TNC driver terminated their relationship with the transportation network company.

"**§ 20-280.6. Background checks.**

(a) Prior to permitting an individual to act as a TNC driver, the transportation network company must do all of the following:

(1) Require the individual to submit an application to the transportation network company, including, at a minimum, the following:

a. Address.

b. Age.

c. Drivers license number.

d. Driving history.

e. Motor vehicle registration.

f. Automobile liability insurance information.

(2) Conduct, or have a third party conduct, a local and national criminal background check for each applicant, including, at a minimum, the following:

a. Multi-State/Multi-Jurisdiction Criminal Records Locator or other similar commercial nationwide database with validation (primary source search).

b. National Sex Offender Registry.

(3) Review, or have a third party review, a driving history research report for such individual.

(b) The transportation network company must confirm that every TNC driver continues to meet all the requirements of this section every five years starting from the date the TNC driver met all the requirements of this section.

(c) The transportation network company must not permit an individual to act as a TNC driver if any of the following apply:

(1) Has had more than three moving violations in the prior three-year period or one major violation in the prior three-year period, including attempting to evade the police, reckless driving, or driving on a suspended or revoked license.

(2) Has been convicted within the past seven years of driving under the influence of drugs or alcohol, fraud, sexual offenses, use of a motor vehicle to commit a felony, or a crime involving property damage, theft, acts of violence, or acts of terror.

(3) Is a match in the National Sex Offender Registry.

(4) Does not possess a valid drivers license.

(5) Does not possess proof of registration for the motor vehicle to be used to provide TNC services.

(6) Does not possess proof of automobile liability insurance for the motor vehicle to be used to provide TNC services.

(7) Is not at least 19 years of age.

(d) This section does not apply to brokering transportation network companies.

"**§ 20-280.7. Authority of Division.**

The Division may issue regulations to implement this Article.

"§ **20-280.8. Presumption that TNC drivers are independent contractors.**

A rebuttable presumption exists that a TNC driver is an independent contractor and not an employee. The presumption may be rebutted by application of the common law test for determining employment status.

"§ **20-280.9. Airport operators.**

(a) An airport operator is authorized to charge transportation network companies and TNC drivers a reasonable fee for their use of the airport's facility.

(b) An airport operator is authorized to require an identifying decal be displayed by TNC drivers.

(c) An airport operator is authorized to require the purchase and use of equipment or establish other appropriate mechanisms for monitoring and auditing compliance, including having a transportation network company provide data for purposes of monitoring and auditing compliance.

(d) An airport operator is authorized to designate a location where TNC drivers may stage on the airport operator's facility, drop off passengers, and pick up passengers.

"§ **20-280.10. Statewide regulation.**

(a) Notwithstanding any other provision of law and except as authorized by this Chapter, no county, city, airport operator, or other governmental agency is authorized to impose fees, require licenses, limit the operation of TNC services, or otherwise regulate TNC services. TNC services remain subject to all ordinances and local laws outside the scope of this Chapter, including parking and traffic regulation.

(b) Any contract provision or term of service in a transportation network company's contract with a State resident or person present in the State contrary to this Article is void as against public policy."

SECTION 2. G.S. 20-4.01(27) reads as rewritten:

"(27) Passenger Vehicles. –

a. Excursion passenger vehicles. – Vehicles transporting persons on sight-seeing or travel tours.

b. ~~For hire~~ For-hire passenger vehicles. – Vehicles transporting persons for compensation. This classification shall not include the following:

1. ~~vehicles~~ Vehicles operated as ~~ambulances;~~ ambulances.
2. ~~vehicles~~ Vehicles operated by the owner where the costs of operation are shared by the ~~passengers;~~ passengers.
3. ~~vehicles~~ Vehicles operated pursuant to a ridesharing arrangement as defined in ~~G.S. 136-44.21;~~ G.S. 136-44.21.
4. ~~vehicles~~ Vehicles transporting students for the public school system under contract with the State Board of ~~Education~~ Education.
5. ~~or vehicles~~ Vehicles leased to the United States of America or any of its agencies on a nonprofit ~~basis;~~ basis.
6. ~~or vehicles~~ Vehicles used for human ~~service or~~ service.
7. Vehicles used for volunteer transportation.
8. Vehicles operated in a TNC service, excluding vehicles operated in connection with a brokering transportation network company, regulated under Article 10A of Chapter 20 of the General Statutes.

…."

SECTION 3. G.S. 20-87 reads as rewritten:

"§ **20-87. Passenger vehicle registration fees.**

These fees shall be paid to the Division annually for the registration and licensing of passenger vehicles, according to the following classifications and schedules:

(1) For-Hire Passenger Vehicles. – The fee for a for-hire passenger vehicle ~~that is operated for compensation and has~~ with a capacity of 15 passengers or

less is seventy-eight dollars ($78.00). The fee for a for-hire passenger vehicle ~~that is operated for compensation and has~~ with a capacity of more than 15 passengers is one dollar and forty cents ($1.40) per hundred pounds of empty weight of the vehicle.

…."

SECTION 4. G.S. 153A-134 reads as rewritten:

"§ **153A-134. Regulating and licensing businesses, trades, etc.**

(a) A county may by ordinance, subject to the general law of the State, regulate and license occupations, businesses, trades, professions, and forms of amusement or entertainment and prohibit those that may be inimical to the public health, welfare, safety, order, or convenience. In licensing trades, occupations, and professions, the county may, consistent with the general law of the State, require applicants for licenses to be examined and charge a reasonable fee therefor. This section does not authorize a county to examine or license a person holding a license issued by an occupational licensing board of this State as to the profession or trade that he has been licensed to practice or pursue by the State.

~~(b) This section does not impair the county's power to levy privilege license taxes on occupations, businesses, trades, professions, and other activities pursuant to G.S. 153A-152.~~

(c) Nothing in this section shall authorize a county to regulate and license ~~digital dispatching services for prearranged transportation services for hire.~~a TNC service regulated under Article 10A of Chapter 20 of the General Statutes."

SECTION 5. G.S. 160A-194 reads as rewritten:

"§ **160A-194. Regulating and licensing businesses, trades, etc.**

(a) A city may by ordinance, subject to the general law of the State, regulate and license occupations, businesses, trades, professions, and forms of amusement or entertainment and prohibit those that may be inimical to the public health, welfare, safety, order, or convenience. In licensing trades, occupations, and professions, the city may, consistent with the general law of the State, require applicants for licenses to be examined and charge a reasonable fee therefor.

(b) Nothing in this section shall authorize a city to examine or license a person holding a license issued by an occupational licensing board of this State as to the profession or trade that he has been licensed to practice or pursue by the State.

(c) Nothing in this section shall authorize a city to regulate and license ~~digital dispatching services for prearranged transportation services for hire.~~a TNC service regulated under Article 10A of Chapter 20 of the General Statutes."

SECTION 6. G.S. 160A-304 reads as rewritten:

"§ **160A-304. Regulation of taxis.**

(a) A city may by ordinance license and regulate all vehicles operated for hire in the city. The ordinance may require that the drivers and operators of taxicabs engaged in the business of transporting passengers for hire over the public streets shall obtain a license or permit from the city; provided, however, that the license or permit fee for taxicab drivers shall not exceed fifteen dollars ($15.00). As a condition of licensure, the city may require an applicant for licensure to pass a controlled substance examination. The ordinances may also specify the types of taxicab services that are legal in the municipality; provided, that in all cases shared-ride services as well as exclusive-ride services shall be legal. Shared-ride service is defined as a taxi service in which two or more persons with either different origins or with different destinations, or both, occupy a taxicab at one time. Exclusive-ride service is defined as a taxi service in which the first passenger or party requests exclusive use of the taxicab. In the event the applicant is to be subjected to a national criminal history background check, the ordinance shall specifically authorize the use of FBI records. The ordinance shall require any applicant who is subjected to a national criminal history background check to be fingerprinted.

The Department of Public Safety may provide a criminal record check to the city for a person who has applied for a license or permit through the city. The city shall provide to the Department of Public Safety, along with the request, the fingerprints of the applicant, any additional information required by the Department of Public Safety, and a form signed by the

applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The city shall keep all information pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Public Safety may charge each applicant a fee for conducting the checks of criminal history records authorized by this subsection.

The following factors shall be deemed sufficient grounds for refusing to issue a permit or for revoking a permit already issued:

(1) Conviction of a felony against this State, or conviction of any offense against another state which would have been a felony if committed in this State;
(2) Violation of any federal or State law relating to the use, possession, or sale of alcoholic beverages or narcotic or barbiturate drugs;
(3) Addiction to or habitual use of alcoholic beverages or narcotic or barbiturate drugs;
(4) Violation of any federal or State law relating to prostitution;
(5) Noncitizenship in the United States;
(6) Habitual violation of traffic laws or ordinances.

The ordinance may also require operators and drivers of taxicabs to display prominently in each taxicab, so as to be visible to the passengers, the city taxi permit, the schedule of fares, a photograph of the driver, and any other identifying matter that the council may deem proper and advisable. The ordinance may also establish rates that may be charged by taxicab operators, may limit the number of taxis that may operate in the city, and may grant franchises to taxicab operators on any terms that the council may deem advisable.

(b) When a city ordinance grants a taxi franchise for operation of a stated number of taxis within the city, the holder of the franchise shall report at least quarterly to the council the average number of taxis actually in operation during the preceding quarter. The council may amend a taxi franchise to reduce the number of authorized vehicles by the average number not in actual operation during the preceding quarter, and may transfer the unused allotment to another franchised operator. Such amendments of taxi franchises shall not be subject to G.S. 160A-76. Allotments of taxis among franchised operators may be transferred only by the city council, and it shall be unlawful for any franchised operator to sell, assign, or otherwise transfer allotments under a taxi franchise.

(c) Nothing in this Chapter authorizes a city to adopt an ordinance doing any of the ~~following:~~following with respect to a TNC service regulated under Article 10A of Chapter 20 of the General Statutes:

(1) Requiring licensing or ~~regulation of digital dispatching services for prearranged transportation services for hire connected with vehicles operated for hire in the city if the business providing the digital dispatching services does not own or operate the vehicles for hire in the city.~~regulating.
~~(2) Setting a minimum rate or minimum increment of time used to calculate a rate for prearranged transportation services for hire.~~
~~(3) Requiring an operator to use a particular formula or method to calculate rates charged.~~
~~(4) Setting a minimum waiting period between requesting prearranged transportation services and the provision of those transportation services when the prearranged transportation services are digitally dispatched.~~
~~(5) Requiring a final destination to be set at the time of requesting prearranged transportation services through digital dispatching services.~~

(6) Requiring or prohibiting taxi franchises or taxi operators from contracting with a ~~person in the business of digital dispatching services for prearranged transportation services for hire.~~transportation network company regulated under Article 10A of Chapter 20 of the General Statutes."

SECTION 7. This act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 31st day of August, 2015.

Became law upon approval of the Governor at 11:30 a.m. on the 4th day of September, 2015.

Session Law 2015-238 **S.B. 15**

AN ACT TO MAKE CHANGES TO THE UNEMPLOYMENT INSURANCE LAWS, AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON UNEMPLOYMENT INSURANCE, AND TO CONFIRM APPOINTMENTS TO THE BOARD OF REVIEW.

The General Assembly of North Carolina enacts:

PART I. ENHANCE UI PROGRAM INTEGRITY/REPORTING

SECTION 1. Chapter 96 of the General Statutes is amended by adding a new Article to read:

"Article 5.

"Miscellaneous Provisions.

"§ **96-36. Unemployment insurance program integrity; reporting.**

(a) Findings and Purpose. – The General Assembly finds that program integrity measures have been implemented by the Division to maximize the efficiency and effectiveness of the State's unemployment insurance program. The purpose of this section is to assure that these efforts shall include the rigorous and consistent use of business intelligence and data analytics for enhanced unemployment insurance program integrity.

(b) Required Activities. – To achieve the program integrity enhancements required by this section, at a minimum, the Division shall do all of the following:

(1) Prioritize Division program integrity efforts that maximize utilization of and information sharing with or between these projects and initiatives in order to prevent, detect, and reduce unemployment insurance fraud, improper payments, overpayments, and other programmatic irregularities:

a. Government Data Analytics Center (GDAC);

b. Southeast Consortium Unemployment Insurance Benefits Initiative (SCUBI); and

c. Any other program integrity capabilities identified by the Division.

(2) Coordinate efforts with the Office of Information Technology Services to ensure that the Division identifies and integrates into its operations and procedures the most effective and accurate processes and scalable tools available to prevent payment of fraudulent, suspicious, or irregular claims.

(3) Coordinate efforts with the Department of Revenue to enhance alerts indicating circumvention of the payment of unemployment insurance taxes.

(4) Coordinate efforts with the Department of Health and Human Services to facilitate claims cross-matching and other appropriate steps to enhance program integrity.

(5) Coordinate efforts with the Office of State Controller to facilitate cross-matching and other appropriate steps using BEACON (Building Enterprise Access for North Carolina's Core Operation Needs).

(c) Quarterly Reporting. – Beginning October 1, 2015, and then quarterly thereafter, the Division shall make detailed written progress reports on its efforts to carry out all of the

directives in this section to the chairs of the Joint Legislative Oversight Committee on Unemployment Insurance, the chairs of the Joint Legislative Oversight Committee on Information Technology, the chairs of the House Appropriations Subcommittee on Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division. At a minimum, the quarterly report shall include all of the following:

(1) Metrics regarding unemployment benefits overpayments, improper payments, and fraudulent payments, in terms of both percentage and dollar amount.

(2) Information on fraud perpetrator metrics, in terms of percent and value, by type (whether by employer or claimant), and activity subcategory, such as employee misclassification, unemployment insurance tax rate manipulation (SUTA dumping), fictitious employers, fictitious claimants, deceased claimants, incarcerated claimants, work and earn, and similar activities.

(3) Quantified investigation activity, including the following:

a. Type and subcategory of investigations.

b. Number of alerts received during the quarter.

c. Number of alerts investigated during the quarter.

d. Number of false positives.

e. Number of dispositions entered.

(d) Annual Reporting. – Beginning January 1, 2016, the Division shall make an annual report to the General Assembly on its efforts to carry out all of the directives in this section. At a minimum, each annual report shall include all of the following information:

(1) The methodology used by the Division to determine analytic priorities for unemployment insurance program integrity investigation.

(2) A report on the State's Benefit Accuracy Measurement (BAM) as required by the U.S. Department of Labor, including how North Carolina's BAM has changed over time and how its current rate compares to other states. The report shall also include an update on BAM methodology and information regarding how it might be modified.

(3) An explanation of the Division's unemployment insurance program integrity activities in coordination with the Office of Information Technology Services, the Department of Health and Human Services, the Department of Revenue, and the Office of State Controller as required by subsection (b) of this section.

(4) Division workflows, both intra-agency and interagency, to address process problems and program integrity issues, including identification of tools, resources, and plans for continued improvement of unemployment insurance program integrity efforts.

(5) An analysis of the information required by subsection (c) of this section, along with an explanation of how that information will be used to augment the State's business intelligence and data analytics capabilities to prevent, detect, and reduce unemployment insurance fraud, improper payments, overpayments, and other programmatic irregularities."

PART II. UNEMPLOYMENT INSURANCE LAW CHANGES

SECTION 2.1. G.S. 20-7(b2) is amended by adding a new subdivision to read:

"(b2) Disclosure of Social Security Number. – The social security number of an applicant is not a public record. The Division may not disclose an applicant's social security number except as allowed under federal law. A violation of the disclosure restrictions is punishable as provided in 42 U.S.C. § 408, and amendments to that law.

In accordance with 42 U.S.C. 405 and 42 U.S.C. 666, and amendments thereto, the Division may disclose a social security number obtained under subsection (b1) of this section only as follows:

…

(7) To the Department of Commerce, Division of Employment Security, for the purpose of verifying employer and claimant identity."

SECTION 2.2.(a) G.S. 96-14.9(e) reads as rewritten:

"(e) Actively Seeking Work. – The Division's determination of whether an individual is actively seeking work is based upon the following:

(1) The individual is registered for employment services, as required by the Division.

(2) The individual has engaged in an active search for employment that is appropriate in light of the employment available in the labor market and the individual's skills and capabilities.

(3) The individual has ~~sought work on at least two different days during the week and~~ made at least ~~two~~ five job contacts with potential ~~employers.~~employers during the week.

(4) The individual has maintained a record of the individual's work search efforts. The record must include the potential employers contacted, the method of contact, and the date contacted. The individual must provide the record to the Division upon request."

SECTION 2.2.(b) This section becomes effective January 1, 2016, and applies to claims for benefits filed on or after that date.

SECTION 2.3.(a) G.S. 96-15(h) reads as rewritten:

"(h) Judicial Review. – ~~Any~~ A decision of the ~~Division, in the absence of judicial review as herein provided, or in the absence of an interested party filing a request for reconsideration, shall become~~ Board of Review becomes final 30 days after the date of ~~notification or~~ mailing ~~thereof, whichever is earlier.~~ unless a party to the decision seeks judicial review as provided in this subsection. Judicial review ~~shall be~~ is permitted only after a party claiming to be aggrieved by the decision has exhausted ~~his remedies before the Division as provided in this Chapter~~ the remedies provided in this Chapter and has filed a petition for review in the superior court of the county in which ~~he~~ the petitioner resides or ~~has his~~ the county in which the petitioner's principal place of ~~business.~~ business is located. The petition for review ~~shall~~ must explicitly state what exceptions are taken to the decision or procedure ~~of the Division~~ and what relief the petitioner seeks. Within 10 days after the petition is filed with the court, the petitioner ~~shall~~ must serve copies of the petition by personal service or by certified mail, return receipt requested, upon the Division and upon all parties of record to the Division proceedings. The Division must furnish the petitioner the names ~~Names~~ and addresses of the parties ~~shall be furnished to the petitioner by the Division~~ upon request. The Division ~~shall be deemed to be~~ is a party to any judicial action involving any of its decisions and may be represented in the judicial action by any qualified attorney who has been designated by it for that purpose. Any questions regarding the requirements of this subsection concerning the service or filing of a petition shall be determined by the superior court. Any party to the Division proceeding may become a party to the review proceeding by notifying the court within 10 days after receipt of the copy of the petition. Any person aggrieved may petition to become a party by filing a motion to intervene as provided in G.S. 1A-1, Rule 24.

Within 45 days after receipt of the copy of the petition for review or within such additional time as the court may allow, the Division ~~shall~~ must transmit to the reviewing court the original or a certified copy of the entire record of the proceedings under review. With the permission of the court the record may be shortened by stipulation of all parties to the review proceedings. Any party unreasonably refusing to stipulate to limit the record may be taxed by the court for ~~such~~ the additional cost ~~as is occasioned~~ incurred by the refusal. The court may require or

permit subsequent corrections or additions to the record when ~~deemed~~ the court considers the changes desirable."

SECTION 2.3.(b) This section becomes effective October 1, 2015, and applies to decisions made on or after that date.

SECTION 2.4.(a) G.S. 96-3 reads as rewritten:

"§ **96-3. Division of Employment Security.**

The Division of Employment Security (DES) is created within the Department of Commerce and shall administer the provisions of this Chapter under the supervision of the Assistant Secretary of ~~Commerce through two coordinate sections: the Employment Security Section and the Employment Insurance Section. The Employment Security Section shall administer the employment services functions of the Division. The Employment Insurance Section shall administer the unemployment taxation and assessment functions of the Division.~~Commerce."

SECTION 2.4.(b) G.S. 96-4(j) reads as rewritten:

"(j) Hearings. – The Assistant Secretary shall appoint hearing officers or appeals referees to hear contested matters arising from the ~~Employment Security Section and the Employment Insurance Section.~~ Division of Employment Security. Appeals from the decisions of the hearing officers or appeals referees shall be heard by the Board of Review."

SECTION 2.4.(c) G.S. 96-9.15(f) reads as rewritten:

"(f) Domestic Employer Exception. – The Division may authorize an employer of domestic service employees to file an annual report and to file that report by telephone. An annual report allowed under this subsection is due on or before the last day of the month following the close of the calendar year in which the wages are paid. A domestic service employer that files a report by telephone must contact either the tax auditor assigned to the employer's account or the ~~Employment Insurance Section~~ Division of Employment Security in Raleigh and report the required information to that auditor or to that section by the date the report is due."

SECTION 2.5.(a) G.S. 1-359 reads as rewritten:

"§ **1-359. Debtors of judgment debtor may satisfy execution.**

(a) After the issuing of an execution against property, all persons indebted to the judgment debtor, or to any one of several debtors in the same judgment, may pay to the sheriff the amount of their debt, or as much thereof as is necessary to satisfy the execution; and the sheriff's receipt is a sufficient discharge for the amount paid.

(b) When the Division of Employment Security of the Department of Commerce (Division) prevails in a civil action against an employer to collect unpaid employment taxes under G.S. 96-10(b), the Division may attach or garnish the employer's credit card receipts or other third-party payments in payment of the unpaid taxes in the manner provided by subsection (a) of this section. Direct receipt by the Division is a sufficient discharge for the amount paid by a credit card company, clearinghouse, or third-party payment processor."

SECTION 2.5.(b) G.S. 96-10 reads as rewritten:

"§ **96-10. Collection of contributions.**

…

(b) Collection. –

(1) If, after due notice, any employer defaults in any payment of contributions or interest thereon, the amount due shall be collected by civil action in the name of the Division, and the employer adjudged in default shall pay the costs of such action. Civil actions brought under this section to collect contributions or interest thereon from an employer shall be heard by the court at the earliest possible date, and shall be entitled to preference upon the calendar of the court over all other civil actions, except petitions for judicial review under this Chapter and cases arising under the Workers' Compensation Law of this State; or, if any contribution imposed by this Chapter, or any portion thereof, and/or penalties duly provided for the

nonpayment thereof shall not be paid within 30 days after the same become due and payable, and after due notice and reasonable opportunity for hearing, the Division, under the hand of the Assistant Secretary, may certify the same to the clerk of the superior court of the county in which the delinquent resides or has property, and additional copies of said certificate for each county in which the Division has reason to believe the delinquent has property located. If the amount of a delinquency is less than fifty dollars ($50.00), the Division may not certify the amount to the clerk of court until a field tax auditor or another representative of the Division personally contacts, or unsuccessfully attempts to personally contact, the delinquent and collect the amount due. A certificate or a copy of a certificate forwarded to the clerk of the superior court shall immediately be docketed and indexed on the cross index of judgments, and from the date of such docketing shall constitute a preferred lien upon any property which said delinquent may own in said county, with the same force and effect as a judgment rendered by the superior court. The Division shall forward a copy of said certificate to the sheriff or sheriffs of such county or counties, or to a duly authorized agent of the Division, and when so forwarded and in the hands of such sheriff or agent of the Division, shall have all the force and effect of an execution issued to such sheriff or agent of the Division by the clerk of the superior court upon a judgment of the superior court duly docketed in said county. Provided, however, the Division may in its discretion withhold the issuance of said certificate or execution to the sheriff or agent of the Division for a period not exceeding 180 days from the date upon which the original certificate is certified to the clerk of superior court. The Division is further authorized and empowered to issue alias copies of said certificate or execution to the sheriff or sheriffs of such county or counties, or to a duly authorized agent of the Division in all cases in which the sheriff or duly authorized agent has returned an execution or certificate unsatisfied; when so issued and in the hands of the sheriff or duly authorized agent of the Division, such alias shall have all the force and effect of an alias execution issued to such sheriff or duly authorized agent of the Division by the clerk of the superior court upon a judgment of the superior court duly docketed in said county. Provided, however, that notwithstanding any provision of this subsection, upon filing one written notice with the Division, the sheriff of any county shall have the sole and exclusive right to serve all executions and make all collections mentioned in this subsection and in such case no agent of the Division shall have the authority to serve any executions or make any collections therein in such county. A return of such execution, or alias execution, shall be made to the Division, together with all moneys collected thereunder, and when such order, execution, or alias is referred to the agent of the Division for service the said agent of the Division shall be vested with all the powers of the sheriff to the extent of serving such order, execution or alias and levying or collecting thereunder. The agent of the Division to whom such order or execution is referred shall give a bond not to exceed three thousand dollars ($3,000) approved by the Division for the faithful performance of such duties. The liability of said agent shall be in the same manner and to the same extent as is now imposed on sheriffs in the service of executions. If any sheriff of this State or any agent of the Division who is charged with the duty of serving executions shall willfully fail, refuse, or neglect to execute any order directed to him by the said Division and within the time provided by law, the official bond of such sheriff or of such agent of the Division shall be liable for the contributions, penalty, interest, and costs

due by the employer. Any judgment that is executable and allowed under this section shall be subject to attachment and garnishment under G.S. 1-359(b) in payment of unpaid taxes that are due from the employer and collectable under this Article.

…

(i) Except as otherwise provided in this subsection, no suit or proceedings for the collection of unpaid contributions may be begun under this Chapter after five years from the date on which the contributions become due, and no suit or proceeding for the purpose of establishing liability and/or status may be begun with respect to any period occurring more than five years prior to the first day of January of the year within which the suit or proceeding is instituted. This subsection shall not apply in any case of willful attempt in any manner to defeat or evade the payment of any contributions becoming due under this Chapter. A proceeding shall be deemed to have been instituted or begun upon the date of issuance of an order by the ~~Assistant Secretary of the Division~~ Board of Review directing a hearing to be held to determine liability or nonliability, and/or status under this Chapter of an employing unit, or upon the date notice and demand for payment is mailed by certified mail to the last known address of the employing unit. The order shall be deemed to have been issued on the date the order is mailed by certified mail to the last known address of the employing unit. The running of the period of limitations provided in this subsection for the making of assessments or collection shall, in a case under Title II of the United States Code, be suspended for the period during which the Division is prohibited by reason of the case from making the assessment or collection and for a period of one year after the prohibition is removed.

…."

SECTION 2.6. G.S. 96-14.9 reads as rewritten:

"§ **96-14.9. Weekly certification.**

(a) Requirements. – An individual's eligibility for a weekly benefit amount is determined on a week-to-week basis. An individual must meet all of the requirements of this section for each weekly benefit period. An individual who fails to meet one or more of the requirements is ineligible to receive benefits until the condition causing the ineligibility ceases to exist:

(1) File a claim for benefits.

(2) Report ~~at an employment office~~ as requested by the ~~Division.~~Division and present valid photo identification meeting the requirements of subsection (k) of this section.

(3) Meet the work search requirements of subsection (b) of this section.

…

(k) Photo Identification. – The individual must present the Division one of the following documents bearing the individual's photograph:

(1) A drivers license, learner's permit, provisional license, or nonoperator's identification card issued by North Carolina, another state, the District of Columbia, United States territory, or United States commonwealth.

(2) A United States passport.

(3) A United States military identification card.

(4) A Veterans Identification Card issued by the United States Department of Veterans Affairs.

(5) A tribal enrollment card issued by a federally recognized tribe.

(6) Any other document that the Division determines adequately identifies the individual and that is issued by the United States, any state, the District of Columbia, United States territory, or United States commonwealth.

(7) A traveler card issued by the U.S. Department of Homeland Security, such as the NEXUS SENTRI and FAST CARDS."

SECTION 2.7. Section 1.10(c) of S.L. 2011-401 reads as rewritten:

"**SECTION 1.10.(c)** The Department of Commerce, Division of Employment Security, shall adopt ~~all existing~~ rules and regulations in accordance with Article 2A of Chapter 150B of the General Statutes. Any existing rule that has not been readopted and filed with the Rules Review Commission by ~~December 31, 2012,~~ May 20, 2015, shall expire."

SECTION 2.8.(a) G.S. 96-14.4 is repealed.

SECTION 2.8.(b) G.S. 96-14.3 reads as rewritten:

"§ **96-14.3. ~~Minimum and maximum duration~~ Duration of benefits.**

(a) Duration. – The ~~minimum and maximum~~ number of weeks an individual is allowed to receive unemployment benefits depends on the seasonal adjusted statewide unemployment rate that applies to the six-month base period in which the claim is filed. One six-month base period begins on January 1 and one six-month base period begins on July 1. For the base period that begins January 1, the average of the seasonal adjusted unemployment rates for the State for the preceding months of July, August, and September applies. For the base period that begins July 1, the average of the seasonal adjusted unemployment rates for the State for the preceding months of January, February, and March applies. The Division must use the most recent seasonal adjusted unemployment rate determined by the U.S. Department of Labor, Bureau of Labor Statistics, and not the rate as revised in the annual benchmark. ~~The number of weeks allowed for an individual is determined in accordance with G.S. 96-14.4.~~

Seasonal Adjusted Unemployment Rate	**~~Minimum Number of Weeks~~**	**~~Maximum~~ Number of Weeks**
Less than or equal to 5.5%	~~5~~	12
Greater than 5.5% up to 6%	~~6~~	13
Greater than 6% up to 6.5%	~~7~~	14
Greater than 6.5% up to 7%	~~8~~	15
Greater than 7% up to 7.5%	~~9~~	16
Greater than 7.5% up to 8%	~~10~~	17
Greater than 8% up to 8.5%	~~11~~	18
Greater than 8.5% up to 9%	~~12~~	19
Greater than 9%	~~13~~	20

(b) Total Benefits. – The total benefits paid to an individual equals the individual's weekly benefit amount allowed under G.S. 96-14.2 multiplied by the number of weeks allowed under subsection (a) of this section."

SECTION 2.8.(c) G.S. 96-14.12(b) reads as rewritten:

"(b) Duration of Benefits. – This subsection applies to an individual and the spouse of an individual who is unemployed based on services performed for a corporation in which the individual held five percent (5%) or more of the outstanding shares of the voting stock of the corporation. The maximum number of weeks an individual or an individual's spouse may receive benefits is ~~limited to the lesser of~~ six ~~weeks or the applicable weeks determined under G.S. 96-14.4.~~weeks."

SECTION 2.8.(d) G.S. 96-16(f) reads as rewritten:

"(f) (1) A seasonal worker shall be eligible to receive benefits based on seasonal wages only for a week of unemployment which occurs, or the greater part of which occurs within the active period or periods of the seasonal pursuit or pursuits in which he earned base period wages.

(2) A seasonal worker shall be eligible to receive benefits based on nonseasonal wages for any week of unemployment which occurs during any active period or periods of the seasonal pursuit in which he has earned base period wages provided he has exhausted benefits based on seasonal wages. Such worker shall also be eligible to receive benefits based on nonseasonal wages for any week of unemployment which occurs during the inactive period or periods of the seasonal pursuit in which he earned base period wages irrespective as to whether he has exhausted benefits based on seasonal wages.

(3) The maximum amount of benefits which a seasonal worker shall be eligible to receive based on seasonal wages shall be an amount, adjusted to the nearest multiple of one dollar ($1.00), determined by multiplying the maximum benefits payable in his benefit year, as provided in ~~G.S. 96-14.4,~~ G.S. 96-14.3, by the percentage obtained by dividing the seasonal wages in his base period by all of his base period wages.

(4) The maximum amount of benefits which a seasonal worker shall be eligible to receive based on nonseasonal wages shall be an amount, adjusted to the nearest multiple of one dollar ($1.00), determined by multiplying the maximum benefits payable in his benefit year, as provided in ~~G.S. 96-14.4,~~ G.S. 96-14.3, by the percentage obtained by dividing the nonseasonal wages in his base period by all of his base period wages.

(5) In no case shall a seasonal worker be eligible to receive a total amount of benefits in a benefit year in excess of the maximum benefits payable for such benefit year, as provided in ~~G.S. 96-14.4.~~G.S. 96-14.3."

SECTION 2.8.(e) This section becomes effective July 1, 2015.

SECTION 2.9. G.S. 96-15 reads as rewritten:

"§ **96-15. Claims for benefits.**

…

(b) …

(2) Adjudication. – When a protest is made by the claimant to the initial or monetary determination, or a question or issue is raised or presented as to the eligibility of a claimant, or whether any disqualification should be imposed, or benefits denied or adjusted pursuant to G.S. 96-18, the matter shall be referred to an adjudicator. The adjudicator may consider any matter, document or statement deemed to be pertinent to the issues, including telephone conversations, and after such consideration shall render a conclusion as to the claimant's benefit entitlements. The adjudicator shall notify the claimant and all other interested parties of the conclusion reached. The conclusion of the adjudicator shall be deemed the final decision of the Division unless within 30 days after the date of notification or mailing of the conclusion, whichever is earlier, a written appeal is filed pursuant to rules adopted by the Division. The Division shall be deemed an interested party for such purposes and may remove to itself or transfer to an appeals referee the proceedings involving any claim pending before an adjudicator.

Provided, any interested employer shall be allowed 14 days from the mailing or delivery of the notice of the filing of a claim against the employer's account, whichever first occurs, to file with the Division its protest of the claim in order to have the claim referred to an adjudicator for a decision on the question or issue raised. Any protest filed must contain a basis for the protest and supporting statement of facts, and the protest may not be amended after the 14-day period from the mailing or delivery of the notice of filing of a claim has expired. ~~A copy of the notice of the filing shall be sent contemporaneously to the employer by telefacsimile transmission if a fax number is on file.~~ No payment of benefits shall be made by the Division to a claimant until one of the following occurs:

a. The employer has filed a timely protest to the claim.

b. The 14-day period for the filing of a protest by the employer has expired.

c. A determination under this subdivision has been made.

Provided further, no question or issue may be raised or presented by the Division as to the eligibility of a claimant, or whether any disqualification should be imposed, after 45 days from the first day of the first week after the

question or issue occurs with respect to which week an individual filed a claim for benefits. None of the provisions of this subsection shall have the force and effect nor shall the same be construed or interested as repealing any other provisions of G.S. 96-18.

An employer shall receive written notice of the employer's appeal rights and any forms that are required to allow the employer to protest the claim. The forms shall include a section referencing the appropriate rules pertaining to appeals and the instructions on how to appeal.

…

(d1) No continuance shall be granted except upon application to the Division, the appeals referee, or other authority assigned to make the decision in the matter to be continued. A continuance may be granted only ~~for good cause shown and~~ upon such terms and conditions as ~~justice may require. Good cause~~ the Division by rule shall provide. Acceptable grounds for granting a continuance shall include, but not be limited to, those instances when a party to the proceeding, a witness, or counsel of record has an obligation of service to the State, such as service as a member of the North Carolina General Assembly, or an obligation to participate in a proceeding in a court of greater jurisdiction.

…."

SECTION 2.10.(a) G.S. 96-14.1(b) reads as rewritten:

"(b) Valid Claim. – To obtain benefits, an individual must file a valid claim for unemployment ~~benefits and~~ benefits, register for ~~work.~~ work, and have a weekly benefit amount calculated pursuant to G.S. 96-14.2(a) that equals or exceeds fifteen dollars ($15.00). An individual must serve a one-week waiting period for each claim filed. A valid claim is one that meets the employment and wage standards in this subsection for the individual's base period. A valid claim for a second benefit year is one that meets the employment and wage standards in this subsection since the beginning date of the prior benefit year and before the date the new benefit claim is filed:

(1) Employment. – The individual has been paid wages in at least two quarters of the individual's base period.

(2) Wages. – The individual has been paid wages totaling at least six times the average weekly insured wage during the individual's base period. If an individual lacks sufficient base period wages, then the wage standard for that individual is determined using the last four completed calendar quarters immediately preceding the first day of the individual's benefit year. This alternative base period may not be used by an individual in making a claim for benefits in the next benefit year."

SECTION 2.10.(b) This section is effective when it becomes law and applies to benefit claims filed on or after October 4, 2015.

PART III. DIVISION OF EMPLOYMENT SECURITY BOARD OF REVIEW

SECTION 3.1.(a) Notwithstanding the appointment provisions in G.S. 96-4(b) and in G.S. 96-15.3, as enacted by this act, and to achieve the staggered terms provided in G.S. 96-15.3, as enacted by this act, Jeanette Doran, appointed by the Governor in December 2013 to serve on the Board of Review as the member that represents the general public, is confirmed to serve on the Board of Review for the term beginning upon appointment and expiring on June 30, 2015. In accordance with G.S. 96-15.3, as enacted by this act, the term beginning July 1, 2015, will expire on June 30, 2019.

SECTION 3.1.(b) Notwithstanding the appointment provisions in G.S. 96-15.3, as enacted by this act, Jeanette Doran, appointed by the Governor in December 2013 to serve on the Board of Review as the member that represents the general public, is confirmed to serve on the Board of Review for the term beginning July 1, 2015, and expiring on June 30, 2019.

SECTION 3.1.(c) Notwithstanding the appointment provisions in G.S. 96-4(b) and in G.S. 96-15.3, as enacted by this act, and to achieve the staggered terms provided in

G.S. 96-15.3, as enacted by this act, Keith Holliday, appointed by the Governor in December 2013 to serve on the Board of Review as the member that represents employers, is confirmed to serve on the Board of Review for the term beginning upon appointment and expiring on June 30, 2016. In accordance with G.S. 96-15.3, as enacted by this act, the term beginning on July 1, 2016, will expire on June 30, 2020.

SECTION 3.1.(d) Notwithstanding the appointment provisions in G.S. 96-4(b) and in G.S. 96-15.3, as enacted by this act, Stanley Campbell, appointed by the Governor in December 2013 to serve on the Board of Review as the member that represents employees, is confirmed to serve on the Board of Review for the term beginning upon appointment and expiring on June 30, 2017. In accordance with G.S. 96-15.3, as enacted by this act, the term beginning on July 1, 2017, will expire on June 30, 2021.

SECTION 3.2.(a) The following decisions in an appeal by a party to a decision of an appeals referee or hearing officer under Chapter 96 of the General Statutes are hereby validated and given the same legal effect as if those decisions had been issued by the Board of Review (BOR):

(1) Decisions issued by the Assistant Secretary of Commerce for the Division of Employment Security or by the Secretary of Commerce's designee.

(2) Decisions issued by the three individuals appointed by the Governor in December 2013 to serve as members of the BOR.

SECTION 3.2.(b) This section is effective when it becomes law and applies to decisions rendered on or after November 1, 2011.

SECTION 3.3.(a) G.S. 96-4(b) and Section 21 of S.L. 2013-224 are repealed.

SECTION 3.3.(b) Article 2D of Chapter 96 of the General Statutes is amended by adding a new section to read:

"§ **96-15.3. Board of Review.**

(a) Purpose. – The Board of Review (BOR) is created to determine appeals policies and procedures and to hear appeals arising from the decisions and determinations of the Division. The Department of Commerce must assign staff to the BOR. The BOR and its staff must perform their job responsibilities independent of the Governor, the General Assembly, the Department, and the Division and in accordance with any written guidance promulgated and issued by the U.S. Department of Labor.

(b) Members. – The BOR consists of three members appointed by the Governor and subject to confirmation by the General Assembly as provided in subsection (c) of this section. One member must be classified as representative of employees, one member must be classified as representative of employers, and one member must be classified as representative of the general public. The member appointed to represent the general public will serve as chair of the BOR and must be a licensed attorney in this State.

Members of the BOR serve staggered four-year terms. A term begins on July 1 of the year of appointment and ends on June 30 of the fourth year. No individual may serve more than two terms on the BOR. In calculating the number of terms served, a partial term that is less than 24 months in length will not be included. The General Assembly must set the annual salaries of the BOR in the current Operations Appropriations Act.

(c) Confirmation. – Appointments of members to serve on the BOR are subject to confirmation by the General Assembly by joint resolution. The Governor must submit the name of the individual the Governor wants to appoint to the BOR to the General Assembly for confirmation on or before May 1 of the year of the expiration of the term. If the General Assembly does not confirm the appointment by May 30, the office will be considered vacant and must be filled in accordance with subsection (d) of this section. The Governor may not resubmit the name of the nominee whom the General Assembly did not confirm for the office. If the Governor fails to timely submit a nomination, the General Assembly will appoint to fill the succeeding term as provided in subsection (e) of this section.

(d) Vacancies. – For the purpose of this subsection, the General Assembly is not in session only (i) prior to convening of the regular session, (ii) during any adjournment of the

regular session for more than 10 days, and (iii) after sine die adjournment of the regular session. A vacancy in an office of the BOR prior to the expiration of the term of office must be filled in accordance with this subsection:

(1) During legislative session. – If a vacancy in an office arises or exists when the General Assembly is in session, the Governor must submit the name of the individual to be appointed to fill the vacancy for the remainder of the unexpired term within 30 days after the vacancy arises to the General Assembly for confirmation by the General Assembly. If the General Assembly does not confirm the appointment within 30 days after the General Assembly receives the nomination, the office will be considered vacant and must be filled in accordance with this subsection. The Governor may not resubmit the name of the nominee whom the General Assembly did not confirm for the vacancy. If the Governor fails to timely submit a nomination, the General Assembly will appoint to fill the vacancy as provided in subsection (e) of this section.

(2) During legislative interim. – If a vacancy in an office arises or exists when the General Assembly is not in session, the Governor must appoint an individual to that office to serve on an interim basis pending confirmation by the General Assembly. The Governor must submit the name of the individual to be appointed to fill the vacancy for the remainder of the unexpired term to the General Assembly for confirmation within 14 days of the date the General Assembly convenes or reconvenes for the next regular session. If the Governor fails to timely submit a nomination, the General Assembly will appoint to fill the vacancy as provided in subsection (e) of this section.

(e) Legislative Appointments. – If the Governor fails to timely submit the name of an individual to be appointed to the BOR as provided in this section, then the General Assembly may appoint an individual to fill the vacancy in accordance with G.S. 120-121 and the provisions of this subsection. If the vacancy occurs in an odd-numbered year, the appointment is made upon the recommendation of the President Pro Tempore of the Senate. If the vacancy occurs in an even-numbered year, the appointment is made upon the recommendation of the Speaker of the House of Representatives."

SECTION 3.4. The Joint Legislative Program Evaluation Oversight Committee shall include in the 2015-2017 Work Plan for the Program Evaluation Division of the General Assembly a study of the value provided to the State by the Board of Review (BOR). The Division shall report its findings and recommendations to the Joint Legislative Program Evaluation Oversight Committee and to the Joint Legislative Oversight Committee on Unemployment Insurance by March 1, 2016. The study should include the following:

(1) A cost-benefit analysis of the State provision of a higher level of appeal of decisions for the Division of Employment Security through the BOR:
   a. Annual costs of the BOR.
   b. Number of cases handled annually by the BOR.
   c. Average time for BOR to process a case.
   d. Cost per case.
   e. Number and percentage of BOR decisions differing from the initial decision.
   f. Average percentage distribution of time BOR staff members spend on BOR tasks and tasks unrelated to BOR.
   g. Independence of BOR staff from budgetary control, direction, or override by non-BOR agency employees and officers.

(2) A comparison to other states with BOR functions on the same factors enumerated in subdivision (1) of this section.

(3) A determination of how the cost of BOR compares to the monetary value derived from the BOR appeals function.
(4) A determination if BOR resources could be applied more efficiently and effectively to provide equivalent value to the State.
(5) An identification of noneconomic or nonquantifiable justifications, if any, of a BOR function.
(6) Any Program Evaluation Division recommendations for administrative or legislative consideration.

PART IV. TAX CHANGES

SECTION 4.1.(a) G.S. 96-9.2(c) reads as rewritten:

"(c) Contribution Rate for Experience-Rated Employer. – The contribution rate for an experience-rated employer who does not qualify as a beginning employer under subsection (b) of this section is determined in accordance with the table set out below and then rounded to the nearest one-hundredth percent (0.01%), subject to the minimum and maximum contribution rates. The minimum contribution rate is six-hundredths of one percent (0.06%). The maximum contribution rate is five and seventy-six hundredths percent (5.76%). "Total insured wages" are the total wages reported by all insured employers for the 12-month period ending on ~~July 31~~ June 30 preceding the computation date. An employer's experience rating is computed as a reserve ratio in accordance with G.S. 96-9.4. An employer's reserve ratio percentage (ERRP) is the employer's reserve ratio multiplied by sixty-eight hundredths. A positive ERRP produces a lower contribution rate, and a negative ERRP produces a higher contribution rate.
…."

SECTION 4.1.(b) This section is effective when it becomes law and applies to contributions payable for calendar quarters beginning on or after January 1, 2014.

SECTION 4.2.(a) G.S. 96-11.2 reads as rewritten:

"§ **96-11.2. Allocation of charges to base period employers.**

Benefits paid to an individual are charged to an employer's account ~~when the individual's benefit year has expired.~~ quarterly. Benefits paid to an individual must be allocated to the account of each base period employer in the proportion that the base period wages paid to the individual in a calendar quarter by each base period employer bears to the total wages paid to the individual in the base period by all base period employers. The amount allocated to an employer that pays contributions is multiplied by one hundred twenty percent (120%) and charged to that employer's account. The amount allocated to an employer that elects to reimburse the Unemployment Insurance Fund in lieu of paying contributions is the amount of benefits charged to that employer's account."

SECTION 4.2.(b) This section becomes effective January 3, 2016, and applies to claims effective on or after that date. Claims filed prior to January 3 will be charged annually when the benefit year for that claim ends.

SECTION 4.3. Notwithstanding G.S. 96-9.7(b), the surtax imposed under G.S. 96-9.7 does not apply to the calendar year 2016 if the amount in the State's account in the Unemployment Trust Fund as of March 1, 2016, equals or exceeds one billion dollars ($1,000,000,000).

PART V. EFFECTIVE DATE

SECTION 5. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 31st day of August, 2015.

Became law upon approval of the Governor at 9:22 a.m. on the 10th day of September, 2015.

Session Law 2015-239 **S.B. 304**

AN ACT TO CLARIFY THAT LOGO SIGNS MAY BE PLACED ON THE RIGHT-OF-WAY OF FULLY AND PARTIALLY CONTROLLED-ACCESS HIGHWAYS AND TO PROVIDE THAT THE TRANSPORTATION MOBILITY AND SAFETY DIVISION OF THE DEPARTMENT OF TRANSPORTATION SHALL ADMINISTER THE LOGO SIGN PROGRAM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 136-89.56 reads as rewritten:

"§ **136-89.56. Commercial enterprises.**

No commercial enterprises or activities shall be authorized or conducted by the Department of Transportation, or the governing body of any city or town, within or on the property acquired for or designated as a controlled-access facility, as defined in this Article, except for:

(1) Materials displayed at welcome centers which shall be directly related to travel, accommodations, tourist-related activities, tourist-related services, and attractions. The Department of Transportation shall issue rules regulating the display of these materials. These materials may contain advertisements for real estate; and

(2) Vending machines permitted by the Department of Transportation and placed by the Division of Services for the Blind, Department of Health and Human Services, as the State licensing agency designated pursuant to Section 2(a)(5) of the Randolph-Sheppard Act (20 USC 107a(a)(5)). The Department of Transportation shall regulate the placing of the vending machines in highway rest areas and shall regulate the articles to be dispensed. In order to permit the establishment of adequate fuel and other service facilities by private owners or their lessees for the users of a controlled-access facility, the Department of Transportation shall permit access to service or frontage roads within the publicly owned right-of-way of any controlled-access facility established or designated as provided in this Article, at points which, in the opinion of the Department of Transportation, will best serve the public interest. The location of such fuel and other service facilities may be indicated to the users of the controlled-access facilities by appropriate signs, the size, style, and specifications of which shall be determined by the Department of Transportation.

The location of fuel, gas, food, lodging, camping, and attraction facilities may be indicated to the users of the controlled-access facilities by appropriate logos placed on signs owned, controlled, and erected <u>within the right-of-way of fully and partially controlled-access highways</u> by the Department of Transportation. The owners, operators or lessees of fuel, gas, food, lodging, camping, and attraction facilities who wish to place a logo identifying their business or service on a sign shall furnish a logo meeting the size, style and specifications determined by the Department of Transportation and shall pay the Department <u>of Transportation</u> a fee set by the Board of Transportation. The Board shall set the fee to cover the initial costs of signs, sign installation, and maintenance, and the costs of administering the logo sign program. <u>The Transportation Mobility and Safety Division of the Department of Transportation shall administer the logo sign program, including receiving requests for information concerning the logo sign program.</u>"

SECTION 2. The Department of Transportation shall adopt temporary rules to implement this act.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 2nd day of September, 2015.

Became law upon approval of the Governor at 9:43 a.m. on the 10th day of September, 2015.

Session Law 2015-240 **H.B. 875**

AN ACT TO REQUIRE CONSENT OF THE COUNTY BOARD OF COMMISSIONERS IN ASHE AND WATAUGA COUNTY FOR PROPERTY LOCATED IN THOSE COUNTIES BEFORE ANY MUNICIPALITY, SPECIAL DISTRICT, OR OTHER UNIT OF LOCAL GOVERNMENT ACQUIRES BY CONDEMNATION ANY REAL PROPERTY LOCATED IN THE SAME COUNTY AND OUTSIDE THE MUNICIPALITY, SPECIAL DISTRICT, OR OTHER UNIT OF LOCAL GOVERNMENT.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 153A of the General Statutes is amended by adding a new section to read:

"**§ 153A-14.5. Consent of board of commissioners necessary before land outside a unit of local government, but within the county where that unit of local government is located, may be condemned by that unit of local government.**

(a) Notwithstanding the provisions of Chapter 40A of the General Statutes or any other general law or local act conferring the power of eminent domain, before final judgment may be entered in any action of condemnation initiated by a city or town, special district, or other unit of local government, whereby the condemnor seeks to acquire property located in the county where the condemnor is located, but outside the corporate limits of the condemnor, the condemnor shall furnish proof that the county board of commissioners of the county where the land is located has consented by resolution, by majority vote of all members of the Board, to the taking.

(b) In addition to the procedure specified in subsection (a) of this section, the following shall indicate proof that the county board of commissioners of the county where the city or town, special district, or other unit of local government is initiating an action of condemnation has consented to the taking, as required by subsection (a) of this section, with no further approval of the county board of county commissioners required:

(1) The real property subject to the condemnation action is located in a designated urban growth area or zone of the condemning entity that was approved by a prior action of the county board of commissioners.

(2) The real property subject to the condemnation is located in an extraterritorial jurisdiction area, as defined in G.S. 160A-360, of the condemning entity that was approved by a prior action of the county board of county commissioners.

(c) This section does not apply as to any condemnation of real property by a city or town, special district, or other unit of local government where the property to be condemned is within the corporate limits of that city or town, special district, or other unit of local government."

SECTION 2. This act applies only to Ashe and Watauga counties. This act is effective when it becomes law and applies to condemnations on or after that date.

In the General Assembly read three times and ratified this the 17th day of September, 2015.

Became law on the date it was ratified.

Session Law 2015-241 **H.B. 97**

AN ACT TO MAKE BASE BUDGET APPROPRIATIONS FOR CURRENT OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND FOR OTHER PURPOSES.

The General Assembly of North Carolina enacts:

PART I. INTRODUCTION AND TITLE OF ACT

TITLE OF ACT

SECTION 1.1. This act shall be known as the "Current Operations and Capital Improvements Appropriations Act of 2015."

INTRODUCTION

SECTION 1.2. The appropriations made in this act are for maximum amounts necessary to provide the services and accomplish the purposes described in the budget. Savings shall be effected where the total amounts appropriated are not required to perform these services and accomplish these purposes and, except as allowed by the State Budget Act or this act, the savings shall revert to the appropriate fund at the end of each fiscal year.

PART II. CURRENT OPERATIONS AND EXPANSION GENERAL FUND

CURRENT OPERATIONS AND EXPANSION/GENERAL FUND

SECTION 2.1. Appropriations from the General Fund of the State for the maintenance of the State's departments, institutions, and agencies and for other purposes as enumerated, are made for the fiscal biennium ending June 30, 2017, according to the following schedule:

Current Operations – General Fund	**FY 2015-2016**	**FY 2016-2017**
EDUCATION		
Community Colleges System Office	1,069,066,998	1,065,895,520
Department of Public Instruction	8,516,769,297	8,419,444,621
University of North Carolina – Board of Governors		
Appalachian State University	127,841,892	127,835,582
East Carolina University		
Academic Affairs	210,407,112	210,739,558
Health Affairs	73,527,686	73,527,686
Elizabeth City State University	33,759,228	33,759,228
Fayetteville State University	48,741,530	48,741,530
NC A&T State University	90,898,021	90,898,021
NC Central University	82,132,848	82,132,848
NC State University		
Academic Affairs	392,256,502	392,249,291
Agricultural Extension	38,595,927	38,595,927
Agricultural Research	53,099,332	53,099,332
UNC-Asheville	37,592,283	37,592,283
UNC-Chapel Hill		
Academic Affairs	252,265,861	252,265,861
Health Affairs	187,779,905	187,779,905
AHEC	49,282,678	49,282,678
UNC-Charlotte	198,971,605	198,971,605
UNC-Greensboro	143,459,427	143,459,427
UNC-Pembroke	53,184,870	53,192,105
UNC-School of the Arts	28,669,298	28,669,298
UNC-Wilmington	101,627,684	101,473,413
Western Carolina University	85,805,817	85,805,817
Winston-Salem State University	64,619,124	64,619,124
General Administration	37,256,706	37,256,706
University Institutional Programs	110,112,626	35,984,886
Related Educational Programs	108,168,501	108,168,501
NC School of Science & Mathematics	19,786,361	19,787,561

Aid to Private Institutions	116,719,754	127,419,754
Total University of North Carolina – Board of Governors	**2,746,562,578**	**2,683,307,927**
HEALTH AND HUMAN SERVICES		
Department of Health and Human Services		
Central Management and Support	122,466,586	130,033,253
Division of Aging and Adult Services	43,815,337	43,815,337
Division of Blind Services/Deaf/HH	8,173,207	8,173,207
Division of Child Development and Early Education	232,462,829	243,033,976
Health Service Regulation	16,105,247	16,110,674
Division of Medical Assistance	3,736,574,943	3,916,237,272
Division of Mental Health	596,082,420	537,861,308
NC Health Choice	12,556,342	746,758
Division of Public Health	141,377,220	148,298,428
Division of Social Services	183,183,263	185,533,263
Division of Vocation Rehabilitation	37,752,132	37,752,132
Total Health and Human Services	**5,130,549,526**	**5,267,595,608**
AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES		
Department of Agriculture and Consumer Services	116,314,975	116,955,773
Department of Commerce		
Commerce	57,487,974	57,596,128
Commerce State-Aid	20,754,240	18,055,810
Department of Cultural Resources		
Cultural Resources	163,398,267	169,289,403
Roanoke Island Commission	523,384	523,384
Wildlife Resources Commission	10,153,623	10,023,496
Department of Environment and Natural Resources	81,306,602	82,429,609
Department of Labor	15,995,359	15,822,235
JUSTICE AND PUBLIC SAFETY		
Department of Public Safety	1,848,129,110	1,847,365,626
Judicial Department	484,931,217	484,126,321
Judicial Department – Indigent Defense	116,002,897	116,629,964
Department of Justice	53,849,464	52,715,592
GENERAL GOVERNMENT		
Department of Administration	61,340,912	58,664,485
Office of Administrative Hearings	5,180,184	5,143,413
Department of State Auditor	12,103,663	12,004,791
Office of State Controller	22,853,779	22,726,386
State Board of Elections	6,764,842	6,513,363
General Assembly	57,409,649	57,009,051
Office of the Governor		
Office of the Governor	5,822,109	5,566,174
Office of the Governor – Special Projects	2,000,000	2,000,000
Office of State Budget and Management	7,683,949	7,531,408
OSBM – Reserve for Special Appropriations	14,781,688	2,000,000
Housing Finance Agency	21,618,739	25,660,000
Department of Insurance	38,652,279	38,355,246
Office of Lieutenant Governor	682,875	677,972
Department of Military and Veterans Affairs	9,536,995	7,806,254
Department of Revenue	81,059,539	80,457,679
Department of Secretary of State	11,888,691	11,750,695

Department of State Treasurer		
State Treasurer	10,262,911	10,348,384
State Treasurer – Retirement for Fire and Rescue Squad Workers	22,041,299	21,691,299
RESERVES, ADJUSTMENTS AND DEBT SERVICE		
Contingency and Emergency Fund	5,000,000	5,000,000
Salary Adjustment Reserve	12,500,000	25,000,000
OSHR Minimum of Market Adjustment	0	12,000,000
Reserve for Future Benefit Needs	0	71,000,000
Workers' Compensation Reserve	23,500,543	21,500,543
Information Technology Reserve	21,320,843	21,320,843
Information Technology Fund	21,755,191	21,681,854
IT Reserve – Budget Transparency Project	814,000	0
One North Carolina Fund	6,995,976	9,000,000
Job Development Investment Grants (JDIG)	57,816,215	71,728,126
Film and Entertainment Grant Fund	30,000,000	30,000,000
Public Schools Average Daily Membership (ADM)	0	107,000,000
UNC System Enrollment Growth Reserve	0	31,000,000
Debt Service		
General Debt Service	713,159,643	701,849,215
Federal Reimbursement	1,616,380	1,616,380
TOTAL CURRENT OPERATIONS – GENERAL FUND	**21,717,958,405**	**21,913,380,578**

GENERAL FUND AVAILABILITY STATEMENT

SECTION 2.2.(a) The General Fund availability used in developing the 2015-2017 fiscal biennial budget is shown below.

	FY 2015-2016	**FY 2016-2017**
Unappropriated Balance	2,033,330	182,588,544
Over Collections FY 2014-15	445,820,623	0
Reversions FY 2014-15	415,657,138	0
Proceeds from Sale of Dix Received in FY 2014-15	2,000,000	0
Revenue Adjustment as per S.L. 2015-2	(1,000,000)	0
Earmarkings of Year End Fund Balance:		
Savings Reserve	(200,000,000)	0
Repairs and Renovations	(400,000,000)	0
Beginning Unreserved Fund Balance	**264,511,091**	**182,588,544**
Revenues Based on Existing Tax Structure	**20,981,400,000**	**21,592,400,000**
Non-tax Revenues		
Investment Income	17,100,000	17,400,000
Judicial Fees	227,800,000	225,500,000
Disproportionate Share	139,000,000	139,000,000
Insurance	78,400,000	79,600,000
Master Settlement Agreement	137,500,000	137,500,000
Other Non-Tax Revenues	168,000,000	168,800,000
Highway Fund Transfer	215,900,000	215,900,000
Subtotal Non-tax Revenues	**983,700,000**	**983,700,000**
Total General Fund Availability	**22,229,611,091**	**22,758,688,544**
Adjustments to Availability: 2015 Session		
Historic Preservation Tax Credit	0	(8,000,000)
Modify Corporate Income Tax Rate Trigger, Expand		

Corporate Tax Base, and Repeal Bank Privilege Tax	6,000,000	0
Phase-In Single Sales Factor Apportionment	(7,900,000)	(23,300,000)
Reduce Individual Income Tax (Reduces Rate to 5.499% in 2017, Restores Medical Deduction, and Raises Standard Deduction)	(117,300,000)	(437,100,000)
Expand Sales Tax Base	44,500,000	159,500,000
Transfer Additional Local Sales Tax Revenue for Economic Development, Public Education, and Community Colleges	0	(17,600,000)
Renewable Energy Safe Harbor (S.L. 2015-11)	0	(36,700,000)
Repeal Highway Fund Transfer	(215,900,000)	(215,900,000)
Transfer to Medicaid Transformation Fund	(75,000,000)	(150,000,000)
Standard & Poor's Settlement Funds	19,382,143	0
Master Settlement Agreement Funds to Golden L.E.A.F.	(10,000,000)	(10,000,000)
Department of Justice Tobacco Settlement	2,194,000	0
Transfer from Federal Insurance Contributions Act (FICA) Fund	4,296,802	641,628
Transfer from E-Commerce Fund Cash Balance	3,000,000	0
Transfer from DPS Enterprise Resource Planning System IT Fund	9,000,000	0
Adjustment of Transfer from Treasurer's Office	62,998	18,471
Adjustment of Transfer from Insurance Regulatory Fund	355,915	58,882
Realign Judicial Fees	25,000,000	25,000,000
Subtotal Adjustments to Availability: 2015 Session	**(312,308,142)**	**(713,381,019)**
Revised General Fund Availability	**21,917,302,949**	**22,045,307,525**
Less General Fund Appropriations	**(21,734,714,405)**	**(21,919,468,078)**
Unappropriated Balance Remaining	**182,588,544**	**125,839,447**

SECTION 2.2.(b) G.S. 105-164.44D is repealed.

SECTION 2.2.(c) Notwithstanding the provisions of G.S. 143C-4-3(a), the State Controller shall transfer a total of four hundred million dollars ($400,000,000) from the unreserved fund balance to the Repairs and Renovations Reserve on June 30, 2015. This subsection becomes effective June 30, 2015.

SECTION 2.2.(d) Of the funds transferred under subsection (c) of this section to the Repairs and Renovations Reserve:

(1) The sum of one hundred fifty million dollars ($150,000,000) is appropriated from the Reserve for Repairs and Renovations for the 2015-2016 fiscal year and shall be used in accordance with Section 31.5 of this act.

(2) If House Bill 943, 2015 Regular Session, is not ratified prior to January 1, 2016, an additional sum of two hundred fifty million dollars ($250,000,000) is appropriated from the Reserve for Repairs and Renovations for the 2015-2016 fiscal year and shall be used in accordance with Section 31.5 of this act. If House Bill 943, 2015 Regular Session, is ratified prior to January 1, 2016, then these funds shall be transferred from the Reserve for Repairs and Renovations to the Savings Reserve Account. This transfer is not an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution.

SECTION 2.2.(e) Notwithstanding G.S. 143C-4-2, the State Controller shall transfer a total of two hundred million dollars ($200,000,000) from the unreserved fund balance to the Savings Reserve Account on June 30, 2015. This transfer is not an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution. This subsection becomes effective June 30, 2015.

SECTION 2.2.(f) Notwithstanding any other provision of law to the contrary, effective June 30, 2015, the following amounts shall be transferred to the State Controller to be deposited in the appropriate budget code as determined by the State Controller. These funds shall be used to support the General Fund appropriations as specified in this act for the 2015-2016 fiscal year and the 2016-2017 fiscal year.

Budget Code	Fund Code	Description	FY 2015-2016 Amount	FY 2016-2017 Amount
24100	2514	E-Commerce Fund	$3,000,000	$0
24160	2000	NC FICA Account	4,296,802	641,628
24554	2004	DPS – Enterprise Resource Planning System IT Fund	9,000,000	0

SECTION 2.2.(g) The State Controller shall transfer the net proceeds from the sale of the Dorothea Dix Hospital property in the amount of forty-nine million eight hundred ninety-nine thousand four hundred fifty-six dollars ($49,899,456) to the Dorothea Dix Hospital Property Fund, established pursuant to Section 12F.7(b) of this act. This transfer is not "an appropriation made by law", as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution.

SECTION 2.2.(h) The State Controller shall reserve from funds available in the General Fund the sum of seventy-five million dollars ($75,000,000) nonrecurring for the 2015-2016 fiscal year and the sum of one hundred fifty million dollars ($150,000,000) nonrecurring for the 2016-2017 fiscal year. The funds reserved in this subsection shall be transferred and deposited in the Medicaid Transformation Fund established in Section 12H.29 of this act. Funds deposited in the Medicaid Transformation Fund do not constitute an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution.

SECTION 2.2.(i) Funds reserved by Section 2.2 of S.L. 2014-100 in the Medicaid Contingency Reserve established in Section 12H.38 of that act do not constitute an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution.

PART III. CURRENT OPERATIONS/HIGHWAY FUND

CURRENT OPERATIONS AND EXPANSION/HIGHWAY FUND

SECTION 3.1. Appropriations from the State Highway Fund for the maintenance and operation of the Department of Transportation and for other purposes as enumerated are made for the fiscal biennium ending June 30, 2017, according to the following schedule:

Current Operations – Highway Fund	FY 2015-2016	FY 2016-2017
Department of Transportation		
Administration	$ 112,626,679	$ 90,246,679
Division of Highways		
Administration	33,377,654	33,313,151
Construction	45,054,878	42,554,878
Maintenance	1,227,435,222	1,300,435,872
Planning and Research	0	0
OSHA Program	358,030	358,030
State Aid to Municipalities	147,500,000	147,500,000
Intermodal Divisions		
Ferry	40,600,395	40,600,395
Public Transportation	88,173,419	88,173,419
Aviation	38,260,952	33,760,952
Rail	23,651,674	23,651,674
Bicycle and Pedestrian	726,895	726,895
Governor's Highway Safety	251,241	251,241
Division of Motor Vehicles	120,334,217	120,334,217

Other State Agencies, Reserves, Transfers	64,417,173	60,728,046
Capital Improvements	5,019,700	6,965,700
Total Highway Fund Appropriations	**$ 1,947,788,129**	**$ 1,989,601,149**

HIGHWAY FUND/AVAILABILITY STATEMENT

SECTION 3.2. The Highway Fund availability used in developing the 2015-2017 fiscal biennial budget is shown below:

Highway Fund Availability Statement	**FY 2015-2016**	**FY 2016-2017**
Unreserved Fund Balance	$ 0	$ 0
Estimated Revenue	1,959,030,000	1,918,940,000
Adjustment to Revenue Availability:		
Motor Fuel Tax (Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund)	(10,960,000)	(10,390,000)
Motor Fuel Tax (Wildlife Resources Fund)	120,524	116,409
Motor Fuel Tax (Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund)	0	1,775,000
Motor Fuel Tax Distribution	(76,290,000)	(73,800,000)
Division of Motor Vehicles Fee Adjustments	75,887,605	152,959,740
Revised Total Highway Fund Availability	**$ 1,947,788,129**	**$ 1,989,601,149**
Unappropriated Balance	$ 0	$ 0

PART IV. HIGHWAY TRUST FUND APPROPRIATIONS

HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 4.1. Appropriations from the State Highway Trust Fund for the maintenance and operation of the Department of Transportation and for other purposes as enumerated are made for the fiscal biennium ending June 30, 2017, according to the following schedule:

Current Operations – Highway Trust Fund	**FY 2015-2016**	**FY 2016-2017**
Program Administration	$ 35,064,813	$ 35,064,813
Turnpike Authority	49,000,000	49,000,000
Transfer to Highway Fund	400,000	400,000
Debt Service	48,619,701	61,012,229
Strategic Prioritization Funding Plan for Transportation Investments	1,179,455,486	1,193,757,958
Total Highway Trust Fund Appropriations	**$ 1,312,540,000**	**$ 1,339,235,000**

HIGHWAY TRUST FUND AVAILABILITY STATEMENT

SECTION 4.2. The Highway Trust Fund availability used in developing the 2015-2017 fiscal biennial budget is shown below:

Highway Trust Fund Availability	**FY 2015-2016**	**FY 2016-2017**
Unreserved Fund Balance	$ 0	$ 0
Estimated Revenue	1,215,900,000	1,221,200,000
Adjustment to Revenue Availability:		
Motor Fuel Tax Distribution	76,290,000	73,800,000
Motor Fuel Tax (Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund)	0	725,000
Division of Motor Vehicles Fee Adjustments	16,180,000	33,510,000
Highway Use Tax Adjustments	4,170,000	10,000,000
Total Highway Trust Fund Availability	**$ 1,312,540,000**	**$ 1,339,235,000**
Unappropriated Balance	$ 0	$ 0

PART V. OTHER APPROPRIATIONS

CASH BALANCES AND OTHER APPROPRIATIONS

SECTION 5.1.(a) Cash balances, federal funds, departmental receipts, grants, and gifts from the General Fund, revenue funds, enterprise funds, and internal service funds are appropriated for the 2015-2017 fiscal biennium as follows:

(1) For all budget codes listed in "The Governor's Recommended Budget, the State of North Carolina 2015-2017" and in the Budget Support Document, fund balances and receipts are appropriated up to the amounts specified, as adjusted by the General Assembly, for the 2015-2016 fiscal year and the 2016-2017 fiscal year. Funds may be expended only for the programs, purposes, objects, and line items or as otherwise authorized by the General Assembly. Expansion budget funds listed in those documents are appropriated only as otherwise provided in this act.

(2) Notwithstanding the provisions of subdivision (1) of this subsection:

a. Any receipts that are required to be used to pay debt service requirements for various outstanding bond issues and certificates of participation are appropriated up to the actual amounts received for the 2015-2016 fiscal year and the 2016-2017 fiscal year and shall be used only to pay debt service requirements.

b. Other funds, cash balances, and receipts of funds that meet the definition issued by the Governmental Accounting Standards Board of a trust or agency fund are appropriated for and in the amounts required to meet the legal requirements of the trust agreement for the 2015-2016 fiscal year and the 2016-2017 fiscal year.

SECTION 5.1.(b) Receipts collected in a fiscal year in excess of the amounts appropriated by this section shall remain unexpended and unencumbered until appropriated by the General Assembly, unless the expenditure of overrealized receipts in the fiscal year in which the receipts were collected is authorized by the State Budget Act. Overrealized receipts are appropriated in the amounts necessary to implement this subsection.

SECTION 5.1.(c) Notwithstanding subsections (a) and (b) of this section, there is appropriated from the Reserve for Reimbursements to Local Governments and Shared Tax Revenues for each fiscal year an amount equal to the amount of the distributions required by law to be made from that reserve for that fiscal year.

OTHER RECEIPTS FROM PENDING GRANT AWARDS

SECTION 5.1A.(a) Notwithstanding G.S. 143C-6-4, State agencies may, with approval of the Director of the Budget, spend funds received from grants awarded subsequent to the enactment of this act for grant awards that are for less than two million five hundred thousand dollars ($2,500,000), do not require State matching funds, and will not be used for a capital project. State agencies shall report to the Joint Legislative Commission on Governmental Operations within 30 days of receipt of such funds.

State agencies may spend all other funds from grants awarded after the enactment of this act only with approval of the Director of the Budget and after consultation with the Joint Legislative Commission on Governmental Operations.

SECTION 5.1A.(b) The Office of State Budget and Management shall work with the recipient State agencies to budget grant awards according to the annual program needs and within the parameters of the respective granting entities. Depending on the nature of the award, additional State personnel may be employed on a time-limited basis. Funds received from such grants are hereby appropriated and shall be incorporated into the authorized budget of the recipient State agency.

SECTION 5.1A.(c) Notwithstanding the provisions of this section, no State agency may accept a grant not anticipated in this act if acceptance of the grant would obligate the State

to make future expenditures relating to the program receiving the grant or would otherwise result in a financial obligation as a consequence of accepting the grant funds.

EDUCATION LOTTERY FUNDS/EXPENSES OF THE LOTTERY/LIMIT ON REGIONAL OFFICES

SECTION 5.2.(a) The appropriations made from the Education Lottery Fund for the 2015-2017 fiscal biennium are as follows:

	FY 2015-2016	**FY 2016-2017**
Noninstructional Support Personnel	$ 310,455,157	$ 314,950,482
Prekindergarten Program	78,252,110	78,252,110
Public School Building Capital Fund	100,000,000	100,000,000
Scholarships for Needy Students	30,450,000	30,450,000
UNC Need-Based Financial Aid	10,744,733	10,744,733
TOTAL	**$ 529,902,000**	**$ 534,397,325**

SECTION 5.2.(b) Notwithstanding G.S. 18C-164, the Office of State Budget and Management shall not transfer funds to the Education Lottery Reserve Fund for either year of the 2015-2017 fiscal biennium.

SECTION 5.2.(c) G.S. 18C-163 reads as rewritten:

"§ **18C-163. Expenses of the Lottery.**

(a) Expenses of the Lottery may include any of the following:

(1) The costs incurred in operating and administering the Commission, including initial start-up costs.

(2) The costs resulting from any contracts entered into for the purchase or lease of goods or services required by the Commission.

(3) A transfer of one million dollars ($1,000,000) annually to the Department of Health and Human Services for gambling addiction education and treatment programs.

(4) The costs of supplies, materials, tickets, independent studies and audits, data transmission, advertising, promotion, incentives, public relations, communications, bonding for lottery game retailers, printing, and distribution of tickets and shares.

(5) The costs of reimbursing other governmental entities for services provided to the Commission.

(6) The costs for any other goods and services needed to accomplish the purposes of this Chapter.

(b) Expenses of the lottery shall also include a transfer of two million one hundred thousand dollars ($2,100,000) annually to the Department of Public Safety, Alcohol Law Enforcement Branch, for gambling enforcement activities."

SECTION 5.2.(d) Article 8 of Chapter 18C of the General Statutes is amended by adding the following new sections to read:

"**§ 18C-174. Number of regional offices limited.**

The Lottery Commission shall maintain no more than seven regional offices. A regional office may include a claims center, but in no event shall the Lottery Commission maintain more than seven regional offices as provided in this section.

"**§ 18C-175. Use of public assistance funds.**

The Commission and all lottery game retailers are prohibited from accepting any form of public assistance funds for the purchase of any lottery ticket or participation in any lottery game."

SECTION 5.2.(e) The Lottery Commission shall adopt any rules necessary to implement the provisions of this section.

CIVIL PENALTY AND FORFEITURE FUND

SECTION 5.3.(a) Appropriations are made from the Civil Penalty and Forfeiture Fund for the fiscal biennium ending June 30, 2017, as follows:

	FY 2015-2016	**FY 2016-2017**
School Technology Fund	$18,000,000	$18,000,000
Drivers Education	0	27,393,768
State Public School Fund	132,320,490	128,341,640
Total Appropriation	**$150,320,490**	**$173,735,408**

SECTION 5.3.(b) Excess receipts realized in the Civil Penalty and Forfeiture Fund in each year of the 2015-2017 fiscal biennium shall be allocated to the School Technology Fund.

SECTION 5.3.(c) The clear proceeds of the newly established motor vehicle registration late fee charged pursuant to G.S. 20-88.03, as enacted by this act, shall be used to provide a dedicated source of revenue for the drivers education program administered by the Department of Public Instruction in accordance with G.S. 115C-215 and shall be appropriated by the General Assembly for this purpose for the 2016-2017 and 2017-2018 fiscal years.

INDIAN GAMING EDUCATION REVENUE FUND

SECTION 5.4. Notwithstanding G.S. 143C-9-7, the sum of six million dollars ($6,000,000) in each year of the 2015-2017 fiscal biennium is transferred from the Indian Gaming Education Revenue Fund to the Department of Public Instruction, Textbooks and Digital Resources Allotment.

MODIFY ELEMENTS OF CASH MANAGEMENT PLAN

SECTION 5.5. G.S. 147-86.11(e) reads as rewritten:

"(e) Elements of Plan. – For moneys received or to be received, the statewide cash management plan shall provide at a minimum that:

…

(4) Unpaid billings due to a State agency other than amounts owed by patients to the University of North Carolina Health Care System, East Carolina University's Division of Health Sciences, ~~or by~~ customers of the North Carolina Turnpike ~~Authority~~ Authority, or the North Carolina Department of Transportation shall be turned over to the Attorney General for collection no more than 90 days after the due date of the billing, except that a State agency need not turn over to the Attorney General unpaid billings of less than five hundred dollars ($500.00), or (for institutions where applicable) amounts owed by all patients which are less than the federally established deductible applicable to Part A of the Medicare program, and instead may handle these unpaid bills pursuant to agency debt collection procedures.

…

(4b) The North Carolina Turnpike Authority and the North Carolina Department of Transportation may turn over to the Attorney General for collection amounts owed to the North Carolina Turnpike ~~Authority.~~Authority or the North Carolina Department of Transportation.

…."

PART VI. GENERAL PROVISIONS

CONTINGENCY AND EMERGENCY FUND LIMITATION

SECTION 6.1. For the 2015-2017 fiscal biennium and notwithstanding the provisions of G.S. 143C-4-4(b), funds appropriated to the Contingency and Emergency Fund may be used only for expenditures required (i) by a court or Industrial Commission order, (ii) to respond to events as authorized under G.S. 166A-19.40(a) of the North Carolina Emergency Management Act, (iii) by the State Treasurer to pay death benefits as authorized under Article 12A of Chapter 143 of the General Statutes, (iv) by the Office of the Governor for crime

rewards in accordance with G.S. 15-53 and G.S. 15-53.1, (v) by the Industrial Commission for supplemental awards of compensation, or (vi) by the Department of Justice for legal fees. These funds shall not be used for other statutorily authorized purposes or for any other contingencies and emergencies.

ESTABLISHING OR INCREASING FEES

SECTION 6.2.(a) Notwithstanding G.S. 12-3.1, an agency is not required to consult with the Joint Legislative Commission on Governmental Operations prior to establishing or increasing a fee to the level authorized or anticipated in this act.

SECTION 6.2.(b) Notwithstanding G.S. 150B-21.1A(a), an agency may adopt an emergency rule in accordance with G.S. 150B-21.1A to establish or increase a fee as authorized by this act if the adoption of a rule would otherwise be required under Article 2A of Chapter 150B of the General Statutes.

VENTURE CAPITAL MULTIPLIER FUND

SECTION 6.3.(a) G.S. 147-69.2(b) reads as rewritten:

"(b) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated in subsection (a) of this section in excess of the amount required to meet the current needs and demands on such funds. The State Treasurer may invest the funds as provided in this subsection. If an investment was authorized by this subsection at the time the investment was made or contractually committed to be made, then that investment shall continue to be authorized by this subsection, and none of the percentage or other limitation on investments set forth in this subsection shall be construed to require the State Treasurer to subsequently dispose of the investment or fail to honor any contractual commitments as a result of changes in market values, ratings, or other investment qualifications. For purposes of computing market values on which percentage limitations on investments in this subsection are based, all investments shall be valued as of the last date of the most recent fiscal quarter.

…

(12) It is the intent of the General Assembly that the Escheat Fund provide a perpetual and sustainable source of funding for the purposes authorized by the State Constitution. Accordingly, the following provisions apply:

a. With respect to assets of the Escheat Fund, in addition to those investments authorized by subdivisions (1) through (6) of this subsection, up to ~~twenty percent (20%)~~ ten percent (10%) of such assets may be invested in the investments authorized under subdivisions ~~(7)~~(6c) through ~~(9)~~(9a) of this subsection, notwithstanding the percentage limitations imposed on the Retirement Systems' investments under those subdivisions.

b. The State Treasurer shall engage a third-party professional actuary or consultant to conduct a valuation and projection of the financial status of the Escheat Fund. The associated costs for the services may be directly charged to the Escheat Fund. The State Treasurer shall communicate the valuation of the actuary or consultant in an annual report to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the chairs of the respective appropriations and appropriate substantive committees of each chamber. The annual report shall evaluate claims by owners upon the Escheat Fund, current and projected investment returns, and projected contributions to the Escheat Fund. In the report, the State Treasurer shall assess the status of utilizing the Escheat Fund as an endowment fund and shall recommend an annual amount available for the funding of scholarships, loans, and grants from the Fund. The annual report shall be presented no later than December 31 of each year.

c. The State Treasurer shall invest, in addition to those investments authorized by subdivision (12) of this subsection, ten percent (10%) of the net assets of the Escheat Fund as authorized under G.S 147-69.2A."

SECTION 6.3.(b) Article 6 of Chapter 147 of the General Statutes is amended by adding a new section to read:

"**§ 147-69.2A. Investments; special funds held by the State Treasurer.**

(a) Firm to Administer Fund. – Following a public procurement process, a designee of the Governor, a designee of the State Treasurer, a designee of the Speaker of the House of Representatives, and a designee of the President Pro Tempore of the Senate shall jointly and unanimously select a third-party professional investment management firm, registered with the U.S. Securities and Exchange Commission, to administer the Fund and select investment opportunities appropriate for receiving allocations from the Fund on the basis of potential return on investment and the risks attendant thereto. The State Treasurer shall assign professional and clerical staff to assist in the oversight of the Fund. All costs for the third-party investment management firm and the professional and clerical staff shall be borne by the Fund pursuant to G.S. 147-69.3(f). The State Treasurer shall discharge his or her duties with respect to the Fund as a fiduciary consistent with the provisions of applicable law, including, without limitation, G.S. 36E-3.

(b) Organization and Reporting. – All documents of the Governor or the State Treasurer concerning the Fund are public records governed by Chapter 132 of the General Statutes and any applicable provisions of the General Statutes protecting confidential information.

The State Treasurer and the Governor shall jointly develop and adopt an investment policy statement for the Fund.

The State Treasurer and Governor shall jointly adopt a common policy to prevent conflicts of interests such that (i) the designees of the State Treasurer and Governor who selected the third-party investment management firm, (ii) the staff of the State Treasurer overseeing the Fund, and (iii) the third-party investment management firm's employees selecting or overseeing Fund investments do not provide services for compensation (as an employee, consultant, or otherwise), within two years after the end of their service to the Fund, to any entity in which an investment from the Fund was made.

By October 1, 2015, and at least semiannually thereafter, the State Treasurer shall submit a report to the Governor, the Office of State Budget and Management, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division on investments made from the Fund and any return on investment. This report shall be made for the Fund in lieu of the reports required by G.S. 147-69.1(e), 147-69.2(b)(10a), 147-69.3(h), 147-69.3(i), and 147-69.8.

(c) Types of Investments. – Assets of the Fund may be invested in those types of investments authorized for the North Carolina Retirement Systems by G.S. 147-69.2(b), notwithstanding the percentage limitations imposed on the Retirement Systems' investments under those subdivisions.

(d) Report on Escheat Fund Valuation. – The State Treasurer shall engage a third-party professional actuary or consultant to conduct a valuation and projection of the financial status of the Escheat Fund. The associated costs for the services may be directly charged to the Escheat Fund. The State Treasurer shall communicate the valuation of the actuary or consultant in an annual report to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the chairs of the respective appropriations and appropriate substantive committees of each chamber. The annual report shall evaluate claims by owners upon the Escheat Fund, current and projected investment returns, and projected contributions to the Escheat Fund. In the report, the State Treasurer shall assess the status of utilizing the Escheat Fund as an endowment fund and shall recommend an annual amount available for the funding of scholarships, loans, and grants from the Fund. The annual report shall be presented no later than December 31 of each year."

STATE AGENCIES/REPORTS ON LEGISLATIVE LIAISONS AND SALARY INFORMATION

SECTION 6.4. By January 1, 2016, the Office of State Budget and Management shall report the following information to the chairs of the House of Representatives Appropriations Committee, the chairs of the Senate Appropriations/Base Budget Committee, and the Fiscal Research Division:

(1) Legislative liaisons. -
   a. The number of legislative liaisons designated by each Department or Commission.
   b. For each individual, the position name, position number, salary, the amount of time spent lobbying legislators or legislative employees for legislative action, and whether lobbying is the individual's principal duty such that the individual is required to file a registration statement with the Secretary of State.
   c. An explanation of why each legislative liaison is needed.
   d. A description of any other responsibilities or duties performed by each legislative liaison.

(2) Public Information Officer (PIO) and staff reporting to PIO. -
   a. The number of individuals designated by the Department or Commission to serve as a Public Information Officer and the number of staff reporting to each PIO.
   b. For each individual, the position name, position number, and salary.
   c. The duties and responsibilities of each individual in his or her role as a Public Information Officer or staff to a PIO.
   d. An explanation of why each Public Information Officer and staff to each PIO is needed.

(3) Salary reserve and lapsed salaries. -
   a. The amount of salary reserve, by source, remaining in each fund code on June 30 of fiscal year 2013-2014 and fiscal year 2014-2015.
   b. The amount of lapsed salaries generated in fiscal year 2013-2014 and fiscal year 2014-2015.
   c. The Department's or Commission's policy on the use of salary reserve and lapsed salaries.

EUGENICS COMPENSATION PAYMENTS

SECTION 6.13. G.S. 143B-426.51 reads as rewritten:

"§ **143B-426.51. Compensation payments.**

(a) A claimant determined to be a qualified recipient under this Part shall receive compensation in the amount determined by this subsection from funds appropriated for these purposes. A qualified recipient shall receive compensation in the form of ~~two~~ three payments. By October 31, 2014, claimants determined by the Commission to be qualified recipients shall receive an initial payment as provided by this section. Claimants determined to be qualified recipients after that date shall receive an initial payment within 60 days of the Commission's determination. A second ~~and~~ payment shall be made as provided for in this section. A final payment shall be made after the exhaustion of all appeals arising from the denial of eligibility for compensation under this Part.

The initial payment to each qualified recipient will be calculated by adding together the number of qualified recipients as of October 1, 2014, and the number of claims outstanding that are pending, then dividing that total number into the sum of ten million dollars ($10,000,000). The initial payment checks shall be remitted by October 31, 2014.

The second payment of fifteen thousand dollars ($15,000) shall be made to each qualified recipient who is determined to be eligible for compensation as of June 1, 2015. The second payment checks shall be remitted by November 1, 2015.

The final payment calculation will be made by taking the balance of compensation funds remaining after the exhaustion of appeals and dividing that sum equally between the number of qualified recipients determined finally to be eligible to receive compensation. The final payment checks shall be remitted within 90 days of the exhaustion of the last appeal. Any qualified claimant who was successful on appeal and who did not receive an initial payment or second payment shall be paid an amount equal to the initial and second payment ~~amount,~~ amounts, plus the amount from the final payment ~~calculation.~~calculation, and less the amount of any compensation previously received pursuant to this section.

The Office and the State Controller shall collaborate to facilitate the administration of this section so as to effectuate the compensation of qualified recipients as soon as practicable.

…."

EXPENDITURES OF FUNDS IN RESERVES LIMITED

SECTION 6.17. All funds appropriated by this act into reserves may be expended only for the purposes for which the reserves were established.

CLARIFY THE CONSULTATION REQUIREMENT BEFORE THE JOINT LEGISLATIVE COMMISSION ON GOVERNMENTAL OPERATIONS WHEN A STATE AGENCY ESTABLISHES OR INCREASES A FEE OR CHARGE

SECTION 6.18. G.S. 12-3.1(a) reads as rewritten:

"(a) Authority. – Only the General Assembly has the power to authorize an agency to establish or increase a fee or charge for the rendering of any service or fulfilling of any duty to the public. In the construction of a statute, unless that construction would be inconsistent with the manifest intent of the General Assembly or repugnant to the context of the statute, the legislative grant of authority to an agency to adopt rules shall not be construed as a grant of authority to the agency to establish by rule a fee or a charge for the rendering of any service or fulfilling of any duty to the public, unless the statute expressly provides for the grant of authority to establish a fee or charge for that specific service. Notwithstanding any other law, a rule adopted by an agency to establish or increase a fee or charge shall not go into effect until the agency has consulted with the Joint Legislative Commission on Governmental Operations on the amount and purpose of the fee or charge to be established or increased. Where a rule provides for a periodic automatic adjustment to a fee, the agency that adopts the rule is not required to consult with the Commission every time the fee automatically adjusts. The agency shall submit a request for consultation to all members of the Commission, the Commission Assistant, and the Fiscal Research Division of the General Assembly on the same date the notice of text of the rule is published. The request for consultation shall consist of a written report stating (i) the amount of the current fee or charge, if applicable, (ii) the amount of the proposed new or increased fee or charge, (iii) the statutory authority for the fee or charge, and (iv) a detailed explanation of the need for the establishment or increase of the fee or charge."

EMERGENCY AND DISASTER RESPONSE FUNDING CHANGES

SECTION 6.19.(a) G.S. 166A-19.40 reads as rewritten:

"§ **166A-19.40. Use of contingency and emergency funds.**

(a) Use of ~~Funds for Relief and Assistance. –~~ Contingency and Emergency Funds. – The Governor may use contingency and emergency ~~funds as necessary and appropriate to provide relief and assistance from the effects of an emergency and may reallocate such other funds as may reasonably be available within the appropriations of the various departments when the severity and magnitude of the emergency so requires and the contingency and emergency funds are insufficient or inappropriate.~~funds:

(1) As necessary and appropriate to provide relief and assistance from the effects of an emergency.

(2) As necessary and appropriate for National Guard training in preparation for emergencies with the concurrence of the Council of State.

~~(b) Use of Funds for National Guard Training. – In preparation for a state of emergency, with the concurrence of the Council of State, the Governor may use contingency and emergency funds as necessary and appropriate for National Guard training in preparation for emergencies.~~

(c) Use of Other Funds. – The Governor may reallocate such other funds as may reasonably be available within the appropriations of the various departments when all of the following conditions are satisfied:

(1) The severity and magnitude of the emergency so requires.

(2) Contingency and emergency funds are insufficient or inappropriate.

(3) A state of emergency has been declared pursuant to G.S. 166A-19.20(a).

(4) Funds in the State Emergency Response and Disaster Relief Fund are insufficient."

SECTION 6.19.(b) G.S. 166A-19.42 reads as rewritten:

"§ **166A-19.42. State Emergency Response ~~Account.~~and Disaster Relief Fund.**

(a) Account Established. – There is established a State Emergency Response ~~Account~~ and Disaster Relief Fund as a reserve in the General Fund. Any funds appropriated to the ~~Account~~ Fund shall remain available for expenditure as provided by this section, unless directed otherwise by the General Assembly.

(b) Use of Funds. – The Governor may spend funds from the ~~Account~~ Fund for the following purposes:

(1) To cover the start-up costs of State Emergency Response Team operations for an emergency that poses an imminent threat of a Type I, Type II, or Type III disaster.

(2) To cover the cost of first responders to a Type I, Type II, or Type III disaster and any related supplies and equipment needed by first responders that are not provided for under subdivision (1) of this subsection.

(3) To provide relief and assistance in accordance with G.S. 166A-19.41 from the effects of an emergency.

~~All other types of emergency assistance authorized by this Part shall continue to be financed by the funds made available under G.S. 166A-19.41.~~

(c) Reporting Requirement. – The Governor shall report to the Joint Legislative Commission on Governmental Operations and to the Chairs of the Appropriations Committees of the Senate and House of Representatives on any expenditures from the State Emergency Response ~~Account~~ and Disaster Relief Fund no later than 30 days after making the expenditure. The report shall include a description of the emergency and type of action taken."

SECTION 6.19.(c) G.S. 166A-19.3 reads as rewritten:

"§ **166A-19.3. Definitions.**

The following definitions apply in this Article:

~~(1) Account. – The State Emergency Response Account established in G.S. 166A-19.42.~~

…

(17a) State Emergency Response and Disaster Relief Fund. – The fund established in G.S. 166A-19.42.

…."

CONTINUATION REVIEW OF CERTAIN FUNDS/PROGRAMS/DIVISIONS

SECTION 6.20.(a) It is the intent of the General Assembly to review the funds, agencies, divisions, and programs financed by State government. This process is known as the Continuation Review Program. The Continuation Review Program is intended to assist the General Assembly in determining whether to continue, reduce, or eliminate funding for the funds, agencies, divisions, and programs subject to continuation review.

SECTION 6.20.(b) The Senate Appropriations/Base Budget Committee and the House of Representatives Appropriations Committee may review the funds, programs,

divisions, and transfers from the Highway Fund listed in this section and shall determine whether to continue, reduce, or eliminate these funds, programs, divisions, and transfers from the Highway Fund, subject to the Continuation Review Program. The Fiscal Research Division may issue instructions to the State departments and agencies subject to continuation review regarding the expected content and format of the reports required by this section. The following funds, agencies, divisions, programs, and transfers from the Highway Fund are subject to continuation review as provided in this section:

(1) Funds, agencies, divisions, and programs financed by transfers from the Highway Fund:
   a. Department of Environment and Natural Resources –
      1. Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund.
      2. Division of Air Quality Inspection and Maintenance Fees.
      3. Division of Air Quality Water and Air Quality Account.
      4. Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund.
      5. Mercury Pollution Prevention Account.
   b. Department of Insurance –
      1. Rescue Squad Workers' Relief Fund.
      2. Volunteer Rescue/EMS Grant Program.
      3. State Fire Protection.
   c. Department of Public Safety – Inmate Road Squads and Litter Crews.
   d. Office of the State Controller – Funding transferred for BEACON support.
   e. Wildlife Resources Commission – Boating Account.

(2) Other agencies, divisions, and programs:
   a. North Carolina Human Relations Commission.
   b. Department of Health and Human Services –
      1. Office of Minority Health.
      2. Maternal and Child Health Programs.

SECTION 6.20.(c) The continuation review reports required in this section shall include the following information:

(1) A description of the fund, agency, division, or program mission, goals, and objectives, including statutorily required functions and functions performed without specific statutory authority.
(2) The performance measures for the fund, agency, division, or program and the problem or need addressed.
(3) The extent to which the fund, agency, division, or program objectives and performance measures have been achieved.
(4) A detailed accounting of all sources of funds for the fund, agency, division, or program.
(5) Recommendations for statutory, budgetary, or administrative changes needed to improve efficiency and effectiveness of services delivered to the public, including recommendations regarding whether to transfer the program to the Division of Motor Vehicles or to elsewhere in the Department of Transportation.
(6) The consequences of discontinuing funding or of continuing funding with a source other than a transfer from the Highway Fund.
(7) Recommendations for improving services or reducing costs or duplication.
(8) The identification of policy issues that should be brought to the attention of the General Assembly.

(9) Other information necessary to fully support the General Assembly's Continuation Review Program along with any information included in instructions from the Fiscal Research Division.

SECTION 6.20.(d) State departments and agencies identified in subsection (b) of this section shall submit a report of the preliminary findings of the continuation review to the Fiscal Research Division no later than December 1, 2015, and shall submit a final report to the Fiscal Research Division no later than April 1, 2016.

LRC STUDY ON METHODS FOR INCREASING TRANSFERS TO THE SAVINGS RESERVE ACCOUNT

SECTION 6.21.(a) The Legislative Research Commission (LRC) shall study methods for increasing the amount of funds transferred to the Savings Reserve Account. As part of its study, the LRC shall do all of the following:

(1) Examine potential costs and benefits of requiring one or more of the following to be transferred periodically to the Savings Reserve Account:
   a. Growth in General Fund revenue in excess of a benchmark growth rate.
   b. A particular percentage or dollar amount of General Fund revenue each fiscal year.
   c. Some portion of growth in the sources of revenue identified pursuant to subdivision (2) of this subsection each fiscal year.
   d. Interest earned on special funds.

(2) Identify specific sources of State revenue that are especially volatile.

(3) Consider how the timing of transfers to the Savings Reserve Account affects the amount transferred and the stability of the General Fund.

(4) Determine the appropriate target balance of the Savings Reserve Account, if different from the goal set forth in G.S. 143C-4-2.

(5) Any other matters the Commission deems relevant to its efforts to increase the amount of funds in the Savings Reserve Account.

SECTION 6.21.(b) The LRC shall report its findings, together with any proposed legislation, to the 2016 Regular Session of the 2015 General Assembly upon its convening.

REQUIRE TRANSFER OF SAVINGS FROM THE REFINANCING OF CERTAIN STATE DEBT TO BE TRANSFERRED TO THE SAVINGS RESERVE

SECTION 6.23.(a) Article 1 of Chapter 142 of the General Statutes is amended by adding a new section to read:

"**§ 142-15.4. Savings from refinancing of general obligation bonds to be placed in the Savings Reserve Account.**

Whenever general obligation bonds issued or incurred by the State are refinanced:

(1) The General Assembly shall not reduce the funds appropriated for servicing the refinanced debt during the fiscal biennium in which the refinancing occurs.

(2) The State Controller shall, in conjunction with the State Treasurer, periodically transfer the savings resulting from the refinancing of the debt to the Savings Reserve Account established pursuant to G.S. 143C-4-2 during the fiscal biennium in which the refinancing occurs.

(3) The Director of the Budget shall, in the fiscal biennium immediately following the refinancing, adjust the amount of debt service funded in the base budget so that it aligns with actual debt service needs."

SECTION 6.23.(b) Article 9 of Chapter 142 of the General Statutes is amended by adding a new section to read:

"**§ 142-96. Savings from refinancing of special indebtedness to be placed in the Savings Reserve Account.**

Whenever special indebtedness issued or incurred pursuant to this Article is refinanced:

(1) The General Assembly shall not reduce the funds appropriated for servicing the refinanced debt during the fiscal biennium in which the refinancing occurs.

(2) The State Controller shall, in conjunction with the State Treasurer, periodically transfer the savings resulting from the refinancing of the debt to the Savings Reserve Account established pursuant to G.S. 143C-4-2 during the fiscal biennium in which the refinancing occurs.

(3) The Director of the Budget shall, in the fiscal biennium immediately following the refinancing, adjust the amount of debt service funded in the base budget so that it aligns with actual debt service needs."

SECTION 6.23.(c) This section becomes effective July 1, 2017, and applies to indebtedness issued, incurred, or refinanced on or after that date.

MSA CHANGES

SECTION 6.24.(a) G.S. 143C-9-3 reads as rewritten:

"§ **143C-9-3. Settlement Reserve Fund.**

(a) The "Settlement Reserve Fund" is established ~~in the General Fund~~ as a special fund in the Office of State Budget and Management to receive proceeds from tobacco litigation settlement agreements or final orders or judgments of a court in litigation between tobacco companies and the states. ~~Funds credited to the Settlement Reserve Fund each fiscal year shall be included in General Fund availability as nontax revenue.~~

(a1) Each year, the sum of ten million dollars ($10,000,000) from the Settlement Reserve Fund is appropriated to The Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., a nonprofit corporation. The remainder of the funds credited to the Settlement Reserve Fund each fiscal year shall be transferred to the General Fund and included in General Fund availability as nontax revenue.

...."

SECTION 6.24.(b) G.S. 66-290 reads as rewritten:

"§ **66-290. Definitions.**

As used in this Article:

…

(10) "Units sold" means the number of individual cigarettes sold in the State by the applicable tobacco product manufacturer (whether directly or through a distributor, retailer, or similar intermediary or intermediaries) during the year in question, ~~as measured by excise taxes collected by the State on packs (or "roll-your-own" tobacco containers).~~ on which the State has authority under federal law to impose excise or similar taxes or to collect escrow. The term does not include cigarettes sold (i) on a federal installation in a transaction that is exempt from state taxation under federal law or (ii) on a Native American tribe's reservation to a consumer who is an adult enrolled member of that tribe in a transaction that is exempt from state taxation under federal law. The Secretary of Revenue shall promulgate such rules as are necessary to ascertain the amount of State excise tax paid on the cigarettes of such tobacco product manufacturer for each year. In lieu of adopting rules, the Secretary of Revenue may issue bulletins or directives requiring taxpayers to submit to the Department of Revenue the information necessary to make the required determination under this subdivision."

SECTION 6.24.(c) G.S. 66-291 reads as rewritten:

"§ **66-291. Requirements.**

…

(c) Each tobacco product manufacturer that elects to place funds into escrow pursuant to this section shall annually certify to the Attorney General that it is in compliance with this section. The Attorney General may bring a civil action on behalf of the State against any

tobacco product manufacturer or joint and severally liable importer that fails to place into escrow the funds required under this section. Any tobacco product manufacturer that fails in any year to place into escrow the funds required under this section shall:

…."

SECTION 6.24.(d) G.S. 66-293 reads as rewritten:

"§ **66-293. Sale of certain cigarettes prohibited.**

(a) Civil Penalty. – It is unlawful for a person required to pay taxes pursuant to Part 2 or 3 of Article 2A of Chapter 105 of the General Statutes to sell or deliver cigarettes belonging to a brand family of a nonparticipating manufacturer if the sale of the cigarettes is subject to such taxes unless the cigarettes are included on the compliant nonparticipating manufacturer's list prepared and made public by the Office of the Attorney General under G.S. 66-294.1 as of the date the person sells or delivers the cigarettes. It is not a violation of this subsection if the brand family was on the compliant nonparticipating manufacturer's list when the person purchased the cigarettes and the person sold or delivered the cigarettes within ~~60~~ 30 days of the purchase. The Attorney General may impose a civil penalty on a person that it finds violates this subsection. The amount of the penalty may not exceed the greater of five hundred percent (500%) of the retail value of the cigarettes sold or five thousand dollars ($5,000).

(b) Contraband. – Cigarettes described in subsection (a) of this section are contraband and may be seized by a law enforcement officer. The procedure for seizure and disposition of this contraband is the same as the procedure under G.S. 105-113.31 and G.S. 105-113.32 for non-tax-paid cigarettes."

SECTION 6.24.(e) G.S. 66-294(b) is amended by adding a new subdivision to read:

"§ **66-294. Duties of manufacturers.**

…

(b) Nonparticipating Manufacturers. – A nonparticipating manufacturer must:

…

(7) Notwithstanding any other provision of law, if a newly qualified nonparticipating manufacturer is to be listed in the North Carolina Tobacco Directory (the Directory), or if the Attorney General reasonably determines that any nonparticipating manufacturer who has filed a certification pursuant to G.S. 66-291, et seq., poses an elevated risk for noncompliance with this Article, neither such nonparticipating manufacturer nor any of its brand families shall be included in the Directory unless and until such nonparticipating manufacturer, or its United States importer that undertakes joint and several liability for the manufacturer's performance in accordance with G.S. 66-291, et seq., has posted a bond in accordance with this section.

The bond shall be posted by a corporate surety located within the United States in a form and manner acceptable to the Attorney General, or a cash equivalent posted by the nonparticipating manufacturer, in an amount equal to the greater of fifty thousand dollars ($50,000) or the greatest amount of escrow the manufacturer in either its current or predecessor form was required to deposit as a result of its highest calendar year's sales in North Carolina or greatest quarterly escrow deposit depending on the manufacturer's required escrow deposit frequency. The bond or its cash equivalent shall be posted at least 10 days in advance of each calendar year or quarter depending on the manufacturer's required escrow deposit frequency. The bond shall be written in favor of North Carolina and such bond or cash equivalent shall be conditioned on the performance by the nonparticipating manufacturer or its United States importer that undertakes joint and several liability for the manufacturer's performance, in accordance with G.S. 66-294.2, of all of its duties and obligations under this Article during the year in which the certification is filed and the next succeeding

calendar year. The bond may be drawn upon by the Attorney General to cover unsatisfied escrow obligations, penalties, and any other liability under the tobacco laws of the State.

Some factors, though not exclusive, which the Attorney General may consider in determining whether any nonparticipating manufacturer or importer poses an elevated risk of noncompliance are (i) the nonparticipating manufacturer or any affiliate thereof or importer has illegally failed to satisfy an escrow obligation with respect to any state in the past; (ii) any state has removed the nonparticipating manufacturer or its brand families or an affiliate or any of the affiliate's brand families from the state's tobacco directory for noncompliance with the state's laws; (iii) any state has pending litigation against, or an unsatisfied judgment against the nonparticipating manufacturer or any affiliate thereof or importer for escrow or penalties related to noncompliance with state escrow laws; (iv) the nonparticipating manufacturer sells its cigarettes or tobacco products directly to consumers via remote or other non-face-to-face means; (v) a state or federal court has determined that the nonparticipating manufacturer or importer has violated any tobacco tax or tobacco control law or engaged in unfair business practice or unfair competition; or (vi) the nonparticipating manufacturer or importer fails to submit or complete any required forms, documents, certifications, or notices, in a timely manner or, to the satisfaction of the Attorney General."

SECTION 6.24.(f) G.S. 66-294.1 reads as rewritten:

"§ **66-294.1. Duties of Attorney General.**

…

(b) Supplemental Lists. – The Office of the Attorney General must supplement the annual lists as necessary to reflect additions to or deletions of manufacturers and brand families. The Attorney General shall delete a nonparticipating manufacturer and its brand families from the list if it determines that the manufacturer fails to comply with the duties listed in G.S. 66-294. The Attorney General must add a nonparticipating manufacturer and its brand families to the list if it determines all of the following:

(1) The nonparticipating ~~manufacturer~~ manufacturer, as well as any joint and severally liable importer, has submitted an application under G.S. 66-294, and it is found to be complete and accurate.

(2) The Office of the Attorney General has approved the manufacturer's escrow agreement.

(3) The manufacturer has made any past due payments owed to its escrow account for any of its listed brand families.

(4) The manufacturer has resolved any outstanding penalty demands or adjudicated penalties for its listed brand families.

…."

SECTION 6.24.(g) Part 2 of Article 37 of Chapter 66 of the General Statutes is amended by adding a new section to read:

"**§ 66-294.2 Joint and several liability of importers of cigarettes manufactured by nonparticipating manufacturers located outside the United States.**

For each nonparticipating manufacturer located outside the United States, each importer into the United States of any such nonparticipating manufacturer's brand families that are or are intended to be sold in North Carolina shall bear joint and several liability with such nonparticipating manufacturer for deposit of all escrow due under this Article and payment of all penalties imposed and shall so designate in a form prepared and provided by the Attorney General and shall appoint and continually maintain a process service agent with the Secretary of State and the Office of the Attorney General."

SECTION 6.24.(h) G.S. 105-259(b) reads as rewritten:

"§ **105-259. Secrecy required of officials; penalty for violation.**

…

(b) Disclosure Prohibited. – An officer, an employee, or an agent of the State who has access to tax information in the course of service to or employment by the State may not disclose the information to any other person except as provided in this subsection. Standards used or to be used for the selection of returns for examination and data used or to be used for determining the standards may not be disclosed for any purpose. All other tax information may be disclosed only if the disclosure is made for one of the following purposes:

…

(40a) To furnish a data clearinghouse the information required to be released in accordance with the State's agreement under the December 2012 Term Sheet Settlement, as finalized by the State in the NPM Adjustment Settlement Agreement, concerning annual tobacco product sales by a nonparticipating manufacturer. Such information released to a data clearinghouse may be released to parties to the NPM Adjustment Settlement Agreement provided confidentiality protections are agreed to by the parties and overseen and enforced by this State's applicable court for enforcement of the Master Settlement Agreement for (i) any state information constituting confidential tax information or otherwise confidential under state law and (ii) manufacturer information designated confidential. The following definitions apply in this subdivision:

a. Data clearinghouse. – Defined in the Term Sheet Settlement and in the NPM Adjustment Settlement Agreement.
b. Master Settlement Agreement. – Defined in G.S. 66-290.
c. Nonparticipating manufacturer. – Defined in G.S. 66-292.
d. NPM Adjustment Settlement Agreement. – The final executed settlement document resulting from the 2012 Term Sheet Settlement.
e. Participating manufacturer. – Defined in G.S. 66-292.
f. Term Sheet Settlement. – The settlement agreement entered into in December 2012 by the State and certain participating manufacturers under the Master Settlement Agreement.

…."

ALIGN AGENCY BUDGETS TO ACTUAL EXPENDITURES

SECTION 6.25.(a) Elimination of Certain Vacant Positions. – Notwithstanding G.S. 143C-6-4, and except as otherwise provided in subsection (c) of this section, each State agency, in conjunction with the Office of State Budget and Management, shall do all of the following:

(1) Abolish all positions that have been vacant for more than 12 months as of April 17, 2015, other than those positions required to exist as part of the State's maintenance of effort requirements related to a federal grant that cannot be addressed with other State funds, or for which the Director of the Budget provides an exception, in the Director's sole discretion. This requirement shall apply regardless of the source of funding for affected positions.

(2) Fund objects or line items in the certified budget for recurring obligations that have been funded from nonrecurring sources in two or more of the previous three fiscal years. The amount funded shall not exceed the average amount expended for each object or line item during the previous three fiscal years.

(3) Fund objects or line items in the following priority order if funds generated pursuant to subdivision (1) of this subsection are insufficient to adequately

fund all of the objects and line items described in subdivision (2) of this subsection:

a. Fund legal obligations of the agency that have been funded with lapsed salaries in prior years.
b. Fund operational requirements directly related to the health, safety, or well-being of individuals in the care or custody of the State that have been funded with lapsed salaries in prior years.
c. Fund legal obligations of the agency or operational requirements directly related to the health, safety, or well-being of individuals in the care or custody of the State that have been funded with other nonrecurring sources in prior years.
d. Fund operational deficiencies where the obligation cannot be reduced and where no other source of funding exists and failure to fund will result in operational disruptions or unfunded liabilities at fiscal year-end.

(4) Adjust the appropriate objects or line items in the next recommended base budget submitted pursuant to G.S. 143C-3-5 to reflect the actions taken pursuant to this subsection.

SECTION 6.25.(b) Reporting. – No later than December 1, 2015, the Office of State Budget and Management shall report to the Fiscal Research Division on the implementation of this section. The report shall include all of the following, by budget code and fund code:

(1) A list of positions abolished pursuant to subdivision (1) of subsection (a) of this section.
(2) A list of positions that were exempted from being abolished pursuant to subdivision (1) of subsection (a) of this section.
(3) A list of objects or line items funded pursuant to subdivision (2) of subsection (a) of this section and the associated amount for each object or line item.
(4) The amount and disposition of savings from the Highway Fund, federal funds, and other non-State agency dedicated receipt sources.
(5) A list of objects or line items that were not funded because the funds generated pursuant to subdivision (1) of this subsection were insufficient.

SECTION 6.25.(c) Section Inapplicable to Certain Vacant Positions. – This section shall not apply to vacant positions (i) within the Department of Transportation or (ii) reclassified pursuant to Section 30.18(e) of this act.

CAP STATE FUNDED PORTION OF NONPROFIT SALARIES

SECTION 6.26. No more than one hundred twenty thousand dollars ($120,000) in State funds may be used for the annual salary of any individual employee of a nonprofit organization receiving State funds. For the purposes of this section, the term "State funds" means funds as defined in G.S. 143C-1-1(d)(25) and any interest earnings that accrue from those funds.

PART VII. INFORMATION TECHNOLOGY

INFORMATION TECHNOLOGY FUND

SECTION 7.1. The availability used to support appropriations made in this act from the Information Technology Fund established in G.S. 147-33.72H is as follows:

	FY 2015-2016	**FY 2016-2017**
General Fund Appropriation for IT Fund	$21,755,191	$21,681,854

Appropriations are made from the Information Technology Fund for the 2015-2017 fiscal biennium as follows:

Criminal Justice Information Network	$193,085	$193,085

Center for Geographic Information and Analysis	$503,810	$503,810
Enterprise Security Risk Management	$871,497	$871,497
Staffing and Strategic Projects	$7,873,903	$7,873,903
First Net (State Match)	$140,000	$140,000
Enterprise Project Management Office	$1,501,234	$1,501,234
IT Strategy and Standards	$865,326	$865,326
State Portal	$233,510	$233,510
Process Management	$398,234	$398,234
IT Consolidation	–	–
Government Data Analytics Center	$9,101,255	$9,101,255
Compensation Reserve	$73,337	

Unless a change is approved by the State Chief Information Officer after consultation with the Office of State Budget and Management, funds appropriated to the Information Technology Fund shall be spent only as specified in this section. Changes shall not result in any degradation to the information technology operations or projects listed in this section for which the funds were originally appropriated.

Any changes to the specified uses shall be reported in writing to the chairs of the Joint Legislative Oversight Committee on Information Technology, the chair and cochair of the House Appropriations Committee on Information Technology, and the Fiscal Research Division.

INFORMATION TECHNOLOGY INTERNAL SERVICE FUND

SECTION 7.2.(a) IT Internal Service Fund. – For the 2015-2016 fiscal year, receipts for the IT Internal Service Fund shall not exceed one hundred eighty-eight million dollars ($188,000,000). For fiscal year 2016-2017, receipts for the Internal Service Fund shall not exceed one hundred eighty-nine million dollars ($189,000,000). For each year of the 2015-2017 fiscal biennium, receipts may be increased for specific purposes to a maximum of one hundred ninety-five million dollars ($195,000,000), following consultation with the Joint Legislative Commission on Governmental Operations each time a requirement for an increase is identified. Rates approved by the Office of State Budget and Management (OSBM) to support the IT Internal Service Fund shall be based on this fund limit.

SECTION 7.2.(b) For the 2015-2016 fiscal year, receipts in excess of requirements, including information technology equipment and fixtures, shall be maintained in a separate account to be managed by the Office of State Budget and Management. The amounts received shall be used for the following purposes:

(1) To offset agency budget shortfalls resulting from Department of Information Technology rate increases.

(2) To offset Department of Information Technology Internal Service Fund budget shortfalls, if approved by the Office of State Budget and Management.

Any use of excess receipts shall be reported to the Joint Legislative Oversight Committee of Information Technology and the Fiscal Research Division.

SECTION 7.2.(c) For the 2016-2017 fiscal year, budget requirements and associated rates shall be developed based on actual service costs for fiscal year 2014-2015. These budget requirements and associated rates shall be developed and reported to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division by October 1, 2016.

SECTION 7.2.(d) For the 2016-2017 fiscal year, receipts collected for IT Internal Service Fund services shall only be used for the specific purposes for which they were collected and are hereby appropriated for those purposes. Funds collected for information technology equipment and fixtures shall be separately maintained and accounted for by the Department of Information Technology, and such funds shall be used only for the replacement of the fixtures and equipment for which the funds were collected. By December 1, 2015, the

Department of Information Technology shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the means and methods by which it is in compliance with the requirements of this subsection.

SECTION 7.2.(e) Agency Billing and Payments. – The State Chief Information Officer shall ensure that bills from the Department of Information Technology are easily understandable and fully transparent. If a State agency fails to pay its IT Internal Service Fund bill within 30 days of receipt, the Office of State Budget and Management may transfer funds from the agency to fully or partially cover the cost of the bill from that agency to the IT Internal Service Fund following notification of the affected agency.

INFORMATION TECHNOLOGY RESERVE

SECTION 7.3.(a) The appropriations for the Information Technology Reserve Fund for the 2015-2017 fiscal biennium are as follows:

	FY 2015-2016	**FY 2016-2017**
Government Data Analytics Center	$8,100,000	$8,100,000
Improve Efficiency and Customer Service through IT Modernization	$8,127,991	$8,061,512
IT Restructuring	$3,537,299	$3,740,927
Economic Modeling Initiative	$500,000	$500,000
Maintenance Management System Replacement	$173,180	$129,901
NC Connect	$593,899	$788,503
Law Enforcement Information Exchange	$288,474	–

SECTION 7.3.(b) Of the funds appropriated for Information Technology Modernization, four hundred twenty-four thousand nine hundred seventy-four dollars ($424,974) for fiscal year 2015-2016 and four hundred six thousand three hundred seventy-four dollars ($406,374) for fiscal year 2016-2017 shall be transferred to the Department of Revenue to fund three security positions. The security positions shall include a Security Design Engineer, a Security Impact Analyst, and a Security Specialist.

SECTION 7.3.(c) The funds appropriated for Maintenance Management System Replacement shall be transferred to the Department of Administration to support the acquisition of a cloud-based facilities management system. The system shall include core system functionality consisting of maintenance, inventory, and utility management systems. The system shall also include three additional modules for system failure alerts, automation of utility bills, and the extension of maintenance management to mobile devices.

SECTION 7.3.(d) The funds appropriated for IT Restructuring shall be used solely for information technology restructuring planning and implementation.

SECTION 7.3.(e) Funds appropriated to the Information Technology Reserve Fund shall be spent only as specified in this section unless a change is approved by the State Chief Information Officer after consultation with the Office of State Budget and Management. An authorized change may not result in any degradation to the information technology operations or projects listed in this section for which the funds were originally appropriated. Any changes to the specified uses for the funds shall be reported immediately, in writing, to the chairs of the Joint Legislative Oversight Committee on Information Technology, the chairs of the House Appropriations Committee on Information Technology, and the Fiscal Research Division.

SECTION 7.3.(f) The Office of State Budget and Management shall establish a fund code for the Information Technology Reserve Fund and shall manage it separately from other funding for the Department of Information Technology and the State Chief Information Officer.

INFORMATION TECHNOLOGY ENTERPRISE ARCHITECTURE

SECTION 7.4.(a) By April 15, 2016, the Department of Information Technology, as enacted by this act, shall develop an information technology enterprise architecture for State government.

SECTION 7.4.(b) The completed State information technology enterprise architecture developed pursuant to this section shall be provided to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division. This architecture, along with State and agency business plans, shall be incorporated into a biennial State Information Technology Plan (State IT Plan).

DATA CENTERS/CONSOLIDATION

SECTION 7.9.(a) Beginning with the 2015-2017 fiscal biennium, the State Chief Information Officer shall create an inventory of data center operations in the executive branch and shall develop and implement a detailed, written plan for consolidation of agency data centers in the most efficient manner possible. By December 1, 2015, the State Chief Information Officer shall present a report on the completed data center consolidation plan to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division. On or before May 1, 2016, the State Chief Information Officer shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the number of physical servers eliminated across all departments as a result of data center consolidation and the savings associated with such elimination.

SECTION 7.9.(b) State agencies shall use the State infrastructure to host their projects, services, data, and applications, except that the State Chief Information Officer may grant an exception if the State agency demonstrates any of the following:

(1) Using an outside contractor would be more cost effective for the State.

(2) The Department of Information Technology does not have the technical capabilities required to host the application.

(3) Valid security requirements preclude the use of State infrastructure, and a vendor can provide a more secure environment.

SECTION 7.9.(c) The State Chief Information Officer shall establish an enterprise convenience contract with a vendor with offices located in this State for a full range of information technology products and services. These products and services shall include, but are not limited to, networking, security, infrastructure, data center hardware and software, storage, cloud-based systems and services, unified communications, conferencing, video, and wireless.

SECTION 7.9.(d) This section does not apply to any agency exempt under G.S. 147-33.80.

INFORMATION TECHNOLOGY PERFORMANCE MEASURES

SECTION 7.11.(a) On or before January 1, 2016, the State Chief Information Officer shall establish specific, quantifiable performance measures for each function performed by the Department of Information Technology and the State Chief Information Officer. These performance measures shall be posted on the Department of Information Technology Web site and, at a minimum, shall be updated on a monthly basis. Any plans shall include mitigation strategies to resolve any failure to meet established performance measures.

SECTION 7.11.(b) Any Department of Information Technology reviews of State agency information technology requests for proposal shall ensure the request maximizes vendor participation.

ELECTRONIC FORMS AND DIGITAL SIGNATURES

SECTION 7.13.(a) The State Chief Information Officer (State CIO) shall implement a digital forms program for State agencies that provides for the acquisition and use of information technologies that enable electronic review, submission, maintenance, or disclosure of information as a substitute for paper documents and hardcopy forms. This program shall be developed in consultation with participating agencies. In developing this capability, the State CIO shall implement a citizen-friendly electronic forms processing solution that does all of the following:

(1) Allows form data to be saved locally and submitted electronically.

(2) Supports interactive forms on desktop and mobile devices.
(3) Enables forms to be electronically routed through a workflow.
(4) Provides for the encryption of confidential and sensitive documents.
(5) Provides for digital signatures, where applicable, to enable and ensure submitter identity, submitted form information, and acceptance of forms terms and requirements.

If practicable, this program shall be made available to all State agencies, departments, and institutions; local political subdivisions of the State; The University of North Carolina and its constituent institutions; community colleges; and local school administrative units.

SECTION 7.13.(b) On or before January 1, 2016, the State CIO shall provide a completed plan for the program to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division. This plan shall include a priority list for implementing digital identities and associated certificates, specific electronic forms, a time line for each implementation, and costs associated with the program.

ECONOMIC MODELING INITIATIVE

SECTION 7.14.(a) Of the funds appropriated to the Information Technology Reserve, the sum of five hundred thousand dollars ($500,000) for the 2015-2016 fiscal year and the sum of five hundred thousand dollars ($500,000) for the 2016-2017 fiscal year shall be allocated to the Board of Governors of The University of North Carolina for the University of North Carolina at Charlotte (UNC-Charlotte) to provide economic modeling for the State.

SECTION 7.14.(b) UNC-Charlotte shall develop and implement an economic modeling capability to facilitate the efforts of State agencies working to create economic development and growth opportunities for the State. UNC-Charlotte shall work with State agencies involved in economic development and growth initiatives to define their requirements and to provide timely, effective products to support their needs. All State agencies shall support this effort by providing required data in a timely manner.

SECTION 7.14.(c) By January 15, 2016, UNC-Charlotte shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the status of the economic modeling initiative.

STATE INFORMATION TECHNOLOGY BUDGETING

SECTION 7.16.(a) The Department of Information Technology (DIT), as created by this act, shall work with the Office of State Budget and Management (OSBM), the Office of the State Controller, and participating agencies to institute a process to oversee and manage State agency information technology funding. This joint effort shall include implementing a process for the following:

(1) Developing State agency information technology budgets.
(2) Determining what participating and separate agency information technology funding will transition to DIT and what will remain with the agencies.
(3) Developing a plan to transfer appropriate funding to DIT in coordination with other State budget requirements.
(4) Developing rates and chargebacks for support provided to agencies.
(5) Identifying anticipated information technology cost savings.
(6) Identifying any rule or statutory changes required to facilitate information technology budgeting oversight and management.

On or before January 1, 2016, OSBM and DIT shall report jointly to the Joint Legislative Oversight Committee on Information Technology and Fiscal Research Division on the development of the information technology budgeting process and any anticipated cost savings.

SECTION 7.16.(b) OSBM and DIT shall identify anticipated information technology cost savings projected for the 2017-2019 fiscal biennium, with documentation as to the specific sources and amounts of those savings, and shall report that information to the Joint

Legislative Oversight Committee on Information Technology and Fiscal Research Division on or before January 1, 2016.

GOVERNMENTAL BUDGETARY TRANSPARENCY/EXPENDITURES ONLINE

SECTION 7.17.(a) In coordination with the State Controller and the Office of State Budget and Management (OSBM), the State Chief Information Officer (State CIO) shall establish a State budget transparency Internet Web site to provide information on budget expenditures for each State agency for each fiscal year beginning 2015-2016.

SECTION 7.17.(b) In addition, the State CIO shall coordinate with counties, cities, and local education agencies to facilitate the posting of their respective local entity budgetary and spending data on their respective Internet Web sites and to provide the data to the Local Government Commission (LGC) to be published, in a standardized format, on the State budget transparency Internet Web site established in subsection (a) of this section.

SECTION 7.17.(c) The Internet Web sites mandated by this section shall be fully functional by April 1, 2016. Each Internet Web site shall:

(1) Be user-friendly with easy-to-use search features and data provided in formats that can be readily downloaded and analyzed by the public.

(2) Include budgeted amounts and actual expenditures for each State agency or local entity budget code.

(3) Include information on receipts and expenditures from and to all sources, including vendor payments, updated on a monthly basis.

SECTION 7.17.(d) Each State agency, county, city, and local education agency shall work with the State CIO, the State Controller, and the OSBM to ensure that complete and accurate budget and spending information is provided in a timely manner as directed by the State CIO. Each State agency Internet Web site shall include a hyperlink to the State's budget transparency Internet Web site. The LGC shall work with the State CIO to post data on the LGC's Internet Web site in a consistent manner that allows comparisons between the local entities providing data under subdivision (2) of subsection (c) of this section.

SECTION 7.17.(e) There is appropriated from the General Fund to the Office of State Budget and Management the sum of eight hundred fourteen thousand dollars ($814,000) for the 2015-2016 fiscal year for the purpose of implementing the provisions of this section.

INFORMATION TECHNOLOGY SECURITY/TWO-FACTOR AUTHENTICATION

S**ECTION 7.19.(a)** The State CIO shall develop and implement a plan to provide a standardized, statewide two-factor authentication system. Development of the plan shall be accomplished in coordination with the Criminal Justice Information Network Board of Directors. On or before January 15, 2016, the State CIO shall provide the completed two-factor authentication plan to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division.

SECTION 7.19.(b) Funding appropriated to the Information Technology Reserve for two-factor authentication, along with any remaining funding from prior appropriations for authentication, shall be used to support implementation of the plan.

DATA SECURITY STUDY

SECTION 7.20. The Joint Legislative Oversight Committee on Information Technology shall study liability issues associated with data security in both the public and private sectors. The Committee shall report its findings and any legislative proposals pertaining to liability issues associated with data security to the General Assembly on or before April 1, 2016. The study shall include all of the following:

(1) State liability issues.

(2) State and vendor financial liability for data security breaches.

(3) Methods of allocating risk for the State's vendors and IT contractors, including, but not limited to, the feasibility of maximum liability limits.

(4) In consultation with the Department of Insurance, an analysis of the feasibility of developing a surplus line insurance policy and rate schedule for data breach liability coverage.
(5) Federal government requirements.
(6) State response to data security threats and breaches.
(7) Third party liability issues.
(8) Recommendations for managing data liability for the State.
(9) Data breach liability allocation best practices in the public and private sectors.

LAW ENFORCEMENT INFORMATION EXCHANGE AND CJLEADS

SECTION 7.21.(a) Funds appropriated in this act for the Law Enforcement Information Exchange shall be allocated to the Criminal Justice Information Network Board of Directors to be used to map the records management systems of law enforcement agencies in the State to allow these agencies to interface with the Law Enforcement Information Exchange.

SECTION 7.21.(b) The Criminal Justice Information Network Board of Directors shall explore the feasibility of sharing data between the Law Enforcement Information Exchange and the Criminal Justice Law Enforcement Automated Data System (CJLEADS).

SECTION 7.21.(c) CJLEADS shall not be moved from the Government Data Analytics Center (GDAC) in the Department of Information Technology, as created by this act.

SECTION 7.21.(d) The Department of Public Safety and the State CIO shall ensure that CJLEADS obtains access to federal criminal information deemed to be essential in managing CJLEADS to support criminal justice professionals in accordance with G.S. 143B-1344(d)(1)a. The Department of Public Safety and the State CIO shall provide a progress report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on or before February 1, 2016, and quarterly thereafter, until the necessary federal criminal information access has been obtained.

ENTERPRISE RESOURCE PLANNING

SECTION 7.22.(a) In coordination with the Office of the State Controller (OSC) and the Office of State Budget and Management (OSBM), the Department of Information Technology (DIT) shall establish a program to plan, develop, and implement an enterprise resource planning (ERP) system for the State, including an investigation of the potential for a cloud-based unified ERP system.

SECTION 7.22.(b) During the 2015-2016 fiscal year, the DIT shall issue a request for information and coordinate demonstrations to determine available options for ERP system development and implementation. During the 2016-2017 fiscal year, subject to the availability of funding, the DIT shall issue requests for proposal to begin the development and implementation of an ERP system.

SECTION 7.22.(c) Beginning January 1, 2016, and quarterly thereafter, the DIT, in conjunction with OSC and OSBM, shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the status of the program. The report shall include all of the following:

(1) A detailed listing of current, completed, and potential future projects.
(2) The amount of funding identified from restructuring savings since the inception of the program.
(3) The uses of the identified funding.
(4) The costs of current, completed, and potential future projects.
(5) The status of planning and implementation of each project.
(6) Identification of any issues associated with the program.

STATE BROADBAND PLAN

SECTION 7.23.(a) The State CIO shall develop a State broadband plan that includes:

(1) Information regarding the availability and functionality of broadband throughout the State and an evaluation of the current deployment of broadband service.
(2) A strategy to support the affordability of broadband service as well as maximum utilization of broadband infrastructure, including potential partnerships and sources of funding to support the effort.
(3) Analysis of means, methods, and best practices to establish universal broadband access across the State.

In developing the State broadband plan, the State CIO shall coordinate with other State agencies in order to maximize the effectiveness and efficiency of available resources.

SECTION 7.23.(b) For the 2015-2017 fiscal biennium, by December 1, 2015, and then annually thereafter, the State CIO shall provide a report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the development and implementation of the State broadband plan.

STATE PORTAL/ECONOMIC DEVELOPMENT/BUSINESS WEB SITE PLAN

SECTION 7.24.(a) In coordination with appropriate State agencies, departments, and institutions as part of the State portal planning and development, the State Chief Information Officer (State CIO) shall develop and implement a plan to establish an Internet Web site for businesses operating, or considering operating, within North Carolina, which shall include all of the following:

(1) The capabilities necessary to complete required business transactions electronically, to include the availability of electronic forms and digital signatures.
(2) How the State CIO will ensure secure access to any and all information and services required to facilitate the operation of businesses within the State.
(3) Potential sources of funding to support the development and implementation of the Web site.

SECTION 7.24.(b) On or before March 1, 2016, the State CIO shall provide the completed plan to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division. On or before March 1, 2016, and then at least semiannually for the duration of the 2015-2017 fiscal biennium, the State CIO shall provide progress reports regarding the establishment and use of the business Internet Web site to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division.

AGENCY USE OF ENTERPRISE ACTIVE DIRECTORY

SECTION 7.25. On or before July 1, 2016, unless exempted by the Governor, all State agencies identified as principal departments under G.S. 143B-6 shall become direct members of and shall use the Enterprise Active Directory. A principal department may submit to the State Chief Information Officer a written request to deviate from certain requirements of the Enterprise Active Directory, provided that any deviation shall be consistent with available funding and shall be subject to any terms and conditions specified by the State Chief Information Officer.

STUDY STATE AGENCY USE OF UTILITY-BASED COMPUTING

SECTION 7.26.(a) The Department of Information Technology (Department) shall study the use of and cost savings associated with the adoption of utility-based cloud computing services by State agencies. For the purposes of this section, "utility-based computing" means the process of providing computing service through an on-demand, pay-per-use billing method, metering the offered services. At a minimum, the review conducted by the Department shall:

(1) Evaluate the actual and potential usefulness of commercial cloud computing services by State agencies and whether expedited transition to cloud computing would offer significant savings to State agencies.

(2) Evaluate how giving State agencies the ability to purchase information technology (IT) services in a utility-based model would result in savings from paying for only the IT services consumed.
(3) Identify the capabilities required to implement utility-based computing, storage, and applications, including a rate structure.
(4) Include a request for information to determine the capabilities and costs of available services.

SECTION 7.26.(b) On or before April 1, 2016, the State Chief Information Officer shall make a written report to the Joint Legislative Oversight Committee on Information Technology on the results of the Department review of utility-based computing.

STATE FUNDED IT CONTRACTS

SECTION 7.27. For all information technology contracts that receive any State funds, State agencies and vendors shall immediately provide copies of contract documents and any subsequent amendments, modifications, or other changes upon request of the Joint Legislative Oversight Committee on Information Technology or the Fiscal Research Division.

PART VII-A. ESTABLISH DEPARTMENT OF INFORMATION TECHNOLOGY

ESTABLISH DEPARTMENT OF INFORMATION TECHNOLOGY

SECTION 7A.1.(a) The Department of Information Technology is established in this Part as a single, unified cabinet-level department that consolidates information technology functions, powers, duties, obligations, and services existing within the principal departments. Notwithstanding G.S. 143B-9 and G.S. 143B-10, and except as otherwise provided in this act, all information technology functions, powers, duties, obligations, and services vested in the State entities listed in G.S. 143B-6 are transferred to, vested in, and consolidated within the Department of Information Technology. The head of the Department of Information Technology is the State Chief Information Officer, who shall be known as the State CIO. The powers and duties of the deputy chief information officers, directors, and divisions of the Department shall be subject to the direction and control of the State CIO. Upon the establishment of the Department of Information Technology, the Governor shall appoint a State CIO in accordance with G.S. 143B-9.

SECTION 7A.1.(b) The following transfers from the Office of Information Technology Services are made to the Department of Information Technology created by this act:

(1) A Type I transfer, as defined in G.S. 143A-6, of the:
  a. Office of the State Chief Information Officer.
  b. Office of Information Technology Services.
(2) A Type II transfer, as defined in G.S. 143A-6, of the:
  a. 911 Board.
  b. Criminal Justice Information Network.
  c. Government Data Analytics Center.
  d. North Carolina Geographic Information Coordinating Council and the Center for Geographic Information and Analysis.

SECTION 7A.1.(c) G.S. 143B-2 reads as rewritten:

"§ **143B-2. Interim applicability of the Executive Organization Act of 1973.**

The Executive Organization Act of 1973 shall be applicable only to the following named departments:

...

(11) Department of Information Technology."

SECTION 7A.1.(d) G.S. 143B-6 reads as rewritten:

"§ **143B-6. Principal departments.**

In addition to the principal departments enumerated in the Executive Organization Act of 1971, all executive and administrative powers, duties, and functions not including those of the

General Assembly and its agencies, the General Court of Justice and the administrative agencies created pursuant to Article IV of the Constitution of North Carolina, and higher education previously vested by law in the several State agencies, are vested in the following principal departments:

...

(12) Department of Information Technology."

STATUTORY CHANGES CREATING THE DEPARTMENT OF INFORMATION TECHNOLOGY

SECTION 7A.2.(a) Article 3D of Chapter 147 of the General Statutes is repealed.

SECTION 7A.2.(b) Chapter 143B of the General Statutes is amended by adding a new Article to read:

"Article 14.

"Department of Information Technology.

"Part 1. General Provisions.

"**§ 143B-1300. Definitions; scope; exemptions.**

(a) Definitions. – The following definitions apply in this Article:

(1) CGIA. – Center for Geographic Information and Analysis.

(2) CJIN. – Criminal Justice Information Network.

(3) Community of practice. – A collaboration of organizations with similar requirements, responsibilities, or interests.

(4) Cooperative purchasing agreement. – An agreement between a vendor and one or more states or state agencies providing that the parties may collaboratively or collectively purchase information technology goods and services in order to increase economies of scale and reduce costs.

(5) Department. – The Department of Information Technology.

(6) Distributed information technology assets. – Hardware, software, and communications equipment not classified as traditional mainframe-based items, including personal computers, local area networks, servers, mobile computers, peripheral equipment, and other related hardware and software items.

(7) Enterprise solution. – An information technology solution that can be used by multiple agencies.

(8) Exempt agencies. – An entity designated as exempt in subsection (b) of this section.

(9) GDAC. – Government Data Analytics Center.

(10) GICC. – North Carolina Geographic Information Coordinating Council.

(11) Information technology or IT. – Set of tools, processes, and methodologies, including, but not limited to, coding and programming; data communications, data conversion, and data analysis; architecture; planning; storage and retrieval; systems analysis and design; systems control; mobile applications; and equipment and services employed to collect, process, and present information to support the operation of an organization. The term also includes office automation, multimedia, telecommunications, and any personnel and support personnel required for planning and operations.

(12) Information technology security incident. – A computer-, network-, or paper-based activity that results directly or indirectly in misuse, damage, denial of service, compromise of integrity, or loss of confidentiality of a network, computer, application, or data.

(13) Local government entity. – A local political subdivision of the State, including a city, a county, a local school administrative unit as defined in G.S. 115C-5, or a community college.

(14) Participating agency. – Any agency that has transferred its information technology personnel, operations, projects, assets, and funding to the Department of Information Technology. The State CIO shall be responsible for providing all required information technology support to participating agencies.

(15) Security incident.– A warning or indication of a threat to or breach of information or computer security. The term also includes threats that have already occurred.

(16) Separate agency. – Any agency that has maintained responsibility for its information technology personnel, operations, projects, assets, and funding. The agency head shall work with the State CIO to ensure that the agency has all required information technology support.

(17) State agency or agency. – Any agency, department, institution, commission, committee, board, division, bureau, office, unit, officer, or official of the State. The term does not include the legislative or judicial branches of government or The University of North Carolina.

(18) State Chief Information Officer or State CIO. – The head of the Department, who is a Governor's cabinet level officer.

(19) State CIO approved data center. – A data center designated by the State CIO for State agency use that meets operational standards established by the Department.

(b) Exemptions. – Except as otherwise specifically provided by law, the provisions of this Chapter do not apply to the following entities: the General Assembly, the Judicial Department, and The University of North Carolina and its constituent institutions. These entities may elect to participate in the information technology programs, services, or contracts offered by the Department, including information technology procurement, in accordance with the statutes, policies, and rules of the Department. The election must be made in writing, as follows:

(1) For the General Assembly, by the Legislative Services Commission.

(2) For the Judicial Department, by the Chief Justice.

(3) For The University of North Carolina, by the Board of Governors.

(4) For the constituent institutions of The University of North Carolina, by the respective boards of trustees.

(c) Deviations. – Any State agency may apply in writing to the State Chief Information Officer for approval to deviate from the provisions of this Chapter. If granted by the State Chief Information Officer, any deviation shall be consistent with available appropriations and shall be subject to such terms and conditions as may be specified by the State CIO.

(d) Review. – Notwithstanding subsection (b) of this section, any State agency shall review and evaluate any deviation authorized and shall, in consultation with the Department of Information Technology, adopt a plan to phase out any deviations that the State CIO determines to be unnecessary in carrying out functions and responsibilities unique to the agency having a deviation. The plan adopted by the agency shall include a strategy to coordinate its general information processing functions with the Department of Information Technology in the manner prescribed by this act and provide for its compliance with policies, procedures, and guidelines adopted by the Department of Information Technology. Any agency receiving a deviation shall submit its plan to the Office of State Budget and Management as directed by the State Chief Information Officer.

"**§ 143B-1301. Powers and duties of the Department; cost-sharing with exempt entities.**

(a) The Department shall have the following powers and duties:

(1) Provide information technology support and services to State agencies.

(2) Provide such information technology support to local government entities and others, as may be required.

(3) Establish and document the strategic direction of information technology in the State.
(4) Assist State agencies in meeting their business objectives.
(5) Plan and coordinate information technology efforts with State agencies, nonprofits, and private organizations, as required.
(6) Establish a consistent process for planning, maintaining, and acquiring the State's information technology resources. This includes responsibility for developing and administering a comprehensive long-range plan to ensure the proper management of the State's information technology resources.
(7) Develop standards and accountability measures for information technology projects, including criteria for effective project management.
(8) Set technical standards for information technology, review and approve information technology projects and budgets, establish and enforce information technology security standards, establish and enforce standards for the procurement of information technology resources, and develop a schedule for the replacement or modification of information technology systems.
(9) Implement enterprise procurement processes and develop metrics to support this process.
(10) Manage the information technology funding for State agencies, to include the Information Technology Fund for statewide information technology efforts and the Information Technology Internal Service Fund for agency support functions.
(11) Support, maintain, and develop metrics for the State's technology infrastructure and facilitate State agencies' delivery of services to citizens.
(12) Operate as the State enterprise organization for information technology governance.
(13) Advance the State's technology and data management capabilities.
(14) Prepare and present the Department's budget in accordance with Chapter 143C of the General Statutes, the State Budget Act.
(15) Obtain, review, and maintain, on an ongoing basis, records of the appropriations, allotments, expenditures, revenues, grants, and federal funds for each State agency for information technology.
(16) Adopt rules for the administration of the Department and implementing this Article, pursuant to the Administrative Procedure Act, Chapter 150B of the General Statutes.
(17) Require reports by State agencies, departments, and institutions about information technology assets, systems, personnel, and projects and prescribing the form of such reports.
(18) Prescribe the manner in which information technology assets, systems, and personnel shall be provided and distributed among agencies, to include changing the distribution when the State CIO determines that is necessary.
(19) Prescribe the manner of inspecting or testing information technology assets, systems, or personnel to determine compliance with information technology plans, specifications, and requirements.
(20) Submit all rates and fees for common, shared, and State government-wide technology services provided by the Department to the Office of State Budget and Management for approval.
(21) Establish and operate, or delegate operations of, centers of expertise (COE) for specific information technologies and services to serve two or more agencies on a cost-sharing basis, if the State CIO, after consultation with the Office of State Budget and Management, decides it is advisable from the standpoint of efficiency and economy to establish these centers and services.

(22) Identify and develop projects to facilitate the consolidation of information technology equipment, support, and projects.

(23) Identify an agency to serve as the lead (COE) for an enterprise effort, when appropriate.

(24) Require any State agency served to transfer to the Department or COE ownership, custody, or control of information-processing equipment, software, supplies, positions, and support required by the shared centers and services.

(25) Charge each State agency for which services are performed its proportionate part of the cost of maintaining and operating the shared centers and services, subject to approval by the Office of State Budget and Management.

(26) Develop performance standards for shared services in coordination with supported State agencies and publish performance reports on the Department Web site.

(27) Adopt plans, policies, and procedures for the acquisition, management, and use of information technology resources in State agencies to facilitate more efficient and economic use of information technology in the agencies.

(28) Develop and manage career progressions and training programs to efficiently implement, use, and manage information technology resources throughout State government.

(29) Provide local government entities with access to the Department's services as authorized in this section for State agencies. Access shall be provided on the same cost basis that applies to State agencies.

(30) Support the operation of the CGIA, GICC, GDAC, CJIN, and 911 Board.

(31) Support the operation of the Longitudinal Data Systems Board, as appropriate.

(32) Provide geographic information systems services through the Center for Geographic Information and Analysis on a cost recovery basis. The Department and the Center for Geographic Information and Analysis may contract for funding from federal or other sources to conduct or provide geographic information systems services for public purposes.

(33) Support the development, implementation, and operation of an Education Community of Practice.

(b) Cost-Sharing with Other Branches. – Notwithstanding any other provision of law to the contrary, the Department shall provide information technology services on a cost-sharing basis to exempt agencies, upon request.

"**§ 143B-1302. State CIO duties; Departmental personnel and administration.**

(a) State CIO. – The State Chief Information Officer (State CIO) is the head of the Department and a member of the Governor's cabinet. The State CIO is appointed by and serves at the pleasure of the Governor. The State CIO shall be qualified by education and experience for the office. The salary of the State CIO shall be set by the Governor. The State CIO shall receive longevity pay on the same basis as is provided to employees of the State who are subject to the North Carolina Human Resources Act.

(b) Departmental Personnel. – The State CIO may appoint one or more deputy State CIOs, each of whom shall be under the direct supervision of the State CIO. The salaries of the deputy State CIOs shall be set by the State CIO. The State CIO and the Deputy State CIOs are exempt from the North Carolina Human Resources Act. Subject to the approval of the Governor and limitations of the G.S. 126-5, the State CIO may appoint or designate additional managerial and policy making positions, including, but not limited to, the Department's chief financial officer and general counsel, each of whom shall be exempt from the North Carolina Human Resources Act.

(c) Administration. – The Department shall be managed under the administration of the State CIO. The State CIO shall have the following powers and duty to do all of the following:

(1) Ensure that executive branch agencies receive all required information technology support in an efficient and timely manner.
(2) Ensure that such information technology support is provided to local government entities and others, as appropriate.
(3) Approve the selection of the respective agency chief information officers.
(4) As required, plan and coordinate information technology efforts with State agencies, nonprofits, and private organizations.
(5) Ensure the security of State information technology systems and networks, as well as associated data, developing standardized systems and processes.
(6) Prepare and present the Department's budget in accordance with Chapter 143C of the General Statutes, the State Budget Act.
(7) Establish rates for all goods and services provided by the Department within required schedules.
(8) Identify and work to consolidate duplicate information technology capabilities.
(9) Identify and develop plans to increase State data center efficiencies, consolidating assets in State-managed data centers.
(10) Plan for and manage State network development and operations.
(11) Centrally classify, categorize, manage, and protect the State's data.
(12) Obtain, review, and maintain, on an ongoing basis, records of the appropriations, allotments, expenditures, and revenues of each State agency for information technology.
(13) Be responsible for developing and administering a comprehensive long-range plan to ensure the proper management of the State's information technology resources.
(14) Set technical standards for information technology, review and approve information technology projects and budgets, establish information technology security standards, provide for the procurement of information technology resources, and develop a schedule for the replacement or modification of information technology systems.
(15) Require reports by State departments, institutions, or agencies of information technology assets, systems, personnel, and projects; prescribe the form of such reports; and verify the information when the State CIO determines verification is necessary.
(16) Prescribe the manner in which information technology assets, systems, and personnel shall be provided and distributed among agencies.
(17) Establish and maintain a program to provide career management for information technology professionals.
(18) Prescribe the manner of inspecting or testing information technology assets, systems, or personnel to determine compliance with information technology plans, specifications, and requirements.
(19) Supervise and support the operations of the CGIA, GICC, GDAC, CJIN, and 911 Board.
(20) Oversee and coordinate an Education Community of Practice.
(21) Support the operation of the Longitudinal Data Systems Board, as appropriate.

(c) Budgetary Matters. – The Department's budget shall incorporate information technology costs and anticipated expenditures of State agencies identified as participating agencies, together with all divisions, boards, commissions, or other State entities for which the principal departments have budgetary authority.

(d) State Ethics Act. – All employees of the Department shall be subject to the provisions of the State Government Ethics Act under Chapter 138A of the General Statutes.

"**§ 143B-1303. Departmental organization; divisions and units; education community of practice.**

(a) Organization. – The Department shall be organized by the State CIO into divisions and units that support its duties.

(b) Education Community of Practice. – There is established an Education Community of Practice to promote collaboration and create efficiencies between and among The University of North Carolina and its constituent institutions, the North Carolina Community Colleges System Office, the constituent institutions of the Community College System, the Department of Public Instruction, and local school administrative units.

(c) Other Units. – Other units of the Department include the following:

(1) Center for Geographic Information and Analysis.
(2) Criminal Justice Information Network.
(3) Government Data Analytics Center.
(4) North Carolina 911 Board.
(5) North Carolina Geographic Information Coordinating Council.

"**§ 143B-1304. State agency information technology management; deviations for State agencies.**

Each State agency shall have tools and applications specific to their respective functions in order to effectively and efficiently carry out the business of the State with respect to all of the following:

(1) Administrative support.
(2) Facilities management.
(3) Internal auditing.
(4) Boards administration.
(5) Departmental policies and procedures.

"**§ 143B-1305. Transition to Department of Information Technology.**

(a) Transition Period. – During the 2015-2016 fiscal year, the State CIO shall work with appropriate State agencies to develop a State business plan. The State CIO shall develop documentation to support the consolidation of enterprise information technology functions within the executive branch to include the following:

(1) Information technology architecture.
(2) Updated State information technology strategic plan that reflects State and agency business plans and the State information technology architecture.
(3) Information technology funding process to include standardized, transparent rates that reflect market costs for information technology requirements.
(4) Information technology personnel management.
(5) Information technology project management.
(6) Information technology procurement.
(7) Hardware configuration and management.
(8) Software acquisition and management.
(9) Data center operations.
(10) Network operations.
(11) System and data security, including disaster recovery.

(b) Phased Transitions. – The State CIO shall develop detailed plans for the phased transition of participating agencies to the Department, as well as a plan that defines in detail how information technology support shall be provided to agencies that are not participating agencies. These plans shall be coordinated, in writing, with each agency and shall address any issues unique to a specific agency.

(c) Participating Agencies. – The State CIO shall prepare detailed plans to transition each of the participating agencies. As the transition plans are completed, the following participating agencies shall transfer information technology personnel, operations, projects, assets, and appropriate funding to the Department of Information Technology:

(1) Department of Cultural Resources.

(2) Department of Health and Human Services.
(3) Department of Revenue.
(4) Department of Environment and Natural Resources.
(5) Department of Transportation.
(6) Department of Administration.
(7) Department of Commerce.
(8) Governor's Office.
(9) Office of State Budget and Management.
(10) Office of State Human Resources.
(11) Office of the State Controller.

The State CIO shall ensure that agencies' operations are not adversely impacted during the transition.

(d) Report on Transition Planning. – The Department of Public Safety, the Community College System Office, and the State Board of Elections shall work with the State CIO to plan their transition to the Department. By October 1, 2018, these agencies, in conjunction with the State CIO, shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on their respective transition plans.

(e) Separate agencies may transition their information technology to the Department following completion of a transition plan.

"Part 2. Information Technology Planning, Funding, and Reporting.

"§ **143B-1306. Planning and financing State information technology resources.**

(a) The State CIO shall develop policies for agency information technology planning and financing. Agencies shall prepare and submit such plans as required in this section, as follows:

(1) The Department shall analyze the State's legacy information technology systems and develop a plan to document the needs and costs for replacement systems, as well as determining and documenting the time frame during which State agencies can continue to efficiently use legacy information technology systems, resources, security, and data management to support their operations. The plan shall include an inventory of legacy applications and infrastructure, required capabilities not available with the legacy system, the process, time line, and cost to migrate from legacy environments, and any other information necessary for fiscal or technology planning. The State CIO shall have the authority to prioritize the upgrade and replacement of legacy systems. Agencies shall provide all requested documentation to validate reporting on legacy systems and shall make the systems available for inspection by the Department.
(2) The State CIO shall develop a biennial State Information Technology Plan (Plan).
(3) The State CIO shall develop one or more strategic plans for information technology. The State CIO shall determine whether strategic plans are needed for any agency and shall consider an agency's operational needs, functions, and capabilities when making such determinations.

(b) Based on requirements identified during the strategic planning process, the Department shall develop and transmit to the General Assembly the biennial State Information Technology Plan in conjunction with the Governor's budget of each regular session. The Plan shall include the following elements:

(1) Anticipated requirements for information technology support over the next five years.
(2) An inventory of current information technology assets and major projects. As used in this subdivision, the term "major project" includes projects costing more than five hundred thousand dollars ($500,000) to implement.

(3) Significant unmet needs for information technology resources over a five-year time period. The Plan shall rank the unmet needs in priority order according to their urgency.

(4) A statement of the financial requirements, together with a recommended funding schedule and funding sources for major projects and other requirements in progress or anticipated to be required during the upcoming fiscal biennium.

(5) An analysis of opportunities for statewide initiatives that would yield significant efficiencies or improve effectiveness in State programs.

(6) As part of the plan, the State CIO shall develop and periodically update a long-range State Information Technology Plan that forecasts, at a minimum, the needs of State agencies for the next 10 years.

(c) Each participating agency shall actively participate in preparing, testing, and implementing an information technology plan required under subsection (b) of this section. Separate agencies shall prepare biennial information technology plans, including the requirements listed in subsection (b) of this section, and transmit these plans to the Department by a date determined by the State CIO in each even-numbered year. Agencies shall provide all financial information to the State CIO necessary to determine full costs and expenditures for information technology assets and resources provided by the agencies or through contracts or grants. The Department shall consult with and assist State agencies in the preparation of these plans; shall provide appropriate personnel or other resources to the participating agencies and to separate agencies upon request pursuant to Part 3, Shared Information Technology Services, of this Article. Plans shall be submitted to the Department by a date determined by the State CIO in each even-numbered year.

"**§ 143B-1307. Business continuity planning.**

The State CIO shall oversee the manner and means by which information technology business and disaster recovery plans for the State agencies are created, reviewed, and updated. Each State agency shall establish a disaster recovery planning team to work with the Department, or other resources designated by the State CIO, to develop the disaster recovery plan and to administer implementation of the plan. In developing the plan, all of the following shall be completed:

(1) Consider the organizational, managerial, and technical environments in which the disaster recovery plan must be implemented.

(2) Assess the types and likely parameters of disasters most likely to occur and the resultant impacts on the agency's ability to perform its mission.

(3) List protective measures to be implemented in anticipation of a natural or man-made disaster.

(4) Determine whether the plan is adequate to address information technology security incidents.

Each State agency shall submit its disaster recovery plan to the State CIO on an annual basis and as otherwise requested by the State CIO.

"**§ 143B-1308. Information Technology Fund.**

There is established a special revenue fund to be known as the Information Technology Fund, which may receive transfers or other credits as authorized by the General Assembly. Money may be appropriated from the Information Technology Fund to support the operation and administration that meet statewide requirements, including planning, project management, security, electronic mail, State portal operations, early adoption of enterprise efforts, and the administration of systemwide procurement procedures. Funding for participating agency information technology projects shall be appropriated to the Information Technology Fund and may be reallocated by the State CIO, if appropriate, following coordination with the impacted agencies and written approval by the Office of State Budget and Management. Any redirection of agency funds shall immediately be reported to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division with a detailed explanation of the

reasons for the redirection. Expenditures involving funds appropriated to the Department from the Information Technology Fund shall be made by the State CIO. Interest earnings on the Information Technology Fund balance shall be credited to the Information Technology Fund.

"**§ 143B-1309. Internal Service Fund.**

(a) The Internal Service Fund is established within the Department as a fund to provide goods and services to State agencies on a cost-recovery basis. The Department shall establish fees for subscriptions and chargebacks for consumption-based services. The Information Technology Strategic Sourcing Office shall be funded through a combination of administrative fees as part of the IT Supplemental Staffing contract, as well as fees charged to agencies using their services. The State CIO shall establish and annually update consistent, fully transparent, easily understandable fees and rates that reflect industry standards for any good or service for which an agency is charged. These fees and rates shall be prepared by October 1 and shall be approved by the Office of State Budget and Management. The Office of State Budget and Management shall ensure that State agencies have the opportunity to adjust their budgets based on any rate or fee changes prior to submission of those budget recommendations to the General Assembly. The approved Information Technology Internal Service Fund budget and associated rates shall be included in the Governor's budget recommendations to the General Assembly.

(b) Receipts shall be used solely for the purpose for which they were collected. Any uses of the Information Technology Internal Service Fund not specifically related to providing receipt-supported services to State agencies shall immediately be reported to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division.

(c) In coordination with the Office of the State Controller and the Office of State Budget Management, the State CIO shall ensure processes are established to manage federal receipts, maximize those receipts, and ensure that federal receipts are correctly utilized. By September 1 of each year, the State CIO shall certify that federal receipts for participating agency information technology programs have been properly used during the previous State fiscal year.

"**§ 143B-1310. Information technology reporting.**

The State CIO shall report to the Joint Legislative Oversight Committee on Information Technology and to the Fiscal Research Division regarding the Information Technology Fund, the Internal Service Fund, and Information Technology Reserve Fund on a quarterly basis, no later than the first day of the second month following the end of the quarter. The report shall include current cash balances, line-item detail on expenditures from the previous quarter, and anticipated expenditures and revenues over the next year, by quarter. The State CIO shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on expenditures for the upcoming quarter, projected year-end balance, and the status report on personnel position changes, including new positions created and existing positions eliminated. Spending reports shall comply with the State Accounting System object codes.

"**§ 143B-1311. Financial reporting and accountability for information technology investments and expenditures.**

The Department, along with the Office of State Budget and Management and the Office of the State Controller, shall develop processes for budgeting and accounting of expenditures for information technology operations, services, projects, infrastructure, and assets for State agencies, notwithstanding any exemptions or deviations permitted pursuant to G.S. 143B-1300(b) or (c). The budgeting and accounting processes may include hardware, software, personnel, training, contractual services, and other items relevant to information technology and the sources of funding for each. Annual reports regarding information technology shall be coordinated by the Department with the Office of State Budget and Management and the Office of the State Controller and submitted to the Governor and the General Assembly on or before October 1 of each year.

The State CIO shall not enter into any information technology contracts requiring agency financial participation without obtaining written agreement from participating agencies regarding apportionment of the contract costs.

The State CIO shall review the information technology budgets for participating agencies and shall recommend appropriate adjustments to support requirements identified by the State CIO.

"**§ 143B-1312. Information technology human resources.**

(a) The State CIO may appoint all employees of the Department necessary to carry out the powers and duties of the Department. All employees of the Department are under the supervision, direction, and control of the State CIO, who may assign any function vested in his or her office to any subordinate employee of the Department.

(b) The State CIO shall establish a detailed, standardized, systemic plan for the transition of participating agency personnel to the new organization. This shall include the following:

(1) Documentation of current information technology personnel requirements.
(2) An inventory of current agency information technology personnel and their skills.
(3) Analysis and documentation of the gaps between current personnel and identified requirements.
(4) An explanation of how the Department plans to fill identified gaps.
(5) The Department's plan to eliminate positions no longer required.
(6) The Department's plan for employees whose skills are no longer required.

For each person to be transferred, the State CIO shall identify a designated position with a job description, determine the cost for the position, identify funding sources, and establish a standardized rate.

(c) Participating agency information technology personnel performing information technology functions shall be moved to the Department. The State CIO shall consolidate participating agency information technology personnel following the time line established in this Article once a detailed plan has been developed for transitioning the personnel to the new agency.

(d) The State CIO shall establish standard information technology career paths for both management and technical tracks, including defined qualifications, career progression, training requirements, and appropriate compensation. For information technology procurement professionals, the State CIO shall establish a career path that includes defined qualifications, career progression, training requirements, and appropriate compensation. These career paths shall be documented by February 1, 2016, and shall be provided to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division by Feburary 1, 2016, but may be submitted incrementally to meet Department requirements. The career paths shall be updated on an annual basis.

(e) Any new positions established by the Department shall be exempt from the North Carolina Human Resources Act.

(f) The State CIO may, subject to the provisions of G.S. 147-64.7(b)(2), obtain the services of independent public accountants, qualified management consultants, and other professional persons or experts to carry out the powers and duties of this Article if the Department does not have any personnel qualified to perform the function for which the professionals would be engaged and if the requirement has been included in the Department's budget for the year in which the services are required.

(g) Criminal Records Checks. – The State CIO shall require background investigations of any employee or prospective employee, including a criminal history record check, which may include a search of the State and National Repositories of Criminal Histories based on the person's fingerprints. A criminal history record check shall be conducted by the State Bureau of Investigation upon receiving fingerprints and other information provided by the employee or prospective employee. If the employee or prospective employee has been a resident of the State

for less than five years, the background report shall include a review of criminal information from both the State and National Repositories of Criminal Histories. The criminal background report shall be provided to the State CIO and is not a public record under Chapter 132 of the General Statutes.

"Part 3. Information Technology Projects and Management.

"**§ 143B-1318. Project management.**

(a) Overall Management. – All information technology projects shall be managed through a standardized, fully documented process established and overseen by the State CIO. The State CIO shall be responsible for ensuring that participating agency information technology projects are completed on time, within budget, and meet all defined business requirements upon completion. For separate agency projects, the State CIO shall ensure that projects follow the Department's established process and shall monitor schedule, budget, and adherence to business requirements. For all projects, the State CIO shall establish procedures to limit the need for change requests and shall report on this process to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division by January 1, 2016.

The State CIO shall also ensure that agency information technology project requirements are documented in biennial information technology plans. If an agency updates a biennial information technology plan to add a new project, the State CIO shall immediately report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the reasons for the new requirement, the costs, and the sources of funding.

An agency that utilizes the system or software shall be designated as the sponsor for the information technology project or program and shall be responsible for overseeing the planning, development, implementation, and operation of the project or program. The Department and the assigned project managers shall advise and assist the designated agency for the duration of the project.

(b) Project Review and Approval. – The State CIO shall review, approve, and monitor all information technology projects for State agencies and shall be responsible for the efficient and timely management of all information technology projects for participating agencies. Project approval may be granted upon the State CIO's determination that (i) the project conforms to project management procedures and policies, (ii) the project does not duplicate a capability already existing in the State, (iii) the project conforms to procurement rules and policies, and (iv) sufficient funds are available.

(c) Project Implementation. – No State agency, unless expressly exempt within this Article, shall proceed with an information technology project until the State CIO approves the project. If a project is not approved, the State CIO shall specify in writing to the agency the grounds for denying the approval. The State CIO shall provide this information to the agency and the Office of State Budget and Management within five business days of the denial.

(d) Suspension of Approval/Cancellation of Projects. – The State CIO may suspend the approval of, or cancel, any information technology project that does not continue to meet the applicable quality assurance standards. The State CIO shall immediately suspend approval of, or cancel, any information technology project that is initiated without State CIO approval. Any project suspended or cancelled because of lack of State CIO approval cannot proceed until it completes all required project management documentation and meets criteria established by the State CIO for project approval, to include a statement from the State CIO that the project does not duplicate capabilities that already exist within the executive branch. If the State CIO suspends or cancels a project, the State CIO shall specify in writing to the agency the grounds for suspending or cancelling the approval. The State CIO shall provide this information to the agency within five business days of the suspension.

The Department shall report any suspension or cancellation immediately to the Office of the State Controller, the Office of State Budget and Management, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division. The

Office of State Budget and Management shall not allow any additional expenditure of funds for a project that is no longer approved by the State CIO.

(e) General Quality Assurance. – Information technology projects authorized in accordance with this Article shall meet all project standards and requirements established under this Part.

(f) Performance Contracting. – All contracts between the State and a private party for information technology projects shall include provisions for vendor performance review and accountability, contract suspension or termination, and termination of funding. The State CIO may require that these contract provisions include a performance bond, monetary penalties, or require other performance assurance measures for projects that are not completed within the specified time period or that involve costs in excess of those specified in the contract. The State CIO may utilize cost savings realized on government vendor partnerships as performance incentives for an information technology vendor.

(g) Notwithstanding the provisions of G.S. 114-2.3, any State agency developing and implementing an information technology project with a total cost of ownership in excess of five million dollars ($5,000,000) may be required by the State CIO to engage the services of private counsel or subject matter experts with the appropriate information technology expertise. The private counsel or subject matter expert may review requests for proposals; review and provide advice and assistance during the evaluation of proposals and selection of any vendors; and review and negotiate contracts associated with the development, implementation, operation, and maintenance of the project. This requirement may also apply to information technology programs that are separated into individual projects if the total cost of ownership for the overall program exceeds five million dollars ($5,000,000).

"§ **143B-1319. Project management standards.**

(a) The State CIO shall establish standardized documentation requirements for agency projects to include requests for proposal and contracts. The State CIO shall establish standards for project managers and project management assistants. The State CIO shall develop performance measures for project reporting and shall make this reporting available through a publicly accessible Web site.

(b) Participating Agency Responsibilities. – The State CIO shall designate a Project Manager who shall select qualified personnel from the Department staff to participate in information technology project management, implementation, testing, and other activities for any information technology project. The Project Manager shall provide periodic reports to the project management assistant assigned to the project by the State CIO under subsection (d) of this section. The reports shall include information regarding the agency's business requirements, applicable laws and regulations, project costs, issues related to hardware, software, or training, projected and actual completion dates, and any other information related to the implementation of the information technology project.

(c) Separate Agency Responsibilities. – Each agency shall provide for one or more project managers who meet the applicable quality assurance standards for each information technology project that is subject to approval by the State CIO. Each project manager shall be subject to the review and approval of the State CIO. Each agency project manager shall provide periodic reports to the project management assistant assigned to the project by the State CIO under this subsection. The reports shall include information regarding project costs; issues related to hardware, software, or training; projected and actual completion dates; and any other information related to the implementation of the information technology project.

(d) State CIO Responsibilities. – The State CIO shall provide a project management assistant from the Department for any approved separate agency project, whether the project is undertaken in single or multiple phases or components. The State CIO may designate a project management assistant for any other information technology project.

The project management assistant shall advise the agency with the initial planning of a project, the content and design of any request for proposals, contract development, procurement, and architectural and other technical reviews. The project management assistant

shall also monitor progress in the development and implementation of the project and shall provide status reports to the agency and the State CIO, including recommendations regarding continued approval of the project.

The State CIO shall establish a clearly defined, standardized process for project management that includes time lines for completion of process requirements for both the Department and agencies. The State CIO shall also establish reporting requirements for information technology projects, both during the planning, development, and implementation process and following completion of the project. The State CIO shall continue to monitor system performance and financial aspects of each project after implementation. The State CIO shall also monitor any certification process required for State information technology projects and shall immediately report any issues associated with certification processes to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division.

"**§ 143B-1320. Dispute resolution.**

(a) Agency Request for Review. – In any instance where the State CIO has denied or suspended the approval of an information technology project, has cancelled the project, or has denied an agency's request for deviation, the affected State agency may request that the Governor review the State CIO's decision. The agency shall submit a written request for review to the Governor within 15 business days following the agency's receipt of the State CIO's written grounds for denial, suspension, or cancellation. The agency's request for review shall specify the grounds for its disagreement with the State CIO's determination. The agency shall include with its request for review a copy of the State CIO's written grounds for denial or suspension.

(b) Review Process. – The Governor shall review the information provided and may request additional information from either the agency or the State CIO. The Governor may affirm, reverse, or modify the decision of the State CIO or may remand the matter back to the State CIO for additional findings. Within 30 days after initial receipt of the agency's request for review, the Governor shall notify the agency and the State CIO of the decision in the matter. The notification shall be in writing and shall specify the grounds for the Governor's decision.

The Governor may reverse or modify a decision of the State CIO when the Governor finds the decision of the State CIO is unsupported by substantial evidence that the agency project fails to meet one or more standards of efficiency and quality of State government information technology as required under this Article.

"**§ 143B-1321. Standardization.**

The State CIO shall establish consistent standards for the purchase of agency hardware and software that reflect identified, documented agency needs.

"**§ 143B-1322. Legacy applications.**

Participating agency legacy applications shall be moved to the Department once a detailed plan is coordinated and in place for the successful transition of a specific application to the Department. The Department shall identify situations where multiple agencies are using legacy systems with similar capabilities and shall prepare plans to consolidate these systems. Initial identification of similar capabilities shall be reported to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division by March 1, 2016. The initial report shall include a schedule for the consolidation. The report shall also include the costs for operating and maintaining the current systems, the estimated costs for an enterprise replacement system, and the operations and maintenance costs associated with an enterprise system.

"Part 4. Information Technology Procurement.

"**§ 143B-1323. Procurement of information technology.**

(a) The State CIO is responsible for establishing policies and procedures for information technology procurement for State agencies.

Notwithstanding any other provision of law, the Department shall procure all information technology goods and services for participating agencies and shall approve information

technology procurements for separate agencies. The State CIO may cancel or suspend any agency information technology procurement that occurs without State CIO approval.

(b) The Department shall review all procurements to ensure they meet current technology standards, are not duplicative, meet business objectives, are cost-effective, and are adequately funded. G.S. 143-135.9 shall apply to information technology procurements.

(c) The Department shall, subject to the provisions of this Part, do all of the following with respect to State information technology procurement:

(1) Purchase or contract for all information technology for participating State agencies.

(2) Approve all technology purchases for separate agencies.

(3) Establish standardized, consistent processes, specifications, and standards that shall apply to all information technology to be purchased, licensed, or leased by State agencies and relating to information technology personal services contract requirements for State agencies, including, but not limited to, requiring convenience contracts to be rebid prior to termination without extensions.

(4) Establish procedures to permit State agencies and local government entities to use the General Services Administration (GSA) Cooperative Purchasing Program to purchase information technology (i) awarded under GSA Supply Schedule 70 Information Technology and (ii) from contracts under the GSA's Consolidated Schedule containing information technology special item numbers.

(5) Establish procedures to permit State agencies and local government entities to use other cooperative purchasing agreements.

(6) Comply with the State government-wide technical architecture, as required by the State CIO.

(7) Utilize the purchasing benchmarks established by the Secretary of Administration pursuant to G.S. 143-53.1.

(8) Provide strategic sourcing resources and detailed, documented planning to compile and consolidate all estimates of information technology goods and services needed and required by State agencies.

(9) Develop a process to provide a question and answer period for vendors prior to procurements.

(d) Each State agency, separate agency, and participating agency shall furnish to the State CIO when requested, and on forms as prescribed, estimates of and budgets for all information technology goods and services needed and required by such department, institution, or agency for such periods in advance as may be designated by the State CIO. When requested, all State agencies shall provide to the State CIO on forms as prescribed, actual expenditures for all goods and services needed and required by the department, institution, or agency for such periods after the expenditures have been made as may be designated by the State CIO.

(e) Confidentiality. – Contract information compiled by the Department shall be made a matter of public record after the award of contract. Trade secrets, test data, similar proprietary information, and security information protected under G.S. 132-6.1(c) or other law shall remain confidential.

(f) Electronic Procurement. – The State CIO may authorize the use of the electronic procurement system established by G.S. 143-48.3, or other systems, to conduct reverse auctions and electronic bidding. For purposes of this Part, "reverse auction" means a real-time purchasing process in which vendors compete to provide goods or services at the lowest selling price in an open and interactive electronic environment. The vendor's price may be revealed during the reverse auction. The Department may contract with a third-party vendor to conduct the reverse auction. "Electronic bidding" means the electronic solicitation and receipt of offers to contract. Offers may be accepted and contracts may be entered by use of electronic bidding.

All requirements relating to formal and competitive bids, including advertisement, seal, and signature, are satisfied when a procurement is conducted or a contract is entered in compliance with the reverse auction or electronic bidding requirements established by the Department.

(g) Bulk Purchasing. – The State CIO shall establish efficient, responsive procedures for the procurement of information technology. The procedures may include aggregation of hardware purchases, the use of formal bid procedures, restrictions on supplemental staffing, enterprise software licensing, hosting, and multiyear maintenance agreements. The State CIO may require agencies to submit information technology procurement requests on a regularly occurring schedule each fiscal year in order to allow for bulk purchasing.

(h) All offers to contract, whether through competitive bidding or other procurement method, shall be subject to evaluation and selection by acceptance of the most advantageous offer to the State. Evaluation shall include best value, as the term is defined in G.S. 143-135.9(a)(1), compliance with information technology project management policies, compliance with information technology security standards and policies, substantial conformity with the specifications, and other conditions set forth in the solicitation.

(i) Exceptions. – In addition to permitted waivers of competition, the requirements of competitive bidding shall not apply to information technology contracts and procurements:

(1) In cases of pressing need or emergency arising from a security incident.

(2) In the use of master licensing or purchasing agreements governing the Department's acquisition of proprietary intellectual property.

Any exceptions shall immediately be reported to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division.

(j) Information Technology Innovation Center. – The Department may operate a State Information Technology Innovation Center (iCenter) to develop and demonstrate technology solutions with potential benefit to the State and its citizens. The iCenter may facilitate the piloting of potential solutions to State technology requirements. In operating the iCenter, the State CIO shall ensure that all State laws, rules, and policies are followed.

Vendor participation in the iCenter shall not be construed to (i) create any type of preferred status for vendors or (ii) abrogate the requirement that agency and statewide requirements for information technology support, including those of the Department, are awarded based on a competitive process that follows information technology procurement guidelines.

"**§ 143B-1324. Restriction on State agency contractual authority with regard to information technology.**

(a) All State agencies covered by this Article shall use contracts for information technology to include enterprise licensing agreements and convenience contracts established by the Department. The State CIO shall consult the agency heads prior to the initiation of any enterprise project or contract. Notwithstanding any other statute, the authority of State agencies to procure or obtain information technology shall be subject to compliance with the provisions of this Part.

(b) Notwithstanding any other provision of law, local governmental entities may use the information technology programs, services, or contracts offered by the Department, including information technology procurement, in accordance with the statutes, policies, and rules of the Department. Local governmental entities are not required to comply with otherwise applicable competitive bidding requirements when using contracts established by the Department.

(c) Any other State entities exempt from Part 3 or Part 5 of this Article may also use the information technology programs, services, or contracts offered by the Department, including information technology procurement, in accordance with the statutes, policies, and rules of the Department.

"**§ 143B-1325. Unauthorized use of public purchase or contract procedures for private benefit prohibited.**

(a) It is unlawful for any person, by the use of the powers, policies, or procedures described in this Part or established hereunder, to purchase, attempt to purchase, procure, or attempt to procure any property or services for private use or benefit.

(b) This prohibition shall not apply if:

(1) The State agency through which the property or services are procured had theretofore established policies and procedures permitting such purchases or procurement by a class or classes of persons in order to provide for the mutual benefit of such persons and the department, institution, or agency involved or the public benefit or convenience; and

(2) Such policies and procedures, including any reimbursement policies, are complied with by the person permitted thereunder to use the purchasing or procurement procedures described in this Part or established thereunder.

(c) Any violation of this section is a Class 1 misdemeanor.

(d) Any employee or official of the State who violates this Part shall be liable to the State to repay any amount expended in violation of this Part, together with any court costs.

"**§ 143B-1326. Financial interest of officers in sources of supply; acceptance of bribes.**

Neither the State CIO, any deputy State CIO, or any other policy-making or managerially exempt personnel shall be financially interested, or have any personal beneficial interest, either directly or indirectly, in the purchase of, or contract for, any information technology, nor in any firm, corporation, partnership, or association furnishing any information technology to the State government or any of its departments, institutions, or agencies, nor shall any of these persons or any other Department employee accept or receive, directly or indirectly, from any person, firm, or corporation to whom any contract may be awarded, by rebate, gifts, or otherwise, any money or anything of value whatsoever, or any promise, obligation, or contract for future reward or compensation. Violation of this section is a Class F felony, and any person found guilty of a violation of this section shall, upon conviction, be removed from State office or employment.

"**§ 143B-1327. Certification that information technology bid submitted without collusion.**

The State CIO shall require bidders to certify that each bid on information technology contracts overseen by the Department is submitted competitively and without collusion. False certification is a Class I felony.

"**§ 143B-1328. Award review.**

(a) When the dollar value of a contract for the procurement of information technology equipment, materials, and supplies exceeds the benchmark established by subdivision (1) of subsection (c) of this section, an award recommendation shall be submitted to the State CIO for approval or other action. The State CIO shall promptly notify the agency or institution making the recommendation, or for which the purchase is to be made, of the action taken.

(b) Prior to submission for review pursuant to this section for any contract for information technology being acquired for the benefit of an agency authorized to deviate from this Article pursuant to G.S. 143B-1300(c), the State CIO shall review and approve the procurement to ensure compliance with the established processes, specifications, and standards applicable to all information technology purchased, licensed, or leased in State government, including established procurement processes, and compliance with the State government-wide technical architecture and standards established by the State CIO.

(c) The State CIO shall provide a report of all contract awards approved through the Statewide Procurement Office as indicated below. The report shall include the amount of the award, the contract term, the award recipient, the using agency, and a short description of the nature of the award, as follows:

(1) For contract awards greater than twenty-five thousand dollars ($25,000), to the cochairs of the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on a monthly basis.

(2) For all contract awards outside the established purchasing system, to the Department of Administration, Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division on a quarterly basis.

"**§ 143B-1329. Multiyear contracts; Attorney General assistance.**

(a) Notwithstanding the cash management provisions of G.S. 147-86.11, the Department may procure information technology goods and services for periods up to a total of three years where the terms of the procurement contracts require payment of all or a portion of the contract price at the beginning of the contract agreement. All of the following conditions shall be met before payment for these agreements may be disbursed:

(1) Any advance payment can be accomplished within the IT Internal Service Fund budget.

(2) The State Controller receives conclusive evidence that the proposed agreement would be more cost-effective than a multiyear agreement that complies with G.S. 147-86.11.

(3) The procurement complies in all other aspects with applicable statutes and rules.

(4) The proposed agreement contains contract terms that protect the financial interest of the State against contractor nonperformance or insolvency through the creation of escrow accounts for funds, source codes, or both, or by any other reasonable means that have legally binding effect.

The Office of State Budget and Management shall ensure the savings from any authorized agreement shall be included in the IT Internal Service Fund rate calculations before approving annual proposed rates. Any savings resulting from the agreements shall be returned to agencies included in the contract in the form of reduced rates.

(b) At the request of the State CIO, the Attorney General shall provide legal advice and services necessary to implement this Article.

"**§ 143B-1330. Purchase of certain computer equipment and televisions by State agencies and governmental entities prohibited.**

(a) No State agency, local political subdivision of the State, or other public body shall purchase computer equipment or televisions, as defined in G.S. 130A-309.131, or enter into a contract with any manufacturer that the State CIO determines is not in compliance with the requirements of G.S. 130A-309.134 or G.S. 130A-309.135 as determined from the list provided by the Department of Environment and Natural Resources pursuant to G.S. 130A-309.138. The State CIO shall issue written findings upon a determination of noncompliance. A determination of noncompliance by the State CIO is reviewable under Article 3 of Chapter 150B of the General Statutes.

(b) The Department shall make the list available to local political subdivisions of the State and other public bodies. A manufacturer that is not in compliance with the requirements of G.S. 130A-309.134 or G.S. 130A-309.135 shall not sell or offer for sale computer equipment or televisions to the State, a local political subdivision of the State, or other public body.

"**§ 143B-1331. Refurbished computer equipment purchasing program.**

(a) The Department of Information Technology and the Department of Administration, with the administrative support of the Information Technology Strategic Sourcing Office, shall offer State and local governmental entities the option of purchasing refurbished computer equipment from registered computer equipment refurbishers whenever most appropriate to meet the needs of State and local governmental entities.

(b) State and local governmental entities shall document savings resulting from the purchase of the refurbished computer equipment, including, but not limited to, the initial acquisition cost as well as operations and maintenance costs. These savings shall be reported quarterly to the Department of Information Technology.

(c) The Information Technology Strategic Sourcing Office shall administer the refurbished computer equipment program by establishing a competitive purchasing process to support this initiative that meets all State information technology procurement laws and procedures and ensures that agencies receive the best value.

(d) Participating computer equipment refurbishers must meet all procurement requirements established by the Department of Information Technology and the Department of Administration.

"**§ 143B-1332. Configuration and specification requirements same as for new computers.**

Refurbished computer equipment purchased under this act must conform to the same standards as the State may establish as to the configuration and specification requirements for the purchase of new computers.

"**§ 143B-1333. Data on reliability and other issues; report.**

The Department of Information Technology shall maintain data on equipment reliability, potential cost savings, and any issues associated with the refurbished computer equipment initiative and shall report the results of the initiative to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division by March 1, 2016, and then quarterly thereafter.

"**§ 143B-1334. Information technology procurement policy; reporting requirements.**

(a) Policy. – In order to further the policy of the State to encourage and promote the use of small, minority, physically handicapped, and women contractors in State purchasing of goods and services, all State agencies shall cooperate with the Department in efforts to encourage the use of small, minority, physically handicapped, and women contractors in achieving the purposes of this Article, which is to provide for the effective and economical acquisition, management, and disposition of information technology.

(b) Bids. – A vendor submitting a bid shall disclose in a statement, provided contemporaneously with the bid, where services will be performed under the contract sought, including any subcontracts and whether any services under that contract, including any subcontracts, are anticipated to be performed outside the United States. Nothing in this section is intended to contravene any existing treaty, law, agreement, or regulation of the United States. The State CIO shall retain the statements required by this subsection regardless of the State entity that awards the contract and shall report annually to the Secretary of Administration on the number of contracts which are anticipated to be performed outside the United States.

(c) Reporting. – Every State agency that makes a direct purchase of information technology using the services of the Department shall report directly to the Department of Administration all information required by G.S. 143-48(b).

(d) Data from Department of Administration. – The Department of Administration shall collect and compile the data described in this section and report it annually to the Department of Information Technology, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division.

"Part 5. Data Centers.

"**§ 143B-1335. Data centers.**

(a) The State CIO shall create an inventory of data center operations in the executive branch and shall develop and implement a detailed, written plan for consolidation of agency data centers in the most efficient manner possible. By May 1, 2016, the State CIO shall present a report on the data center consolidation plan to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division.

(b) State agencies shall use the State infrastructure to host their projects, services, data, and applications. The State Chief Information Officer may grant an exception if the State agency can demonstrate any of the following:

(1) Using an outside contractor would be more cost-effective for the State.

(2) The Department does not have the technical capabilities required to host the application.

(3) Valid security requirements preclude the use of State infrastructure, and a vendor can provide a more secure environment.

"Part 6. Communications and Portal Services.

"**§ 143B-1336. Communications services.**

(a) The State CIO shall exercise authority for telecommunications and other communications included in information technology relating to the internal management and operations of State agencies. In discharging that responsibility, the State CIO shall do the following:

(1) Develop standards for a State network.

(2) Develop a detailed plan for the standardization and operation of State communications networks and services.

(3) Establish an inventory of communications systems in use within the State and ensure that the State is using the most efficient and cost-effective means possible.

(4) Identify shortfalls in current network operations and develop a strategy to mitigate the identified shortfalls.

(5) Provide for the establishment, management, and operation, through either State ownership, by contract, or through commercial leasing, of the following systems and services as they affect the internal management and operation of State agencies:

a. Central telephone systems and telephone networks, including Voice over Internet Protocol and Commercial Mobile Radio Systems.

b. Satellite services.

c. Closed-circuit TV systems.

d. Two-way radio systems.

e. Microwave systems.

f. Related systems based on telecommunication technologies.

g. The "State Network," managed by the Department, which means any connectivity designed for the purpose of providing Internet Protocol transport of information for State agencies.

h. Broadband.

(6) Coordinate the development of cost-sharing systems for respective user agencies for their proportionate parts of the cost of maintenance and operation of the systems and services listed in subdivision (5) of this subsection.

(7) Assist in the development of coordinated telecommunications services or systems within and among all State agencies and recommend, where appropriate, cooperative utilization of telecommunication facilities by aggregating users.

(8) Perform traffic analysis and engineering for all telecommunications services and systems listed in subdivision (5) of this subsection.

(9) Establish telecommunications specifications and designs so as to promote and support compatibility of the systems within State agencies.

(10) Provide a periodic inventory of telecommunications costs, facilities, systems, and personnel within State agencies.

(11) Promote, coordinate, and assist in the design and engineering of emergency telecommunications systems, including, but not limited to, the 911 emergency telephone number program, Emergency Medical Services, and other emergency telecommunications services.

(12) Perform frequency coordination and management for State agencies and local governments, including all public safety radio service frequencies, in accordance with the rules and regulations of the Federal Communications Commission or any successor federal agency.

(13) Advise all State agencies on telecommunications management planning and related matters and provide through the State Personnel Training Center or

the Department training to users within State agencies in telecommunications technology and systems.

(14) Assist and coordinate the development of policies and long-range plans, consistent with the protection of citizens' rights to privacy and access to information, for the acquisition and use of telecommunications systems, and base such policies and plans on current information about State telecommunications activities in relation to the full range of emerging technologies.

(b) The provisions of this section shall not apply to the Judicial Information System in the Judicial Department.

"**§ 143B-1337. Communications services for local governmental entities and other entities.**

(a) The State CIO shall provide cities, counties, and other local governmental entities with access to communications systems or services established by the Department under this Part for State agencies. Access shall be provided on the same cost basis that applies to State agencies.

(b) The State CIO shall establish broadband communications services and permit, in addition to State agencies, cities, counties, and other local government entities, the following organizations and entities to share on a not-for-profit basis:

(1) Nonprofit educational institutions as defined in G.S. 116-280.

(2) MCNC and research affiliates of MCNC for use only in connection with research activities sponsored or funded, in whole or in part, by MCNC, if such research activities relate to health care or education in North Carolina.

(3) Agencies of the United States government operating in North Carolina for use only in connection with activities that relate to health care, education, or FirstNet in North Carolina.

(4) Hospitals, clinics, and other health care facilities for use only in connection with activities that relate to health care, education, or FirstNet in North Carolina.

(c) Any communications or broadband telecommunications services provided pursuant to this section shall not be provided in a manner that would cause the State or the Department to be classified as a public utility as that term is defined in G.S. 62-3(23)a.6., nor as a retailer as that term is defined in G.S. 105-164.3. Nor shall the State or the Department engage in any activities that may cause those entities to be classified as a common carrier as that term is defined in the Communications Act of 1934, 47 U.S.C. § 153(11). Provided further, authority to share communications services with the non-State agencies set forth in subdivisions (1) through (4) of subsection (b) of this section shall terminate not later than one year from the effective date of a tariff for such service or federal law that preempts this section.

"**§ 143B-1338. Statewide electronic web presence; annual report.**

(a) The Department shall plan, develop, implement, and operate a statewide electronic web presence, to include mobile, in order to (i) increase the convenience of members of the public in conducting online transactions with, and obtaining information from, State government and (ii) facilitate the public's interactions and communications with government agencies. The State CIO shall have approval authority over all agency Web site funding and content, to include any agency contract decisions. Participating agency Web site and content development staff shall be transferred to the Department in accordance with the schedule for their agency.

(b) Beginning January 1, 2016, and then annually thereafter, the State CIO shall report to the General Assembly and to the Fiscal Research Division on the following information:

(1) Services currently provided and associated transaction volumes or other relevant indicators of utilization by user type.

(2) New services added during the previous year.

(3) Services added that are currently available in other states.

(4) The total amount collected for each service.
(5) The total amount remitted to the State for each service.
(6) The total amount remitted to the vendor for each service.
(7) Any other use of State data by the vendor and the total amount of revenue collected per each use and in total.
(8) Customer satisfaction with each service.
(9) Any other issues associated with the provision of each service.

"Part 7. Security of Information Technology.

"**§ 143B-1339. Security.**

Confidentiality. – No data of a confidential nature, as defined in the General Statutes or federal law, may be entered into or processed through any information technology system or network established under this Article until safeguards for the data's security satisfactory to the State CIO have been designed and installed and are fully operational. This section does not affect the provisions of G.S. 147-64.6 or G.S. 147-64.7.

"**§ 143B-1340. Statewide security standards.**

(a) The State CIO shall be responsible for the security of all State information technology systems and associated data. The State CIO shall manage all executive branch information technology security and shall establish a statewide standard for information technology security to maximize the functionality, security, and interoperability of the State's distributed information technology assets, including, but not limited to, data classification and management, communications, and encryption technologies. The State CIO shall review and revise the security standards annually. As part of this function, the State CIO shall review periodically existing security standards and practices in place among the various State agencies to determine whether those standards and practices meet statewide security and encryption requirements. The State CIO may assume the direct responsibility of providing for the information technology security of any State agency that fails to adhere to security standards adopted under this Article.

(b) The State CIO shall establish standards for the management and safeguarding of all State data held by State agencies and private entities and shall develop and implement a process to monitor and ensure adherence to the established standards. The State CIO shall establish and enforce standards for the protection of State data. The State CIO shall develop and maintain an inventory of where State data is stored. For data maintained by non-State entities, the State CIO shall document the reasons for the use of the non-State entity and certify, in writing, that the use of the non-State entity is the best course of action. The State CIO shall ensure that State data held by non-State entities is properly protected and is held in facilities that meet State security standards. By October 1 each year, the State CIO shall certify in writing that data held in non-State facilities is being maintained in accordance with State information technology security standards and shall provide a copy of this certification to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division.

(c) Before a State agency can contract for the storage, maintenance, or use of State data by a private vendor, the agency shall obtain the approval of the State CIO.

"**§ 143B-1341. State CIO approval of security standards and risk assessments.**

(a) Notwithstanding G.S. 143-48.3, 143B-1300(b), or 143B-1300(c), or any other provision of law, and except as otherwise provided by this Article, all information technology security goods, software, or services purchased using State funds, or for use by a State agency or in a State facility, shall be subject to approval by the State CIO in accordance with security standards adopted under this Part.

(b) The State CIO shall conduct risk assessments to identify compliance, operational, and strategic risks to the enterprise network. These assessments may include methods such as penetration testing or similar assessment methodologies. The State CIO may contract with another party or parties to perform the assessments. Detailed reports of the risk and security issues identified shall be kept confidential as provided in G.S. 132-6.1(c).

(c) If the legislative branch or the judicial branch develop their own security standards, taking into consideration the mission and functions of that entity, that are comparable to or exceed those set by the State CIO under this section, then those entities may elect to be governed by their own respective security standards. In these instances, approval of the State CIO shall not be required before the purchase of information technology security devices and services. If requested, the State CIO shall consult with the legislative branch and the judicial branch in reviewing the security standards adopted by those entities.

(d) Before a State agency may enter into any contract with another party for an assessment of network vulnerability, the State agency shall notify the State CIO and obtain approval of the request. If the State agency enters into a contract with another party for assessment and testing, after approval of the State CIO, the State agency shall issue public reports on the general results of the reviews. The contractor shall provide the State agency with detailed reports of the security issues identified that shall not be disclosed as provided in G.S. 132-6.1(c). The State agency shall provide the State CIO with copies of the detailed reports that shall not be disclosed as provided in G.S. 132-6.1(c).

(e) Nothing in this section shall be construed to preclude the Office of the State Auditor from assessing the security practices of State information technology systems as part of its statutory duties and responsibilities.

"**§ 143B-1342. Assessment of agency compliance with security standards.**

At a minimum, the State CIO shall annually assess the ability of each State agency, and each agency's contracted vendors, to comply with the current security enterprise-wide set of standards established pursuant to this section. The assessment shall include, at a minimum, the rate of compliance with the enterprise-wide security standards and an assessment of security organization, security practices, security information standards, network security architecture, and current expenditures of State funds for information technology security. The assessment of a State agency shall also estimate the cost to implement the security measures needed for agencies to fully comply with the standards. Each State agency shall submit information required by the State CIO for purposes of this assessment. The State CIO shall include the information obtained from the assessment in the State Information Technology Plan.

"**§ 143B-1343. State agency cooperation; liaisons.**

(a) The head of each principal department and Council of State agency shall cooperate with the State CIO in the discharge of the State CIO's duties by providing the following information to the Department:

(1) The full details of the State agency's information technology and operational requirements and of all the agency's information technology security incidents within 24 hours of confirmation.

(2) Comprehensive information concerning the information technology security employed to protect the agency's information technology.

(3) A forecast of the parameters of the agency's projected future information technology security needs and capabilities.

(4) Designating an agency liaison in the information technology area to coordinate with the State CIO. The liaison shall be subject to a criminal background report from the State Repository of Criminal Histories, which shall be provided by the State Bureau of Investigation upon its receiving fingerprints from the liaison. If the liaison has been a resident of this State for less than five years, the background report shall include a review of criminal information from both the State and National Repositories of Criminal Histories. The criminal background report shall be provided to the State CIO and the head of the agency. In addition, all personnel in the Office of the State Auditor who are responsible for information technology security reviews shall be subject to a criminal background report from the State Repository of Criminal Histories, which shall be provided by the State Bureau of Investigation upon receiving fingerprints from the personnel

designated by the State Auditor. For designated personnel who have been residents of this State for less than five years, the background report shall include a review of criminal information from both the State and National Repositories of Criminal Histories. The criminal background reports shall be provided to the State Auditor. Criminal histories provided pursuant to this subdivision are not public records under Chapter 132 of the General Statutes.

(b) The information provided by State agencies to the State CIO under this section is protected from public disclosure pursuant to G.S. 132-6.1(c).

"Part 8. Government Data Analytics Center.

…

"Part 9. Criminal Justice Information.

…

"Part 10. Emergency Telephone Service.

…

"Part 11. North Carolina Geographic Information Coordinating Council."

…

SECTION 7A.2.(c) G.S. 143B-426.38A is recodified into Part 8 of Article 14 of Chapter 143B of the General Statutes as G.S. 143B-1344, and reads as rewritten:

"§ **143B-1344. Government Data Analytics ~~Center; State data-sharing requirements.~~Center.**

~~(a) State Government Data Analytics. The State shall initiate across State agencies, departments, and institutions a data integration and data-sharing initiative that is not intended to replace transactional systems but is instead intended to leverage the data from those systems for enterprise-level State business intelligence as follows:~~

~~(1) Creation of initiative. – In carrying out the purposes of this section, the Office of the State Chief Information Officer (CIO) shall conduct an ongoing, comprehensive evaluation of State data analytics projects and plans in order to identify data integration and business intelligence opportunities that will generate greater efficiencies in, and improved service delivery by, State agencies, departments, and institutions. The State CIO shall continue to utilize public-private partnerships and existing data integration and analytics contracts and licenses as appropriate to continue the implementation of the initiative.~~

~~(2) Application to State government. – The initiative shall include all State agencies, departments, and institutions, including The University of North Carolina.~~

~~(3) Governance. The State CIO shall lead the initiative established pursuant to this section. The Chief Justice of the North Carolina Supreme Court and the Legislative Services Commission each shall designate an officer or agency to advise and assist the State CIO with respect to implementation of the initiative in their respective branches of government. The judicial and legislative branches shall fully cooperate in the initiative mandated by this section in the same manner as is required of State agencies.~~

(a) Definitions. – The following definitions apply in this section:

(1) Business intelligence. – The process of collecting, organizing, sharing, and analyzing data through integrated data management, reporting, visualization, and advanced analytics to discover patterns and other useful information that will allow policymakers and State officials to make more informed decisions. Business intelligence also includes both of the following:

a. Broad master data management capabilities such as data integration, data quality and enrichment, data governance, and master data management to collect, reference, and categorize information from multiple sources.

b. Self-service query and reporting capabilities to provide timely, relevant, and actionable information to business users delivered through a variety of interfaces, devices, or applications based on their specific roles and responsibilities.

(2) Data analytics. – Data analysis, including the ability to use the data for assessment and extraction of policy relevant information.

(3) Enterprise-level data analytics. – Standard analytics capabilities and services leveraging data throughout all State agencies, departments, and institutions.

(4) Operationalize. – The implementation process whereby a State agency, department, or institution integrates analytical output into current business processes and systems in order to improve operational efficiency and decision making.

(b) ~~Government Data Analytics Center.~~ GDAC. - The Government Data Analytics Center is established as a unit of the Department.

(1) ~~GDAC established. – There is established in the Office of the State CIO the Government Data Analytics Center (GDAC).~~ Purpose. – The purpose of the GDAC is to utilize public-private partnerships as part of a statewide data integration and data-sharing initiative and to identify data integration and business intelligence opportunities that will generate greater efficiencies in, and improved service delivery by, State agencies, departments, and institutions. The intent is not to replace transactional systems but to leverage the data from those systems for enterprise-level State business intelligence. The GDAC shall continue the work, purpose, and resources of ~~the~~ previous data integration ~~effort in the Office of the State Controller~~ efforts and shall otherwise advise and assist the State CIO in the management of the initiative. The State CIO shall make any organizational changes necessary to maximize the effectiveness and efficiency of the GDAC.

(2) Public-private partnerships. – The State CIO shall continue to utilize public-private partnerships and existing data integration and analytics contracts and licenses as appropriate to continue the implementation of the initiative. Private entities that partner with the State shall make appropriate contributions of funds or resources, including, but not limited to, knowledge transfer and education activities, software licensing, hardware and technical infrastructure resources, personnel resources, and such other appropriate resources as agreed upon by the parties.

~~(2)~~(3) Powers and ~~duties of the GDAC.~~duties. – The State CIO shall, through the GDAC, do all of the following:

a. ~~Continue~~ Manage and coordinate ~~ongoing~~ enterprise data integration efforts, including:

1. The deployment, support, technology improvements, and expansion ~~for~~ of the Criminal Justice Law Enforcement Automated Data System ~~(CJLEADS).~~(CJLEADS) and related intelligence-based case management systems.

2. The ~~pilot and subsequent phase initiative for~~deployment, support, technology improvements, and expansion of the North Carolina Financial Accountability and Compliance Technology System ~~(NCFACTS).~~(NCFACTS) in order to collect data that will create efficiencies and detect fraud, waste, and abuse across State government.

3. The development, deployment, support, technology improvements, and expansion of the GDAC Enterprise Solutions.

~~3.~~4. Individual-level student data and workforce data from all levels of education and the State workforce.

5. The integration of all available financial data to support more comprehensive State budget and financial analyses.

~~4.~~6. Other ~~capabilities~~ capabilities as developed ~~as part of the initiative.~~by the GDAC.

b. Identify technologies currently used in North Carolina that have the capability to support the initiative.

c. Identify other technologies, especially those with unique ~~capabilities,~~ capabilities that are complementary to existing GDAC analytic solutions that could support the State's business intelligence effort.

d. Compare capabilities and costs across State agencies.

e. Ensure implementation is properly supported across State agencies.

f. Ensure that data integration and sharing is performed in a manner that preserves data privacy and security in transferring, storing, and accessing data, as appropriate.

g. Immediately seek any waivers and enter into any written agreements that may be required by State or federal law to effectuate data sharing and to carry out the purposes of this section.

h. Coordinate data requirements and usage for State business intelligence applications in a manner that (i) limits impacts on participating State agencies as those agencies provide data and business knowledge ~~expertise and~~ expertise, (ii) assists in defining business rules so the data can be properly ~~used.~~used, and (iii) ensures participating State agencies operationalize analytics and report outcomes.

i. Recommend the most cost-effective and reliable long-term hosting solution for enterprise-level State business intelligence as well as data integration, notwithstanding ~~Section 6A.2(f) of S.L. 2011-145.~~any other provision of State law or regulation.

j. Utilize a common approach that establishes standards for business intelligence initiatives for all State agencies and prevents the development of projects that do not meet the established standards.

k. Create efficiencies in State government by ensuring that State agencies use the GDAC for agency business intelligence requirements.

l. Assist State agencies in developing requirements for the integration or creation of an interface with State agencies' workflow processes and transactional systems to operationalize GDAC analytic solutions.

m. Establish clear metrics and definitions with participating State agencies for reporting outcomes for each GDAC project.

n. Evaluate State agency business intelligence projects to determine the feasibility of integrating analytics and reporting with the GDAC and to determine what GDAC services may support the projects.

(4) Application to State government. – The initiative shall include all State agencies, departments, and institutions, including The University of North Carolina, as follows:

a. All State agency business intelligence requirements, including any planning or development efforts associated with creating business intelligence capability, as well as any master data management efforts, shall be implemented through the GDAC.

b. The Chief Justice of the North Carolina Supreme Court and the Legislative Services Commission each shall designate an officer or

agency to advise and assist the State CIO with respect to implementation of the initiative in their respective branches of government. The judicial and legislative branches shall fully cooperate in the initiative mandated by this section in the same manner as is required of State agencies.

(5) Project management. – The State CIO and State agencies, with the assistance of the Office of State Budget and Management, shall identify potential funding sources for expansion of existing projects or development of new projects. No GDAC project shall be initiated, extended, or expanded:

a. Without the specific approval of the General Assembly, unless the project can be implemented within funds appropriated for GDAC projects.

b. Without prior consultation to the Joint Legislative Commission on Governmental Operations and a report to the Joint Legislative Oversight Committee on Information Technology if the project can be implemented within funds appropriated for GDAC projects.

~~(c) Implementation of the Enterprise-Level Business Intelligence Initiative.~~

~~(1) Phases of the initiative. The initiative shall cycle through these phases on an ongoing basis as follows:~~

~~a. Phase I requirements. – In the first phase, the State CIO through GDAC shall:~~

~~1. Inventory existing State agency business intelligence projects, both completed and under development.~~

~~2. Develop a plan of action that does all of the following:~~

~~I. Defines the program requirements, objectives, and end state of the initiative.~~

~~II. Prioritizes projects and stages of implementation in a detailed plan and benchmarked time line.~~

~~III. Includes the effective coordination of all of the State's current data integration initiatives.~~

~~IV. Utilizes a common approach that establishes standards for business intelligence initiatives for all State agencies and prevents the development of projects that do not meet the established standards.~~

~~V. Determines costs associated with the development efforts and identifies potential sources of funding.~~

~~VI. Includes a privacy framework for business intelligence consisting of adequate access controls and end user security requirements.~~

~~VII. Estimates expected savings.~~

~~3. Inventory existing external data sources that are purchased by State agencies to determine whether consolidation of licenses is appropriate for the enterprise.~~

~~4. Determine whether current, ongoing projects support the enterprise-level objectives.~~

~~5. Determine whether current applications are scalable or are applicable for multiple State agencies or both.~~

~~b. Phase II requirements. In the second phase, the State CIO through the GDAC shall:~~

~~1. Identify redundancies and recommend to the General Assembly any projects that should be discontinued.~~

~~2. Determine where gaps exist in current or potential capabilities.~~

~~c. Phase III requirements. – In the third phase:~~

~~1. The State CIO through GDAC shall incorporate or consolidate existing projects, as appropriate.~~

~~2. The State CIO shall, notwithstanding G.S. 147-33.76 or any rules adopted pursuant thereto, eliminate redundant business intelligence projects, applications, software, and licensing.~~

~~3. The State CIO through GDAC shall complete all necessary steps to ensure data integration in a manner that adequately protects privacy.~~

~~(2) Project management. – The State CIO shall ensure that all current and new business intelligence/data analytics projects are in compliance with all State laws, policies, and rules pertaining to information technology procurement, project management, and project funding and that they include quantifiable and verifiable savings to the State. The State CIO shall report to the Joint Legislative Oversight Committee on Information Technology on projects that are not achieving projected savings. The report shall include a proposed corrective action plan for the project.~~

~~The Office of the State CIO, with the assistance of the Office of State Budget and Management, shall identify potential funding sources for expansion of existing projects or development of new projects. No GDAC project shall be initiated, extended, or expanded:~~

~~a. Without the specific approval of the General Assembly unless the project can be implemented within funds appropriated for GDAC projects.~~

~~b. Without prior consultation to the Joint Legislative Commission on Governmental Operations and a report to the Joint Legislative Oversight Committee on Information Technology if the project can be implemented within funds appropriated for GDAC projects.~~

(c) Data Sharing. –

(1) General duties of all State agencies. – Except as limited or prohibited by federal law, the head of each State agency, department, and institution shall do all of the following:

a. Grant the State CIO and the GDAC access to all information required to develop and support State business intelligence applications pursuant to this section. The State CIO and the GDAC shall take all necessary actions and precautions, including training, certifications, background checks, and governance policy and procedure, to ensure the security, integrity, and privacy of the data in accordance with State and federal law and as may be required by contract.

b. Provide complete information on the State agency's information technology, operational, and security requirements.

c. Provide information on all of the State agency's information technology activities relevant to the State business intelligence effort.

d. Forecast the State agency's projected future business intelligence information technology needs and capabilities.

e. Ensure that the State agency's future information technology initiatives coordinate efforts with the GDAC to include planning and development of data interfaces to incorporate data into the initiative and to ensure the ability to leverage analytics capabilities.

f. Provide technical and business resources to participate in the initiative by providing, upon request and in a timely and responsive manner, complete and accurate data, business rules and policies, and support.

g. Identify potential resources for deploying business intelligence in their respective State agencies and as part of the enterprise-level effort.

h. Immediately seek any waivers and enter into any written agreements that may be required by State or federal law to effectuate data sharing and to carry out the purposes of this section, as appropriate.

(2) Specific agency requirements. – The following agency-specific requirements are designed to illustrate but not limit the type and extent of data and information required to be released under subdivision (1) of this subsection:

a. The North Carolina Industrial Commission shall release to the GDAC, or otherwise provide electronic access to, all data requested by the GDAC relating to workers' compensation insurance coverage, claims, appeals, compliance, and enforcement under Chapter 97 of the General Statutes.

b. The North Carolina Rate Bureau (Bureau) shall release to the GDAC, or otherwise provide electronic access to, all data requested by the GDAC relating to workers' compensation insurance coverage, claims, business ratings, and premiums under Chapter 58 of the General Statutes. The Bureau shall be immune from civil liability for releasing information pursuant to this subsection, even if the information is erroneous, provided the Bureau acted in good faith and without malicious or willful intent to harm in releasing the information.

c. The Department of Commerce, Division of Employment Security (DES), shall release to the GDAC, or otherwise provide access to, all data requested by the GDAC relating to unemployment insurance coverage, claims, and business reporting under Chapter 96 of the General Statutes.

d. The Department of Labor shall release to the GDAC, or otherwise provide access to, all data requested by the GDAC relating to safety inspections, wage and hour complaints, and enforcement activities under Chapter 95 of the General Statutes.

e. The Department of Revenue shall release to the GDAC, or otherwise provide access to, all data requested by the GDAC relating to the registration and address information of active businesses, business tax reporting, and aggregate federal tax Form 1099 data for comparison with information from DES, the Rate Bureau, and the Department of the Secretary of State for the evaluation of business reporting. Additionally, the Department of Revenue shall furnish to the GDAC, upon request, other tax information, provided that the information furnished does not impair or violate any information-sharing agreements between the Department and the United States Internal Revenue Service. Notwithstanding any other provision of law, a determination of whether furnishing the information requested by the GDAC would impair or violate any information-sharing agreements between the Department of Revenue and the United States Internal Revenue Service shall be within the sole discretion of the State Chief Information Officer. The Department of Revenue and the Office of the State CIO shall work jointly to assure that the evaluation of tax information pursuant to this sub-subdivision is performed in accordance with applicable federal law.

f. The North Carolina Department of Health and Human Services, pursuant to this Part, shall share (i) claims data from NCTRACKS and the accompanying claims data warehouse and (ii) encounter data with the GDAC in order to leverage existing public-private partnerships and subject matter expertise that can assist in providing outcome-based analysis of services and programs as well as population health analytics of the Medicaid and LME/MCO patient population.

(3) All information shared with the GDAC and the State CIO under this subsection is protected from release and disclosure in the same manner as any other information is protected under this subsection.

(d) Provisions on Privacy and Confidentiality of Information. –

(1) Status with respect to certain information. – The State CIO and the GDAC shall be deemed to be all of the following for the purposes of this section:

a. A criminal justice agency (CJA), as defined under Criminal Justice Information Services (CJIS) Security Policy. The State CJIS Systems Agency (CSA) shall ensure that CJLEADS receives access to federal criminal information deemed to be essential in managing CJLEADS to support criminal justice professionals.

b. With respect to health information covered under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended, and to the extent allowed by federal law:

1. A business associate with access to protected health information acting on behalf of the State's covered entities in support of data integration, analysis, and business intelligence.

2. Authorized to access and view individually identifiable health information, provided that the access is essential to the enterprise fraud, waste, and improper payment detection program or required for future initiatives having specific definable need for such data.

c. Authorized to access all State and federal data, including revenue and labor information, deemed to be essential to the enterprise fraud, waste, and improper payment detection program or future initiatives having specific definable need for the data.

d. Authorized to develop agreements with the federal government to access data deemed to be essential to the enterprise fraud, waste, and improper payment detection program or future initiatives having specific definable need for such data.

(2) Release of information. – The following limitations apply to (i) the release of information compiled as part of the initiative, (ii) data from State agencies that is incorporated into the initiative, and (iii) data released as part of the implementation of the initiative:

a. Information compiled as part of the initiative. – Notwithstanding the provisions of Chapter 132 of the General Statutes, information compiled by the State CIO and the GDAC related to the initiative may be released as a public record only if the State CIO, in that officer's sole discretion, finds that the release of information is in the best interest of the general public and is not in violation of law or contract.

b. Data from State agencies. – Any data that is not classified as a public record under G.S. 132-1 shall not be deemed a public record when incorporated into the data resources comprising the initiative. To

maintain confidentiality requirements attached to the information provided to the State CIO and the GDAC, each source agency providing data shall be the sole custodian of the data for the purpose of any request for inspection or copies of the data under Chapter 132 of the General Statutes.

c. Data released as part of implementation. – Information released to persons engaged in implementing the State's business intelligence strategy under this section that is used for purposes other than official State business is not a public record pursuant to Chapter 132 of the General Statutes.

d. Data from North Carolina Rate Bureau. – Notwithstanding any other provision of this section, any data released by or obtained from the North Carolina Rate Bureau under this initiative relating to workers' compensation insurance claims, business ratings, or premiums are not public records, and public disclosure of such data, in whole or in part, by the GDAC or State CIO, or by any State agency, is prohibited.

~~(d)~~(e) Funding. – The ~~Office of the State CIO,~~ Department of Information Technology, with the support of the Office of State Budget and Management, shall identify and make all efforts to secure any matching funds or other resources to assist in funding ~~this initiative.~~ the GDAC. Savings resulting from the cancellation of projects, software, and licensing, as well as any other savings from the ~~initiative,~~ utilization of the GDAC, shall be returned to the General Fund and shall remain unexpended and unencumbered until appropriated by the General Assembly in a subsequent fiscal year. It is the intent of the General Assembly that expansion of the ~~initiative~~ GDAC in subsequent fiscal years be funded with these savings and that the General Assembly appropriate funds for projects in accordance with the priorities identified by the ~~Office of the~~ State ~~CIO in Phase I of the initiative.~~CIO.

~~(e)~~(f) Reporting. – The ~~Office of the~~ State CIO shall:

(1) ~~Submit and present quarterly reports on implementation of Phase I of the initiative and the plan developed as part of that phase~~ On or before March 1 of each year, submit and present a report on the activities described in this section to the Chairs of the House of Representatives Appropriations and Senate Base Budget/Appropriations Committees, to the Joint Legislative Oversight Committee on Information Technology, and to the Fiscal Research Division of the General Assembly. ~~The State CIO shall submit a report prior to implementing any improvements, expending funding for expansion of existing business intelligence efforts, or establishing other projects as a result of its evaluations, and quarterly thereafter, a written report detailing progress on, and identifying any issues associated with, State business intelligence efforts.~~ The report shall include the following:

a. A description of project funding and expenditures, cost savings, cost avoidance, efficiency gains, process improvements, and major accomplishments. Cost savings and cost avoidance shall include immediate monetary impacts as well as ongoing projections.

b. A description of the contribution of funds or resources by those private entities which are participating in public-private partnerships under this section, including, but not limited to, knowledge transfer and education activities, software licensing, hardware and technical infrastructure resources, personnel resources, and such other resources as agreed upon by the State and the private entity.

(2) Report the following information ~~as needed:~~upon its occurrence or as requested:

a. Any failure of a State agency to provide information requested pursuant to this section. The failure shall be reported to the Joint Legislative Oversight Committee on Information Technology and to the Chairs of the House of Representatives Appropriations and Senate Base Budget/Appropriations Committees.

b. Any additional information to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Oversight Committee on Information Technology that is requested by those entities.

~~(f) Data Sharing. –~~

~~(1) General duties of all State agencies. – Except as limited or prohibited by federal law, the head of each State agency, department, and institution shall do all of the following:~~

~~a. Grant the Office of the State CIO access to all information required to develop and support State business intelligence applications pursuant to this section. The State CIO and the GDAC shall take all necessary actions and precautions, including training, certifications, background checks, and governance policy and procedure, to ensure the security, integrity, and privacy of the data in accordance with State and federal law and as may be required by contract.~~

~~b. Provide complete information on the State agency's information technology, operational, and security requirements.~~

~~c. Provide information on all of the State agency's information technology activities relevant to the State business intelligence effort.~~

~~d. Forecast the State agency's projected future business intelligence information technology needs and capabilities.~~

~~e. Ensure that the State agency's future information technology initiatives coordinate efforts with the GDAC to include planning and development of data interfaces to incorporate data into the initiative and to ensure the ability to leverage analytics capabilities.~~

~~f. Provide technical and business resources to participate in the initiative by providing, upon request and in a timely and responsive manner, complete and accurate data, business rules and policies, and support.~~

~~g. Identify potential resources for deploying business intelligence in their respective State agencies and as part of the enterprise-level effort.~~

~~h. Immediately seek any waivers and enter into any written agreements that may be required by State or federal law to effectuate data sharing and to carry out the purposes of this section, as appropriate.~~

~~(2) Specific requirements. – The State CIO and the GDAC shall enhance the State's business intelligence through the collection and analysis of data relating to workers' compensation claims for the purpose of preventing and detecting fraud, as follows:~~

~~a. The North Carolina Industrial Commission shall release to GDAC, or otherwise provide electronic access to, all data requested by GDAC relating to workers' compensation insurance coverage, claims, appeals, compliance, and enforcement under Chapter 97 of the General Statutes.~~

~~b. The North Carolina Rate Bureau (Bureau) shall release to GDAC, or otherwise provide electronic access to, all data requested by GDAC relating to workers' compensation insurance coverage, claims, business ratings, and premiums under Chapter 58 of the General~~

Statutes. The Bureau shall be immune from civil liability for releasing information pursuant to this subsection, even if the information is erroneous, provided the Bureau acted in good faith and without malicious or willful intent to harm in releasing the information.

c. The Department of Commerce, Division of Employment Security (DES), shall release to GDAC, or otherwise provide access to, all data requested by GDAC relating to unemployment insurance coverage, claims, and business reporting under Chapter 96 of the General Statutes.

d. The Department of Labor shall release to GDAC, or otherwise provide access to, all data requested by GDAC relating to safety inspections, wage and hour complaints, and enforcement activities under Chapter 95 of the General Statutes.

e. The Department of Revenue shall release to GDAC, or otherwise provide access to, all data requested by GDAC relating to the registration and address information of active businesses, business tax reporting, and aggregate federal tax Form 1099 data for comparison with information from DES, the Rate Bureau, and the Department of the Secretary of State for the evaluation of business reporting. Additionally, the Department of Revenue shall furnish to the GDAC, upon request, other tax information, provided that the information furnished does not impair or violate any information-sharing agreements between the Department and the United States Internal Revenue Service. Notwithstanding any other provision of law, a determination of whether furnishing the information requested by GDAC would impair or violate any information-sharing agreements between the Department of Revenue and the United States Internal Revenue Service shall be within the sole discretion of the State Chief Information Officer. The Department of Revenue and the Office of the State CIO shall work jointly to assure that the evaluation of tax information pursuant to this subdivision is performed in accordance with applicable federal law.

(3) All information shared with GDAC and the State CIO under this subdivision is protected from release and disclosure in the same manner as any other information is protected under this section.

(g) Provisions on Privacy and Confidentiality of Information.

(1) Status with respect to certain information. – The State CIO and the GDAC shall be deemed to be all of the following for the purposes of this section:

a. With respect to criminal information, and to the extent allowed by federal law, a criminal justice agency (CJA), as defined under Criminal Justice Information Services (CJIS) Security Policy. The State CJIS Systems Agency (CSA) shall ensure that CJLEADS receives access to federal criminal information deemed to be essential in managing CJLEADS to support criminal justice professionals.

b. With respect to health information covered under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended, and to the extent allowed by federal law:

1. A business associate with access to protected health information acting on behalf of the State's covered entities in

support of data integration, analysis, and business intelligence.

2. Authorized to access and view individually identifiable health information, provided that the access is essential to the enterprise fraud, waste, and improper payment detection program or required for future initiatives having specific definable need for the data.

c. Authorized to access all State and federal data, including revenue and labor information, deemed to be essential to the enterprise fraud, waste, and improper payment detection program or future initiatives having specific definable need for the data.

d. Authorized to develop agreements with the federal government to access data deemed to be essential to the enterprise fraud, waste, and improper payment detection program or future initiatives having specific definable need for such data.

(2) Release of information. – The following limitations apply to (i) the release of information compiled as part of the initiative, (ii) data from State agencies that is incorporated into the initiative, and (iii) data released as part of the implementation of the initiative:

a. Information compiled as part of the initiative. – Notwithstanding the provisions of Chapter 132 of the General Statutes, information compiled by the State CIO and the GDAC related to the initiative may be released as a public record only if the State CIO, in that officer's sole discretion, finds that the release of information is in the best interest of the general public and is not in violation of law or contract.

b. Data from State agencies. – Any data that is not classified as a public record under G.S. 132-1 shall not be deemed a public record when incorporated into the data resources comprising the initiative. To maintain confidentiality requirements attached to the information provided to the State CIO and GDAC, each source agency providing data shall be the sole custodian of the data for the purpose of any request for inspection or copies of the data under Chapter 132 of the General Statutes.

c. Data released as part of implementation. – Information released to persons engaged in implementing the State's business intelligence strategy under this section that is used for purposes other than official State business is not a public record pursuant to Chapter 132 of the General Statutes.

d. Data from North Carolina Rate Bureau. – Notwithstanding any other provision of this section, any data released by or obtained from the North Carolina Rate Bureau under this initiative relating to workers' compensation insurance claims, business ratings, or premiums are not public records and public disclosure of such data, in whole or in part, by the GDAC or State CIO, or by any State agency, is prohibited.

(h) Definition/Additional Requirements. – For the purposes of this section, the term "business intelligence (BI)" means the process of collecting, organizing, sharing, and analyzing data through integrated data management, reporting, visualization, and advanced analytics to discover patterns and other useful information that will allow policymakers and State officials to make more informed decisions. The term also includes (i) broad master data management capabilities such as data integration, data quality and enrichment, data governance, and master data management to collect, reference, and categorize information from multiple sources and

~~(ii) self-service query and reporting capabilities to provide timely, relevant, and actionable information to business users delivered through a variety of interfaces, devices, or applications based on their specific roles and responsibilities. All State agency business intelligence requirements, including any planning or development efforts associated with creating BI capability, as well as any master data management efforts, shall be implemented through GDAC. The State Chief Information Officer shall ensure that State agencies use the GDAC for agency business intelligence requirements.~~"

SECTION 7A.2.(d) G.S. 143B-1351(a), as recodified by this Part, reads as rewritten:

"(a) The Criminal Justice Information Network Governing Board is established within the ~~Office of the State Chief Information Officer~~Department of Information Technology, as a Type II transfer, to operate the State's Criminal Justice Information Network, the purpose of which shall be to provide the governmental and technical information systems infrastructure necessary for accomplishing State and local governmental public safety and justice functions in the most effective manner by appropriately and efficiently sharing criminal justice and juvenile justice information among law enforcement, judicial, and corrections agencies. The Board is established within the Office of the State Chief Information Officer, for organizational and budgetary purposes only and the Board shall exercise all of its statutory powers in this Article independent of control by the Office of the State Chief Information Officer."

SECTION 7A.2.(e) G.S. 143B-1353(a)(2), as recodified by this Part, reads as rewritten:

"(a) The Board shall have the following powers and duties:

…

(2) To develop and adopt uniform standards and cost-effective information technology, after thorough evaluation of the capacity of information technology to meet the present and future needs of the State and, in consultation with the ~~Office~~ Department of Information ~~Technology Services,~~ Technology, to develop and adopt standards for entering, storing, and transmitting information in criminal justice databases and for achieving maximum compatibility among user technologies."

SECTION 7A.2.(f) G.S. 143B-1354(b), as recodified by this Part, reads as rewritten:

"(b) The staff of the Criminal Justice Information Network shall provide the Board with professional and clerical support and any additional support the Board needs to fulfill its mandate. The Board's staff shall use space provided by the ~~Office of the State Chief Information Officer.~~Department of Information Technology."

INSTRUCTIONS TO THE REVISOR OF STATUTES

SECTION 7A.3. The Revisor of Statutes shall make the following recodifications in connection with creating the Department of Information Technology:

(1) Article 69 of Chapter 143 of the General Statutes (Criminal Justice Information Network) is recodified as Part 9 of Article 14 of Chapter 143B of the General Statutes with the sections to be numbered as G.S. 143B-1350 through 143B-1354, respectively.

(2) Article 3 of Chapter 62A of the General Statutes (Emergency Telephone Service) is recodified as Part 10 of Article 14 of Chapter 143B of the General Statutes with the sections to be numbered as G.S. 143B-1360 through G.S. 143B-1370, respectively.

(3) Article 76 of Chapter 143 of the General Statutes (North Carolina Geographic Information Coordinating Council) is recodified as Part 11 of Article 14 of Chapter 143B of the General Statutes with the sections to be recodified as G.S. 143B-1375 through 143B-1378, respectively.

The Revisor of Statutes may conform names and titles changed by this section and may correct statutory references as required by this section throughout the General Statutes. In making the changes authorized by this section, the Revisor may also adjust subject and verb agreement and the placement of conjunctions.

CONFORMING AND TECHNICAL CHANGES RELATING TO DEPARTMENT OF INFORMATION TECHNOLOGY

SECTION 7A.4.(a) G.S. 18C-114(b) reads as rewritten:

"(b) ~~Article 3D of Chapter 147~~Article 14 of Chapter 143B of the General Statutes shall not apply to the Commission."

SECTION 7A.4.(b) G.S. 20-7(b2)(6) reads as rewritten:

"(6) To the ~~Office of the~~ State Chief Information Officer for the purposes of ~~G.S. 143B-426.38A.~~G.S. 143B-1344."

SECTION 7A.4.(c) G.S. 20-43(a) reads as rewritten:

"(a) All records of the Division, other than those declared by law to be confidential for the use of the Division, shall be open to public inspection during office hours in accordance with G.S. 20-43.1. A signature recorded in any format by the Division for a drivers license or a special identification card is confidential and shall not be released except for law enforcement purposes. A photographic image recorded in any format by the Division for a drivers license or a special identification card is confidential and shall not be released except for law enforcement purposes or to the ~~Office of the~~ State Chief Information Officer for the purposes of ~~G.S. 143B-426.38A.~~G.S. 143B-1344."

SECTION 7A.4.(d) G.S. 58-2-69(g) reads as rewritten:

"(g) The Commissioner may contract with the NAIC or other persons for the provision of online services to applicants and licensees, for the provision of administrative services, for the provision of license processing and support services, and for the provision of regulatory data systems to the Commissioner. The NAIC or other person with whom the Commissioner contracts may charge applicants and licensees a reasonable fee for the provision of online services, the provision of administrative services, the provision of license processing and support services, and the provision of regulatory data systems to the Commissioner. The fee shall be agreed to by the Commissioner and the other contracting party and shall be stated in the contract. The fee is in addition to any applicable license application and renewal fees. Contracts for the provision of online services, contracts for the provision of administrative services, and contracts for the provision of regulatory data systems shall not be subject to Article 3, 3C, or 8 of Chapter 143 of the General Statutes or to ~~Article 3D of Chapter 147~~Article 14 of Chapter 143B of the General Statutes. However, the Commissioner shall: (i) submit all proposed contracts for supplies, materials, printing, equipment, and contractual services that exceed one million dollars ($1,000,000) authorized by this subsection to the Attorney General or the Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in all contracts to be awarded by the Commissioner under this subsection a standard clause which provides that the State Auditor and internal auditors of the Commissioner may audit the records of the contractor during and after the term of the agreement or contract to verify accounts and data affecting fees and performance. The Commissioner shall not award a cost plus percentage of cost agreement or contract for any purpose."

SECTION 7A.4.(e) G.S. 62-3(23)i. reads as rewritten:

"i. The term "public utility" shall not include the State, the ~~Office~~ Department of Information ~~Technology Services,~~Technology, or the Microelectronics Center of North Carolina in the provision or sharing of switched broadband telecommunications services with non-State entities or organizations of the kind or type set forth in G.S. 143B-426.39."

SECTION 7A.4.(f) G.S. 62A-41(a), recodified as G.S. 143B-1361(a) by this Part, reads as rewritten:

"(a) Membership. – The 911 Board is established in the ~~Office~~ Department of Information ~~Technology Services.~~Technology. Neither a local government unit that receives a distribution from the fund under G.S. 62A-46 nor a telecommunication service provider may have more than one representative on the 911 Board. The 911 Board consists of 17 members as follows:

…."

SECTION 7A.4.(g) G.S. 66-58.20 reads as rewritten:

"§ **66-58.20. Development and implementation of Web portals; public agency links.**

(a) The ~~Office~~ Department of Information Technology ~~Services (ITS)~~(DIT) shall develop the architecture, requirements, and standards for the development, implementation and operation of one or more centralized Web portals that will allow persons to access State government services on a 24-hour basis. ~~ITS~~ DIT shall submit its plan for the implementation of the Web portals to the State Chief Information Officer for review and approval. When the plan is approved by the State Chief Information Officer, ~~ITS~~ DIT shall move forward with development and implementation of the statewide Web Portal system.

(b) Each State ~~department, agency, and institution under the review of the State Chief Information Officer~~ agency as defined in G.S. 143B-1300(a) shall functionally link its Internet or electronic services to a centralized Web portal system established pursuant to subsection (a) of this section."

SECTION 7A.4.(h) G.S. 105-259(b)(45) reads as rewritten:

"(45) To furnish tax information to the ~~Office of the~~ State Chief Information Officer ~~under G.S. 143B-426.38A.~~pursuant to G.S. 143B-1344. The use and reporting of individual data may be restricted to only those activities specifically allowed by law when potential fraud or other illegal activity is indicated."

SECTION 7A.4.(i) G.S. 115C-529 reads as rewritten:

"§ **115C-529. Useful life guidelines.**

The ~~State Office~~Department of Information Technology ~~Services~~ shall develop and annually revise guidelines for determining the useful life of computers purchased under G.S. 115C-528. The Division of Purchase and Contract shall develop and periodically revise guidelines for determining the useful life of automobiles, school buses, and photocopiers purchased under G.S. 115C-528. The Local Government Commission shall develop and periodically revise guidelines for determining the useful life of mobile classroom units purchased under G.S. 115C-528. Guidelines for computers and photocopiers shall include provisions for upgrades during the term of the contract. The ~~State Office~~Department of Information ~~Technology Services,~~Technology, the Division of Purchase and Contract, and the Local Government Commission shall provide their respective guidelines to the State Board of Education by November 1, 1996. The State Board of Education shall provide the guidelines to local boards of education by January 1, 1997."

SECTION 7A.4.(j) G.S. 116-40.22(d) reads as rewritten:

"(d) Information Technology. – Notwithstanding any other provision of law, the Board of Trustees of an institution shall establish policies and rules governing the planning, acquisition, implementation, and delivery of information technology and telecommunications at the institution. These policies and rules shall provide for security and encryption standards; software standards; hardware standards; acquisition of information technology consulting and contract services; disaster recovery standards; and standards for desktop and server computing, telecommunications, networking, video services, personal digital assistants, and other wireless technologies; and other information technology matters that are necessary and appropriate to fulfill the teaching, educational, research, extension, and service missions of the institution. The Board of Trustees shall submit all initial policies and rules adopted pursuant to this subsection to the ~~Office~~ Department of Information Technology ~~Services~~ for review upon adoption by the

Board of Trustees. Any subsequent changes to these policies and rules adopted by the Board of Trustees shall be submitted to the ~~Office~~ Department of Information Technology ~~Services~~ for review. Any comments by the ~~Office~~ Department of Information Technology ~~Services~~ shall be submitted to the Chancellor of that institution."

SECTION 7A.4.(k) G.S. 126-5 reads as rewritten:

"§ **126-5. Employees subject to Chapter; exemptions.**

…

(c11) The following are exempt from: (i) the classification and compensation rules established by the State Human Resources Commission pursuant to G.S. 126-4(1) through (4); (ii) G.S. 126-4(5) only as it applies to hours and days of work, vacation, and sick leave; (iii) G.S. 126-4(6) only as it applies to promotion and transfer; (iv) G.S. 126-4(10) only as it applies to the prohibition of the establishment of incentive pay programs; and (v) Article 2 of Chapter 126 of the General Statutes, except for G.S. 126-7.1:

…

(3) Employees of the ~~Office of the State Chief Information Officer, the Office~~Department of Information Technology ~~Services (ITS),~~ (DIT), and employees in all agencies, departments, and institutions with similar classifications as ~~ITS~~ DIT employees, who voluntarily relinquish annual longevity payments, relinquish any claim to longevity pay, voluntarily relinquish any claim to career status or eligibility for career status as approved by the State Chief Information Officer and the Director of the Office of State Human Resources (OSHR).

…

(d) (1) Exempt Positions in Cabinet Department. – Subject to the provisions of this Chapter, which is known as the North Carolina Human Resources Act, the Governor may designate a total of 1,500 exempt positions throughout the following departments and offices:

…

k. ~~Office~~ Department of Information ~~Technology Services.~~Technology.

l. Office of State Budget and Management.

m. Office of State Human Resources.

…."

SECTION 7A.4.(l) G.S. 130A-309.138(1) reads as rewritten:

"(1) Develop and maintain a current list of manufacturers that are in compliance with the requirements of G.S. 130A-309.134 and G.S. 130A-309.135, post the list to the Department's Web site, and provide the current list to the ~~Office~~ Department of Information Technology ~~Services~~ each time that the list is updated."

SECTION 7A.4.(m) G.S. 136-89.194(g)(2) reads as rewritten:

"(g) Contract Exemptions. – The following provisions concerning the purchase of goods and services by a State agency do not apply to the Turnpike Authority:

…

(2) ~~Article 3D of Chapter 147~~ Article 14 of Chapter 143B of the General Statutes. The Authority may use the services of the ~~Office of Information Technology Services~~ Department of Information Technology in procuring goods and services that are not specific to establishing and operating a toll revenue system. ~~All~~ However, all contract information for contracts for information technology are subject to disclosure in accordance with ~~G.S. 147-33.95.~~Article 14 of Chapter 143B of the General Statutes."

SECTION 7A.4.(n) G.S. 138A-3 reads as rewritten:

"§ **138A-3. Definitions.**

The following definitions apply in this Chapter:

…

(30) Public servants. – All of the following:

…

p. The ~~chief information officer,~~State Chief Information Officer, deputy chief information officers, chief financial officers, and general counsel of the ~~Office of~~ Department of Information Technology.

…."

SECTION 7A.4.(o) G.S. 143-48.3 reads as rewritten:

"§ **143-48.3. Electronic procurement.**

(a) The Department of Administration shall develop and maintain electronic or digital standards for procurement. The Department of Administration shall consult with the Office of the State Controller, the ~~Office~~ Department of Information ~~Technology Services (ITS),~~Technology, the Department of State Auditor, the Department of State Treasurer, The University of North Carolina General Administration, the Community Colleges System Office, and the Department of Public Instruction.

…

(b) The Department of Administration, in conjunction with the Office of the State Controller and the ~~Office~~ Department of Information Technology ~~Services~~ may, upon request, provide to all State agencies, universities, and community colleges, training in the use of the electronic procurement system.

(c) The Department of Administration shall utilize the ~~Office~~ Department of Information Technology ~~Services~~ as an Application Service Provider for an electronic procurement system. The ~~Office~~ Department of Information Technology ~~Services~~ shall operate this electronic procurement system, through State ownership or commercial leasing, in accordance with the requirements and operating standards developed by the Department of Administration and the financial reporting and accounting procedures of the Office of the State Controller.

…

(f) Any State entity or community college operating a functional electronic procurement system established prior to September 1, 2001, may until May 1, 2003, continue to operate that system independently or may opt into the North Carolina E-Procurement Service. Each entity subject to this section shall notify the ~~Office~~ Department of Information Technology ~~Services~~ by January 1 of each year of its intent to participate in the North Carolina E-Procurement Service."

SECTION 7A.4.(p) G.S. 143-49 reads as rewritten:

"§ **143-49. Powers and duties of Secretary.**

The Secretary of Administration has the power and authority, and it is the Secretary's duty, subject to the provisions of this Article:

…

(8) To establish and maintain a procurement card program for use by State agencies, community colleges, and nonexempted constituent institutions of The University of North Carolina. The Secretary of Administration may adopt temporary rules for the implementation and operation of the program in accordance with the payment policies of the State Controller, after consultation with the ~~Office~~ Department of Information ~~Technology Services.~~Technology. These rules would include the establishment of appropriate order limits that leverage the cost savings and efficiencies of the procurement card program in conjunction with the fullest possible use of the North Carolina E-Procurement Service. Prior to implementing the program, the Secretary shall consult with the State Controller, the UNC General Administration, the Community Colleges System Office, the State Auditor, the Department of Public Instruction, a representative chosen by the local school administrative units, and the ~~Office~~ Department of Information ~~Technology Services.~~Technology. The Secretary may periodically adjust the

order limit authorized in this section after consulting with the State Controller, the UNC General Administration, the Community Colleges System Office, the Department of Public Instruction, and the ~~Office~~ Department of Information ~~Technology Services.~~Technology.

…."

SECTION 7A.4.(q) G.S. 143-56 reads as rewritten:

"§ **143-56. Certain purchases excepted from provisions of Article.**

Unless as may otherwise be ordered by the Secretary of Administration, the purchase of supplies, materials and equipment through the Secretary of Administration shall be mandatory in the following cases:

(1) Published books, manuscripts, maps, pamphlets and periodicals.

(2) Perishable articles such as fresh vegetables, fresh fish, fresh meat, eggs, and others as may be classified by the Secretary of Administration.

Purchase through the Secretary of Administration shall not be mandatory for information technology purchased in accordance with ~~Article 3D of Chapter 147~~Article 14 of Chapter 143B of the General Statutes, for a purchase of supplies, materials or equipment for the General Assembly if the total expenditures is less than the expenditure benchmark established under the provisions of G.S. 143-53.1, for group purchases made by hospitals, developmental centers, neuromedical treatment centers, and alcohol and drug abuse treatment centers through a competitive bidding purchasing program, as defined in G.S. 143-129, by the University of North Carolina Health Care System pursuant to G.S. 116-37(h), by the University of North Carolina Hospitals at Chapel Hill pursuant to G.S. 116-37(a)(4), by the University of North Carolina at Chapel Hill on behalf of the clinical patient care programs of the School of Medicine of the University of North Carolina at Chapel Hill pursuant to G.S. 116-37(a)(4), or by East Carolina University on behalf of the Medical Faculty Practice Plan pursuant to G.S. 116-40.6(c).

All purchases of the above articles made directly by the departments, institutions and agencies of the State government shall, whenever possible, be based on competitive bids. Whenever an order is placed or contract awarded for such articles by any of the departments, institutions and agencies of the State government, a copy of such order or contract shall be forwarded to the Secretary of Administration and a record of the competitive bids upon which it was based shall be retained for inspection and review."

SECTION 7A.4.(r) G.S. 143-59.1(a) reads as rewritten:

"(a) Ineligible Vendors. – The Secretary of ~~Administration~~ Administration, State Chief Information Officer, and other entities to which this Article applies shall not contract for goods or services with either of the following:

…."

SECTION 7A.4.(s) G.S. 143-129(e)(7) reads as rewritten:

"(e) Exceptions. – The requirements of this Article do not apply to:

…

(7) Purchases of information technology through contracts established by the ~~State Office of~~ Department of Information Technology as provided in ~~G.S. 147-33.82(b) and G.S. 147-33.92(b).~~Article 14 of Chapter 143B of the General Statutes."

SECTION 7A.4.(t) G.S. 143-129.8(a) reads as rewritten:

"(a) In recognition of the complex and innovative nature of information technology goods and services and of the desirability of a single point of responsibility for contracts that include combinations of purchase of goods, design, installation, training, operation, maintenance, and related services, a political subdivision of the State may contract for information technology, as defined in ~~G.S. 147-33.81(2),~~G.S. 143B-1300, using the procedure set forth in this section, in addition to or instead of any other procedure available under North Carolina law."

SECTION 7A.4.(u) G.S. 143-135.9(c) reads as rewritten:

"(c) Information Technology. – The acquisition of information technology by the State of North Carolina shall be conducted using the Best Value procurement method. For purposes of this section, business process reengineering, system design, and technology implementation may be combined into a single solicitation. For acquisitions which the procuring agency and the Division of Purchase and Contracts or the ~~Office~~ Department of Information ~~Technology Services,~~Technology, as applicable, deem to be highly complex or determine that the optimal solution to the business problem at hand is not known, the use of Solution-Based Solicitation and Government-Vendor Partnership is authorized and encouraged. Any county, city, town, or subdivision of the State may acquire information technology pursuant to this section."

SECTION 7A.4.(v) G.S. 143-151.16(d) reads as rewritten:

"(d) The Board may contract with persons for the development and administration of the examinations required by G.S. 143-151.13(a), for course development related to the examinations, for review of a particular applicant's examination, and for other related services. The person with whom the Board contracts may charge applicants a reasonable fee for the costs associated with the development and administration of the examinations, for course development related to the examinations, for review of the applicant's examinations, and for other related services. The fee shall be agreed to by the Board and the other contracting party. The amount of the fee under this subsection shall not exceed one hundred seventy-five dollars ($175.00). Contracts for the development and administration of the examinations, for course development related to the examinations, and for review of examinations shall not be subject to Article 3, 3C, or 8 of Chapter 143 of the General Statutes or to ~~Article 3D of Chapter 147~~Article 14 of Chapter 143B of the General Statutes. However, the Board shall: (i) submit all proposed contracts for supplies, materials, printing, equipment, and contractual services that exceed one million dollars ($1,000,000) authorized by this subsection to the Attorney General or the Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in all proposed contracts to be awarded by the Board under this subsection a standard clause which provides that the State Auditor and internal auditors of the Board may audit the records of the contractor during and after the term of the contract to verify accounts and data affecting fees and performance. The Board shall not award a cost plus percentage of cost agreement or contract for any purpose."

SECTION 7A.4.(w) G.S. 143-663(a) reads as rewritten:

"(a) The Board shall have the following powers and duties:

…

(2) To develop and adopt uniform standards and cost-effective information technology, after thorough evaluation of the capacity of information technology to meet the present and future needs of the State and, in consultation with the ~~Office~~ Department of Information ~~Technology Services,~~Technology, to develop and adopt standards for entering, storing, and transmitting information in criminal justice databases and for achieving maximum compatibility among user technologies.

…."

SECTION 7A.4.(x) G.S. 143B-146.13(a) reads as rewritten:

"(a) No later than December 15, 1998, the Secretary shall develop a school technology plan for the residential schools that meets the requirements of the State school technology plan. In developing a school technology plan, the Secretary is encouraged to coordinate its planning with other agencies of State and local government, including local school administrative units.

The ~~Office~~ Department of Information Technology ~~Services~~ shall assist the Secretary in developing the parts of the plan related to its technological aspects, to the extent that resources are available to do so. The Department of Public Instruction shall assist the Secretary in developing the instructional and technological aspects of the plan.

The Secretary shall submit the plan that is developed to the ~~Office~~ Department of Information Technology ~~Services~~ for its evaluation of the parts of the plan related to its technological aspects and to the Department of Public Instruction for its evaluation of the

instructional aspects of the plan. The State Board of Education, after consideration of the evaluations of the ~~Office~~ Department of Information Technology ~~Services~~ and the Department of Public Instruction, shall approve all plans that comply with the requirements of the State school technology plan."

SECTION 7A.4.(y) G.S. 143B-951(a) reads as rewritten:

"(a) The Department of Public Safety may provide to the ~~Office~~ Department of Information Technology ~~Services~~ from the State and National Repositories of Criminal Histories the criminal history of any current or prospective employee, volunteer, or contractor of the ~~Office~~ Department of Information ~~Technology Services.~~Technology. The ~~Office~~ Department of Information Technology ~~Services~~ shall provide to the Department of Public Safety, along with the request, the fingerprints of the current or prospective employee, volunteer, or contractor, a form signed by the current or prospective employee, volunteer, or contractor consenting to the criminal record check and use of fingerprints and other identifying information required by the State and National Repositories, and any additional information required by the Department of Public Safety. The fingerprints of the current or prospective employee, volunteer, or contractor shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history record check. The ~~Office~~ Department of Information Technology ~~Services~~ shall keep all information obtained pursuant to this section confidential."

SECTION 7A.4.(z) G.S. 143C-1-1(d) reads as rewritten:

"(d) Definitions. – The following definitions apply in this Chapter:

…

(17) Information technology. – As defined in ~~G.S. 147-33.81(2).~~G.S. 143B-1300.

…."

SECTION 7A.4.(aa) G.S. 143C-2-5(a) reads as rewritten:

"(a) The Director of the Budget shall require the Office of State Budget and Management, with the support of the ~~Office~~ Department of Information ~~Technology Services,~~Technology, to build and maintain a database and Web site for providing a single, searchable Web site on State spending for grants and contracts to be known as NC OpenBook."

SECTION 7A.4.(bb) G.S. 143C-2-6(a) reads as rewritten:

"(a) The Office of State Controller, the Department of Administration, and the ~~Office~~ Department of Information Technology ~~Services~~ shall provide the Office of State Budget and Management with the statewide information on State contracts necessary for the development and maintenance of the database and Web site required by this Article, with the information updated at least monthly."

SECTION 7A.4.(cc) G.S. 143C-3-3(e) reads as rewritten:

"(e) Information Technology Request. – In addition to any other information requested by the ~~Director,~~ State Chief Information Officer (State CIO), any State agency requesting significant State resources, as defined by the ~~Director,~~ State CIO, for the purpose of ~~acquiring~~ acquiring, operating, or maintaining information technology shall accompany that request with all of the following:

(1) A statement of its needs for information technology and related resources, including expected improvements to programmatic or business operations, together with a review and evaluation of that statement prepared by the State Chief Information Officer.

(2) A statement setting forth the requirements for State resources, together with an evaluation of those requirements by the State Chief Information Officer that takes into consideration the State's current technology, the opportunities for technology sharing, the requirements of ~~Article 3D of Chapter 147~~ Article 14 of Chapter 143B of the General Statutes, and any other factors relevant to the ~~analysis.~~ analysis, and in cases of an acquisition, an explanation of the method by which the acquisition is to be financed.

(3) A statement by the State Chief Information Officer that sets forth viable alternatives, if any, for meeting the agency needs in an economical and efficient manner. A statement setting forth the requirements for State resources, together with an evaluation of those requirements, including expected improvements to programmatic or business operations by the Secretary that takes into consideration the State's current technology, the opportunities for technology sharing, the requirements of the General Statutes, and any other factors relevant to the analysis.

(4) In the case of an acquisition, an explanation of the method by which the acquisition is to be financed.

This subsection shall not apply to requests submitted by the General Assembly or the Administrative Office of the Courts."

SECTION 7A.4.(dd) G.S. 143C-3-5(b)(4) reads as rewritten:

"(4) The biennial State Information Technology Plan as outlined in ~~G.S. 147-33.72B~~Part 2 of Article 14 of Chapter 143B of the General Statutes to be consistent in facilitating the goals outlined in the Recommended State Budget."

SECTION 7A.4.(ee) G.S. 150B-21.1(a)(10) reads as rewritten:

"(a) Adoption. – An agency may adopt a temporary rule when it finds that adherence to the notice and hearing requirements of G.S. 150B-21.2 would be contrary to the public interest and that the immediate adoption of the rule is required by one or more of the following:

…

(10) The need for the State Chief Information Officer to implement the information technology procurement provisions of ~~Article 3D of Chapter 147 of~~ Article 14 of Chapter 143B of the General Statutes."

SECTION 7A.4.(ff) G.S. 150B-38 is amended by adding a new subsection to read:

"(i) Standards adopted by the State Chief Information Officer and applied to information technology as defined in G.S. 143B-1300."

SECTION 7A.4.(gg) G.S. 163-165.7 reads as rewritten:

"§ **163-165.7. Voting systems: powers and duties of State Board of Elections.**

(a) Only voting systems that have been certified by the State Board of Elections in accordance with the procedures and subject to the standards set forth in this section and that have not been subsequently decertified shall be permitted for use in elections in this State. Those certified voting systems shall be valid in any election held in the State or in any county, municipality, or other electoral district in the State. Subject to all other applicable rules adopted by the State Board of Elections and, with respect to federal elections, subject to all applicable federal regulations governing voting systems, paper ballots marked by the voter and counted by hand shall be deemed a certified voting system. The State Board of Elections shall certify optical scan voting systems, optical scan with ballot markers voting systems, and direct record electronic voting systems if any of those systems meet all applicable requirements of federal and State law. The State Board may certify additional voting systems only if they meet the requirements of the request for proposal process set forth in this section and only if they generate either a paper ballot or a paper record by which voters may verify their votes before casting them and which provides a backup means of counting the vote that the voter casts. Those voting systems may include optical scan and direct record electronic (DRE) voting systems. In consultation with the ~~Office~~ Department of Information ~~Technology Services,~~Technology, the State Board shall develop the requests for proposal subject to the provisions of this Chapter and other applicable State laws. Among other requirements, the request for proposal shall require at least all of the following elements:

…

(6) With respect to all voting systems using electronic means, that the vendor provide access to all of any information required to be placed in escrow by a vendor pursuant to G.S. 163-165.9A for review and examination by the State

Board of Elections; the ~~Office~~ Department of Information ~~Technology Services;~~Technology; the State chairs of each political party recognized under G.S. 163-96; the purchasing county; and designees as provided in subdivision (9) of subsection (d) of this section.

…

(d) Subject to the provisions of this Chapter, the State Board of Elections shall prescribe rules for the adoption, handling, operation, and honest use of certified voting systems, including all of the following:

…

(9) Notwithstanding G.S. 132-1.2, procedures for the review and examination of any information placed in escrow by a vendor pursuant to G.S. 163-165.9A by only the following persons:

a. State Board of Elections.

b. ~~Office~~ Department of Information ~~Technology Services.~~Technology.

c. The State chairs of each political party recognized under G.S. 163-96.

d. The purchasing county.

Each person listed in sub-subdivisions a. through d. of this subdivision may designate up to three persons as that person's agents to review and examine the information. No person shall designate under this subdivision a business competitor of the vendor whose proprietary information is being reviewed and examined. For purposes of this review and examination, any designees under this subdivision and the State party chairs shall be treated as public officials under G.S. 132-2.

…."

SECTION 7A.4.(hh) G.S. 168A-3(4a) reads as rewritten:

"(4a) "Information technology" has the same meaning as in ~~G.S. 147-33.81.~~G.S. 143B-1300. The term also specifically includes information transaction machines."

ADMINISTRATIVE MATTERS/DIT

SECTION 7A.5. No action or proceeding, brought by or against the Office of Information Technology Services or the Office of the State Chief Information Officer that is pending when this Part becomes law, shall be affected by any provision of this act, but the same may be prosecuted or defended in the name of the Department of Information Technology (Department). In these actions and proceedings, the Department shall be substituted as a party upon proper application to the courts or other public bodies. Any business or other matter undertaken or commanded by the Office of Information Technology Services or the Office of the State Chief Information Officer regarding any State program, office, or contract or pertaining to or connected with its respective functions, powers, obligations, and duties that are pending on the date this Part becomes effective may be conducted and completed by the Department of Information Technology in the same manner and under the same terms and conditions and with the same effect as if conducted and completed by the former commission, director, or office. Unless otherwise specifically provided by this act, any previous assignment of duties within the purview of this act by the Governor or General Assembly shall have continued validity.

DIT EFFECTIVE DATE

SECTION 7A.6 Except as otherwise provided, this Part is effective when this act becomes law.

PART VIII. PUBLIC SCHOOLS

FUNDS FOR CHILDREN WITH DISABILITIES

SECTION 8.1. The State Board of Education shall allocate additional funds for children with disabilities on the basis of three thousand nine hundred twenty-six dollars and ninety-seven cents ($3,926.97) per child. Each local school administrative unit shall receive funds for the lesser of (i) all children who are identified as children with disabilities or (ii) twelve and one-half percent (12.5%) of its 2015-2016 allocated average daily membership in the local school administrative unit. The dollar amounts allocated under this section for children with disabilities shall also be adjusted in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve children with disabilities.

FUNDS FOR ACADEMICALLY GIFTED CHILDREN

SECTION 8.2. The State Board of Education shall allocate additional funds for academically or intellectually gifted children on the basis of one thousand two hundred eighty dollars and seventy cents ($1,280.70) per child for fiscal years 2015-2016 and 2016-2017. A local school administrative unit shall receive funds for a maximum of four percent (4%) of its 2015-2016 allocated average daily membership, regardless of the number of children identified as academically or intellectually gifted in the unit. The dollar amounts allocated under this section for academically or intellectually gifted children shall also be adjusted in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve academically or intellectually gifted children.

USE OF SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES

SECTION 8.3.(a) Use of Funds for Supplemental Funding. – All funds received pursuant to this section shall be used only (i) to provide instructional positions, instructional support positions, teacher assistant positions, clerical positions, school computer technicians, instructional supplies and equipment, staff development, and textbooks and digital resources and (ii) for salary supplements for instructional personnel and instructional support personnel. Local boards of education are encouraged to use at least twenty-five percent (25%) of the funds received pursuant to this section to improve the academic performance of children who are performing at Level I or II on either reading or mathematics end-of-grade tests in grades three through eight.

SECTION 8.3.(b) Definitions. – As used in this section, the following definitions apply:

(1) "Anticipated county property tax revenue availability" means the county-adjusted property tax base multiplied by the effective State average tax rate.

(2) "Anticipated total county revenue availability" means the sum of the following:
   a. Anticipated county property tax revenue availability.
   b. Local sales and use taxes received by the county that are levied under Chapter 1096 of the 1967 Session Laws or under Subchapter VIII of Chapter 105 of the General Statutes.
   c. Fines and forfeitures deposited in the county school fund for the most recent year for which data are available.

(3) "Anticipated total county revenue availability per student" means the anticipated total county revenue availability for the county divided by the average daily membership of the county.

(4) "Anticipated State average revenue availability per student" means the sum of all anticipated total county revenue availability divided by the average daily membership for the State.

(5) "Average daily membership" means average daily membership as defined in the North Carolina Public Schools Allotment Policy Manual adopted by the State Board of Education. If a county contains only part of a local school administrative unit, the average daily membership of that county includes all students who reside within the county and attend that local school administrative unit.

(6) "County-adjusted property tax base" shall be computed as follows:

a. Subtract the present-use value of agricultural land, horticultural land, and forestland in the county, as defined in G.S. 105-277.2, from the total assessed real property valuation of the county.

b. Adjust the resulting amount by multiplying by a weighted average of the three most recent annual sales assessment ratio studies.

c. Add to the resulting amount the following:

1. Present-use value of agricultural land, horticultural land, and forestland, as defined in G.S. 105-277.2.

2. Value of property of public service companies, determined in accordance with Article 23 of Chapter 105 of the General Statutes.

3. Personal property value for the county.

(7) "County-adjusted property tax base per square mile" means the county-adjusted property tax base divided by the number of square miles of land area in the county.

(8) "County wealth as a percentage of State average wealth" shall be computed as follows:

a. Compute the percentage that the county per capita income is of the State per capita income and weight the resulting percentage by a factor of five-tenths.

b. Compute the percentage that the anticipated total county revenue availability per student is of the anticipated State average revenue availability per student and weight the resulting percentage by a factor of four-tenths.

c. Compute the percentage that the county-adjusted property tax base per square mile is of the State-adjusted property tax base per square mile and weight the resulting percentage by a factor of one-tenth.

d. Add the three weighted percentages to derive the county wealth as a percentage of the State average wealth.

(9) "Effective county tax rate" means the actual county tax rate multiplied by a weighted average of the three most recent annual sales assessment ratio studies.

(10) "Effective State average tax rate" means the average of effective county tax rates for all counties.

(11) "Local current expense funds" means the most recent county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.

(12) "Per capita income" means the average for the most recent three years for which data are available of the per capita income according to the most recent report of the United States Department of Commerce, Bureau of Economic Analysis, including any reported modifications for prior years as outlined in the most recent report.

(13) "Sales assessment ratio studies" means sales assessment ratio studies performed by the Department of Revenue under G.S. 105-289(h).

(14) "State average current expense appropriations per student" means the most recent State total of county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.

(15) "State average adjusted property tax base per square mile" means the sum of the county-adjusted property tax bases for all counties divided by the number of square miles of land area in the State.

(16) "Supplant" means to decrease local per student current expense appropriations from one fiscal year to the next fiscal year.

(17) "Weighted average of the three most recent annual sales assessment ratio studies" means the weighted average of the three most recent annual sales assessment ratio studies in the most recent years for which county current expense appropriations and adjusted property tax valuations are available. If real property in a county has been revalued one year prior to the most recent sales assessment ratio study, a weighted average of the two most recent sales assessment ratios shall be used. If property has been revalued the year of the most recent sales assessment ratio study, the sales assessment ratio for the year of revaluation shall be used.

SECTION 8.3.(c) Eligibility for Funds. – Except as provided in subsection (g) of this section, the State Board of Education shall allocate these funds to local school administrative units located in whole or in part in counties in which the county wealth as a percentage of the State average wealth is less than one hundred percent (100%).

SECTION 8.3.(d) Allocation of Funds. – Except as provided in subsection (f) of this section, the amount received per average daily membership for a county shall be the difference between the State average current expense appropriations per student and the current expense appropriations per student that the county could provide given the county's wealth and an average effort to fund public schools. (To derive the current expense appropriations per student that the county could be able to provide given the county's wealth and an average effort to fund public schools, multiply the county's wealth as a percentage of State average wealth by the State average current expense appropriations per student.) The funds for the local school administrative units located in whole or in part in the county shall be allocated to each local school administrative unit located in whole or in part in the county based on the average daily membership of the county's students in the school units. If the funds appropriated for supplemental funding are not adequate to fund the formula fully, each local school administrative unit shall receive a pro rata share of the funds appropriated for supplemental funding.

SECTION 8.3.(e) Formula for Distribution of Supplemental Funding Pursuant to This Section Only. – The formula in this section is solely a basis for distribution of supplemental funding for low-wealth counties and is not intended to reflect any measure of the adequacy of the educational program or funding for public schools. The formula is also not intended to reflect any commitment by the General Assembly to appropriate any additional supplemental funds for low-wealth counties.

SECTION 8.3.(f) Minimum Effort Required. – A county that (i) maintains an effective county tax rate that is at least one hundred percent (100%) of the effective State average tax rate in the most recent year for which data are available or (ii) maintains a county appropriation per student to the school local current expense fund of at least one hundred percent (100%) of the current expense appropriations per student to the school local current expense fund that the county could provide given the county's wealth and an average effort to fund public schools shall receive full funding under this section. A county that maintains a county appropriation per student to the school local current expense fund of less than one hundred percent (100%) of the current expense appropriations per student to the school local current expense fund that the county could provide given the county's wealth and an average effort to fund public schools shall receive funding under this section at the same percentage that

the county's appropriation per student to the school local current expense fund is of the current expense appropriations per student to the school local current expense fund that the county could provide given the county's wealth and an average effort to fund public schools.

SECTION 8.3.(g) Nonsupplant Requirement. – A county in which a local school administrative unit receives funds under this section shall use the funds to supplement local current expense funds and shall not supplant local current expense funds. For the 2015-2017 fiscal biennium, the State Board of Education shall not allocate funds under this section to a county found to have used these funds to supplant local per student current expense funds. The State Board of Education shall make a finding that a county has used these funds to supplant local current expense funds in the prior year, or the year for which the most recent data are available, if all of the following criteria apply:

(1) The current expense appropriations per student of the county for the current year is less than ninety-five percent (95%) of the average of local current expense appropriations per student for the three prior fiscal years.

(2) The county cannot show (i) that it has remedied the deficiency in funding or (ii) that extraordinary circumstances caused the county to supplant local current expense funds with funds allocated under this section.

The State Board of Education shall adopt rules to implement the requirements of this subsection.

SECTION 8.3.(h) Counties Containing a Base of the Armed Forces. – Notwithstanding any other provision of this section, for the 2015-2017 fiscal biennium, counties containing a base of the Armed Forces of the United States that have an average daily membership of more than 23,000 students shall receive the same amount of supplemental funding for low-wealth counties as received in the 2012-2013 fiscal year.

SECTION 8.3.(i) Funds for EVAAS Data. – Notwithstanding the requirements of subsection (a) of this section, local school administrative units may utilize funds allocated under this section to purchase services that allow for extraction of data from the Education Value-Added Assessment System (EVAAS).

SECTION 8.3.(j) Reports. – For the 2015-2017 fiscal biennium, the State Board of Education shall report to the Fiscal Research Division prior to May 15 of each year if it determines that counties have supplanted funds.

SECTION 8.3.(k) Department of Revenue Reports. – The Department of Revenue shall provide to the Department of Public Instruction a preliminary report for the current fiscal year of the assessed value of the property tax base for each county prior to March 1 of each year and a final report prior to May 1 of each year. The reports shall include for each county the annual sales assessment ratio and the taxable values of (i) total real property, (ii) the portion of total real property represented by the present-use value of agricultural land, horticultural land, and forestland, as defined in G.S. 105-277.2, (iii) property of public service companies determined in accordance with Article 23 of Chapter 105 of the General Statutes, and (iv) personal property.

SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING

SECTION 8.4.(a) Allotment Schedule for the 2015-2017 Fiscal Biennium. – Except as otherwise provided in subsection (d) of this section, each eligible county school administrative unit shall receive a dollar allotment according to the following schedule:

Allotted ADM	Small County Allotment
0-600	$1,710,000
601-1,300	$1,820,000
1,301-1,700	$1,548,700
1,701-2,000	$1,600,000
2,001-2,300	$1,560,000
2,301-2,600	$1,470,000
2,601-2,800	$1,498,000

2,801-3,200	$1,548,000

SECTION 8.4.(b) Phase-Out Provision for the 2015-2016 Fiscal Year. – If a local school administrative unit becomes ineligible for funding under the schedule in subsection (a) of this section in the 2015-2016 fiscal year, funding for that unit shall be phased out over a five-year period. Funding for such local school administrative units shall be reduced in equal increments in each of the five years after the unit becomes ineligible. Funding shall be eliminated in the fifth fiscal year after the local school administrative unit becomes ineligible.

Allotments for eligible local school administrative units under this subsection shall not be reduced by more than twenty percent (20%) of the amount received in fiscal year 2014-2015 in any fiscal year.

SECTION 8.4.(c) Phase-Out Provision for the 2016-2017 Fiscal Year. – If a local school administrative unit becomes ineligible for funding under the schedule in subsection (a) of this section in the 2016-2017 fiscal year, funding for that unit shall be phased out over a five-year period. Funding for such local school administrative units shall be reduced in equal increments in each of the five years after the unit becomes ineligible. Funding shall be eliminated in the fifth fiscal year after the local administrative unit becomes ineligible.

Allotments for eligible local school administrative units under this subsection shall not be reduced by more than twenty percent (20%) of the amount received in fiscal year 2015-2016 in any fiscal year.

SECTION 8.4.(d) Nonsupplant Requirement for the 2015-2017 Fiscal Biennium. – A county in which a local school administrative unit receives funds under this section shall use the funds to supplement local current expense funds and shall not supplant local current expense funds. For the 2015-2017 fiscal biennium, the State Board of Education shall not allocate funds under this section to a county found to have used these funds to supplant local per student current expense funds. The State Board of Education shall make a finding that a county has used these funds to supplant local current expense funds in the prior year, or the year for which the most recent data are available, if all of the following criteria apply:

(1) The current expense appropriation per student of the county for the current year is less than ninety-five percent (95%) of the average of local current expense appropriation per student for the three prior fiscal years.

(2) The county cannot show (i) that it has remedied the deficiency in funding or (ii) that extraordinary circumstances caused the county to supplant local current expense funds with funds allocated under this section.

The State Board of Education shall adopt rules to implement the requirements of this subsection.

SECTION 8.4.(e) Reports. – For the 2015-2017 fiscal biennium, the State Board of Education shall report to the Fiscal Research Division prior to May 15 of each fiscal year if it determines that counties have supplanted funds.

SECTION 8.4.(f) Use of Funds. – Local boards of education are encouraged to use at least twenty percent (20%) of the funds they receive pursuant to this section to improve the academic performance of children who are performing at Level I or II on either reading or mathematics end-of-grade tests in grades three through eight.

Local school administrative units may also utilize funds allocated under this section to purchase services that allow for extraction of data from the Education Value-Added Assessment System (EVAAS).

DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING (DSSF)

SECTION 8.5.(a) Funds appropriated for disadvantaged student supplemental funding shall be used, consistent with the policies and procedures adopted by the State Board of Education, only to do the following:

(1) Provide instructional positions or instructional support positions and/or professional development.

(2) Provide intensive in-school and/or after-school remediation.

(3) Purchase diagnostic software and progress-monitoring tools.

(4) Provide funds for teacher bonuses and supplements. The State Board of Education shall set a maximum percentage of the funds that may be used for this purpose.

The State Board of Education may require local school administrative units receiving funding under the Disadvantaged Student Supplemental Fund to purchase the Education Value-Added Assessment System (EVAAS) in order to provide in-depth analysis of student performance and help identify strategies for improving student achievement. This data shall be used exclusively for instructional and curriculum decisions made in the best interest of children and for professional development for their teachers and administrators.

SECTION 8.5.(b) Disadvantaged student supplemental funding (DSSF) shall be allotted to a local school administrative unit based on (i) the unit's eligible DSSF population and (ii) the difference between a teacher-to-student ratio of 1:21 and the following teacher-to-student ratios:

(1) For counties with wealth greater than ninety percent (90%) of the statewide average, a ratio of 1:19.9.

(2) For counties with wealth not less than eighty percent (80%) and not greater than ninety percent (90%) of the statewide average, a ratio of 1:19.4.

(3) For counties with wealth less than eighty percent (80%) of the statewide average, a ratio of 1:19.1.

(4) For local school administrative units receiving DSSF funds in fiscal year 2005-2006, a ratio of 1:16. These local school administrative units shall receive no less than the DSSF amount allotted in fiscal year 2006-2007.

For the purpose of this subsection, wealth shall be calculated under the low-wealth supplemental formula as provided for in this act.

SECTION 8.5.(c) If a local school administrative unit's wealth increases to a level that adversely affects the unit's disadvantaged student supplemental funding (DSSF) allotment ratio, the DSSF allotment for that unit shall be maintained at the prior year level for one additional fiscal year.

UNIFORM EDUCATION REPORTING SYSTEM (UERS) FUNDS

SECTION 8.7. Funds appropriated for the Uniform Education Reporting System (UERS) for the 2015-2017 fiscal biennium shall not revert at the end of each fiscal year but shall remain available until expended.

COOPERATIVE INNOVATIVE HIGH SCHOOLS

SECTION 8.8. G.S. 115C-238.54 is amended by adding a new subsection to read:

"(j) Any State funds appropriated for cooperative innovative high schools shall not be adjusted to reflect legislative salary increments, retirement rate adjustments, and health benefit adjustments for school personnel, unless specifically provided for by the General Assembly."

STUDY NCVPS ALTERNATIVE FUNDING FORMULA

SECTION 8.11.(a) The State Board of Education shall study implementation of an alternative funding formula for the North Carolina Virtual Public School (NCVPS) in lieu of the funding formula adopted by the State Board pursuant to Section 7.22(d) of S.L. 2011-145, as amended by Section 8.9 of S.L. 2013-360. The study shall include consideration of the potential costs and benefits of (i) offering an alternative funding formula option for local boards of education to select and (ii) replacing the current NCVPS formula with a new formula applicable to all local boards of education participating in NCVPS.

SECTION 8.11.(b) The State Board of Education shall report the results of the study under subsection (a) of this section and any legislative recommendations to the Joint Legislative Education Oversight Committee by January 15, 2016.

COMPETENCY-BASED LEARNING AND ASSESSMENTS

SECTION 8.12.(a) It is the intent of the General Assembly to transition to a system of testing and assessments applicable for all elementary and secondary public school students that utilizes competency-based learning assessments to measure student performance and student growth, whenever practicable. The competency-based student assessment system should provide that (i) students advance upon mastery, (ii) competencies are broken down into explicit and measurable learning objectives, (iii) assessment is meaningful for students, (iv) students receive differentiated support based on their learning needs, and (v) learning outcomes emphasize competencies that include the application and creation of knowledge.

SECTION 8.12.(b) In order to develop the use of competency-based assessments for all elementary and secondary public school students in North Carolina in accordance with subsection (a) of this section, the State Board of Education is encouraged to evaluate the feasibility of integrating competency-based assessments for use in local school administrative units and as part of the statewide testing system for measuring student performance and student growth. The State Board may examine competency-based student assessment systems utilized in other states, including potential benefits and obstacles to implementing similar systems in North Carolina, and the relationship between competency-based assessments and innovative teaching methods utilized in North Carolina schools, such as blended learning models and digital teaching tools.

COLLABORATIVE PROCUREMENT

SECTION 8.14.(a) Section 7.6 of S.L. 2013-360, as amended by Section 91 of S.L. 2014-115, is repealed.

SECTION 8.14.(b) The Department of Public Instruction shall collaborate with the Friday Institute for Educational Innovation of North Carolina State University to implement public school cooperative purchasing agreements for the procurement of information technology goods and services to support public schools. For purposes of this section, the phrase "public school cooperative purchasing agreement" means an agreement implemented pursuant to this section and available for local school administrative units, regional schools, charter schools, or some combination thereof providing for collaborative or collective purchases of information technology goods and services in order to leverage economies of scale and to reduce costs.

SECTION 8.14.(c) Each public school cooperative purchasing agreement shall be based on a defined statewide information technology need to support education in the public schools. Each public school cooperative purchasing agreement shall allow for equal access to technology tools and services and shall provide a standard competitive cost throughout North Carolina for each tool or service. Public school cooperative purchasing agreements shall follow State information technology procurement laws, rules, and procedures.

SECTION 8.14.(d) By October 15, 2015, and annually thereafter, the Department of Public Instruction and the Friday Institute shall report on the establishment of the cooperative purchasing agreements, savings resulting from the establishment of the agreements, and any issues impacting the establishment of the agreements. The reports shall be made to the Joint Legislative Oversight Committee on Information Technology, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division.

REVISE THE DESIGNATION OF THE TEXTBOOK FUNDING ALLOTMENT

SECTION 8.18.(a) Effective July 1, 2015, the existing Textbooks funding allotment in the State Public School Fund shall be designated as the Textbooks and Digital Resources funding allotment in the State Public School Fund.

SECTION 8.18.(b) The State Board of Education shall establish the purposes for which the funds within the new Textbooks and Digital Resources funding allotment may be used for as follows: (i) to acquire textbooks as defined in G.S. 115C-85, which includes technology-based programs, and (ii) only for allowable expenditures as were permitted under the Textbooks funding allotment as of June 30, 2015.

TWELVE-MONTH PERSONNEL POSITIONS FOR VOCATIONAL AGRICULTURE TEACHERS

SECTION 8.22. G.S. 115C-302.1(b) reads as rewritten:

"(b) Salary Payments. – State-allotted teachers shall be paid for a term of 10 months. State-allotted months of employment for vocational education to local boards shall be used for the employment of teachers of vocational and technical education for a term of employment to be determined by the local boards of education. However, local boards shall not reduce the term of employment for any vocational agriculture teacher personnel position that was 12 calendar months for the 1982-83 school year for any school year thereafter. In addition, local boards shall not reduce the term of employment for any vocational agriculture teacher personnel position that was 12 calendar months for the 2003-2004 school year for any school year thereafter. In addition, local boards shall not reduce the term of employment for any vocational agriculture teacher personnel position that was 12 calendar months for the 2014-2015 school year for any school year thereafter.

Each local board of education shall establish a set date on which monthly salary payments to State-allotted teachers shall be made. This set pay date may differ from the end of the month of service. The daily rate of pay for teachers shall equal midway between one twenty-first and one twenty-second of the monthly rate of pay. Except for teachers employed in a year-round school or paid in accordance with a year-round calendar, or both, the initial pay date for teachers shall be no later than August 31 and shall include a full monthly payment. Subsequent pay dates shall be spaced no more than one month apart and shall include a full monthly payment.

Teachers may be prepaid on the monthly pay date for days not yet worked. A teacher who fails to attend scheduled workdays or who has not worked the number of days for which the teacher has been paid and who resigns, is dismissed, or whose contract is not renewed shall repay to the local board any salary payments received for days not yet worked. A teacher who has been prepaid and continues to be employed by a local board but fails to attend scheduled workdays may be subject to dismissal under G.S. 115C-325 or other appropriate discipline.

Any individual teacher who is not employed in a year-round school may be paid in 12 monthly installments if the teacher so requests on or before the first day of the school year. The request shall be filed in the local school administrative unit which employs the teacher. The payment of the annual salary in 12 installments instead of 10 shall not increase or decrease the teacher's annual salary nor in any other way alter the contract made between the teacher and the local school administrative unit. Teachers employed for a period of less than 10 months shall not receive their salaries in 12 installments.

Notwithstanding this subsection, the term "daily rate of pay" for the purpose of G.S. 115C-12(8) or for any other law or policy governing pay or benefits based on the teacher salary schedule shall not exceed one twenty-second of a teacher's monthly rate of pay."

REPEAL UNNECESSARY STATE BOARD OF EDUCATION REPORTS

SECTION 8.25.(a) Report on Paperwork Reduction. – G.S. 115C-12(19) reads as rewritten:

"(19) Duty to Identify Required Reports and to Eliminate Unnecessary Reports and Paperwork. – Prior to the beginning of each school year, the State Board of Education shall identify all reports that are required at the State level for the school year.

The State Board of Education shall adopt policies to ensure that local school administrative units are not required by the State Board of Education, the State Superintendent, or the Department of Public Instruction staff to (i) provide information that is already available on the student information management system or housed within the Department of Public Instruction; (ii) provide the same written information more than once during a school year unless the information has changed during the ensuing period; (iii)

complete forms, for children with disabilities, that are not necessary to ensure compliance with the federal Individuals with Disabilities Education Act (IDEA); or (iv) provide information that is unnecessary to comply with State or federal law and not relevant to student outcomes and the efficient operation of the public schools. Notwithstanding the foregoing, the State Board may require information available on its student information management system or require the same information twice if the State Board can demonstrate a compelling need and can demonstrate there is not a more expeditious manner of getting the information.

The State Board shall permit schools and local school administrative units to submit all reports to the Department of Public Instruction electronically.

The State Board of Education, in collaboration with the education roundtables within the Department of Public Instruction, shall consolidate all plans that affect the school community, including school improvement plans. The consolidated plan shall be posted on each school's Web site for easy access by the public and by school personnel.

~~The State Board shall report to the Joint Legislative Education Oversight Committee by November 15 of each year on the reports identified that are required at the State level, the evaluation and determination for continuing individual reports, including the consideration of whether those reports exceed what is required by State and federal law, and any reports that it has consolidated or eliminated for the upcoming school year.~~"

SECTION 8.25.(b) Report on the ABC's. – G.S. 115C-12(25) reads as rewritten:

"(25) Duty to Report to Joint Legislative Education Oversight Committee. – Upon the request of the Joint Legislative Education Oversight Committee, the State Board shall examine and evaluate issues, programs, policies, and fiscal information, and shall make reports to that Committee. Furthermore, beginning ~~October 15, 1997,~~October 15, 2015, and annually thereafter, the State Board shall submit reports to that Committee regarding ~~the continued implementation of Chapter 716 of the 1995 Session Laws, 1996 Regular Session. Each report shall include information regarding the composition and activity of assistance teams, schools that received incentive awards,~~ schools identified as low-performing, school improvement plans found to significantly improve student performance, personnel actions taken in low-performing schools, and recommendations for additional legislation to improve student performance and increase local flexibility."

SECTION 8.25.(c) Report on State School Technology Plan. – G.S. 115C-102.6B(b) reads as rewritten:

"(b) The Board shall submit the plan to the State Chief Information Officer for approval of the technical components of the plan set out in G.S. 115C-102.6A(1) through (4). At least one-fourth of the members of any technical committee that reviews the plan for the State Chief Information Officer shall be people actively involved in primary or secondary education.

~~The Board shall report annually by February 15 of each year to the Joint Legislative Education Oversight Committee on the status of the State School Technology Plan.~~"

SECTION 8.25.(d) Evaluation of the School-Based Accountability System. – G.S. 115C-105.35(a) reads as rewritten:

"(a) The School-Based Management and Accountability Program shall (i) focus on student performance in the basics of reading, mathematics, and communications skills in elementary and middle schools, (ii) focus on student performance in courses required for graduation and on other measures required by the State Board in the high schools, and (iii) hold schools accountable for the educational growth of their students. To those ends, the State Board shall design and implement an accountability system that sets annual performance standards for

each school in the State in order to measure the growth in performance of the students in each individual school. ~~During the 2004-2005 school year and at least every five years thereafter, the State Board shall evaluate the accountability system and, if necessary, modify the testing standards to assure the testing standards continue to reasonably reflect the level of performance necessary to be successful at the next grade level or for more advanced study in the content area.~~

~~As part of this evaluation, the Board shall, where available, review the historical trend data on student academic performance on State tests. To the extent that the historical trend data suggest that the current standards for student performance may not be appropriate, the State Board shall adjust the standards to assure that they continue to reflect the State's high expectations for student performance.~~"

SECTION 8.25.(e) Reports by Local School Administrative Units and Charter Schools on Students With Diabetes. – G.S. 115C-375.3 reads as rewritten:

"§ **115C-375.3. Guidelines to support and assist students with diabetes.**

Local boards of education and boards of directors of charter schools shall ensure that the guidelines adopted by the State Board of Education under G.S. 115C-12(31) are implemented in schools in which students with diabetes are enrolled. In particular, the boards shall require the implementation of the procedures set forth in those guidelines for the development and implementation of individual diabetes care plans. The boards also shall make available necessary information and staff development to teachers and school personnel in order to appropriately support and assist students with diabetes in accordance with their individual diabetes care plans. ~~Local boards of education and boards of directors of charter schools shall report to the State Board of Education annually, on or before August 15, whether they have students with diabetes enrolled and provide information showing compliance with the guidelines adopted by the State Board of Education under G.S. 115C-12(31). These reports shall be in compliance with the federal Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g.~~"

SCHOOL SAFETY/STATEWIDE SCHOOL RISK AND RESPONSE MANAGEMENT SYSTEM

SECTION 8.26.(a) G.S. 115C-47(40) reads as rewritten:

"(40) To ~~adopt emergency response plans. – Local boards~~ Adopt School Risk Management Plans. – Each local board of education shall, in coordination with local law enforcement and emergency management agencies, adopt ~~emergency response plans~~ a School Risk Management Plan (SRMP) relating to incidents of school ~~violence.~~ violence for each school in its jurisdiction. In constructing and maintaining these plans, local boards of education and local school administrative units shall utilize the School Risk and Response Management System (SRRMS) established pursuant to G.S. 115C-105.49A. These plans are not a public record as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6."

SECTION 8.26.(b) G.S. 115C-105.49 reads as rewritten:

"§ **115C-105.49. School safety exercises.**

(a) At least ~~every two years,~~ once annually, each local school administrative unit ~~is encouraged to~~ shall require each school under its control to hold a full ~~systemwide school safety and school lockdown exercise with the~~ school-wide tabletop exercise and drill based on the procedures documented in its School Risk Management Plan (SRMP). The drill shall include a practice school lockdown due to an intruder on school grounds. Each school is encouraged to hold a tabletop exercise and drill for multiple hazards included in its SRMP. Schools are strongly encouraged to include local law enforcement agencies ~~that are part of the local board of education's emergency response plan.~~ and emergency management agencies in their tabletop exercises and drills. The purpose of the ~~exercise~~ tabletop exercises and drills shall

be to permit participants to (i) discuss simulated emergency situations in a low-stress environment, (ii) clarify their roles and responsibilities and the overall logistics of dealing with an emergency, and (iii) identify areas in which the ~~emergency response plan~~ SRMP needs to be modified.

(b) ~~As part of a local board of education's emergency response plan, at least once a year, each school is encouraged to hold a full schoolwide school safety and lockdown exercise with local law enforcement agencies.~~For the purposes of this section, a tabletop exercise is an exercise involving key personnel conducting simulated scenarios related to emergency planning.

(c) For the purposes of this section, a drill is a school-wide practice exercise in which simulated scenarios related to emergency planning are conducted.

(d) The Department of Public Safety, Division of Emergency Management, and the Center for Safer Schools shall provide guidance and recommendations to local school administrative units on the types of multiple hazards to plan and respond to, including intruders on school grounds."

SECTION 8.26.(c) Article 8C of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-105.49A. School Risk and Response Management System.**

(a) The Department of Public Safety, Division of Emergency Management, and the Center for Safer Schools shall construct and maintain a statewide School Risk and Response Management System (SRRMS). The system shall fully integrate and leverage existing data and applications that support school risk planning, exercises, monitoring, and emergency response via 911 dispatch.

(b) In constructing the SRRMS, the Division of Emergency Management and the Center for Safer Schools shall leverage the existing enterprise risk management database, the School Risk Management Planning tool managed by the Division. The Division shall also leverage the local school administrative unit schematic diagrams of school facilities. Where technically feasible, the SRRMS shall integrate any anonymous tip lines established pursuant to G.S. 115C-105.51 and any 911-initiated panic alarm systems authorized as part of a SRMP pursuant to G.S. 115C-47(40). The Division and the Center for Safer Schools shall collaborate with the Department of Public Instruction and the North Carolina 911 Board in the design, implementation, and maintenance of the SRRMS.

(c) All data and information acquired and stored in the SRRMS as provided in subsections (a) and (b) of this section are not considered public records as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6."

SECTION 8.26.(d) G.S. 115C-105.51 reads as rewritten:

"**§ 115C-105.51. Anonymous tip ~~lines.~~lines and monitoring and response applications.**

(a) Each local school administrative unit is encouraged to develop and operate an anonymous tip line, in coordination with local law enforcement and social services agencies, to receive anonymous information on internal or external risks to the school population, school ~~buildings~~ buildings, and school-related activities. The Department of Public Safety, in consultation with the Department of Public Instruction, may develop standards and guidelines for the development, operation, and staffing of tip lines.

(b) ~~The Department of Public Instruction, in consultation with the Department of Public Safety, may develop standards and guidelines for the development, operation, and staffing of tip lines.~~The Department of Public Safety, Division of Emergency Management, and the Center for Safer Schools, in collaboration with the Department of Public Instruction, shall implement and maintain an anonymous safety tip line application for purposes of receiving anonymous student information on internal or external risks to the school population, school buildings, and school-related activities.

(c) ~~The Department of Public Instruction may provide information to local school administrative units on federal, State, local, and private grants available for this purpose.~~The

Department of Public Safety, Division of Emergency Management, and the Center for Safer Schools, in collaboration with the Department of Public Instruction and the North Carolina 911 Board, shall implement and maintain a statewide panic alarm system for the purposes of launching real-time 911 messaging to public safety answering points of internal and external risks to the school population, school buildings, and school-related activities. The Department of Public Safety, in consultation with the Department of Public Instruction and the North Carolina 911 Board, may develop standards and guidelines for the operations and use of the panic alarm tool.

(d) The Department of Public Safety shall ensure that the anonymous safety tip line application is integrated with and supports the statewide School Risk and Response Management System (SRRMS) as provided in G.S. 115C-105.49A. Where technically feasible and cost efficient, the Department of Public Safety is encouraged to implement a single solution supporting both the anonymous safety tip line application and panic alarm system.

(e) All data and information acquired and stored by the anonymous safety tip line application are not considered public records as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6.

(f) Notwithstanding subsection (e) of this section, the Division may collect the annual aggregate number and type of tips sent to the anonymous tip line. The collection of this aggregate data shall not have any identifying information on the reporter of the tip, including, but not limited to, the school where the incident was reported and the date the tip was reported."

SECTION 8.26.(e) G.S. 115C-105.52 reads as rewritten:

"§ **115C-105.52. School crisis kits.**

The Department of Public Instruction, in consultation with the Department of Public Safety through the North Carolina Center for Safer Schools, may develop and adopt policies on the placement of school crisis kits in schools and on the contents of those kits. The kits should include, at a minimum, basic first-aid supplies, communications devices, and other items recommended by the International Association of Chiefs of Police.

The principal of each school, in coordination with the law enforcement agencies that are part of the local board of education's ~~emergency response plan,~~ School Risk Management Plan, may place one or more crisis kits at appropriate locations in the school."

SECTION 8.26.(f) G.S. 115C-105.53 reads as rewritten:

"§ **115C-105.53. Schematic diagrams and emergency access to school buildings for local law enforcement agencies.**

(a) Each local school administrative unit shall provide the following to local law enforcement agencies: (i) schematic diagrams, including digital schematic diagrams, and (ii) either keys to the main entrance of all school buildings or emergency access to key storage devices such as KNOX® boxes for all school buildings. Local school administrative units shall provide updates of the schematic diagrams to local law enforcement agencies when substantial modifications such as new facilities or modifications to doors and windows are made to school buildings. Local school administrative units shall also be responsible for providing local law enforcement agencies with updated access to school ~~building key storage devices such as KNOX® boxes when changes are made to these boxes or devices.~~buildings when changes are made to the locks of the main entrances or to key storage devices such as KNOX® boxes.

(b) The Department of Public Instruction, in consultation with the Department of Public Safety, shall develop standards and guidelines for the preparation and content of schematic diagrams and necessary updates. Local school administrative units may use these standards and guidelines to assist in the preparation of their schematic diagrams.

(c) Schematic diagrams are not considered a public record as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6."

SECTION 8.26.(g) G.S. 115C-105.54 reads as rewritten:

"§ **115C-105.54. Schematic diagrams and emergency response information provided to Division of Emergency Management.**

(a) Each local school administrative unit shall provide the following to the Division of Emergency Management (Division) at the Department of Public Safety: (i) schematic diagrams, including digital schematic diagrams, and (ii) emergency response information requested by the Division for the School Risk Management Plan ~~(SRMP) and the School Emergency Response Plan (SERP).~~(SRMP). Local school administrative units shall also provide updated schematic diagrams and emergency response information to the Division when such updates are made. The Division shall ensure that the diagrams and emergency response information are securely stored and distributed as provided in the SRMP ~~and SERP~~ to first responders, emergency personnel, and school personnel and approved by the Department of Public Instruction.

(b) The schematic diagrams and emergency response information are not considered a public record as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6."

SECTION 8.26.(h) G.S. 115C-218.75 reads as rewritten:

"§ **115C-218.75. General operating requirements.**

(a) Health and Safety Standards. – A charter school shall meet the same health and safety requirements required of a local school administrative unit. The Department of Public Instruction shall ensure that charter schools provide parents and guardians with information about meningococcal meningitis and influenza and their vaccines at the beginning of every school year. This information shall include the causes, symptoms, and how meningococcal meningitis and influenza are spread and the places where parents and guardians may obtain additional information and vaccinations for their children.

The Department of Public Instruction shall also ensure that charter schools provide parents and guardians with information about cervical cancer, cervical dysplasia, human papillomavirus, and the vaccines available to prevent these diseases. This information shall be provided at the beginning of the school year to parents of children entering grades five through 12. This information shall include the causes and symptoms of these diseases, how they are transmitted, how they may be prevented by vaccination, including the benefits and possible side effects of vaccination, and the places where parents and guardians may obtain additional information and vaccinations for their children.

The Department of Public Instruction shall also ensure that charter schools provide students in grades seven through 12 with information annually on the preventable risks for preterm birth in subsequent pregnancies, including induced abortion, smoking, alcohol consumption, the use of illicit drugs, and inadequate prenatal care.

The Department of Public Instruction shall also ensure that charter schools provide students in grades nine through 12 with information annually on the manner in which a parent may lawfully abandon a newborn baby with a responsible person, in accordance with G.S. 7B-500.

The Department of Public Instruction shall also ensure that the guidelines for individual diabetes care plans adopted by the State Board of Education under G.S. 115C-12(31) are implemented in charter schools in which students with diabetes are enrolled and that charter schools otherwise comply with the provisions of G.S. 115C-375.3.

The Department of Public Instruction shall ensure that charter schools comply with G.S. 115C-375.2A. The board of directors of a charter school shall provide the school with a supply of emergency epinephrine auto-injectors necessary to carry out the provisions of G.S. 115C-375.2A.

(b) ~~Emergency Response Plan. A~~School Risk Management Plan. – Each charter school, in coordination with local law enforcement ~~agencies,~~and emergency management agencies, is encouraged to adopt ~~an emergency response plan~~ a School Risk Management Plan (SRMP) relating to incidents of school violence. In constructing and maintaining these plans, charter schools may utilize the School Risk and Response Management System (SRRMS) established pursuant to G.S. 115C-105.49A. These plans are not considered a public record as

the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6.

Charter schools are encouraged to provide schematic diagrams and keys to the main entrance of school facilities to local law enforcement agencies, in addition to implementing the provisions in ~~G.S. 115C-105.49(b) and~~ G.S. 115C-105.52.

(c) Policy Against Bullying. – A charter school is encouraged to adopt a policy against bullying or harassing behavior, including cyber bullying, that is consistent with the provisions of Article 29C of this Chapter. If a charter school adopts a policy to prohibit bullying and harassing behavior, the charter school shall, at the beginning of each school year, provide the policy to staff, students, and parents as defined in G.S. 115C-390.1(b)(8).

(d) School Safety Exercises. – At least once a year, a charter school is encouraged to hold a full school-wide lockdown exercise with local law enforcement and emergency management agencies that are part of the charter school's SRMP.

(e) School Safety Information Provided to Division of Emergency Management. – A charter school is encouraged to provide the following: (i) schematic diagrams, including digital schematic diagrams, and (ii) emergency response information requested by the Division for the SRMP. The schematic diagrams and emergency response information are not considered public records as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6."

SECTION 8.26.(i) G.S. 115C-238.66 reads as rewritten:

"§ **115C-238.66. Board of directors; powers and duties.**

The board of directors shall have the following powers and duties:

(1) Academic program. –

a. The board of directors shall establish the standard course of study for the regional school. This course of study shall set forth the subjects to be taught in each grade and the texts and other educational materials on each subject to be used in each grade. The board of directors shall design its programs to meet at least the student performance standards adopted by the State Board of Education and the student performance standards contained in this Chapter.

b. The board of directors shall conduct student assessments required by the State Board of Education.

c. The board of directors shall provide the opportunity to earn or obtain credit toward degrees from a community college subject to Chapter 115D of the General Statutes or a constituent institution of The University of North Carolina.

d. The board of directors shall adopt a school calendar consisting of a minimum of 185 days or 1,025 hours of instruction covering at least nine calendar months.

(2) Standards of performance and conduct. – The board of directors shall establish policies and standards for academic performance, attendance, and conduct for students of the regional school. The policies of the board of directors shall comply with Article 27 of this Chapter.

(3) School attendance. – Every parent, guardian, or other person in this State having charge or control of a child who is enrolled in the regional school and who is less than 16 years of age shall cause such child to attend school continuously for a period equal to the time that the regional school shall be in session. No person shall encourage, entice, or counsel any child to be unlawfully absent from the regional school. Any person who aids or abets a student's unlawful absence from the regional school shall, upon conviction, be guilty of a Class 1 misdemeanor. The principal shall be responsible for implementing such additional policies concerning compulsory attendance as shall be adopted by the board of directors, including regulations concerning

lawful and unlawful absences, permissible excuses for temporary absences, maintenance of attendance records, and attendance counseling.

(4) Reporting. – The board of directors shall comply with the reporting requirements established by the State Board of Education in the Uniform Education Reporting System.

(5) Assessment results. – The board of directors shall provide data to the participating unit in which a student is domiciled on the performance of that student on any testing required by the State Board of Education.

(6) Education of children with disabilities. – The board of directors shall require compliance with laws and policies relating to the education of children with disabilities.

(7) Health and safety. – The board of directors shall require that the regional school meet the same health and safety standards required of a local school administrative unit.

The Department of Public Instruction shall ensure that regional schools comply with G.S. 115C-375.2A. The board of directors of a regional school shall provide the school with a supply of emergency epinephrine auto-injectors necessary to carry out the provisions of G.S. 115C-375.2A.

(7a) ~~Emergency Response Plan. – A~~School Risk Management Plan. – Each regional school, in coordination with local law enforcement agencies, is encouraged to adopt ~~an emergency response plan~~ a School Risk Management Plan (SRMP) relating to incidents of school violence. In constructing and maintaining these plans, a regional school may utilize the School Risk and Response Management System (SRRMS) established pursuant to G.S. 115C-105.49A. These plans are not considered a public record as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6.

(7b) Schematic diagrams and school crisis kits. – Regional schools are encouraged to provide schematic diagrams and keys to the main entrance of school facilities to local law enforcement agencies, in addition to implementing the provisions in ~~G.S. 115C-105.49(b) and~~ G.S. 115C-105.52.

(7c) School safety exercises. – At least once a year, a regional school is encouraged to hold a full school-wide lockdown exercise with local law enforcement and emergency management agencies that are part of the regional school's SRMP.

(7d) Safety information provided to the Department of Public Safety, Division of Emergency Management. – A regional school is encouraged to provide the following: (i) schematic diagrams, including digital schematic diagrams, and (ii) emergency response information requested by the Division for the SRMP. The schematic diagrams and emergency response information are not considered public records as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6.

(8) Driving eligibility certificates. – The board of directors shall apply the rules and policies established by the State Board of Education for issuance of driving eligibility certificates.

(9) Purchasing and contracts. – The board of directors shall comply with the purchasing and contract statutes and regulations applicable to local school administrative units.

(10) Exemption from the Administrative Procedures Act. – The board of directors shall be exempt from Chapter 150B of the General Statutes, except final decisions of the board of directors in a contested case shall be subject to

judicial review in accordance with Article 4 of Chapter 150B of the General Statutes.

(11) North Carolina School Report Cards. – A regional school shall ensure that the report card issued for it by the State Board of Education receives wide distribution to the local press or is otherwise provided to the public. A regional school shall ensure that the overall school performance score and grade earned by the regional school for the current and previous four school years is prominently displayed on the school Web site. If a regional school is awarded a grade of D or F, the regional school shall provide notice of the grade in writing to the parent or guardian of all students enrolled in that school.

(12) Policy against bullying. – A regional school is encouraged to adopt a policy against bullying or harassing behavior, including cyber-bullying, that is consistent with the provisions of Article 29C of this Chapter. If a regional school adopts a policy to prohibit bullying and harassing behavior, the regional school shall, at the beginning of each school year, provide the policy to staff, students, and parents as defined in G.S. 115C-390.1(b)(8)."

SECTION 8.26.(j) G.S. 166A-19.12 is amended by adding a new subdivision to read:

"(22) Serving as the lead State agency for the implementation and maintenance of the statewide School Risk and Response Management System (SRRMS) under G.S. 115C-105.49A."

SECTION 8.26.(k) By March 1, 2017, each local board of education shall adopt a School Risk Management Plan as required under G.S. 115C-47(40), as amended by subsection (a) of this section.

SECTION 8.26.(l) Each charter school is encouraged to adopt a School Risk Management Plan as provided for under G.S. 115C-218.75, as amended by subsection (h) of this section, by March 1, 2017.

SECTION 8.26.(m) Each regional school is encouraged to adopt a School Risk Management Plan as provided for under G.S. 115C-238.66, as amended by subsection (i) of this section, by March 1, 2017.

SECTION 8.26.(n) By July 1, 2016, the Department of Public Safety shall implement an anonymous safety tip line application and a statewide panic alarm system as required under G.S. 115C-105.51, as amended by subsection (d) of this section.

SECTION 8.26.(o) By February 1, 2016, the Department of Public Safety, Division of Emergency Management, and the Center for Safer Schools shall provide a report to the Joint Legislative Commission on Governmental Operations on (i) the status of the School Risk and Response Management System (SRRMS) implementation under G.S. 115C-105.49A, as enacted by this section, and (ii) the anticipated annual cost to operate and maintain the system.

SECTION 8.26.(p) Except as otherwise provided for in this section, this section applies beginning with the 2015-2016 school year.

INVESTING IN INNOVATION GRANT

SECTION 8.27.(a) Section 8.25 of S.L. 2013-360, as amended by Section 8.27 of S.L. 2014-100, is repealed.

SECTION 8.27.(b) The federal Investing in Innovation Fund Grant: Validating Early College Strategies for Traditional Comprehensive High Schools awarded to the North Carolina New Schools Project for 2012-2020 requires students to enroll in a community college course in the tenth grade. Notwithstanding any other provision of law, specified local school administrative units may offer one community college course to participating sophomore (tenth grade) students. Participating local school administrative units are Alleghany, Beaufort, Bladen,

Duplin, Hertford, Harnett, Jones, Madison, Martin, Richmond, Rutherford, Scotland, Surry, Warren, and Yancey County Schools.

SECTION 8.27.(c) Grant funds shall be used to pay for all costs incurred by the local school administrative units and the community college partners to implement the grant, including community college FTE. Community colleges shall not earn budget FTE for student course enrollments supported with this grant.

SECTION 8.27.(d) Research conducted as part of the federal grant program under subsection (a) of this section shall address the effects of early college strategies in preparing students for college completion. The North Carolina New Schools Project shall report on the implementation of the grant to the State Board of Education, State Board of Community Colleges, Office of the Governor, and the Joint Legislative Education Oversight Committee no later than March 15, 2016, and annually thereafter until the end of the grant period.

STUDY ON CHARTER SCHOOL CLOSURE FUNDS

SECTION 8.28.(a) The State Board of Education shall study and develop a proposed policy regarding circumstances in which a charter school, approved by the State Board pursuant to G.S. 115C-218.5, shall not be subject to the minimum value requirement of fifty thousand dollars ($50,000) as required by G.S. 115C-218.100 for the purposes of ensuring payment of expenses related to closure proceedings. The State Board shall consider providing certain charter schools with a total or partial waiver of the requirement. In doing so, the State Board shall examine criteria for potentially eligible charter schools, such as the years of operation of the charter school, proven compliance with finance, governance, academic requirements of its charter, State law, and State Board policy requirements, as well as appropriate documentation to show the charter school's financial health and sustainability.

SECTION 8.28.(b) By February 15, 2016, the State Board of Education shall report to the Joint Legislative Education Oversight Committee on the results of the study and a proposed policy as required by subsection (a) of this section, including any legislative recommendations.

AFTER-SCHOOL QUALITY IMPROVEMENT COMPETITIVE GRANTS

SECTION 8.29.(a) Of the funds appropriated by this act for the At-Risk Student Services Alternative School Allotment for the 2015-2017 fiscal biennium, the State Board of Education shall use up to six million dollars ($6,000,000) for the 2015-2016 fiscal year and up to six million dollars ($6,000,000) for the 2016-2017 fiscal year for the After-School Quality Improvement Grant Program administered by the Department of Public Instruction. The Department may use these funds to provide a second-year grant to grant recipients approved under the After-School Quality Improvement Grant Program pursuant to Section 8.19 of S.L. 2014-100. Of the funds appropriated for the program, the Department of Public Instruction may use up to two hundred thousand dollars ($200,000) for each fiscal year to administer the program.

SECTION 8.29.(b) The purpose of the After-School Quality Improvement Grant Program is to fund after-school learning programs for at-risk students that raise standards for student academic outcomes by focusing on the following:

(1) Use of an evidence-based model with a proven track record of success.
(2) Inclusion of rigorous, quantitative performance measures to confirm their effectiveness during the grant cycle and at the end of the grant period.
(3) Alignment with State performance measures, student academic goals, and the North Carolina Standard Course of Study.
(4) Prioritization in programs to integrate clear academic content, in particular, science, technology, engineering, and mathematics (STEM) learning opportunities or reading development and proficiency instruction.
(5) Emphasis on minimizing student class size when providing instruction.
(6) Expansion of student access to learning activities and academic support that strengthen student engagement and leverage community-based resources,

which may include organizations that provide mentoring services and private-sector employer involvement.

(7) Emphasis on utilization of digital content to expand learning time, when practicable.

SECTION 8.29.(c) Grants may be provided for new or existing after-school learning programs for at-risk students operated by local school administrative units, charter schools, nonprofits, and nonprofits working in collaboration with local school administrative units. Participants are eligible to receive grants for up to two years in an amount of up to five hundred thousand dollars ($500,000) each year. Programs should focus on serving at-risk students not performing at grade level as demonstrated by statewide assessments.

A grant participant shall provide certification to the Department of Public Instruction that the grants received under the program shall be matched on the basis of three dollars ($3.00) in grant funds for every one dollar ($1.00) in nongrant funds. Matching funds shall not include other State funds. Matching funds may include in-kind contributions.

SECTION 8.29.(d) A nonprofit may act as its own fiscal agent for the purposes of this program. Grant recipients shall report to the Department of Public Instruction after the first year of funding on the progress of the grant, including alignment with State academic standards, data collection for reporting student progress, the source and amount of matching funds, and other measures, before receiving funding for the next fiscal year. Grant recipients shall report after the second year of funding on key performance data, including statewide test results, attendance rates, and promotion rates, and financial sustainability of the after-school program.

SECTION 8.29.(e) The Department of Public Instruction shall provide interim reports on the grant program to the Joint Legislative Education Oversight Committee by September 15, 2016, with a final report on the program by September 15, 2017. The final report shall include the final results of the program and recommendations regarding effective after-school program models, standards, and performance measures based on student performance, leveraging of community-based resources to expand student access to learning activities and academic support, and the experience of the grant recipients.

SECTION 8.29.(f) Section 8.19 of S.L. 2014-100 is repealed.

DPI STUDY/IMPROVE OUTCOMES FOR STUDENTS WITH DISABILITIES

SECTION 8.30.(a) The Department of Public Instruction shall study and develop potential policy changes for improving the outcomes for elementary and secondary students with disabilities, including raising the graduation rates, providing more outcome-based goals, creating greater access to career-ready diplomas, increasing integration of accessible digital learning options, and providing earlier and improved transition services planning. The Department shall do at least the following toward achieving the goals set forth in this section:

(1) Examine current Individualized Education Program (IEP) requirements and develop reforms with greater focus on outcome-based goals for students with disabilities.

(2) Solicit input and bring together stakeholders and other interested parties to develop policies on transition services plans for students with disabilities from elementary to middle school, middle to high school, and high school to postsecondary education, and for employment opportunities and adult living options.

(3) Solicit input and bring together stakeholders to create accessible ways for students with IEPs to access the Future Ready Core Course of Study in more significant numbers as a viable alternative to the Occupational Course of Study.

(4) Examine model programs that may be employed by local school administrative units aimed at increasing the graduation rate and school performance of students with disabilities.

SECTION 8.30.(b) By November 15, 2015, and annually thereafter, the Department of Public Instruction shall report to the Joint Legislative Education Oversight Committee on the progress of developing and implementing policy changes on (i) IEP reforms, (ii) transition planning policies, (iii) increased access to Future Ready Core Course of Study for students with disabilities, and (iv) model programs for use by local school administrative units to improve graduation rates and school performance of students with disabilities.

TEXTBOOKS AND DIGITAL RESOURCES ALLOTMENT/USE OF FUNDS

SECTION 8.33. G.S. 115C-105.25(c) reads as rewritten:

"(c) To ensure that parents, educators, and the general public are informed on how State funds have been used to address local educational priorities, each local school administrative unit shall publish the following information on its Web site by October 15 of each year:

(1) A description of each program report code, written in plain English, and a summary of the prior fiscal year's expenditure of State funds within each program report code.

(2) A description of each object code within a program report code, written in plain English, and a summary of the prior fiscal year's expenditure of State funds for each object code.

(3) A description of each allotment transfer that increased or decreased the initial allotment amount by more than five percent (5%) and the educational priorities that necessitated the transfer.

(4) A description of any transfer of funds from the textbooks and digital resources allotment into another allotment category with an explanation of why the transfer from the textbooks and digital resources allotment was made to a different allotment category.

(5) A chart that clearly reflects how the local school administrative unit spent State funds."

STUDY ON JUVENILE LITERACY PROGRAM

SECTION 8.34.(a) The Joint Legislative Education Oversight Committee shall study the results of the Juvenile Literacy Center program established in Wake County. In conducting the study, the Committee shall do at least the following:

(1) Examine the impact of the program on (i) improving basic literacy skills, (ii) reintegrating juveniles into schools, (iii) preventing criminal behavior and recidivism, (iv) developing overall academic skills, and (v) addressing problem behaviors in school.

(2) Evaluate the existing program for potential expansion into other counties, including projected costs, feasibility of implementation, and recommendations for locations for additional programs.

SECTION 8.34.(b) The Committee shall report the results of its study and any recommendations on the expansion of the program, including proposed legislation, to the 2015 General Assembly upon the convening of the 2016 Regular Session.

BUDGET REDUCTIONS/DEPARTMENT OF PUBLIC INSTRUCTION

SECTION 8.37.(a) Notwithstanding G.S. 143C-6-4, the State Board of Education may, after consultation with the Office of State Budget and Management and the Fiscal Research Division, reorganize the Department of Public Instruction, if necessary, to implement the budget reductions for the 2015-2017 fiscal biennium. Consultation shall occur prior to requesting budgetary and personnel changes through the budget revision process. The State Board shall provide a current organization chart for the Department of Public Instruction in the consultation process and shall report to the Joint Legislative Commission on Governmental Operations on any reorganization.

SECTION 8.37.(b) In implementing budget reductions for the 2015-2017 fiscal biennium, the State Board of Education shall make no reduction to funding or positions for (i)

the North Carolina Center for Advancement of Teaching and (ii) the Eastern North Carolina School for the Deaf, the North Carolina School for the Deaf, and the Governor Morehead School, except that the State Board may, in its discretion, reduce positions at these institutions that have been vacant for more than 16 months. The State Board shall also make no reduction in funding to any of the following entities:

(1) Communities in Schools of North Carolina, Inc.
(2) Teach For America, Inc.
(3) Beginnings for Parents of Children who are Deaf or Hard of Hearing, Inc.

LOCAL BOARDS OF EDUCATION/PERFORMANCE-BASED RIFS

SECTION 8.38.(a) G.S. 115C-325.4 is amended by adding a new subsection to read:

"(c) Local boards of education shall adopt a policy for implementing a reduction in force pursuant to subdivision (a)(15) of this section that includes the following criteria:

(1) In determining which positions shall be subject to a reduction, a local board of education shall consider the following:
  a. Structural considerations, such as identifying positions, departments, courses, programs, operations, and other areas where there are (i) less essential, duplicative, or excess personnel; (ii) job responsibility and position inefficiencies; (iii) opportunities for combined work functions; and (iv) decreased student or other demands for curriculum, programs, operations, or other services.
  b. Organizational considerations, such as anticipated organizational needs of the local school administrative unit and program or school enrollment.

(2) In identifying which teachers in similar positions shall be subject to a dismissal, demotion, or reduction to employment on a part-time basis under the policy, a local school administrative unit shall consider work performance and teacher evaluations."

SECTION 8.38.(b) G.S. 115C-325(e)(2) reads as rewritten:

"(2) Reduction in Force. –
  a. A local board of education shall adopt a policy for implementing a reduction in force pursuant to sub-subdivision (e)(1)l. of this section that includes the following criteria:
    1. In determining which positions shall be subject to a reduction, a local board of education shall consider the following:
      I. Structural considerations, such as identifying positions, departments, courses, programs, operations, and other areas where there are (i) less essential, duplicative, or excess personnel; (ii) job responsibility and position inefficiencies; (iii) opportunities for combined work functions; and (iv) decreased student or other demands for curriculum, programs, operations, or other services.
      II. Organizational considerations, such as anticipated organizational needs of the local school administrative unit and program or school enrollment.
    2. In identifying which teachers in similar positions shall be subject to a dismissal, demotion, or reduction to employment on a part-time basis under the policy, a local school administrative unit shall consider work performance and teacher evaluations.

b. Before recommending to a board the dismissal or demotion of the career employee pursuant to G.S. 115C-325(e)(1)l., the superintendent shall give written notice to the career employee by certified mail or personal delivery of his intention to make such recommendation and shall set forth as part of his or her recommendation the grounds upon which he or she believes such dismissal or demotion is justified. The notice shall include a statement to the effect that if the career employee within 15 days after receipt of the notice requests a review, he or she shall be entitled to have the proposed recommendations of the superintendent reviewed by the board. Within the 15-day period after receipt of the notice, the career employee may file with the superintendent a written request for a hearing before the board within 10 days. If the career employee requests a hearing before the board, the hearing procedures provided in G.S. 115C-325(j3) shall be followed. If no request is made within the 15-day period, the superintendent may file his or her recommendation with the board. If, after considering the recommendation of the superintendent and the evidence adduced at the hearing if there is one, the board concludes that the grounds for the recommendation are true and substantiated by a preponderance of the evidence, the board, if it sees fit, may by resolution order such dismissal. Provisions of this section which permit a hearing by a hearing officer shall not apply to a dismissal or demotion recommended pursuant to G.S. 115C-325(e)(1)l.

When a career employee is dismissed pursuant to G.S. 115C-325(e)(1)l., above, his or her name shall be placed on a list of available career employees to be maintained by the board."

SECTION 8.38.(c) Effective June 30, 2018, G.S. 115C-325(e)(2), as amended by this section, is repealed.

DRIVER EDUCATION TRAINING

SECTION 8.39.(a) G.S. 115C-215(a) reads as rewritten:

"(a) In accordance with criteria and standards approved by the State Board of Education, the State Superintendent of Public Instruction shall organize and administer a standardized program of driver education to be offered at the public high schools of this State for all physically and mentally qualified persons who (i) are older than 14 years and six months, (ii) are approved by the principal of the school, pursuant to rules adopted by the State Board of Education, (iii) are enrolled in a public or private high school within the State or are receiving instruction through a home school as provided by Part 3 of Article 39 of Chapter 115C of the General Statutes, and (iv) have not previously enrolled in the program. The driver education program shall be for the purpose of making available public education to all students on driver safety and training. The State Board of Education shall use for this purpose all funds appropriated to it for this purpose and may use all other funds that become available for its use for this purpose."

SECTION 8.39.(b) G.S. 115C-216(g) reads as rewritten:

"(g) Fee for Instruction. – The local boards of education shall fund driver education courses from funds available to them and may charge each student participating in a driver education course a fee of up to sixty-five dollars ($65.00) to offset the costs of providing the training and instruction. If a local board of education charges a fee for participation in a driver education course, the local board shall provide a process for reduction or waiver of that fee for students unable to pay the fee due to economic hardship."

SECTION 8.39.(c) G.S. 115C-105.25(b) is amended by adding a new subdivision to read:

"(11) No funds shall be transferred into the driver education allotment category."

SECTION 8.39.(d) Local boards of education shall report to the State Board of Education no later than December 15, 2015, on the following related to driver education programs offered by and through the local school administrative unit for the 2012-2013, 2013-2014, 2014-2015, and 2015-2016 school years, by year:

(1) How driver education is provided. The local board of education shall provide detailed information regarding whether the driver education program is offered by the local school administrative unit or whether it contracts with an outside provider. If the local school administrative unit contracts with an outside provider to provide any portion of the driver education program, such as instruction, materials, or the fleet used for driver training, the unit shall provide a detailed summary of information as to the terms of the contract, what the unit is responsible for providing, and what the outside provider has contracted to provide, and a copy of all contracts related to driver education.

(2) Total cost for the driver education program and per student cost for the program. The local board shall include a detailed explanation of expenditures of all funds associated with the driver education program, written in plain English.

(3) How the fleet used for driver training is provided and maintained. If the local school administrative unit maintains its own fleet, information regarding the number of vehicles in the fleet, procurement, maintenance, and fuel cost of those vehicles, replacement cycle for the vehicles, and source of funds for the fleet.

(4) Numbers of students eligible to participate in the driver education program, number of students participating in the program, and numbers of students successfully completing the program.

(5) Materials used for instruction of the standardized driver education curriculum.

(6) Methodology for transfer to agencies of student information related to driver education.

(7) Role of parents and legal guardians in driver education instruction.

(8) Process for filing and resolving complaints related to the driver education program. If the local school administrative unit has a process, the unit shall provide information on the numbers, types, and resolutions of filed complaints.

(9) Assessments and evaluations used to determine quality and success of the driver education program.

(10) Average and maximum length of time between classroom instruction and behind-the-wheel instruction.

(11) Average and maximum number of classroom hours taught per day on regular school days and on any other day.

(12) Average and maximum number of behind-the-wheel hours taught per day on regular school days and on any other day.

(13) Process, if any, for reviewing driving records for driver education instructors.

(14) Tracking, if any, of student outcomes when seeking a graduated drivers license. If the local school administrative unit tracks this information, the unit shall provide data on student outcomes, including numbers of students who successfully completed or unsuccessfully completed the written and driving portions of the graduated drivers license examination, respectively.

(15) If fees are charged for driver education, fee waivers or reductions, if any, provided to students. If fee waivers or reductions are provided, the local

school administrative unit should provide data on the policy for fee waivers or reductions, how many students are eligible for and use the waiver or reduction, and the amounts waived or reduced.

SECTION 8.39.(e) The State Board of Education shall report to the Joint Legislative Education Oversight Committee (Committee) on the information provided by local boards of education on driver education programs under subsection (d) of this section no later than February 15, 2016.

SECTION 8.39.(f) The Committee shall study the provision of driver education by examining information, findings, and recommendations in the following reports and any additional information that it deems necessary and relevant:

(1) The National Highway Traffic Safety Administration report issued in May 2015, entitled "State of North Carolina: Technical Assessment of the Driver Education Program."

(2) The North Carolina Driver Education Strategic Plan prepared in June 2012 by the Driver Education Advisory Committee of the State Board of Education.

(3) The North Carolina's Driver Education Program Management Review prepared in November 2010 by the Office of State Budget and Management.

(4) The Program Evaluation Division's report issued in March 2014, entitled "Performance Measurement and Monitoring Would Strengthen Accountability of North Carolina's Driver Education Program."

(5) Information provided by local boards of education on driver education programs, as reported by the State Board of Education pursuant to subsection (e) of this section.

SECTION 8.39.(g) The Committee shall make recommendations, which may include proposed legislation, on the study required under subsection (f) of this section to the 2015 General Assembly upon its convening of the 2016 Regular Session on the following issues:

(1) Lowering the cost of delivery for driver education.

(2) Adjusting or removing fees for driver education.

(3) The appropriate level of involvement for parents and legal guardians.

(4) Appropriate level of involvement of the Department of Transportation, Division of Motor Vehicles.

(5) Recommendations on alternate providers, such as community colleges or private entities.

SECTION 8.39.(h) Subsections (a), (b), and (c) of this section are effective July 1, 2016, and apply beginning with the 2016-2017 school year. Subsections (a), (b), and (c) of this section are repealed effective December 31, 2017. The remainder of this section is effective when this act becomes law.

DPI REPORT ON THE EDUCATOR LICENSURE PROCESSING SYSTEM

SECTION 8.40. By October 15, 2016, the Department of Public Instruction shall report to the Joint Legislative Education Oversight Committee regarding the operation of the educator licensure processing system, including implementation of the electronic processing of applications. The report shall include at least the following information:

(1) The estimated processing time from receipt of application to issuance of a license in each category of licensure, including initial licensure, lateral entry licensure, renewal of a license through the automated electronic system, renewal of a license manually, out-of-state licensure reciprocity, and advanced degrees. The report shall include comparative data related to the processing of licenses in each licensure category prior to August 1, 2015.

(2) The schedule of licensure fees and services, including any changes in the prior year made to the fee amounts or services for which fees are charged.

(3) Any backlog of the processing of applications existing at the time of the report, including the categories of licensure experiencing such backlog.

(4) Data for the following from the prior year:

a. Number of applications received and transactions completed.

b. Number of newly licensed educators.

c. Number of licensure renewals.

d. Demographic information regarding currently licensed educators.

e. Number of licenses issued by area of licensure and type of license.

f. Number of initial licenses for the following:

1. Graduates of educator preparation programs.

2. Lateral entry.

3. International educators.

4. Out-of-state educators seeking reciprocity.

MODIFY EDUCATOR PREPARATION PROGRAM APPROVAL PROCESS

SECTION 8.41.(a) Article 20 of Chapter 115C of the General Statutes is amended by adding new sections to read:

"**§ 115C-296.8. Educator preparation program approval process.**

(a) The State Board of Education, as lead agency, in coordination and cooperation with the Board of Governors of The University of North Carolina, the State Board of Community Colleges, the North Carolina Independent Colleges and Universities, Inc., and such other public and private agencies as are necessary, shall establish standards for approval of educator preparation programs. Graduates of educator preparation programs operating in this State that have either (i) not been approved by the State Board or (ii) are not nationally accredited shall be ineligible for an initial license as a new, in-State approved program graduate.

(b) The standards for approval of educator preparation programs shall require that educator preparation program providers be either State-approved or nationally accredited. North Carolina program approval site visitors shall coordinate with educator preparation programs seeking national accreditation. State educator preparation program approval shall include the following components:

(1) Adoption of rules for granting State approval to educator preparation programs and units. These rules shall mirror national accreditation in efforts to maintain the same level of quality preparation across programs. The rules shall include all content, pedagogy, and clinical requirements required by State law.

(2) A State peer review process that includes highly qualified and trained members to adequately review programs within the State.

(3) Technical assistance to educator preparation programs in efforts to do the following:

a. Improve education quality and educator preparation program performance.

b. Inform programs about the program approval process as part of educator preparation program performance based on outcome data.

c. Assist with State and federal reporting process.

d. Help build and maintain partnerships between elementary and secondary schools and educator preparation programs.

(c) The State Board of Education may place an approved educator preparation program provider on probationary status and require a plan for improvement on any of the unmet standards for the program, or revoke educator preparation program approval, for any of the following reasons:

(1) Failing to report required information to the State Board of Education as part of the reporting requirement.

(2) Offering misleading or false information about approved programs.

(3) Accepting students into any part of an educator preparation program that is not approved by the State Board of Education.

(4) Failing to comply with the educator preparation program review process.

(5) Failing to meet standards for approval set forth by the State Board of Education.

"**§ 115C-296.9. Minimum admissions requirements for educator preparation programs.**

(a) Testing. – An undergraduate student seeking a degree in education shall attain passing scores on a preprofessional skills test prior to admission to an approved program in the State. The State Board of Education shall permit students to fulfill this requirement by achieving the prescribed minimum scores set by the State Board of Education for the Praxis Core tests or by achieving the appropriate required scores, as determined by the State Board of Education, on the verbal and mathematics portions of the SAT or ACT. The minimum combined verbal and mathematics score set by the State Board for the SAT shall be 1,100 or greater. The minimum composite score set by the State Board for the ACT shall be 24 or greater.

(b) Grade Point Average. – An approved educator preparation program in the State shall not admit an undergraduate student into an educator preparation program unless that student has earned a minimum cumulative grade point average of at least a 2.7. An approved educator preparation program shall ensure that the minimum cohort grade point average for each entering cohort to an educator preparation program is at least a 3.0.

"**§ 115C-296.10. Content and pedagogy requirements.**

(a) Content and Pedagogy Requirements for Educator Preparation Programs. – To ensure that educator preparation programs remain current and reflect a rigorous course of study that is aligned to State and national standards, the State Board of Education, in consultation with the Board of Governors of The University of North Carolina and the North Carolina Independent Colleges and Universities, Inc., shall require that the rules for approval of educator preparation programs include the following requirements with demonstrated competencies:

(1) All educator preparation programs shall include the following:

a. The identification and education of children with disabilities.

b. Positive management of student behavior and effective communication techniques for defusing and deescalating disruptive or dangerous behavior.

c. Demonstration of competencies in using digital and other instructional technologies to provide high-quality, integrated digital teaching and learning to all students.

(2) Elementary education teacher education preparation programs shall include the following:

a. Adequate coursework in the teaching of reading, writing, and mathematics.

b. Assessment prior to licensure to determine if a student possesses the requisite knowledge in scientifically based reading, writing, and mathematics instruction that is aligned with the State Board's expectations.

c. Instruction in application of formative and summative assessments within the school and classroom setting through technology-based assessment systems available in North Carolina schools that measure and predict expected student improvement.

d. Instruction in integration of arts education across the curriculum.

(3) Elementary and special education general curriculum teacher education preparation programs shall ensure that students receive instruction in early literacy intervention strategies and practices that are aligned with State and national reading standards and shall include the following:

a. Instruction in the teaching of reading, including a substantive understanding of reading as a process involving oral language, phonological and phonemic awareness, phonics, fluency, vocabulary, and comprehension. Instruction shall include appropriate application of instructional supports and services and reading interventions to ensure reading proficiency for all students.

b. Instruction in evidence-based assessment and diagnosis of specific areas of difficulty with reading development and of reading deficiencies.

c. Instruction in appropriate application of instructional supports and services and reading interventions to ensure reading proficiency for all students.

(4) Middle and high school science teacher education preparation programs shall include adequate preparation in issues related to science laboratory safety.

(b) School Administrator Preparation Programs. – Rules for approval of school administrator preparation programs shall incorporate the criteria developed in accordance with G.S. 116-74.21 for assessing proposals under the School Administrator Training Program.

"**§ 115C-296.11. Clinical partnerships and practice in educator preparation programs.**

(a) As used in this section, the following definitions shall apply:

(1) Clinical educator. – An individual employed by an elementary or secondary school, including a classroom teacher, who assesses, supports, and develops a student's knowledge, skills, and professional disposition during the clinical experience.

(2) Internship. – Part of a formal program to provide practical experience and training for beginners in the education profession.

(3) Residency. – A specified period of time in which a person is employed by a local school administrative unit to gain practical experience and training in educator preparation.

(b) The State Board of Education, in consultation with the Board of Governors of The University of North Carolina and the North Carolina Independent Colleges and Universities, Inc., shall adopt and establish rules for educator preparation that require at least the following:

(1) Educator preparation programs shall establish and maintain collaborative, formalized partnerships with elementary and secondary schools that are focused on student achievement, continuous school improvement, and the professional development of elementary and secondary educators, as well as those preparing educators.

(2) Educator preparation programs shall work collaboratively with elementary and secondary schools and enter into a memorandum of understanding with local school administrative units where students are placed. In the memorandum, the educator preparation program and the local school administrative unit shall:

a. Define the collaborative relationship between the educator preparation program and the local school administrative unit and how this partnership will be focused on continuous school improvement and student achievement.

b. Adopt a plan for collaborative teacher selection, orientation, and student placement.

c. Determine how information will be shared and verified between the educator preparation program and local school administrative unit.

(3) Educator preparation programs shall ensure clinical educators who supervise students in residencies or internships meet the following requirements:

a. Be professionally licensed in the field of licensure sought by the student.
b. Have a minimum of three years of experience in a teaching role.
c. Have been rated, through formal evaluations, at least at the "accomplished" level as part of the North Carolina Teacher Evaluation System and have met expectations as part of student growth in the field of licensure sought by the student.

(4) Educator preparation programs shall require, in all programs leading to initial licensure, field experiences that include organized and sequenced engagement of students in settings that provide them with opportunities to observe, practice, and demonstrate knowledge and skills. The experiences shall be systematically designed and sequenced to increase the complexity and levels of engagement with which students apply, reflect upon, and expand their knowledge and skills.

(5) Educator preparation programs shall require clinical practice in the form of residencies or internships in those fields for which they are approved by the State Board of Education. Residencies or internships shall be a minimum of 16 weeks. Residencies and internships may be over the course of two semesters and shall, to the extent practicable, provide student experiences at both the beginning and ending of the school year.

(6) Educator preparation programs with a clinical practice component shall require, in addition to a content assessment, a nationally normed and valid pedagogy assessment to determine clinical practice performance. Passing scores and mastery criteria will be determined by the State Board of Education.

"**§ 115C-296.12. Lateral entry teacher education preparation programs.**

(a) It is the policy of the State of North Carolina to encourage lateral entry into the profession of teaching by skilled individuals from the private sector. Skilled individuals who choose to enter the profession of teaching laterally may be granted an initial teaching license for no more than three years and shall be required to obtain licensure required for those who have taught more than three years before contracting for a fourth year of service with any local school administrative unit in this State. The criteria and procedures for lateral entry shall include preservice training in all of the following areas:

(1) The identification and education of children with disabilities.
(2) Positive management of student behavior.
(3) Effective communication for defusing and deescalating disruptive or dangerous behavior.
(4) Safe and appropriate use of seclusion and restraint.

(b) The State Board of Education, in consultation with the State Board of Community Colleges and North Carolina Independent Colleges and Universities, Inc., may provide a competency-based program of study for lateral entry teachers to complete the coursework necessary to earn a teaching license. To this end, the State Board of Education, in consultation with the State Board of Community Colleges and North Carolina Independent Colleges and Universities, Inc., shall establish a competency-based program of study for lateral entry teachers to be implemented within the Community College System and at approved educator preparation programs at private, nonprofit two-year colleges. These programs shall meet standards set by the State Board of Education. To ensure that programs of study for lateral entry remain current and reflect a rigorous course of study that is aligned to State and national standards, the State Board of Education shall do all of the following to ensure that lateral entry personnel are prepared to teach:

(1) Provide adequate coursework in the teaching of reading and mathematics for lateral entry teachers seeking certification in elementary education.

(2) Assess lateral entry teachers prior to licensure to determine that they possess the requisite knowledge in scientifically based reading and mathematics instruction that is aligned with the State Board's expectations.

(3) Prepare all lateral entry teachers to apply formative and summative assessments within the school and classroom setting through technology-based assessment systems available in North Carolina schools that measure and predict expected student improvement.

(4) Require that lateral entry teachers demonstrate competencies in using digital and other instructional technologies to provide high-quality, integrated digital teaching and learning to all students.

(c) The State Board of Community Colleges and the State Board of Education shall jointly identify the community college courses and the educator preparation program courses that are necessary and appropriate for inclusion in the community college program of study for lateral entry teachers. To the extent possible, any courses that must be completed through an approved educator preparation program shall be taught on a community college campus or shall be available through distance learning. The State Board of Education shall identify the appropriate courses for a private, nonprofit two-year college to include in the program of study for lateral entry teachers.

(d) In order to participate in the community college or private, nonprofit two-year college program of study for lateral entry teachers, an individual must hold at least a bachelor's degree from a regionally accredited institution of higher education.

(e) An individual who successfully completes the lateral entry program of study and meets all other requirements of licensure set by the State Board of Education shall be recommended for a North Carolina teaching license.

(f) It is further the policy of the State of North Carolina to ensure that local boards of education can provide the strongest possible leadership for schools based upon the identified and changing needs of individual schools. The State Board of Education shall carefully consider a lateral entry program for school administrators to ensure that local boards of education will have sufficient flexibility to attract able candidates.

"**§ 115C-296.13. Educator preparation program reporting.**

(a) Annual Performance Reports. – The State Board of Education shall require all approved educator preparation programs, including master's degree programs in teacher preparation and master's degree programs in school administration, to submit annual performance reports. The performance reports shall provide the State Board of Education with a focused review of the programs and the current process of accrediting these programs in order to ensure that the programs produce graduates that are well prepared to teach.

(b) Required Elements. – The performance report for each educator preparation program in North Carolina shall follow a common format and include at least the following elements:

(1) Quality of students entering the educator preparation program, including the average grade point average and average score on preprofessional skills tests that assess reading, writing, mathematics, and other competencies.

(2) Graduation rates.

(3) Time-to-graduation rates.

(4) Average scores of graduates on professional and content area examination for the purpose of licensure.

(5) Percentage of graduates receiving initial licenses.

(6) Percentage of graduates hired as teachers.

(7) Percentage of graduates remaining in teaching for four years.

(8) Graduate satisfaction based on a common survey.

(9) Employer satisfaction based on a common survey.

(10) Effectiveness of teacher preparation program graduates.

(c) Submission of Annual Performance Reports. – Performance reports shall be provided annually to the Board of Governors of The University of North Carolina, the State Board of Education, and the boards of trustees of nonpublic postsecondary colleges. The State Board of Education shall review the educator preparation program performance reports each year the performance reports are submitted.

(d) Educator Preparation Program Report Card. – The State Board shall create a higher education educator preparation program report card reflecting the information collected in the annual performance reports for each North Carolina institution offering educator preparation programs. The report cards shall, at a minimum, summarize information reported on all of the performance indicators for the performance reports required by subsection (b) of this section.

(e) Annual State Board of Education Report. – The educator preparation program report cards shall be submitted to the Joint Legislative Education Oversight Committee on an annual basis by November 15.

(f) State Board of Education Action Based on Performance. – Based upon the performance reports and other criteria established by the State Board, the State Board may reward an educator preparation program, impose probationary status and plans of improvement on an educator preparation program, or revoke approval of an educator preparation program."

SECTION 8.41.(b) G.S. 115C-296(b) reads as rewritten:

"(b) ~~It is the policy of the State of North Carolina to maintain the highest quality teacher education programs and school administrator programs in order to enhance the competence of professional personnel licensed in North Carolina. To the end that teacher preparation programs are upgraded to reflect a more rigorous course of study, the~~ The State Board of Education, as lead agency in coordination and cooperation with the University Board of Governors, the State Board of Community Colleges and such other public and private agencies as are necessary, shall continue to refine the several licensure requirements, ~~standards for approval of institutions of teacher education, standards for institution based innovative and experimental programs, standards for implementing consortium based teacher education, and standards for improved efficiencies in the administration of the approved programs [, as follows]:~~as follows:

…."

SECTION 8.41.(c) G.S. 115C-296(b)(2) is repealed.

SECTION 8.41.(d) G.S. 115C-296(b1) is repealed.

SECTION 8.41.(e) G.S. 115C-296(b2) is repealed.

SECTION 8.41.(f) G.S. 115C-296(c) is repealed.

SECTION 8.41.(g) G.S. 115C-296(c1) is repealed.

SECTION 8.41.(h) G.S. 115C-296(c2) is repealed.

SECTION 8.41.(i) G.S. 115C-296.7(g) reads as rewritten:

"(g) NC Teaching Corps members shall be granted lateral entry teaching licenses pursuant to ~~G.S. 115C-296(c).~~G.S. 115C-296.12(a)."

SECTION 8.41.(j) G.S. 115C-309 reads as rewritten:

"§ **115C-309. Student teachers.**

(a) Student Teacher and Student Teaching Defined. – A "student teacher" is any student enrolled in an educator preparation program at an institution of higher education approved by the State Board of Education ~~for the preparation of teachers~~ who is jointly assigned by that institution and a local board of education to student teach under the direction and supervision of a ~~regularly employed certified teacher.~~clinical educator, as provided in G.S. 115C-296.11.

"Student teaching" may include those duties granted to a teacher by G.S. 115C-307 and any other part of the school program for which either the ~~supervising teacher~~clinical educator or the principal is responsible.

(b) Legal Protection. – A student teacher under the supervision of a ~~certified~~licensed teacher or principal shall have the protection of the laws accorded the ~~certified~~licensed teacher.

(c) Assignment of Duties. – It shall be the responsibility of a ~~supervising teacher,~~ clinical educator, in cooperation with the principal and the representative of the

~~teacher preparation institution,~~educator preparation program, to assign to the student teacher responsibilities and duties that will provide adequate preparation for teaching."

SECTION 8.41.(k) G.S. 115D-5(p) reads as rewritten:

"(p) The North Carolina Community College System may offer courses, in accordance with the lateral entry program of study established under ~~G.S. 115C-296(c1),~~ G.S. 115C-296.12, to individuals who choose to enter the teaching profession by lateral entry."

SECTION 8.41.(l) Educator preparation programs approved by the State Board of Education on or before the date this act becomes law shall meet the requirements of subsection (a) of this section no later than July 1, 2017. Educator preparation programs seeking approval by the State Board of Education after the date this act becomes law shall meet the requirements of subsection (a) of this section at the time approval is sought from the State Board of Education. The State Board of Education shall not require students enrolled in educator preparation programs that require a nationally normed and valid pedagogy assessment to determine clinical practice performance to provide scores for a pedagogy assessment based on multiple choice or constructed responses.

ACCESS FOR TEACHERS TO EVAAS DATA

SECTION 8.42.(a) Article 22 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-333.2. Teacher evaluation reports.**

Each local school administrative unit shall ensure that individual teachers are provided access to school-level value-added data, the teacher's own value-added data, when applicable, and the teacher's evaluation dashboard through the Education Value-Added Assessment System (EVAAS). The principal of each school shall notify teachers at least annually when EVAAS data has been updated to reflect teacher performance from the previous school year."

SECTION 8.42.(b) This section applies beginning with the 2015-2016 school year.

CERTAIN CIHS OPERATING WITHOUT ADDITIONAL FUNDS

SECTION 8.43. Beginning with the 2015-2016 school year and for subsequent school years thereafter, notwithstanding G.S. 115C-238.51A(c) and G.S. 115C-238.54, the Academy at High Point Central, the Academy at Ben L. Smith High School, STEM Early College at NC A&T State University, Middle College at the University of North Carolina at Greensboro, Vernon Malone College and Career Academy, and the Northeast Regional School of Biotechnology and Agriscience shall be permitted to operate in accordance with G.S. 115C-238.53 and G.S. 115C-238.54 as cooperative innovative high schools approved under G.S. 115C-238.51A(c) and shall be subject to the evaluation requirements of G.S. 115C-238.55.

CHANGE THE MANDATORY TRAINING FOR LOCAL BOARDS OF EDUCATION TO EVERY TWO YEARS

SECTION 8.44. G.S. 115C-50(a) reads as rewritten:

"(a) All members of local boards of education, whether elected or appointed, shall receive a minimum of 12 clock hours of training ~~annually.~~every two years. The 12 clock hours of training may be earned at any time during the two-year period and may include the ethics education required by G.S. 160A-87."

REPEAL EXTRACURRICULAR DUTIES RESTRICTION FOR TEACHERS WITH 27 OR MORE YEARS OF EXPERIENCE

SECTION 8.45. G.S. 115C-47(18a)b. is repealed.

LICENSURE FOR RETIRED SUBSTITUTE TEACHERS WITH AT LEAST 30 YEARS OF TEACHING EXPERIENCE

SECTION 8.46.(a) G.S. 115C-296(b)(1) reads as rewritten:

"(1) Licensure standards.

a. The licensure program shall provide for initial licensure after completion of preservice training, continuing licensure after three years of teaching experience, and license renewal every five years thereafter, until the retirement of the teacher. The last license renewal received prior to retirement shall remain in effect for five years after retirement. The licensure program shall also provide for licensure based on teaching experience as follows:
   1. Continuing licensure of a teacher as defined in G.S. 115C-325(6) who has (i) 30 or more years of teaching experience in North Carolina upon the date of retirement of the teacher and (ii) served as a substitute teacher at least once every three years since retirement.
   2. ~~lifetime~~Lifetime licensure after 50 years of teaching.

b. The State Board of Education, in consultation with the Board of Governors of The University of North Carolina, shall evaluate and develop enhanced requirements for continuing licensure. The new requirements shall reflect more rigorous standards for continuing licensure and shall be aligned with high-quality professional development programs that reflect State priorities for improving student achievement. Standards for continuing licensure shall include the following:
   1. For all teachers, at least eight continuing education credits with at least three credits required in a teacher's academic subject area.
   2. ~~Standards for continuing licensure for~~For elementary and middle school ~~teachers shall include~~teachers, at least three continuing education credits related to literacy. Literacy renewal credits shall include evidence-based assessment, diagnosis, and intervention strategies for students not demonstrating reading proficiency. Oral language, phonemic and phonological awareness, phonics, vocabulary, fluency, and comprehension shall be addressed in literacy-related activities leading to license renewal for elementary school teachers.
   3. For retired teachers serving as substitutes seeking a continuing license who qualify under sub-subdivision a. of this subdivision, at least 640 hours of documented substitute teaching each renewal cycle and eight hours of annual professional development approved by a local school administrative unit.

c. The State Board of Education, in consultation with local boards of education and the Board of Governors of The University of North Carolina, shall (i) reevaluate and enhance the requirements for renewal of teacher licenses, ~~and~~ (ii) consider modifications in the license renewal achievement and to make it a mechanism for teachers to renew continually their knowledge and professional skills, and (iii) integrate digital teaching and learning into the requirements for licensure renewal."

SECTION 8.46.(b) This section becomes effective the date the act becomes law and applies beginning with the 2015-2016 school year. An individual whose teaching license has expired shall be paid as if the individual held a current teaching license in the six months following the effective date of this section if all of the following conditions apply:

(1) The individual meets the qualifications of G.S. 115C-296(b)(1)a.1., as enacted by this section.
(2) The individual has served as a substitute teacher in the six months prior to the effective date of this section.
(3) The individual indicates to the local school administrative unit in which the individual is employed that he or she is seeking to satisfy the professional development requirements for licensure renewal.

TEACHER ASSISTANT ALLOTMENT

SECTION 8.47.(a) G.S. 115C-105.25(b) is amended by adding a new subdivision to read:

"(3a) No funds shall be transferred out of the teacher assistants allotment category."

SECTION 8.47.(b) This act provides local school administrative units the dollar equivalent of teacher assistant positions based on the following ratios:

(1) Two teacher assistants for every three classes in kindergarten.
(2) One teacher assistant for every two classes in grades 1 and 2.
(3) One teacher assistant for every three classes in grade 3.

For the 2015-2016 fiscal year, funds shall be distributed based on an estimated statewide average salary and benefits per position and an average class size of 21 students in membership per classroom.

READING CAMPS OFFERED TO FIRST AND SECOND GRADE STUDENTS

SECTION 8.48.(a) G.S. 115C-83.3(4a) reads as rewritten:

"(4a) "Reading camp" means an additional educational program outside of the instructional calendar provided by the local school administrative unit to (i) any third grade student who does not demonstrate reading ~~proficiency.~~proficiency and (ii) any first or second grade student who demonstrates reading comprehension below grade level as identified through administration of formative and diagnostic assessments in accordance with G.S. 115C-83.6. Parents or guardians of the student not demonstrating reading proficiency or demonstrating reading comprehension below grade level shall make the final decision regarding the student's reading camp attendance. Reading camps shall (i) offer at least 72 hours of reading instruction to yield positive reading outcomes for participants; (ii) be taught by compensated, licensed teachers selected based on demonstrated student outcomes in reading ~~proficiency;~~proficiency or in improvement of difficulties with reading development; and (iii) allow volunteer mentors to read with students at times other than during the 72 hours of reading instruction. The 72 hours of reading instruction shall be provided over no less than three weeks for students in schools using calendars other than year-round calendars."

SECTION 8.48.(b) G.S. 115C-83.6 reads as rewritten:

"§ **115C-83.6. Facilitating early grade reading proficiency.**

(a) Kindergarten, first, second, and third grade students shall be assessed with valid, reliable, formative, and diagnostic reading assessments made available to local school administrative units by the State Board of Education pursuant to G.S. 115C-174.11(a). Difficulty with reading development identified through administration of formative and diagnostic assessments shall be addressed with instructional supports and services. Parents or guardians of first and second grade students demonstrating reading comprehension below grade level as identified through assessments administered pursuant to this subsection shall be encouraged to enroll their student in a reading camp provided by the local school administrative unit. Parents or guardians of a student identified as demonstrating reading comprehension below grade level shall make the final decision regarding a student's reading camp attendance.

(a1) To the greatest extent possible, kindergarten through third grade reading assessments shall yield data that can be used with the Education Value-Added Assessment System (EVAAS), or a compatible and comparable system approved by the State Board of Education, to analyze student data to identify root causes for difficulty with reading development and to determine actions to address them.

(b) Formative and diagnostic assessments and resultant instructional supports and services shall address oral language, phonological and phonemic awareness, phonics, vocabulary, fluency, and comprehension using developmentally appropriate practices.

(c) Local school administrative units are encouraged to partner with community organizations, businesses, and other groups to provide volunteers, mentors, or tutors to assist with the provision of instructional supports and services that enhance reading development and proficiency."

SECTION 8.48.(c) G.S. 115C-83.10 reads as rewritten:

"§ **115C-83.10. Accountability measures.**

(a) Each local board of education shall publish annually on a Web site maintained by that local school administrative unit and report in writing to the State Board of Education by September 1 of each year the following information on the prior school year:

(1) The number and percentage of third grade students demonstrating and not demonstrating reading proficiency on the State-approved standardized test of reading comprehension administered to third grade students.

(2) The number and percentage of third grade students who take and pass the alternative assessment of reading comprehension.

(3) The number and percentage of third grade students retained for not demonstrating reading proficiency.

(4) The number and percentage of third grade students exempt from mandatory third grade retention by category of exemption as listed in G.S. 115C-83.7(b).

(5) The number and percentage of first grade students demonstrating and not demonstrating reading comprehension at grade level.

(6) The number and percentage of second grade students demonstrating and not demonstrating reading comprehension at grade level.

(b) Each local board of education shall report annually in writing to the State Board of Education by September 1 of each year a description of all reading interventions provided to students who have been retained under G.S. 115C-83.7(a). The local board of education shall also include in the report the number of first and second grade students attending a reading camp offered by the local board.

(c) The State Board of Education shall establish a uniform format for local boards of education to report the required information listed in subsections (a) and (b) of this section and shall provide the format to local boards of education no later than 90 days prior to the annual due date. The State Board of Education shall compile annually this information and submit a State-level summary to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Joint Legislative Education Oversight Committee by October 15 of each year, beginning with the ~~2014-2015~~2015-2016 school year.

(d) The State Board of Education and the Department of Public Instruction shall provide technical assistance as needed to aid local school administrative units to implement all provisions of this Part."

SECTION 8.48.(d) G.S. 115C-83.11 reads as rewritten:

"§ **115C-83.11. Continued support for students demonstrating reading ~~proficiency.~~proficiency and appropriate reading development.**

(a) Parents or guardians of a student demonstrating reading proficiency appropriate for a third grade student as provided under G.S. 115C-83.7 or a first or second grade student demonstrating appropriate developmental abilities in reading comprehension may choose to enroll the student in the reading camp as defined in G.S. 115C-83.3(4a) but may be charged an

attendance fee. Local boards of education may establish a fee amount to be equal to the per student program cost of participating in the reading camp, not to exceed eight hundred twenty-five dollars ($825.00).

(b) Priority enrollment in the reading camp is for (i) third grade students not demonstrating reading proficiency as provided under ~~G.S. 115C-83.8.~~G.S. 115C-83.8 and (ii) first and second grade students demonstrating reading comprehension below grade level under G.S. 115C-83.6. Local boards of education shall establish application procedures and enrollment priorities for reading camps for students demonstrating reading proficiency."

SECTION 8.48.(e) Notwithstanding G.S. 115C-83.10, as amended by subsection (c) of this section, the State Board of Education and local boards of educations shall include initial information on first and second grade students in the reports required under G.S. 115C-83.10 by October 15, 2016, and September 1, 2016, respectively.

SECTION 8.48.(f) This section is effective beginning with the 2015-2016 school year.

PART VIII-A. LEGISLATIVE FINDINGS, DIRECTION, AUTHORITY, AND RESOURCES TO ENSURE THAT ALL STUDENTS HAVE THE OPPORTUNITY TO RECEIVE A SOUND BASIC EDUCATION

LEGISLATIVE FINDINGS

SECTION 8A.1.(a) The General Assembly finds that some local boards of education have failed to comply with the requirements of the judiciary's decisions in *Leandro* to provide all public school students the opportunity to receive a sound basic education. Notwithstanding a history of adequate State and local funding and legislatively-granted flexibility in administration, management, and employment at the local level to provide tools to facilitate compliance with *Leandro*, some local boards of education have failed to take actions sufficient to:

(1) Prevent education bureaucracies from interfering with and overriding accountability measures and education reforms required by State law.

(2) Properly administer the public schools.

(3) Provide high-quality principals in every school and high-quality teachers in every classroom.

SECTION 8A.1.(b) It is the intent of the General Assembly in this act to provide the following additional direction, authority, and resources to local boards of education and to the State Board of Education to enable them to correct these deficiencies:

(1) Clarify the role of local boards of education to ensure that their main focus is to provide each public school student with the opportunity to receive a sound basic education, and that all policy decisions should be made with that objective in mind, including employment decisions, budget development, and other administrative actions.

(2) Direct the State Board of Education not to allow waivers of State laws and rules that permit local boards to avoid accountability measures and education reforms required by the State.

(3) Provide additional teacher positions to transition to a lower class size in first grade which, according to research, is optimal for learning at this critical time.

(4) Facilitate the identification of low-performing schools and low-performing local school administrative units.

(5) Provide the State Board of Education with authority to consolidate local school administrative units in contiguous counties as necessary to ensure that all school systems have the size, expertise, and other resources necessary to provide their students with the opportunity to receive a sound basic education.

(6) Provide forty-one million eight hundred forty-six thousand one hundred twenty-three dollars ($41,846,123) in additional funds to increase the base teacher salary paid by the State by six and one-tenth percent (6.1 %).

DUTY OF LOCAL BOARDS OF EDUCATION TO PROVIDE STUDENTS WITH THE OPPORTUNITY TO RECEIVE A SOUND BASIC EDUCATION

SECTION 8A.2. G.S. 115C-47(1) reads as rewritten:

"(1) To Provide ~~an Adequate School System.~~ the Opportunity to Receive a Sound Basic Education. - It shall be the duty of local boards of education to provide ~~adequate school systems~~ students with the opportunity to receive a sound basic education and to make all policy decisions with that objective in mind, including employment decisions, budget development, and other administrative actions, within their respective local school administrative units, as directed by law."

CLASS SIZE IN KINDERGARTEN THROUGH THIRD GRADE

SECTION 8A.3.(a) G.S. 115C-301 reads as rewritten:

"§ **115C-301. Allocation of teachers; class size.**

(a) Request for Funds. – The State Board of Education, based upon the reports of local boards of education and such other information as the State Board may require from local boards, shall determine for each local school administrative unit the number of teachers and other instructional personnel to be included in the State budget request.

(b) Allocation of Positions. – The State Board of Education is authorized to adopt rules to allot instructional personnel and teachers, within funds appropriated.

(c) Maximum Class Size for Kindergarten Through Third Grade. – The average class size for kindergarten through third grade in a local school administrative unit shall at no time exceed the funded allotment ratio of teachers to students in kindergarten through third grade. At the end of the second school month and for the remainder of the school year, the size of an individual class in kindergarten through third grade shall not exceed the allotment ratio by more than three students. In grades four through 12, local school administrative units shall have the maximum flexibility to use allotted teacher positions to maximize student achievement.

(d), (e) Repealed by Session Laws 2013-363, s. 3.3(a), effective July 1, 2013.

(f) Second Month Reports. – At the end of the second month of each school year, each local board of education, through the superintendent, shall file a report for each school within the school unit with the State Board of Education. The report shall be filed in a format prescribed by the State Board of Education and shall include the organization for each school, the duties of each teacher, the size of each class, and such other information as the State Board may require. As of February 1 each year, local boards of education, through the superintendent, shall report all exceptions to individual class size maximums in kindergarten through third grade that occur at that time.

(g) Waivers and Allotment Adjustments. – Local boards of education shall report exceptions to the class size requirements set out for kindergarten through third grade and significant increases in class size at other grade levels to the State Board and shall request allotment adjustments at any grade level, waivers from the requirements for kindergarten through third grade, or both. Within 45 days of receipt of reports, the State Board of Education, within funds available, may allot additional positions at any grade level. The State Board shall not grant waivers for ~~the~~ excess class size in kindergarten through third ~~grade.~~grade, except under the following circumstances: (i) emergencies or acts of God that impact the availability of classroom space or facilities; (ii) an unanticipated increase in student population of an individual school in excess of two percent (2%) of the average daily membership of that school; (iii) organizational problems in geographically isolated local school administrative units in which the average daily membership is less than one and one-half per square mile; (iv) classes organized for a solitary curricular area; or (v) a charter school closure.

(h) State Board Rules. – The State Board of Education shall adopt rules necessary for the implementation of this section.

(i) Repealed by Session Laws 2013-363, s. 3.3(a), effective July 1, 2013.

(j) Penalty for Noncompliance. – If the State Board of Education determines that a local superintendent has willfully failed to comply with the requirements of this section, no State funds shall be allocated to pay the superintendent's salary for the period of time the superintendent is in noncompliance. The local board of education shall continue to be responsible for complying with the terms of the superintendent's employment contract."

SECTION 8A.3.(b) Notwithstanding G.S. 115C-301, as amended by this section, and any other provision of law, for the 2015-2016 and 2016-2017 school years, class size requirements in kindergarten through third grade shall remain unchanged.

IDENTIFICATION OF LOW-PERFORMING SCHOOLS AND UNITS

SECTION 8A.4.(a) G.S. 115C-105.35(c) is repealed.

SECTION 8A.4.(b) G.S. 115C-105.37 reads as rewritten:

"§ **115C-105.37. Identification of low-performing schools.**

(a) Identification of Low-Performing Schools. – The State Board of Education shall ~~design and implement a procedure to~~ identify low-performing schools on an annual basis. ~~Low-performing schools are those in which there is a failure to meet the minimum growth standards, as defined by the State Board, and a majority of students are performing below grade level.~~Low-performing schools are those that receive a school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" as defined by G.S. 115C-83.15.

(a1) ~~By July 10 of each year, each local school administrative unit shall do a preliminary analysis of test results to determine which of its schools the State Board may identify as low-performing under this section.~~Plan for Improvement of Low-Performing Schools. – If a school has been identified as low-performing as provided in this section and the school is not located in a local school administrative unit identified as low-performing under G.S. 115C-105.39A, the following actions shall be taken:

(1) The superintendent ~~then~~ shall proceed under G.S. 115C-105.39.

(2) ~~In addition, within~~ Within 30 days of the initial identification of a school as low-performing by ~~the local school administrative unit or the State Board, whichever occurs first,~~ the State Board, the superintendent shall submit to the local board of education a preliminary plan for ~~addressing the needs of that school,~~ improving both the school performance grade and school growth score, including how the superintendent and other central office administrators will work with the school and monitor the school's progress.

(3) Within 30 days of its receipt of ~~this~~ the preliminary plan, the local board shall vote to approve, modify, or reject this plan. Before the local board ~~makes this vote,~~ votes on the preliminary plan, it shall make the plan available to the public, including the personnel assigned to that school and the parents and guardians of the students who are assigned to the school, and shall allow for written comments.

(4) The local board shall submit ~~the~~ a final plan to the State Board within five days of the local board's ~~vote.~~ approval of the plan. The State Board shall review the plan expeditiously and, if appropriate, may offer recommendations to modify the plan. The local board shall consider any recommendations made by the State ~~Board.~~Board and, if necessary, amend the plan and vote on approval of any changes to the final plan.

(5) The local board of education shall provide access to the final plan on the local school administrative unit's Web site. The State Board of Education shall also provide access to each low-performing school plan on the Department of Public Instruction's Web site.

(b) Parental Notice of Low-Performing School Status. – Each school that the State Board identifies as low-performing shall provide written notification to the parents and guardians of students attending that ~~school.~~school within 30 days of the identification that includes the following information:

(1) ~~The written notification shall include a~~ A statement that the State Board of Education has found that the school has ~~"failed to meet the minimum growth standards, as defined by the State Board, and a majority of students in the school are performing below grade level."~~"received a school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" and has been identified as a low-performing school as defined by G.S. 115C-105.37." The statement shall include an explanation of the school performance grades and growth scores.

(2) ~~This notification also shall include information~~ The school performance grade and growth score received.

(3) Information about the preliminary plan developed under subsection (a1) of this ~~section and a~~ section and the availability of the final plan on the local school administrative unit's Web site.

(4) The meeting date for when the preliminary plan will be considered by the local board of education.

(5) A description of any additional steps the school is taking to improve student performance."

SECTION 8A.4.(c) Article 8B of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-105.39A. Identification of low-performing local school administrative units.**

(a) Identification of Low-Performing Local School Administrative Units. – The State Board of Education shall identify low-performing local school administrative units on an annual basis. A low-performing local school administrative unit is a unit in which the majority of the schools in that unit that received a school performance grade and school growth score as provided in G.S. 115C-83.15 have been identified as low-performing schools, as provided in G.S. 115C-105.37.

(b) Plan for Improvement of Low-Performing Local School Administrative Units. – Once a local school administrative unit has been identified as low-performing under this section, the following actions shall be taken:

(1) The superintendent shall proceed under G.S. 115C-105.39.

(2) Within 30 days of the identification of a local school administrative unit as low-performing by the State Board, the superintendent shall submit to the local board of education a preliminary plan for improving both the school performance grade and school growth score of each low-performing school in the unit, including how the superintendent and other central office administrators will work with each low-performing school and monitor the low-performing school's progress and how current local school administrative unit policy should be changed to improve student achievement throughout the local school administrative unit.

(3) Within 30 days of its receipt of the preliminary plan, the local board shall vote to approve, modify, or reject this plan. Before the local board votes on the plan, it shall make the plan available to the public, including the personnel assigned to each low-performing school and the parents and guardians of the students who are assigned to each low-performing school, and shall allow for written comments.

(4) The local board shall submit a final plan to the State Board within five days of the local board's approval of the plan. The State Board shall review the plan expeditiously and, if appropriate, may offer recommendations to modify the plan. The local board shall consider any recommendations made

by the State Board and, if necessary, amend the plan and vote on approval of any changes to the final plan.

(5) The local board of education shall provide access to the final plan on the local school administrative unit's Web site. The State Board of Education shall also provide access to each low-performing local school administrative unit plan on the Department of Public Instruction's Web site.

(c) Parental Notice of Low-Performing Local School Administrative Unit Status. – Each local school administrative unit that the State Board identifies as low-performing shall provide written notification to the parents and guardians of all students attending any school in the local school administrative unit within 30 days of the identification that includes the following information:

(1) A statement that the State Board of Education has found that a majority of the schools in the local school administrative unit have "received a school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" and have been identified as low-performing schools as defined by G.S. 115C-105.37." The statement shall also include an explanation of the school performance grades and school growth scores.

(2) The percentage of schools identified as low-performing.

(3) Information about the preliminary plan developed under subsection (b) of this section and the availability of the final plan on the local school administrative unit's Web site.

(4) The meeting date for when the preliminary plan will be considered by the local board of education.

(5) A description of any additional steps the local school administrative unit and schools are taking to improve student performance.

(6) For notifications sent to parents and guardians of students attending a school that is identified as low-performing under G.S. 115C-105.37, a statement that the State Board of Education has found that the school has "received a school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" and has been identified as a low-performing school as defined by G.S. 115C-105.37." This notification also shall include the school performance grade and school growth score the school received and an explanation of the school performance grades and school growth scores."

STATE BOARD AUTHORITY TO CONSOLIDATE CONTIGUOUS COUNTY SCHOOL ADMINISTRATIVE UNITS

SECTION 8A.5. Article 7 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-66.5. Merger of county school administrative units by the State Board of Education.**

(a) Consolidation and Merger. – The State Board of Education shall have the authority to consolidate and merge contiguous county school administrative units or a group of county school administrative units in which each county unit is contiguous with at least one other county unit in the group. The State Board shall adopt a written plan setting forth the conditions of the merger. A merger of county units and reorganization of those units under this section shall not have the effect of abolishing any special taxes that may have been voted in any such units.

(b) Effective Date. – The merger shall become effective on July 1 immediately following the earlier of the thirty-first legislative day or the day of adjournment of the next regular session of the General Assembly that begins at least 25 days after the date the State Board approved the merger. If a bill that specifically disapproves the merger is introduced in

either house of the General Assembly before the thirty-first legislative day of that session, the merger becomes effective on the July 1 immediately following the earlier of either the day an unfavorable final action is taken on the bill or the day that session of the General Assembly adjourns without ratifying a bill that specifically disapproves the merger. A merger that is specifically disapproved by a bill enacted into law before it becomes effective does not become effective.

(c) Legislative Disapproval of Merger. – A bill specifically disapproves a merger if it contains a provision that refers to the written plan of merger and states that the merger is disapproved. Notwithstanding any rule of either house of the General Assembly, any member of the General Assembly may introduce a bill during the first 30 legislative days of any regular session to disapprove a merger that has been approved by the State Board and that has not become effective."

LIMIT LOCAL BOARD OF EDUCATION WAIVERS

SECTION 8A.6.(a) G.S. 115C-105.26 reads as rewritten:

"§ **115C-105.26. Waivers of State ~~laws, rules, or policies.~~laws or rules.**

(a) ~~When included as part of a school improvement plan accepted under G.S. 115C-105.27, local boards of education shall submit requests for waivers of State laws, rules, or policies to the State Board of Education. A~~ Except as otherwise provided for in this section, the State Board of Education shall not grant waivers of State laws or rules to local boards of education. If permitted under this section, a request for a waiver by a local board of education shall (i) identify the school or schools making the request, (ii) identify the State ~~laws, rules, or policies that inhibit the school's ability to improve student performance,~~ law or rule requesting to be waived, (iii) set out with specificity the circumstances under which the waiver may be used, and (iv) explain how the requested waiver will permit the school to improve student performance.

~~Except as provided in subsection (c) of this section, the State Board shall grant waivers only for the specific schools for which they are requested and shall be used only under the specific circumstances for which they are requested.~~

(b) ~~When requested as part of a school improvement plan, the~~ The State Board of Education may grant waivers ~~of:~~to local boards of education of State laws and rules pertaining to the following:

(1) ~~State laws pertaining to class~~ Class size ~~and teacher certification; and~~requirements only as provided in G.S. 115C-301(g).

~~(2) State rules and policies, except those pertaining to public school State salary schedules and employee benefits for school employees, the instructional program that must be offered under the Basic Education Program, the system of employment for public school teachers and administrators set out in G.S. 115C-287.1 and in Part 3 of Article 22 of this Chapter, health and safety codes, compulsory attendance, the minimum lengths of the school day and year, and the Uniform Education Reporting System.~~

(3) School calendar requirements in order to provide sufficient days to accommodate anticipated makeup days due to school closings only as provided in G.S. 115C-84.2(d).

~~(c) The State Board also may grant requests received from local boards for waivers of State laws, rules, or policies that affect the organization, duties, and assignment of central office staff only. However, none of the duties to be performed under G.S. 115C-436 may be waived.~~

~~(c1) The State Board also may grant requests received from local boards for waivers of State laws, rules, or policies that require that each local school administrative unit provide at least one alternative school or at least one alternative learning program.~~

~~(d) Notwithstanding subsections (b) and (c) of this section, the State Board shall not grant waivers of G.S. 115C-12(16)b. regarding the placement of State-allotted office support~~

~~personnel, teacher assistants, and custodial personnel on the salary schedule adopted by the State Board.~~

~~(e) Notwithstanding subsection (b) of this section, the State Board may grant requests received from local boards for waivers of State laws, rules, or policies pertaining to the placement of principals on the State salary schedule for public school administrators in order to provide financial incentives to encourage principals to accept employment in a school that has been identified as low-performing under G.S. 115C-105.37. The State Board shall act on requests under this subsection at the first Board meeting following receipt of each request.~~

(f) ~~Except as provided in subsection (e) of this section, the~~ The State Board shall act within 60 days of receipt of all requests for waivers under this section.

(g) The State Board shall, on a regular basis, review all waivers it has granted to determine whether any rules should be repealed or modified or whether the Board should recommend to the General Assembly the repeal or modification of any laws.

(h) By October 15 of each year, the State Board shall report to the Joint Legislative Education Oversight Committee with a list of the specific waivers granted to each local board of education under this section. The State Board may include any legislative recommendations identified under subsection (g) of this section in its report."

SECTION 8A.6.(b) This section applies beginning with the 2015-2016 school year.

PART IX. COMPENSATION OF PUBLIC SCHOOL EMPLOYEES

TEACHER SALARY SCHEDULE

SECTION 9.1.(a) The following monthly teacher salary schedule shall apply for the 2015-2016 fiscal year to licensed personnel of the public schools who are classified as teachers. The salary schedule is based on years of teaching experience.

2015-2016 Teacher Monthly Salary Schedule

Years of Experience	"A" Teachers
0-4	$3,500
5-9	3,650
10-14	4,000
15-19	4,350
20-24	4,650
25+	5,000.

SECTION 9.1.(b) Salary Supplements for Teachers Paid on This Salary Schedule.

(1) Licensed teachers who have NBPTS certification shall receive a salary supplement each month of twelve percent (12%) of their monthly salary on the "A" salary schedule.

(2) Licensed teachers who are classified as "M" teachers shall receive a salary supplement each month of ten percent (10%) of their monthly salary on the "A" salary schedule.

(3) Licensed teachers with licensure based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars ($126.00) per month in addition to the supplement provided to them as "M" teachers.

(4) Licensed teachers with licensure based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred fifty-three dollars ($253.00) per month in addition to the supplement provided to them as "M" teachers.

(5) Certified school nurses shall receive a salary supplement each month of ten percent (10%) of their monthly salary on the "A" salary schedule.

SECTION 9.1.(c) The first step of the salary schedule for (i) school psychologists, (ii) school speech pathologists who are licensed as speech pathologists at the master's degree level or higher, and (iii) school audiologists who are licensed as audiologists at the master's

degree level or higher shall be equivalent to Step 5 of the "A" salary schedule. These employees shall receive a salary supplement each month of ten percent (10%) of their monthly salary and are eligible to receive salary supplements equivalent to those of teachers for academic preparation at the six-year degree level or the doctoral degree level.

SECTION 9.1.(d) The twenty-sixth step of the salary schedule for (i) school psychologists, (ii) school speech pathologists who are licensed as speech pathologists at the master's degree level or higher, and (iii) school audiologists who are licensed as audiologists at the master's degree level or higher shall be seven and one-half percent (7.5%) higher than the salary received by these same employees on the twenty-fifth step of the salary schedule.

SECTION 9.1.(e) Beginning with the 2014-2015 fiscal year, in lieu of providing annual longevity payments to teachers paid on the teacher salary schedule, the amounts of those longevity payments are included in the monthly amounts under the teacher salary schedule.

SECTION 9.1.(f) A teacher compensated in accordance with this salary schedule for the 2015-2016 school year shall receive an amount equal to the greater of the following:

(1) The applicable amount on the salary schedule for the applicable school year.

(2) For teachers who were eligible for longevity for the 2013-2014 school year, the sum of the following:

a. The teacher's salary provided in S.L. 2013-360, Sec. 35.11.

b. The longevity that the teacher would have received under the longevity system in effect for the 2013-2014 school year provided in S.L. 2013-360, Sec. 35.11, based on the teacher's current years of service.

c. The annual bonus provided in S.L. 2014-100, Sec. 9.1(e).

(3) For teachers who were not eligible for longevity for the 2013-2014 school year, the sum of the teacher's salary and annual bonus provided in S.L. 2014-100, Sec. 9.1.

SECTION 9.1.(g) As used in this section, the term "teacher" shall also include instructional support personnel.

SCHOOL-BASED ADMINISTRATOR SALARY SCHEDULE

SECTION 9.2.(a) The following monthly base salary schedule for school-based administrators shall apply only to principals and assistant principals. This base salary schedule shall apply for the 2015-2016 fiscal year commencing July 1, 2015.

2015-2016 Principal and Assistant Principal Salary Schedules

		Classification			
Years of Exp	Assistant Principal	Prin I (0-10)	Prin II (11-21)	Prin III (22-32)	Prin IV (33-43)
0-9	$3,909	-	-	-	-
10	$3,977	-	-	-	-
11	$4,123	-	-	-	-
12	$4,240	-	-	-	-
13	$4,323	$4,323	-	-	-
14	$4,377	$4,377	-	-	-
15	$4,434	$4,434	$4,489	-	-
16	$4,489	$4,489	$4,547	-	-
17	$4,547	$4,547	$4,606	$4,665	-
18	$4,606	$4,606	$4,665	$4,726	$4,788
19	$4,665	$4,665	$4,726	$4,788	$4,851
20	$4,726	$4,726	$4,788	$4,851	$4,918
21	$4,788	$4,788	$4,851	$4,918	$4,983
22	$4,851	$4,851	$4,918	$4,983	$5,050
23	$4,918	$4,918	$4,983	$5,050	$5,119
24	$4,983	$4,983	$5,050	$5,119	$5,188

25	$5,050	$5,050	$5,119	$5,188	$5,263
26	$5,119	$5,119	$5,188	$5,263	$5,335
27	$5,188	$5,188	$5,263	$5,335	$5,409
28	$5,263	$5,263	$5,335	$5,409	$5,483
29	$5,335	$5,335	$5,409	$5,483	$5,561
30	$5,409	$5,409	$5,483	$5,561	$5,641
31	$5,483	$5,483	$5,561	$5,641	$5,722
32	$5,561	$5,561	$5,641	$5,722	$5,794
33	$5,641	$5,641	$5,722	$5,794	$5,909
34	$5,722	$5,722	$5,794	$5,909	$6,027
35	$5,794	$5,794	$5,909	$6,027	$6,148
36	$5,909	$5,909	$6,027	$6,148	$6,271
37	-	$6,027	$6,148	$6,271	$6,396
38	-	-	$6,271	$6,396	$6,524
39	-	-	$6,396	$6,524	$6,654
40	-	-	-	$6,654	$6,787
41	-	-	-	$6,787	$6,923
42	-	-	-	-	$7,061

2015-2016 Principal and Assistant Principal Salary Schedules

	Classification			
Years of Exp	Prin V (44-54)	Prin VI (55-65)	Prin VII (66-100)	Prin VIII (101+)
0-19	$4,918	-	-	-
20	$4,983	-	-	-
21	$5,050	$5,119	-	-
22	$5,119	$5,188	$5,335	-
23	$5,188	$5,263	$5,409	$5,483
24	$5,263	$5,335	$5,483	$5,561
25	$5,335	$5,409	$5,561	$5,641
26	$5,409	$5,483	$5,641	$5,722
27	$5,483	$5,561	$5,722	$5,794
28	$5,561	$5,641	$5,794	$5,909
29	$5,641	$5,722	$5,909	$6,027
30	$5,722	$5,794	$6,027	$6,148
31	$5,794	$5,909	$6,148	$6,271
32	$5,909	$6,027	$6,271	$6,396
33	$6,027	$6,148	$6,396	$6,524
34	$6,148	$6,271	$6,524	$6,654
35	$6,271	$6,396	$6,654	$6,787
36	$6,396	$6,524	$6,787	$6,923
37	$6,524	$6,654	$6,923	$7,061
38	$6,654	$6,787	$7,061	$7,202
39	$6,787	$6,923	$7,202	$7,346
40	$6,923	$7,061	$7,346	$7,493
41	$7,061	$7,202	$7,493	$7,643
42	$7,202	$7,346	$7,643	$7,796
43	$7,346	$7,493	$7,796	$7,952
44	-	$7,643	$7,952	$8,111
45	-	$7,796	$8,111	$8,273
46+	-	-	$8,273	$8,438

SECTION 9.2.(b) The appropriate classification for placement of principals and assistant principals on the salary schedule, except for principals in alternative schools and in

cooperative innovative high schools, shall be determined in accordance with the following schedule:

Classification	**Number of Teachers Supervised**
Assistant Principal	
Principal I	Fewer than 11 Teachers
Principal II	11-21 Teachers
Principal III	22-32 Teachers
Principal IV	33-43 Teachers
Principal V	44-54 Teachers
Principal VI	55-65 Teachers
Principal VII	66-100 Teachers
Principal VIII	More than 100 Teachers

The number of teachers supervised includes teachers and assistant principals paid from State funds only; it does not include teachers or assistant principals paid from non-State funds or the principal or teacher assistants.

The beginning classification for principals in alternative schools and in cooperative innovative high school programs shall be the Principal III level. Principals in alternative schools who supervise 33 or more teachers shall be classified according to the number of teachers supervised.

SECTION 9.2.(c) A principal shall be placed on the step on the salary schedule that reflects the total number of years of experience as a certified employee of the public schools and an additional step for every three years of experience serving as a principal on or before June 30, 2009. A principal or assistant principal shall also continue to receive any additional State-funded percentage increases earned for the 1997-1998, 1998-1999, and 1999-2000 school years for improvement in student performance or maintaining a safe and orderly school.

SECTION 9.2.(d) Principals and assistant principals with certification based on academic preparation at the six-year degree level shall be paid a salary supplement of one hundred twenty-six dollars ($126.00) per month and at the doctoral degree level shall be paid a salary supplement of two hundred fifty-three dollars ($253.00) per month.

SECTION 9.2.(e) Longevity pay for principals and assistant principals shall be as provided for State employees under the North Carolina Human Resources Act.

SECTION 9.2.(f) If a principal is reassigned to a higher job classification because the principal is transferred to a school within a local school administrative unit with a larger number of State-allotted teachers, the principal shall be placed on the salary schedule as if the principal had served the principal's entire career as a principal at the higher job classification.

If a principal is reassigned to a lower job classification because the principal is transferred to a school within a local school administrative unit with a smaller number of State-allotted teachers, the principal shall be placed on the salary schedule as if the principal had served the principal's entire career as a principal at the lower job classification.

This subsection applies to all transfers on or after the effective date of this section, except transfers in school systems that have been created, or will be created, by merging two or more school systems. Transfers in these merged systems are exempt from the provisions of this subsection for one calendar year following the date of the merger.

SECTION 9.2.(g) Participants in an approved full-time master's in-school administration program shall receive up to a 10-month stipend at the beginning salary of an assistant principal during the internship period of the master's program. The stipend shall not exceed the difference between the beginning salary of an assistant principal plus the cost of tuition, fees, and books and any fellowship funds received by the intern as a full-time student, including awards of the Principal Fellows Program. The Principal Fellows Program or the school of education where the intern participates in a full-time master's in-school administration program shall supply the Department of Public Instruction with certification of eligible full-time interns.

SECTION 9.2.(h) During the 2015-2016 fiscal year, the placement on the salary schedule of an administrator with a one-year provisional assistant principal's certificate shall be at the entry-level salary for an assistant principal or the appropriate step on the teacher salary schedule, whichever is higher.

SECTION 9.2.(i) Effective July 1, 2015, any person paid on the State Salary Schedule in the 2013-2014 school year and employed on July 1, 2015, who does not receive a salary increase on this salary schedule shall receive a nonrecurring salary bonus of eight hundred nine dollars ($809.00).

CENTRAL OFFICE SALARIES

SECTION 9.3.(a) The monthly salary ranges that follow apply to assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers for the 2015-2017 fiscal biennium, beginning July 1, 2015.

School Administrator I	$ 3,391	$ 6,323
School Administrator II	$ 3,592	$ 6,704
School Administrator III	$ 3,811	$ 7,110
School Administrator IV	$ 3,962	$ 7,391
School Administrator V	$ 4,120	$ 7,689
School Administrator VI	$ 4,368	$ 8,151
School Administrator VII	$ 4,542	$ 8,478

The local board of education shall determine the appropriate category and placement for each assistant superintendent, associate superintendent, director/coordinator, supervisor, or finance officer within the salary ranges and within funds appropriated by the General Assembly for central office administrators and superintendents. The category in which an employee is placed shall be included in the contract of any employee.

SECTION 9.3.(b) The monthly salary ranges that follow apply to public school superintendents for the 2015-2017 fiscal biennium, beginning July 1, 2015.

Superintendent I	$ 4,819	$ 8,991
Superintendent II	$ 5,113	$ 9,532
Superintendent III	$ 5,422	$ 10,109
Superintendent IV	$ 5,752	$ 10,721
Superintendent V	$ 6,102	$ 11,372

The local board of education shall determine the appropriate category and placement for the superintendent based on the average daily membership of the local school administrative unit and within funds appropriated by the General Assembly for central office administrators and superintendents.

SECTION 9.3.(c) Longevity pay for superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers shall be as provided for State employees under the State Personnel Act.

SECTION 9.3.(d) Superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers with certification based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars ($126.00) per month in addition to the compensation provided pursuant to this section. Superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers with certification based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred fifty-three dollars ($253.00) per month in addition to the compensation provided for under this section.

SECTION 9.3.(e) The State Board of Education shall not permit local school administrative units to transfer State funds from other funding categories for salaries for public school central office administrators.

NONCERTIFIED PERSONNEL SALARIES

SECTION 9.4. The annual salary for permanent full-time and part-time noncertified public school employees whose salaries are supported from the State's General Fund shall remain unchanged for the 2015-2017 fiscal biennium.

NO PAY LOSS FOR TEACHERS WHO BECOME ADMINISTRATORS OR ASSISTANT PRINCIPALS WHO BECOME PRINCIPALS

SECTION 9.5.(a) Section 7.22(b) of S.L. 2009-451 reads as rewritten:

"**SECTION 7.22.(b)** This section becomes effective ~~July 1, 2009, and applies to all persons initially employed as assistant principals on or after that date.~~July 1, 2009."

SECTION 9.5.(b) G.S. 115C-285(a) is amended by adding a new subdivision to read:

"(9) An assistant principal who becomes a principal without a break in service shall be paid, on a monthly basis, at least as much as he or she would earn as an assistant principal employed by that local school administrative unit."

PART X. COMMUNITY COLLEGES

REORGANIZATION OF THE COMMUNITY COLLEGES SYSTEM OFFICE

SECTION 10.1.(a) Notwithstanding any other provision of law, and consistent with the authority established in G.S. 115D-3, the President of the North Carolina Community College System may reorganize the System Office in accordance with recommendations and plans submitted to and approved by the State Board of Community Colleges.

SECTION 10.1.(b) This section expires June 30, 2017.

BASIC SKILLS PLUS

SECTION 10.2.(a) G.S. 115D-5(b) is amended by adding a new subdivision to read:

"(b) In order to make instruction as accessible as possible to all citizens, the teaching of curricular courses and of noncurricular extension courses at convenient locations away from institution campuses as well as on campuses is authorized and shall be encouraged. A pro rata portion of the established regular tuition rate charged a full-time student shall be charged a part-time student taking any curriculum course. In lieu of any tuition charge, the State Board of Community Colleges shall establish a uniform registration fee, or a schedule of uniform registration fees, to be charged students enrolling in extension courses for which instruction is financed primarily from State funds. The State Board of Community Colleges may provide by general and uniform regulations for waiver of tuition and registration fees for the following:

…

(15) Courses providing employability skills, job-specific occupational or technical skills, or developmental education instruction to certain students who are concurrently enrolled in an eligible community college literacy course, in accordance with rules adopted by the State Board of Community Colleges.

…

The State Board of Community Colleges shall not waive tuition and registration fees for other individuals."

SECTION 10.2.(b) G.S. 115D-31(b1) reads as rewritten:

"(b1) A local community college may use all State funds allocated to it, except for Literacy funds and Customized Training funds, for any authorized purpose that is consistent with the college's Institutional Effectiveness Plan. The State Board of Community Colleges may authorize a local community college to use up to twenty percent (20%) of the State Literacy funds allocated to it to provide employability skills, job-specific occupational and technical skills, and developmental education instruction to students concurrently enrolled in an eligible community college literacy course.

Each local community college shall include in its Institutional Effectiveness Plan a section on how funding flexibility allows the college to meet the demands of the local community and to maintain a presence in all previously funded categorical programs."

EQUIPMENT FUNDING

SECTION 10.3. For the 2015-2017 fiscal biennium, community colleges may expend regular equipment allocations on equipment and on repairs, renovations, and new construction, necessary to accommodate equipment. Colleges must match funds expended on new construction on an equal matching-fund basis in accordance with G.S. 115D-31. Notwithstanding any other provision of law, community colleges are not required to match funds expended on repairs and renovations of existing facilities.

Colleges must have capital improvement projects approved by the State Board of Community Colleges and any required matching funds identified by June 30, 2017.

EXPAND AGRICULTURAL AND TRANSPORTATION CLASSES TO FRESHMEN AND SOPHOMORES

SECTION 10.4. G.S. 115D-20(4)a. reads as rewritten:

"§ **115D-20. Powers and duties of trustees.**

The trustees of each institution shall constitute the local administrative board of such institution, with such powers and duties as are provided in this Chapter and as are delegated to it by the State Board of Community Colleges. The powers and duties of trustees shall include the following:

…

(4) To apply the standards and requirements for admission and graduation of students and other standards established by the State Board of Community Colleges. Notwithstanding any law or administrative rule to the contrary, local community colleges are permitted to offer the following programs:

a. Subject to the approval of the State Board of Community Colleges, local community colleges may collaborate with local school administrative units to offer courses through the following programs:

1. Cooperative innovative high school programs as provided by Part 9 of Article 16 of Chapter 115C of the General Statutes.

2. Academic transition pathways for qualified junior and senior high school students that lead to a career technical education certificate or diploma and academic transition pathways for qualified freshmen and sophomore high school students that lead to a career technical education certificate or diploma in (i) industrial and engineering ~~technologies.~~technologies, (ii) agriculture and natural resources, or (iii) transportation technology.

3. College transfer certificates requiring the successful completion of thirty semester credit hours of transfer courses, including English and mathematics, for qualified junior and senior high school students."

COLLEGES EARN BUDGET FTE FOR CURRICULUM COURSES TAUGHT DURING THE SUMMER TERM

SECTION 10.5.(a) G.S. 115D-5(v) reads as rewritten:

"(v) Community colleges may teach ~~technical education, health care, developmental education, and STEM-related~~ curriculum courses at any time during the year, including the summer term. Student membership hours from these courses shall be counted when computing full-time equivalent students (FTE) for use in budget funding formulas at the State level."

SECTION 10.5.(b) The State Board of Community Colleges shall report to the Joint Legislative Education Oversight Committee by December 1, 2015, on FTE for the summer 2015 term.

SECTION 10.5.(c) This section applies beginning with the summer 2015 term.

COMMUNITY COLLEGES PROGRAM COMPLIANCE REVIEW FUNCTION

SECTION 10.6.(a) Section 10.15(a) of S.L. 2013-360 is repealed.

SECTION 10.6.(b) G.S. 115D-5(m) reads as rewritten:

"(m) The State Board of Community Colleges shall maintain an ~~education program auditing~~ accountability function that conducts ~~an annual audit~~ periodic reviews of each community college operating under the provisions of this Chapter. The purpose of the ~~annual audit~~ compliance review shall be to ensure that ~~college programs and related fiscal operations comply with State law, State regulations, State Board policies, and System Office guidance.~~(i) data used to allocate State funds among community colleges is reported accurately to the System Office and (ii) community colleges are charging and waiving tuition and registration fees consistent with law. The State Board of Community Colleges shall require ~~auditors of community college programs to~~ the use of a statistically valid sample size in performing ~~program audits~~ compliance reviews of community colleges. All ~~education program audit~~ compliance review findings that are determined to be material shall be forwarded to the college president, local college board of trustees, the State Board of Community Colleges, and the State Auditor. The State Board of Community Colleges shall adopt rules governing the frequency, scope, and standard of materiality for compliance reviews."

SECTION 10.6.(c) Subsection (b) of this section applies to compliance reviews beginning with the 2015-2016 academic year.

YOUTH CAREER CONNECT PROGRAM

SECTION 10.11.(a) The federal Youth Career Connect Grant awarded to Anson County Schools for 2014-2018 requires students to enroll in community college courses in the ninth and tenth grades. Notwithstanding any other provision of law, South Piedmont Community College may enroll Anson County Schools freshman (ninth grade) and sophomore (tenth grade) students in community college courses associated with this grant. Ninth and tenth grade students enrolled in curriculum courses at South Piedmont Community College associated with the federal Youth Career Connect Grant shall not be charged tuition.

SECTION 10.11.(b) South Piedmont Community College shall not earn budget FTE for student course enrollments supported with this grant.

SECTION 10.11.(c) This section expires June 30, 2018.

CAREER- AND COLLEGE-READY GRADUATES

SECTION 10.13.(a) The State Board of Community Colleges, in consultation with the State Board of Education, shall develop a program for implementation in the 2016-2017 school year that introduces the college developmental mathematics and developmental reading and English curriculums in the high school senior year and provides opportunities for college remediation for students prior to high school graduation through cooperation with community college partners. Students who are enrolled in the Occupational Course of Study to receive their high school diplomas shall not be required to participate in the program or be required to take mandatory remedial courses as provided for in this section, unless a parent specifically requests through the individualized education program (IEP) process that the student participates. The program shall require the following:

(1) Establishment by the State Board of Community Colleges of measures for determining student readiness and preparation for college coursework by using ACT scores, student grade point averages, or other measures currently used by the State Board of Community Colleges to determine college readiness for entering students.

(2) Changes in curriculum, policy, and rules as needed by the State Board of Community Colleges and State Board of Education to make remedial courses mandatory for students who do not meet readiness indicators by their junior year to ensure college readiness prior to high school graduation. These changes shall include the flexibility for students to fulfill senior mathematics and English graduation requirements through enrollment in mandatory remedial courses or to enroll in those courses as electives.

(3) High schools to use curriculum approved by the State Board of Community Colleges, in consultation with the State Board of Education.

(4) Determinations by the State Board of Community Colleges on the following:

a. Appropriate measures of successful completion of the remedial courses to ensure students are prepared for coursework at a North Carolina community college without need for further remediation in mathematics or reading and English.

b. The length of time following high school graduation in which a student who successfully completed high school remedial courses will not be required to enroll in developmental courses at a North Carolina community college.

(5) Delivery of remedial courses by high school faculty consistent with policies adopted by the State Board of Community Colleges and the State Board of Education. The policies shall include, at a minimum, the following requirements:

a. High school faculty teaching the approved remedial courses must successfully complete training requirements as determined by the State Board of Community Colleges, in consultation with the State Board of Education.

b. The North Carolina Community College System shall provide oversight of the remedial courses to ensure appropriate instructional delivery.

SECTION 10.13.(b) The State Board of Community Colleges and the State Board of Education shall report on progress of implementation of the program statewide, including the requirements in subsection (a) of this section, to the Joint Legislative Education Oversight Committee no later than March 15, 2016.

NC WORKS CAREER COACHES

SECTION 10.14.(a) Article 2 of Chapter 115D of the General Statutes is amended by adding a new section to read:

"**§ 115D-21.5. NC Works Career Coach Program.**

(a) Purpose. – There is established the NC Works Career Coach Program to place community college career coaches in high schools to assist students with determining career goals and identifying community college programs that would enable students to achieve these goals.

(b) Memorandum of Understanding. – The board of trustees of a community college and a local board of education of a local school administrative unit within the service area of the community college shall enter into a memorandum of understanding for the placement of career coaches employed by the board of trustees of the community college in schools within the local school administrative unit. At a minimum, the memorandum of understanding shall include the following:

(1) Requirement that the community college provides the following:

a. Hiring, training, and supervision of career coaches. The board of trustees may include a local board of education liaison on the hiring committee to participate in the decision making regarding hiring for the coach positions.

b. Salary, benefits, and all other expenses related to the employment of the career coach. The coach will be an employee of the board of trustees and will not be an agent or employee of the local board of education.

c. Development of pedagogical materials and technologies needed to enhance the advising process.

d. Criminal background checks required by the local school administrative unit for employees working directly with students.

e. Agreement that, while on any school campus, the career coach will obey all local board of education rules and will be subject to the authority of the school building administration.

(2) Requirement that the local school administrative unit provides the following to career coaches:

a. Access to student records, as needed to carry out the coach's job responsibilities.

b. Office space on site appropriate for student advising.

c. Information technology resources, including, but not limited to, Internet access, telephone, and copying.

d. Initial school orientation and ongoing integration into the faculty and staff community.

e. Promotion of school-wide awareness of coach duties.

f. Facilitation of coach's access to individual classes and larger assemblies for the purposes of awareness-building.

(c) Application for NC Works Career Coach Program Funding. – The board of trustees of a community college and a local board of education of a local school administrative unit within the service area of the community college jointly may apply for available funds for NC Works Career Coach Program funding from the State Board of Community Colleges. The State Board of Community Colleges shall establish a process for award of funds as follows:

(1) Advisory committee. – Establishment of an advisory committee, which shall include representatives from the NC Community College System, the Department of Public Instruction, the NC Works initiative located in the Department of Commerce, and at least three representatives of the business community, to review applications and make recommendations for funding awards to the State Board.

(2) Application submission requirements. – The State Board of Community Colleges shall require at least the following:

a. Evidence of a signed memorandum of understanding that meets, at a minimum, the requirements of this section.

b. Evidence that the funding request will be matched dollar-for-dollar with local funds. Matching funds may come from public or private sources.

(3) Awards criteria. – The State Board of Community Colleges shall develop criteria for consideration in determining the award of funds that shall include the following:

a. Consideration of the workforce needs of business and industry in the region.

b. Targeting of resources to enhance ongoing economic activity within the community college service area and surrounding counties.

c. Geographic diversity of awards.

(d) Annual Report. –

(1) The board of trustees of a community college that employs one or more career coaches shall report annually to the State Board of Community

Colleges on implementation and outcomes of the program, including the following information:

a. Number of career coaches employed.

b. Number of local school administrative units served and names of schools in which career coaches are placed.

c. Number of students annually counselled by career coaches.

d. Impact of career coaches on student choices, as determined by a valid measure selected by the State Board of Community Colleges.

(2) The State Board of Community Colleges shall report annually no later than October 1 to the Joint Legislative Education Oversight Committee on the following:

a. A compilation of the information reported by the board of trustees of community colleges, as provided in subdivision (1) of this subsection.

b. Number and names of partnership applicants for NC Works Career Coach Program funding.

c. Number, names, and amounts of those awarded NC Works Career Coach Program funding."

SECTION 10.14.(b) The State Board of Community Colleges shall begin accepting applications for available funds for NC Works Career Coach Program funding no later than December 15, 2015, and shall select the initial recipients for the award of funds no later than February 22, 2016.

SECTION 10.14.(c) The funds appropriated under this act to the Community Colleges System Office for the 2015-2017 fiscal biennium to match non-State funds to implement the NC Works Career Coach Program shall only be used for salary and benefits for NC Works Career Coaches.

PART XI. UNIVERSITIES

USE OF ESCHEAT FUNDS FOR STUDENT FINANCIAL AID PROGRAMS/TECHNICAL CORRECTIONS

SECTION 11.1.(a) The funds appropriated by this act from the Escheat Fund for the 2015-2017 fiscal biennium for student financial aid shall be allocated in accordance with G.S. 116B-7. Notwithstanding any other provision of Chapter 116B of the General Statutes, if the interest income generated from the Escheat Fund is less than the amounts referenced in this act, the difference may be taken from the Escheat Fund principal to reach the appropriations referenced in this act; however, under no circumstances shall the Escheat Fund principal be reduced below the sum required in G.S. 116B-6(f). If any funds appropriated from the Escheat Fund by this act for student financial aid remain uncommitted aid as of the end of a fiscal year, the funds shall be returned to the Escheat Fund, but only to the extent the funds exceed the amount of the Escheat Fund income for that fiscal year.

SECTION 11.1.(b) The State Education Assistance Authority (SEAA) shall conduct periodic evaluations of expenditures of the student financial aid programs administered by SEAA to determine if allocations are utilized to ensure access to institutions of higher learning and to meet the goals of the respective programs. The SEAA may make recommendations for redistribution of funds to The University of North Carolina, and the President of the Community College System regarding their respective student financial aid programs, who then may authorize redistribution of unutilized funds for a particular fiscal year.

SECTION 11.1.(c) G.S. 116B-7(b) reads as rewritten:

"(b) An amount specified in the Current Operations Appropriations Act shall be transferred annually from the Escheat Fund to the Department of ~~Administration~~ Military and Veterans Affairs to partially fund the program of Scholarships for Children of War Veterans established by Article 4 of Chapter 165 of the General Statutes. Those funds may be used only for residents of this State who (i) are worthy and needy as determined by the Department of

~~Administration,~~ Military and Veterans Affairs and (ii) are enrolled in public institutions of higher education of this State."

SECTION 11.1(d) G.S. 116B-6 reads as rewritten:

"§ **116B-6. Administration of Escheat Fund; Escheat Account.**

…

(g) Additional Funds for Refunds. – If at any time the amount of the refund reserve shall be insufficient to make refunds required to be made, the Treasurer, in addition, may use all current receipts derived from escheated or abandoned property, exclusive of earnings and profits on investments of the Escheat Fund and the Escheat Account, for the purpose of making such refunds; and if all such funds shall be inadequate for such refunds, the Treasurer may apply to the Council of State, pursuant to the ~~Executive~~ State Budget Act, to the limit of funds available from the Contingency and Emergency Fund, for a loan, without interest, to supply any deficiencies, in whole or in part. No receipts derived from escheated or abandoned property, other than earnings or profits on investments, shall be paid to the Authority until: (i) all valid claims for refund have been paid; (ii) the reserve for refund shall equal five million dollars ($5,000,000); and (iii) the amount loaned from the Contingency and Emergency Fund shall have been repaid by the Escheat Fund.

(h) Expenditures. – The Treasurer may expend the funds in the Escheat Fund, other than funds in the Escheat Account, for the payment of claims for refunds to owners, holders and claimants under G.S. 116B-4; for the payment of costs of maintenance and upkeep of abandoned or escheated property; costs of preparing lists of names of owners of abandoned property to be furnished to clerks of superior court; costs of notice and publication; costs of appraisals; fees of persons employed pursuant to G.S. 116B-8 costs involved in determining whether a decedent died without heirs; fees of persons employed pursuant to G.S. 116B-8 to conduct audits; costs of a title search of real property that has escheated; and costs of auction or sale under this Chapter. All other costs, including salaries of personnel, necessary to carry out the duties of the Treasurer under this Chapter, shall be appropriated from the funds of the Escheat Fund pursuant to the provisions of ~~Article 1, Chapter 143~~ Chapter 143C of the General Statutes.

…."

AMEND REGULATION OF UNC INSTITUTIONAL TRUST FUNDS AND FUNDS OF UNC HEALTH CARE SYSTEM

SECTION 11.2. G.S. 116-36.1(h) reads as rewritten:

"(h) The Board may authorize, through the President, that the chancellors may deposit or invest each institution's available trust fund cash balances in interest-bearing accounts and other investments as may be authorized by the Board in the exercise of its sound discretion, without regard to any statute or rule of law relating to the investment of funds by fiduciaries. For any cash balances placed on deposit with a bank in the form of traditional demand or time deposits, such as checking, savings, or certificate of deposit accounts, these cash balances shall be secured by deposit insurance, surety bonds, or investment securities satisfying the rules or regulations prescribed under G.S. 147-79."

UNC MANAGEMENT FLEXIBILITY REDUCTION

SECTION 11.4.(a) The management flexibility reduction for The University of North Carolina shall not be allocated by the Board of Governors to the constituent institutions and affiliated entities using an across-the-board method but shall be done in a manner that recognizes the importance of the academic missions and differences among The University of North Carolina entities.

Before taking reductions in instructional budgets, the Board of Governors and the campuses of the constituent institutions shall consider all of the following:

(1) Reducing State funding for centers and institutes, speaker series, and other nonacademic activities.

(2) Faculty workload adjustments.

(3) Restructuring of research activities.
(4) Implementing cost-saving span of control measures.
(5) Reducing the number of senior and middle management positions.
(6) Eliminating low-performing, redundant, or low-enrollment programs.
(7) Using alternative funding sources.
(8) Protecting direct classroom services.

The Board of Governors and the campuses of the constituent institutions also shall review the institutional trust funds and the special funds held by or on behalf of The University of North Carolina and its constituent institutions to determine whether there are monies available in those funds that can be used to assist with operating costs. In addition, the campuses of the constituent institutions also shall require their faculty to have a teaching workload equal to the national average in their Carnegie classification.

SECTION 11.4.(b) In allocating the management flexibility reduction, no reduction in State funds shall be allocated in either fiscal year of the 2015-2017 biennium to any of the following:

(1) UNC Need-Based Financial Aid.
(2) North Carolina Need-Based Scholarship.
(3) Elizabeth City State University.
(4) Fayetteville State University.
(5) NC School of Science and Mathematics.
(6) University of North Carolina at Asheville.
(7) University of North Carolina School of the Arts.
(8) State funds allocated to NC State University for support to the Agriculture Education/Future Farmers of America Program.

SECTION 11.4.(c) The University of North Carolina shall report on the implementation of the management flexibility reduction in subsection (a) of this section to the Office of State Budget and Management and the Fiscal Research Division no later than April 1, 2016. This report shall identify both of the following by campus:

(1) The total number of positions eliminated by type (faculty/nonfaculty).
(2) The low-performing, redundant, and low-enrollment programs that were eliminated.

UNC TO FUND NORTH CAROLINA RESEARCH CAMPUS

SECTION 11.5. Of the funds appropriated in this act to the Board of Governors of The University of North Carolina, the Board of Governors shall use twenty-nine million dollars ($29,000,000) for the 2015-2016 fiscal year and twenty-nine million dollars ($29,000,000) for the 2016-2017 fiscal year to support UNC-related activities at the North Carolina Research Campus at Kannapolis.

LIMIT USE OF STATE FUNDS FOR UNC ADVANCEMENT PROGRAMS

SECTION 11.6.(a) A constituent institution as defined in G.S. 116-2 shall not expend more than one million dollars ($1,000,000) of State funds on advancement programs. Constituent institutions shall take reasonable actions to increase the reliance of advancement programs on funds generated from fund-raising activities.

SECTION 11.6.(b) This section applies to the 2016-2017 fiscal year and each subsequent fiscal year.

NC GUARANTEED ADMISSION PROGRAM (NCGAP)

SECTION 11.7.(a) The General Assembly finds that the six-year graduation rate for students pursuing a baccalaureate degree from any constituent institution of The University of North Carolina is too low. The General Assembly further finds that it is important to design and implement a program for the purpose of achieving the following goals: to assist more students to obtain a baccalaureate degree within a shorter time period; to provide students with a college education at significantly lower costs for both the student and the State; to help

decrease the amount of debt resulting from loans that a student may owe upon graduation; to provide a student with an interim degree that may increase a student's job opportunities if the student chooses not to continue postsecondary education; and to provide easier access to academic counseling that will assist a student in selecting coursework that reflects the student's educational and career goals and helps the student succeed academically.

SECTION 11.7.(b) The Board of Governors of The University of North Carolina and the State Board of Community Colleges shall jointly study and evaluate how a deferred admission program, to be known as the North Carolina Guaranteed Admission Program (NCGAP), for students identified as academically at risk and designed pursuant to subsection (c) of this section, would address the issues and help achieve the goals set out in subsection (a) of this section. In its study the Board of Governors and State Board of Community Colleges shall also consider the best procedure for implementing NCGAP and the fiscal impact it may have with respect to enrollment.

SECTION 11.7.(c) NCGAP shall be a deferred admission program that requires a student who satisfies the admission criteria of a constituent institution, but whose academic credentials are not as competitive as other students admitted to the institution, to enroll in a community college in this State and earn an associate degree prior to enrolling as a student at the constituent institution. A student who earns an associate degree from a community college in this State within three years from the date of the deferred acceptance is guaranteed admission at that constituent institution to complete the requirements for a baccalaureate degree. A constituent institution shall hold in reserve an enrollment slot in the appropriate future academic year for any student who accepts a deferred admission. A constituent institution shall also reduce its enrollment for each academic year by the number of deferred admissions granted for that academic year.

SECTION 11.7.(d) The Board of Governors of The University of North Carolina and the State Board of Community Colleges shall report their finding and recommendations to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of State Budget and Management by March 1, 2016. The report shall include an analysis of the fiscal impact NCGAP may have with regard to enrollment at constituent institutions of The University of North Carolina and at community colleges, the number of students who may participate in NCGAP, and its effect on FTEs.

SECTION 11.7.(e) Based on the analysis conducted by the Board of Governors and the State Board of Community Colleges pursuant to subsection (b) of this section and the recommendations made pursuant to subsection (d) of this section, each constituent institution shall design a deferred admission program as part of NCGAP for implementation at the institution. The institution shall design the program so that it may be implemented at the institution beginning with the 2016-2017 fiscal year and applied to the institution's admission process for the 2017-2018 academic year and each subsequent academic year.

SECTION 11.7.(f) The State Board of Community Colleges, in consultation with the Board of Governors of The University of North Carolina, shall adopt rules to ensure that a student participating in NCGAP is provided counseling and assistance in selecting coursework that reflects the student's educational and career goals and that provides a smooth transition from the community college to the constituent institution.

SECTION 11.7.(g) NCGAP shall be implemented at all constituent institutions and all community colleges beginning with the 2016-2017 fiscal year and shall apply to admissions policies at each constituent institution and community college beginning with the 2017-2018 academic year and each subsequent academic year.

SECTION 11.7.(h) This section does not apply to the North Carolina School of Science and Mathematics.

TRANSFORMING PRINCIPAL PREPARATION

SECTION 11.9.(a) Purpose. – The purpose of this section is to establish a competitive grant program for eligible entities to elevate educators in North Carolina public

schools by transforming the preparation of principals across the State. The State Education Assistance Authority (Authority) shall administer this grant program through a cooperative agreement with a private, nonprofit corporation to provide funds for the preparation and support of highly effective future school principals in North Carolina.

SECTION 11.9.(b) Definitions. – For the purposes of this section, the following definitions apply:

(1) Eligible entity. – A for-profit or nonprofit organization or an institution of higher education that has an evidence-based plan for preparing school leaders who implement school leadership practices linked to increased student achievement.

(2) High-need school. – A public school, including a charter school, that meets one or more of the following criteria:

a. Is a school identified under Part A of Title I of the Elementary and Secondary Education Act of 1965, as amended.

b. Is a persistently low-achieving school, as identified by the Department of Public Instruction for purposes of federal accountability.

c. A middle school containing any of grades five through eight that feeds into a high school with less than a sixty percent (60%) four-year cohort graduation rate.

d. A high school with less than a sixty percent (60%) four-year cohort graduation rate.

(3) Principal. – The highest administrative official in a public school building with primary responsibility for the instructional leadership, talent management, and organizational development of the school.

(4) School leader. – An individual employed in a school leadership role, including principal or assistant principal roles.

(5) Student achievement. – At the whole school level, after three years of leading a school, consistent and methodologically sound measures of:

a. Student academic achievement.

b. Aggregated individual student academic growth.

c. Additional outcomes, such as high school graduation rates, the percentage of students taking advanced-level coursework, or the percentage of students who obtain a career-related credential through a national business certification exam.

SECTION 11.9.(c) Program Authorized. – The Authority shall award grants to eligible entities to support programs that develop well-prepared school leaders in accordance with the provisions of this section. The Authority shall establish any necessary rules to administer the grant program.

SECTION 11.9.(d) Contract With a Nonprofit for Administration. – By November 1, 2015, the Authority shall issue a Request for Proposal (RFP) for a private, nonprofit corporation to contract with the Authority for the administration of the program, including making recommendations to the Authority for the award of grants, as authorized by this section. The nonprofit corporation applying to the Authority shall meet at least the following requirements:

(1) The nonprofit corporation shall be a nonprofit corporation organized pursuant to Chapter 55A of the General Statutes and shall comply at all times with the provisions of section 501(c)(3) of the Internal Revenue Code.

(2) The nonprofit corporation shall employ sufficient staff who have demonstrated a capacity for the development and implementation of grant selection criteria and a selection process to promote innovative school leader education programs, including:

a. Focus on school leader talent.

b. Expertise supporting judgments about grant renewal based on achievement of or substantial school leader progress toward measurable results in student achievement.

c. Expectation of creating positive experiences working with the educational community in North Carolina to establish the foundation for successfully administering the programs set forth in this section.

(3) The nonprofit corporation shall comply with the limitations on lobbying set forth in section 501(c)(3) of the Internal Revenue Code.

(4) No State officer or employee may serve on the board of the nonprofit corporation.

(5) The board of the nonprofit corporation shall meet at least quarterly at the call of its chair.

SECTION 11.9.(e) Report on Selection of the Nonprofit. – The Authority shall select a nonprofit corporation to enter into a contract with to administer the program by January 15, 2016. The Authority shall report to the Joint Legislative Education Oversight Committee on the selection of the nonprofit corporation by February 1, 2016.

SECTION 11.9.(f) Application Requirements. – The nonprofit corporation entering into a contract with the Authority under subsection (d) of this section shall issue an initial RFP with guidelines and criteria for the grants no later than March 1, 2016. An eligible entity that seeks a grant under the program authorized by this section shall submit to the nonprofit corporation an application at such time, in such manner, and accompanied by such information as the nonprofit may require. An applicant shall include at least the following information in its response to the RFP for consideration by the nonprofit corporation:

(1) The extent to which the entity has a demonstrated record of preparing school leaders who implement school leadership practices linked to increased student achievement.

(2) The extent to which the entity has a rigorous school leader preparation program design that includes the following research-based programmatic elements:

a. A proactive, aggressive, and intentional recruitment strategy.

b. Rigorous selection criteria based on competencies that are predictive of success as a school leader, including, but not limited to, evidence of significant positive effect on student learning growth in the classroom, at the school-level, and the local school administrative unit-level, professional recommendations, evidence of problem solving and critical thinking skills, achievement drive, and leadership of adults.

c. Alignment to high-quality national standards for school leadership development.

d. Rigorous coursework that effectively links theory with practice through the use of field experiences and problem-based learning.

e. Full-time clinical practice of at least five months in duration in an authentic setting, including substantial leadership responsibilities where candidates are evaluated on leadership skills and effect on student outcomes as part of program completion.

f. Multiple opportunities for school leader candidates to be observed and coached by program faculty and staff.

g. Clear expectations for and firm commitment from school leaders who will oversee the clinical practice of candidates.

h. Evaluation of school leader candidates during and at the end of the clinical practice based on the North Carolina School Executive Evaluation Rubric.

i. A process for continuous review and program improvement based on feedback from partnering local school administrative units and data from program completers, including student achievement data.

j. Established relationship and feedback loop with affiliated local school administrative units that is used to inform and improve programmatic elements from year to year based on units' needs.

SECTION 11.9.(g) Priorities. – The nonprofit corporation shall evaluate the applicants for grants by giving priority to an eligible entity with a record of preparing principals demonstrating the following:

(1) Improvement in student achievement.

(2) Placement as school leaders in eligible schools.

(3) A proposed focus on and, if applicable, a record of serving high-need schools, high-need local school administrative units, or both.

(4) A detailed plan and commitment to share lessons learned and to improve the capacity of other entities in reaching similar outcomes.

SECTION 11.9.(h) Uses of Funds. – By June 1, 2016, the nonprofit corporation shall recommend to the Authority the recipients of grants under the program. Each eligible entity that receives grant funds shall use those funds to carry out the following:

(1) Recruiting and selecting, based on a rigorous evaluation of the competencies of the school leader candidates participating in the program and their potential and desire to become effective school leaders.

(2) Operating a school leader preparation program by doing the following:

a. Utilizing a research-based content and curriculum, including embedded participant assessments to evaluate candidates before program completion, that prepares candidates to do the following:

1. Provide instructional leadership, such as developing teachers' instructional practices and analyzing classroom and school-wide data to support teachers.

2. Manage talent, such as developing a high-performing team.

3. Build a positive school culture, such as building a strong school culture focused on high academic achievement for all students, including gifted and talented students, students with disabilities, and English learners, maintaining active engagement with family and community members, and ensuring student safety.

4. Develop organizational practices, such as aligning staff, budget, and time to the instructional priorities of the school.

b. Providing opportunities for sustained and high-quality job-embedded practice in an authentic setting where candidates are responsible for moving the practice and performance of a subset of teachers or for school-wide performance as principal-in-planning or interim school leaders.

(3) Collecting data on program implementation and program completer outcomes for continuous program improvement.

SECTION 11.9.(i) Duration of Grants. – The nonprofit corporation shall also recommend to the Authority the duration and renewal of grants to eligible entities according to the following:

(1) The duration of grants shall be as follows:

a. Grants shall be no more than five years in duration.

b. The nonprofit corporation may recommend renewal of a grant based on performance, including allowing the grantee to scale up or replicate the successful program as provided in subdivision (2) of this subsection.

(2) In evaluating performance for purposes of grant renewal and making recommendations to the Authority, the nonprofit corporation shall consider:

a. For all grantees, the primary consideration in renewing grants shall be the extent to which program participants improved student achievement in eligible schools.

b. Other criteria from data received in the annual report in subsection (j) of this section may include the following:

1. The percentage of program completers who are placed as school leaders in this State within three years of receiving a grant.

2. The percentage of program completers who are rated proficient or above on the North Carolina School Executive Evaluation Rubric.

SECTION 11.9.(j) Reporting Requirements for Grant Recipients. – Recipients of grants under the program shall submit an annual report to the nonprofit corporation contracting with the Authority, beginning in the third year of the grant, with any information requested by the nonprofit corporation. Whenever practicable and within a reasonable amount of time, grant recipients shall also make all materials developed as part of the program and with grant funds publically available to contribute to the broader sharing of promising practices. Materials shall not include personally identifiable information regarding individuals involved or associated with the program, including, without limitation, applicants, participants, supervisors, evaluators, faculty, and staff, without their prior written consent. The nonprofit corporation shall work with recipients and local school administrative units, as needed, to enable the collection, analysis, and evaluation of at least the following relevant data, within necessary privacy constraints:

(1) Student achievement in eligible schools.

(2) The percentage of program completers who are placed as school leaders within three years in the State.

(3) The percentage of program completers rated proficient or above on school leader evaluation and support systems.

SECTION 11.9.(k) Licensure Process. – By June 1, 2016, the State Board of Education shall adopt a policy to provide for a specific licensure process applicable to school administrators who provide documentation to the State Board of successful completion of a principal preparation program selected for a competitive grant in accordance with this section.

SECTION 11.9.(l) Evaluation and Revision of Program. – The nonprofit corporation administering the program shall provide the State Board of Education with the data collected in accordance with subsection (j) of this section on an annual basis. By September 15, 2021, the State Board of Education, in coordination with the Board of Governors of The University of North Carolina, shall revise, as necessary, the licensure requirements for school administrators and the standards for approval of school administrator preparation programs after evaluating the data collected from the grant recipients, including the criteria used in selecting grant recipients and the outcomes of program completers. The State Board of Education shall report to the Joint Legislative Education Oversight Committee by November 15, 2021, on any changes made to the licensure requirements for school administrators and the standards for approval of school administrator preparation programs in accordance with this section.

SECTION 11.9.(m) Of the funds appropriated each fiscal year for this program, the sum of five hundred thousand dollars ($500,000) shall be allocated to the State Education Assistance Authority to contract with the nonprofit corporation selected pursuant to subsection (e) of this section to establish and administer the program. The State Education Assistance Authority may use up to five percent (5%) of those funds each fiscal year for administrative costs.

SECTION 11.9.(n) Beginning with the 2016-2017 fiscal year, of the funds appropriated for this program, the sum of five hundred thousand dollars ($500,000) shall be allocated each fiscal year to the State Education Assistance Authority to award grants to selected recipients.

SPECIAL EDUCATION SCHOLARSHIP CHANGES AND REEVALUATION FUNDS

SECTION 11.11.(a) G.S. 115C-112.6 reads as rewritten:

"§ **115C-112.6. Scholarships.**

(a) Scholarship Applications. – The Authority shall make available no later than May 1 annually applications to eligible students for the award of scholarships. Information about scholarships and the application process shall be made available on the Authority's Web site. The Authority shall give priority in awarding scholarships to eligible students who received a scholarship during the previous semester. Except as otherwise provided by the Authority for prior scholarship recipients, scholarships shall be awarded to eligible students in the order in which the applications are received.

(a1) Web Site Availability. – Information about scholarships and the application process shall be made available on the Authority's Web site. The Authority shall also include information on the Web site notifying parents that federal regulations adopted under IDEA provide that no parentally placed private school child with a disability has an individual right to receive some or all of the special education and related services that the child would receive if enrolled in a public school.

(b) Scholarship Awards. – Scholarships awarded to eligible students shall be for amounts of not more than ~~three~~four thousand dollars ~~($3,000)~~($4,000) per semester per eligible student. Eligible students awarded scholarships may not be enrolled in a public school to which that student has been assigned as provided in G.S. 115C-366. Scholarships shall be awarded only for tuition and for the reimbursement of ~~tuition,~~ special education, related services, and educational technology, as provided in subsection (b1) of this section. The Authority shall notify parents in writing of their eligibility to receive scholarships for costs that will be incurred during the spring semester of the following year by December 1 and for costs incurred during the fall semester of that year by July 1.

(b1) Disbursement of Scholarship Funds. – The Authority shall disburse scholarship funds for tuition and for the reimbursement of costs incurred by the parent of an eligible student as follows:

(1) Scholarship endorsement for tuition. – The Authority shall remit, at least two times each school year, scholarship funds awarded to eligible students for endorsement by at least one of the student's parents or guardians for tuition to attend (i) a North Carolina public school other than the public school to which that student has been assigned as provided in G.S. 115C-366 or (ii) a nonpublic school that meets the requirements of Part 1 or Part 2 of Article 39 of this Chapter as identified by the Department of Administration, Division of Nonpublic Education. Scholarship funds shall not be provided for tuition for home schooled students. If the student is attending a nonpublic school, the school must be deemed eligible by the Division of Nonpublic Education, pursuant to G.S. 115C-562.4, and the school shall be subject to the requirements of G.S. 115C-562.5. The parent or guardian shall restrictively endorse the scholarship funds awarded to the eligible student to the school for deposit into the account of the school. The parent or guardian shall not designate any entity or individual associated with the school as the parent's attorney-in-fact to endorse the scholarship funds but shall endorse the scholarship funds in person at the site of the school. A parent's or guardian's failure to comply with this section shall result in forfeiture of the scholarship funds. A scholarship forfeited for failure to comply with this section shall be returned to the Authority to be awarded to another student.

(2) Scholarship ~~Reimbursements.~~ reimbursements for costs. – Scholarship reimbursement for costs incurred shall be provided as follows:

~~(1)~~a. Preapproval process. – Prior to the start of each school semester, the parent of an eligible student may submit documentation of the ~~tuition,~~ special education, related services, or educational technology the parent anticipates incurring costs on in that semester for preapproval by the Authority.

~~(2)~~b. Reimbursement submissions. – Following the conclusion of each school semester, the parent of an eligible student shall submit to the Authority any receipts or other documentation approved by the Authority to demonstrate the costs incurred during the semester. In addition, parents shall provide documentation of the following to seek reimbursement:

~~a. Tuition reimbursement. – Parents may only receive reimbursement for tuition if the parent provides documentation that the student was enrolled in nonpublic school or public school for which payment of tuition is required for no less than 75 days of the semester for which the parent seeks reimbursement. Tuition reimbursement shall not be provided for home schooled students.~~

~~b.~~1. Special education reimbursement. – Parents may only receive reimbursement for special education if the parent provides documentation that the student received special education for no less than 75 days of the semester for which the parent seeks reimbursement. Special education reimbursement shall not be provided for special education instruction provided to a home schooled student by a member of the household of a home school, as defined in G.S. 115C-563(a).

~~c.~~2. Related services reimbursement. – Parents may only receive reimbursement for related services if the parent provides documentation that the student also received special education for no less than 75 days of the semester for which the parent seeks reimbursement for the related services. Related services reimbursement shall not be provided for related services provided to a home schooled student by a member of the household of a home school, as defined in G.S. 115C-563(a).

~~d.~~3. Educational technology reimbursement. – Parents may only receive reimbursement for educational technology if the parent provides documentation that the student used the educational technology for no less than 75 days of the semester for which the parent seeks reimbursement.

~~(3)~~c. Scholarship award. – The Authority shall award a scholarship in the amount of costs demonstrated by the parent up to the maximum amount. If the costs incurred by the parent do not meet the maximum amount, the Authority shall use the remainder of those funds for the award of scholarships to eligible students for the following semester. The Authority shall award scholarships to the parents of eligible students at least semiannually.

(c) Student Reevaluation. – After an eligible student's initial receipt of a scholarship, the Authority shall ensure that the student is reevaluated at least every three years by the local educational agency in order to verify that the student continues to be a child with a disability.

(d) Rule Making. – The Authority shall establish rules and regulations for the administration and awarding of scholarships. The Authority shall adopt rules providing for pro rata return of funds if a student withdraws prior to the end of the semester from a school to which scholarship funds have been remitted. The Authority shall annually develop a list of educational technology for which scholarships may be used and shall provide scholarship recipients with information about the list.

(e) Public Records Exception. – Scholarship applications and personally identifiable information related to eligible students receiving scholarships shall not be a public record under Chapter 132 of the General Statutes. For the purposes of this section, personally identifiable information means any information directly related to a student or members of a student's household, including the name, birthdate, address, Social Security number, telephone number, e-mail address, financial information, or any other information or identification number that would provide information about a specific student or members of a specific student's household."

SECTION 11.11.(b) G.S. 115C-112.9 reads as rewritten:

"§ **115C-112.9. Duties of State ~~Board of Education.~~agencies.**

(a) The State Board, as part of its duty to monitor all local educational agencies to determine compliance with this Article and IDEA as provided in G.S. 115C-107.4, shall ensure that local educational agencies do the following:

(1) Conduct evaluations requested by a child's parent or guardian of suspected children with disabilities, as defined in G.S. 115C-107.3, in a timely manner as required by IDEA.

(2) Provide reevaluations to identified children with disabilities receiving scholarships as provided in Part 1H of this Article at the request of the parent or guardian to ensure compliance with G.S. 115C-112.6(c).

(b) The Authority shall analyze, in conjunction with the Department of Public Instruction, past trends in scholarship data on an annual basis to ensure that the amount of funds transferred each fiscal year by the Authority to the Department for reevaluations by local school administrative units of eligible students under G.S. 115C-112.6(c) are sufficient and based on actual annual cost requirements."

SECTION 11.11.(c) The Authority shall adopt rules within 60 days of the date this act becomes law providing for pro rata return of funds if a student withdraws prior to the end of the semester from a school to which scholarship funds have been remitted.

SECTION 11.11.(d) This section applies to scholarships awarded for the 2015-2016 school year and each subsequent school year.

INTERNSHIPS AND CAREER-BASED OPPORTUNITIES FOR STUDENTS ATTENDING HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU)

SECTION 11.12.(a) The internship program created pursuant to S.L. 2014-100 to provide internships and career-based opportunities for students attending Historically Black Colleges and Universities may be offered to four or more HBCUs in the discretion of the Board of Governors of The University of North Carolina. Further, there is no requirement that Elizabeth City State University be a permanent participant in the internship program. The internship program shall be administered as provided by subsection (b) of this section.

SECTION 11.12.(b) The Board of Governors shall conduct a competitive process to select institutions of higher education that are Historically Black Colleges and Universities to participate in the internship program which links 60 students attending Historically Black Colleges and Universities with North Carolina-based companies. The Board of Governors shall determine the number of institutions that may participate in the program; however, at least two of the institutions shall be private institutions. Funds appropriated by this act for this internship program shall be allocated only to constituent institutions of The University of North Carolina

that are designated as an HBCU and private colleges and universities located in North Carolina that are designated as an HBCU.

SECTION 11.12.(c) Of the funds appropriated by this act for the support of the internship program, The University of North Carolina may use up to five percent (5%) for costs associated with administering this program.

SECTION 11.12.(d) This section applies to the 2015-2016 fiscal year and each subsequent fiscal year.

ELIZABETH CITY STATE UNIVERSITY BUDGET STABILIZATION FUNDS REPORT

SECTION 11.13. The President of The University of North Carolina shall report each quarter of the 2015-2017 fiscal biennium to the Office of State Budget and Management and the Fiscal Research Division of the General Assembly on the status of budget stabilization funds appropriated to Elizabeth City State University by this act for the purpose of enhancing technology related to enrollment and recruitment of students, campus access and safety, and human resources management. The reports shall provide detailed descriptions of the scope of work that has been completed to date, anticipated activities for the next quarter, and a plan with time lines to complete the full scope of work. The reports shall also include evidence of improved services and outcomes achieved from improvements implemented using these funds. The first quarterly report required by this section shall be made no later than January 1, 2016.

UNC ENROLLMENT GROWTH REPORT

SECTION 11.14. G.S. 116-30.7 reads as rewritten:

"§ **116-30.7. Biennial projection of enrollment growth for The University of North Carolina.**

By ~~October~~ December 15 of each even-numbered year, the General Administration of The University of North Carolina shall provide to the Joint Education Legislative Oversight Committee and to the Office of State Budget and Management a projection of the total student enrollment in The University of North Carolina that is anticipated for the next biennium. The enrollment projection shall be divided into the following categories and shall include the projected growth for each year of the biennium in each category at each of the constituent institutions: undergraduate students, graduate students (students earning master's and doctoral degrees), first professional students, and any other categories deemed appropriate by General Administration. The projection shall also distinguish between on-campus and distance education students. The projections shall be considered by the Director of the Budget when determining the amount the Director proposes to appropriate to The University of North Carolina in the Recommended State Budget submitted pursuant to G.S. 143C-3-5(b)."

EARLY COLLEGE GRADUATES/UNC ADMISSION POLICY

SECTION 11.16.(a) The Board of Governors of The University of North Carolina shall adopt a policy to require each constituent institution to offer to any student who graduated from a cooperative innovative high school program with an associate degree and who applies for admission to the constituent institution the option of being considered for admission as a freshman or as a transfer student. The constituent institution shall also provide written information to the student regarding the consequences that accompany each option and any other relevant information that may be helpful to the student when considering which option to select.

SECTION 11.16.(b) Beginning March 1, 2017, the Board of Governors shall report annually to the Joint Legislative Education Oversight Committee regarding the number of students who graduated from a cooperative innovative high school program with an associate degree and which option was chosen by those students when applying for admission to a constituent institution.

SECTION 11.16.(c) This section applies to the 2016-2017 academic year and each subsequent academic year.

SEAA FUNDS FOR ADMINISTRATION OF SPECIAL EDUCATION SCHOLARSHIP GRANT PROGRAM

SECTION 11.18. Section 5(b) of S.L. 2013-364, as amended by Section 3.2 of S.L. 2013-363, reads as rewritten:

"**SECTION 5.(b)** Of the funds allocated to NCSEAA to be used for the award of scholarship grants to eligible students under subsection (a) of this section, for fiscal year 2013-2014, NCSEAA may retain up to two hundred thousand dollars ($200,000) for administrative costs associated with the scholarship grant program. For fiscal year ~~2014-2015~~ 2015-2016 and subsequent years, NCSEAA may retain up to ~~two percent (2%)~~ four percent (4%) annually for administrative costs associated with the scholarship grant program."

EDUCATION OPPORTUNITIES FOR STUDENTS WITH DISABILITIES

SECTION 11.19.(a) The Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, with the assistance of the Department of Health and Human Services, Division of Vocational Rehabilitation and Division of Social Services, the Department of Public Instruction, The University of North Carolina, and the North Carolina Community College System, and in consultation with the North Carolina Postsecondary Education Alliance, community stakeholders, and other interested parties, shall:

(1) Assess gaps and system needs to support transitions of people with disabilities to adulthood.

(2) Develop a program and fiscal policies to expand and sustain postsecondary education and employment opportunities for people with disabilities.

(3) Plan and implement approaches to public awareness about postsecondary education and employment for people with disabilities.

(4) Plan and implement joint policies and common data indicators for tracking the outcomes of people with disabilities after leaving high school.

(5) Consider options for technology to link agency databases.

The Division of Mental Health, Developmental Disabilities, and Substance Abuse Services shall report to the Joint Legislative Education Oversight Committee and the Joint Legislative Oversight Committee on Health and Human Services by November 15, 2015, and annually thereafter through November 15, 2017, on the implementation of this section.

SECTION 11.19.(b) The State Education Assistance Authority shall study strategies for ensuring that the State system of financial assistance for postsecondary education is fully available to assist qualified students with disabilities who are enrolled in certificate-based, approved university programs developed for them. The Authority shall report to the Joint Legislative Education Oversight Committee and the Joint Legislative Oversight Committee on Health and Human Services by March 15, 2016, on the results of this study.

WESTERN GOVERNORS UNIVERSITY CHALLENGE GRANT

SECTION 11.20. Of the funds appropriated in this act to the Board of Governors of The University of North Carolina, the sum of two million dollars ($2,000,000) in nonrecurring funds for the 2016-2017 fiscal year shall be used as a challenge grant to Western Governors University to raise the sum of five million dollars ($5,000,000) in private funds for the 2016-2017 fiscal year to establish a North Carolina campus. The allocation of two million dollars ($2,000,000) under this section is contingent upon receipt by Western Governors University of five million dollars ($5,000,000) in private funds for the purpose of establishing a North Carolina campus.

The Board of Governors shall disburse the challenge grant funds of two million dollars ($2,000,000) to Western Governors University upon notification and appropriate documentation that the sum of five million dollars ($5,000,000) in private funds has been raised pursuant to this section.

HUNT INSTITUTE/NO GENERAL FUNDS

SECTION 11.21. Notwithstanding any other provision of law, no monies from the General Fund shall be used for the support of The Hunt Institute which is an affiliate of the University of North Carolina at Chapel Hill.

CENTRALIZED PROCESS TO DETERMINE RESIDENCY FOR TUITION PURPOSES

SECTION 11.23. It is the intent of the General Assembly to establish a coordinated and centralized process for residency determination that enables efficiencies within the public sectors of higher education and that simplifies the process while enhancing accuracy and consistency of outcomes. The State Education Assistance Authority (SEAA) is hereby authorized to perform all functions necessary to implement the coordinated and centralized process to apply the criteria in G.S. 116-143.1 to determine residency for tuition purposes of students who apply for admission and are admitted to a constituent institution of The University of North Carolina or a community college under the jurisdiction of the State Board of Community Colleges and for students who apply for State-funded financial aid to attend eligible private postsecondary institutions so that the process will be fully functional for terms of enrollment commencing after December 31, 2016.

The University of North Carolina General Administration and the North Carolina Community College System shall take the necessary actions to facilitate an orderly transition from the campus-based residency determination system to the coordinated and centralized process authorized in this section. Each of the Division of Motor Vehicles of the Department of Transportation, the Department of Public Instruction, the Department of Commerce, the Department of Health and Human Services, the Department of Revenue, the State Board of Elections, and the State Chief Information Officer shall expeditiously cooperate with the SEAA in verifying electronically, or by other similarly effective and efficient means, evidence submitted to the SEAA for the purposes of classifying an individual as a resident for tuition purposes. The SEAA shall consult with representatives of The University of North Carolina General Administration, the North Carolina Community College System, and the North Carolina Independent Colleges and Universities in implementing the centralized process.

PART XII. DEPARTMENT OF HEALTH AND HUMAN SERVICES

SUBPART XII-A. CENTRAL MANAGEMENT AND SUPPORT

CREATION OF OFFICE OF PROGRAM EVALUATION REPORTING AND ACCOUNTABILITY WITHIN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

SECTION 12A.3.(a) Article 3 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

"Part 31A. Office of Program Evaluation Reporting and Accountability.

"**§ 143B-216.52. Department of Health and Human Services; Office of Program Evaluation Reporting and Accountability.**

The Office of Program Evaluation Reporting and Accountability (OPERA) is hereby established within the Department of Health and Human Services. Employees of the OPERA shall be subject to the North Carolina Human Resources Act only as provided in G.S. 126-5(c1)(31).

"**§ 143B-216.53. Appointment, qualifications, and removal of OPERA Director.**

(a) The Secretary of Health and Human Services shall appoint a Director of OPERA, who shall perform the duties of the position independently. The Director shall report directly to the Secretary and shall not report to any other deputy, division director, or staff member of the Department.

(b) The Director must have a minimum of 10 years of experience in program evaluation equivalent to the duties of the office, including at least three years of experience at the management level.

(c) The Director may only be removed by the Secretary of Health and Human Services effective 30 days after written notification to the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the State Auditor, and the Director of the Fiscal Research Division of the Legislative Services Office. The notification must itemize the causes and particulars justifying the Director's removal.

"**§ 143B-216.54. Duties of the Office of Program Evaluation Reporting and Accountability.**

The Office of Program Evaluation Reporting and Accountability has the following duties:

(1) To assess the evidentiary basis of all Department programs as recommended by Evidence-Based Policymaking: A Guide for Effective Government, a project of the Results First Initiative of the Pew Charitable Trusts and the John D. and Katherine T. MacArthur Foundation.

(2) To identify and evaluate any Department program when directed by the General Assembly, the Secretary, or as deemed necessary by the Director.

(3) To develop an Internet Web site containing an inventory of departmental programs consisting of the program name and a link to a program profile. For each program, the profile must contain, at a minimum, all of the following:

a. Legal authority for the program.

b. Program performance for the past five fiscal years and year to date for the current fiscal year.

1. Outcome. – The verifiable quantitative effects or results attributable to the program compared to a performance standard.

2. Output. – The verifiable number of units of services or activities compared to a standard.

3. Efficiency. – The verifiable total direct and indirect cost per output and per outcome compared to a standard.

4. Performance standard. – A quantitative indicator based upon best practices, generally recognized standards, or comparisons with relevant programs in other states or regions for gauging achievement of efficiency, output, and outcomes.

5. Benchmarks. – A broad societal indicator used for gauging ultimate outcomes of the program, such as U.S. Census data.

c. Funding by source for the current and previous five fiscal years.

d. Listing of filled and vacant employee positions as specified by the Office of State Budget and Management.

e. Listing of contracts during the previous fiscal year and of the current fiscal year to date with individuals and firms and the actual and authorized cost, funding source, and purposes of those contracts.

f. Categorization by evidence of effectiveness as determined by the Office.

g. Potential return on investment of each program.

h. Findings and recommendations from internal and external State or federal audits, Office program assessments, and program evaluations.

(4) To assure that the Office Internet Web site allows users to list all of the following:

a. Programs that exceeded, met, or did not meet performance standards for efficiency, outputs, and outcomes for the immediate preceding fiscal year.

b. Programs by category of evidence of effectiveness.

c. Programs by potential return on investment.

d. Programs listed in a manner determined useful by the Office.

(5) To cooperate with and respond promptly to requests for program-level data and information from the Office of State Budget and Management, the Fiscal Research and Program Evaluation Divisions of the Legislative Services Office, and the State Auditor.

"**§ 143B-216.55. Powers of the Office of Program Evaluation Reporting and Accountability.**

The Office of Program Evaluation Reporting and Accountability is authorized, primarily for the purpose of assessing accurate return on investment, to do all of the following:

(1) Have unfettered access to any data or record maintained by the Department and to assure its confidentiality when required by State or federal law.

(2) Interview any Department employee or independent contractor without others present.

(3) Conduct announced or unannounced inspections of departmental-owned or departmental-leased facilities."

SECTION 12A.3.(b) G.S. 126-5(c1) is amended by adding a new subdivision to read:

"§ **126-5. Employees subject to Chapter; exemptions.**

…

(c1) Except as to the provisions of Articles 6 and 7 of this Chapter, the provisions of this Chapter shall not apply to:

…

(31) Employees of the Office of Program Evaluation Reporting and Accountability of the Department of Health and Human Services."

HEALTH INFORMATION TECHNOLOGY

SECTION 12A.4.(a) The Department of Health and Human Services (Department), in cooperation with the State Chief Information Officer (State CIO), shall coordinate health information technology (HIT) policies and programs within the State of North Carolina. The goal of the DHHS CIO in coordinating State HIT policy and programs shall be to avoid duplication of efforts and to ensure that each State agency, public entity, and private entity that undertakes health information technology activities does so within the area of its greatest expertise and technical capability and in a manner that supports coordinated State and national goals, which shall include at least all of the following:

(1) Ensuring that patient health information is secure and protected, in accordance with applicable law.

(2) Improving health care quality, reducing medical errors, reducing health disparities, and advancing the delivery of patient-centered medical care.

(3) Providing appropriate information to guide medical decisions at the time and place of care.

(4) Ensuring meaningful public input into HIT infrastructure development.

(5) Improving the coordination of information among hospitals, laboratories, physicians' offices, and other entities through an effective infrastructure for the secure and authorized exchange of health care information.

(6) Improving public health services and facilitating early identification and rapid response to public health threats and emergencies, including bioterrorist events and infectious disease outbreaks.

(7) Facilitating health and clinical research.

(8) Promoting early detection, prevention, and management of chronic diseases.

SECTION 12A.4.(b) The Department, in cooperation with the Department of Information Technology created by this act, shall establish and direct an HIT management structure that is efficient and transparent and that is compatible with the Office of the National Health Coordinator for Information Technology (National Coordinator) governance mechanism. The HIT management structure shall be responsible for all of the following:

(1) Developing a State plan for implementing and ensuring compliance with national HIT standards and for the most efficient, effective, and widespread adoption of HIT.
(2) Ensuring that (i) specific populations are effectively integrated into the State plan, including aging populations, populations requiring mental health services, and populations utilizing the public health system, and (ii) unserved and underserved populations receive priority consideration for HIT support.
(3) Identifying all HIT stakeholders and soliciting feedback and participation from each stakeholder in the development of the State plan.
(4) Ensuring that existing HIT capabilities are considered and incorporated into the State plan.
(5) Identifying and eliminating conflicting HIT efforts where necessary.
(6) Identifying available resources for the implementation, operation, and maintenance of health information technology, including identifying resources and available opportunities for North Carolina institutions of higher education.
(7) Ensuring that potential State plan participants are aware of HIT policies and programs and the opportunity for improved health information technology.
(8) Monitoring HIT efforts and initiatives in other states and replicating successful efforts and initiatives in North Carolina.
(9) Monitoring the development of the National Coordinator's strategic plan and ensuring that all stakeholders are aware of and in compliance with its requirements.
(10) Monitoring the progress and recommendations of the HIT Policy and Standards Committee and ensuring that all stakeholders remain informed of the Committee's recommendations.
(11) Monitoring all studies and reports provided to the United States Congress and reporting to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the impact of report recommendations on State efforts to implement coordinated HIT.

SECTION 12A.4.(c) By no later than January 15, 2016, the Department shall provide a written report on the status of HIT efforts to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division. The report shall be comprehensive and shall include all of the following:

(1) Current status of federal HIT initiatives.
(2) Current status of State HIT efforts and initiatives among both public and private entities.
(3) Other State information technology initiatives with potential applicability to State HIT efforts.
(4) Efforts to ensure coordination and avoid duplication of HIT efforts within the State.
(5) A breakdown of current public and private funding sources and dollar amounts for State HIT initiatives.
(6) Efforts by the DHHS CIO to coordinate HIT initiatives within the State and any obstacles or impediments to coordination.
(7) HIT research efforts being conducted within the State and sources of funding for research efforts.
(8) Opportunities for stakeholders to participate in HIT funding and other efforts and initiatives during the next quarter.
(9) Issues associated with the implementation of HIT in North Carolina and recommended solutions to these issues.

FUNDS FOR OVERSIGHT AND ADMINISTRATION OF STATEWIDE HEALTH INFORMATION EXCHANGE NETWORK

SECTION 12A.5.(a) It is the intent of the General Assembly to do all of the following with respect to health information exchange:

(1) Establish a successor HIE Network to which (i) all Medicaid providers shall be connected by February 1, 2018, and (ii) all other entities that receive State funds for the provision of health services, including local management entities/managed care organizations, shall be connected by June 1, 2018.

(2) Establish (i) a State-controlled Health Information Exchange Authority to oversee and administer the successor HIE Network and (ii) a Health Information Exchange Advisory Board to provide consultation to the Authority on matters pertaining to administration and operation of the HIE Network and on statewide health information exchange, generally.

(3) Have the successor HIE Network gradually become and remain one hundred percent (100%) receipt-supported by establishing reasonable participation fees and by drawing down available matching funds whenever possible.

SECTION 12A.5.(b) In order to achieve the objectives described in subsection (a) of this section, funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, for the 2015-2016 fiscal year and for the 2016-2017 fiscal year to continue efforts toward the implementation of a statewide health information exchange network shall be transferred to the Department of Information Technology. By 30 days after the effective date of this section, the Secretary of the Department of Health and Human Services and the State Chief Information Officer (State CIO) shall enter into a written memorandum of understanding pursuant to which the State CIO will have sole authority to direct the expenditure of these funds until (i) the North Carolina Health Information Exchange Authority (Authority) is established and the State CIO has appointed an Authority Director and (ii) the North Carolina Health Information Exchange Advisory Board (Advisory Board) is established with members appointed pursuant to Article 29B of Chapter 90 of the General Statutes, as enacted by subsection (d) of this section. The State CIO shall use these transferred funds to accomplish the following:

(1) Beginning immediately upon receipt of the transferred funds, facilitate the following:

a. Establishment of the successor HIE Network described in subsection (a) of this section.

b. Termination or assignment to the Authority by February 29, 2016, of any contracts pertaining to the HIE Network established under Article 29A of Chapter 90 of the General Statutes (i) between the State and the NC HIE and (ii) between the NC HIE and any third parties.

(2) Fund the monthly operational expenses incurred or encumbered by the NC HIE from July 1, 2015, until February 29, 2016. Notwithstanding any other provision of law to the contrary, the total amount of monthly operating expenses paid for with these funds shall not exceed one hundred seventy-seven thousand dollars ($177,000) per month or a total of one million four hundred sixteen thousand dollars ($1,416,000) for the eight-month period commencing July 1, 2015, and ending February 29, 2016. The State CIO shall terminate payments for these monthly operational expenses upon the earlier of February 29, 2016, or upon the termination or assignment to the Authority of all contracts pertaining to the HIE Network established under Article 29A of Chapter 90 of the General Statutes (i) between the State and the NC HIE and (ii) between the NC HIE and any third parties.

The State CIO is encouraged to explore all available opportunities for the State to receive federal grant funds and federal matching funds for health information exchange.

SECTION 12A.5.(c) Once the Authority Director has been hired and the Advisory Board has been established with members appointed pursuant to Article 29B of Chapter 90 of the General Statutes, as enacted by subsection (d) of this section, the Authority shall use these funds to do the following:

(1) Fund the operational expenses of the Authority and the Advisory Board.

(2) Establish, oversee, administer, and provide ongoing support of a successor HIE Network to the HIE Network established under Article 29A of Chapter 90 of the General Statutes.

(3) Enter into any contracts necessary for the establishment, administration, and operation of the successor HIE Network.

(4) Facilitate the termination or assignment to the Authority by February 29, 2016, of any contracts pertaining to the HIE Network established under Article 29A of Chapter 90 of the General Statutes (i) between the State and the NC HIE and (ii) between the NC HIE and any third parties.

(5) Fund the monthly operational expenses incurred or encumbered by the NC HIE from July 1, 2015, until February 29, 2016. Notwithstanding any other provision of law to the contrary, the total amount of monthly operating expenses paid for with these funds shall not exceed one hundred seventy-seven thousand dollars ($177,000) per month or a total of one million four hundred sixteen thousand dollars ($1,416,000) for the eight-month period commencing July 1, 2015, and ending February 29, 2016. The Authority shall terminate payments for these monthly operational expenses upon the earlier of February 29, 2016, or upon the termination or assignment to the Authority of all contracts pertaining to the HIE Network established under Article 29A of Chapter 90 of the General Statutes (i) between the State and the NC HIE and (ii) between the NC HIE and any third parties.

The Authority is encouraged to explore all available opportunities for the State to receive federal grant funds and federal matching funds for health information exchange.

SECTION 12A.5.(d) Chapter 90 of the General Statutes is amended by adding a new Article to read:

"Article 29B.

"Statewide Health Information Exchange Act.

"§ **90-414.1. Title.**

This act shall be known and may be cited as the "Statewide Health Information Exchange Act."

"§ **90-414.2. Purpose.**

This Article is intended to improve the quality of health care delivery within this State by facilitating and regulating the use of a voluntary, statewide health information exchange network for the secure electronic transmission of individually identifiable health information among health care providers, health plans, and health care clearinghouses in a manner that is consistent with the Health Insurance Portability and Accountability Act, Privacy Rule and Security Rule, 45 C.F.R. §§ 160, 164.

"§ **90-414.3. Definitions.**

The following definitions apply in this Article:

(1) Business associate. – As defined in 45 C.F.R. § 160.103.

(2) Business associate contract. – The documentation required by 45 C.F.R. § 164.502(e)(2) that meets the applicable requirements of 45 C.F.R. § 164.504(e).

(3) Covered entity. – Any entity described in 45 C.F.R. § 160.103 or any other facility or practitioner licensed by the State to provide health care services.

(4) Department. – North Carolina Department of Health and Human Services.
(5) Disclose or disclosure. – The release, transfer, provision of access to, or divulging in any other manner an individual's protected health information through the HIE Network.
(6) Emergency medical condition. – A medical condition manifesting itself by acute symptoms of sufficient severity, including severe pain, such that the absence of immediate medical attention could reasonably be expected to result in (i) placing an individual's health in serious jeopardy, (ii) serious impairment to an individual's bodily functions, or (iii) serious dysfunction of any bodily organ or part of an individual.
(7) GDAC. – The North Carolina Government Data Analytics Center.
(8) HIE Network. – The voluntary, statewide health information exchange network overseen and administered by the Authority.
(9) HIPAA. – The Health Insurance Portability and Accountability Act of 1996, P.L. 104-191, as amended.
(10) Individual. – As defined in 45 C.F.R. § 160.103.
(11) North Carolina Health Information Exchange Advisory Board or Advisory Board. – The Advisory Board established under G.S. 90-414.8.
(12) North Carolina Health Information Exchange Authority or Authority. – The entity established pursuant to G.S. 90-414.7.
(13) Opt out. – An individual's affirmative decision communicated in writing to disallow his or her protected health information maintained by the Authority from being disclosed to other covered entities or other persons or entities through the HIE Network.
(14) Protected health information. – As defined in 45 C.F.R. § 160.103.
(15) Public health purposes. – The public health activities and purposes described in 45 C.F.R. § 164.512(b).
(16) Qualified organization. – An entity with which the Authority has contracted for the sole purpose of facilitating the exchange of data with or through the HIE Network.
(17) Research purposes. – Research purposes referenced in and subject to the standards described in 45 C.F.R. § 164.512(i).
(18) State CIO. – The State Chief Information Officer.

"§ **90-414.4. Required participation in HIE Network for some providers.**

(a) The General Assembly makes the following findings:
(1) That controlling escalating health care costs of the Medicaid program and other State-funded health services is of significant importance to the State, its taxpayers, its Medicaid recipients, and other recipients of State-funded health services.
(2) That the State needs timely access to certain demographic and clinical information pertaining to services rendered to Medicaid and other State-funded health care program beneficiaries and paid for with Medicaid or other State-funded health care funds in order to assess performance, improve health care outcomes, pinpoint medical expense trends, identify beneficiary health risks, and evaluate how the State is spending money on Medicaid and other State-funded health services.
(3) That making demographic and clinical information available to the State by secure electronic means as set forth in subsection (b) of this section will, with respect to Medicaid and other State-funded health care programs, improve care coordination within and across health systems, increase care quality for such beneficiaries, enable more effective population health management, reduce duplication of medical services, augment syndromic surveillance, allow more accurate measurement of care services and

outcomes, increase strategic knowledge about the health of the population, and facilitate health care cost containment.

(b) Notwithstanding the voluntary nature of the HIE Network under G.S. 90-414.2 and as a condition of receiving State funds, including Medicaid funds, the following entities shall submit at least twice daily, through the HIE network, demographic and clinical information pertaining to services rendered to Medicaid and other State-funded health care program beneficiaries and paid for with Medicaid or other State-funded health care funds, solely for the purposes set forth in subsection (a) of this section:

(1) Each hospital, as defined in G.S. 131E-76(3), that has an electronic health record system.

(2) Each Medicaid provider.

(3) Each provider that receives State funds for the provision of health services.

(4) Each local management entity/managed care organization, as defined in G.S. 122C-3.

The daily submissions required under this subsection shall be by connection to the HIE Network periodic asynchronous secure structured file transfer or any other secure electronic means commonly used in the industry and consistent with document exchange and data submission standards established by the Office of the National Coordinator for Information Technology within the U.S. Department of Health and Human Services.

"**§ 90-414.5. State agency and legislative access to HIE Network data.**

(a) The Authority shall provide the Department and the State Health Plan for Teachers and State Employees secure, real-time access to data and information disclosed through the HIE Network, solely for the purposes set forth in subsection (a) of this section and in G.S. 90-414.2. The Authority shall limit access granted to the State Health Plan for Teachers and State Employees pursuant to this section to data and information disclosed through the HIE Network that pertains to services (i) rendered to teachers and State employees and (ii) paid for by the State Health Plan.

(b) At the written request of the Director of the Fiscal Research, Bill Drafting, Research, or Program Evaluation Division of the General Assembly for an aggregate analysis of the data and information disclosed through the HIE Network, the Authority shall provide the professional staff of these Divisions with such aggregated analysis responsive to the Director's request. Prior to providing the Director or General Assembly's staff with any aggregate data or information submitted through the HIE Network or with any analysis of this aggregate data or information, the Authority shall redact any personal identifying information in a manner consistent with the standards specified for de-identification of health information under the HIPAA Privacy Rule, 45 C.F.R. § 164.514, as amended.

"**§ 90-414.6. State ownership of HIE Network data.**

Any data pertaining to services rendered to Medicaid and other State-funded health care program beneficiaries submitted through and stored by the HIE Network pursuant to G.S. 90-414.4 or any other provision of this Article shall be and will remain the sole property of the State. Any data or product derived from the aggregated, de-identified data submitted to and stored by the HIE Network pursuant to G.S. 90-414.4 or any other provision of this Article, shall be and will remain the sole property of the State. The Authority shall not allow data it receives pursuant to G.S. 90-414.4 or any other provision of this Article to be used or disclosed by or to any person or entity for commercial purposes or for any other purpose other than those set forth in G.S. 90-414.4(a) or G.S. 90-414.2.

"**§ 90-414.7. North Carolina Health Information Exchange Authority.**

(a) Creation. – There is hereby established the North Carolina Health Information Exchange Authority to oversee and administer the HIE Network in accordance with this Article. The Authority shall be located within the Department of Information Technology and shall be under the supervision, direction, and control of the State CIO. The State CIO shall employ an Authority Director and may delegate to the Authority Director all powers and duties associated with the daily operation of the Authority, its staff, and the performance of the

powers and duties set forth in subsection (b) of this section. In making this delegation, however, the State CIO maintains the responsibility for the performance of these powers and duties.

(b) Powers and Duties. – The Authority has the following powers and duties:

(1) Oversee and administer the HIE Network in a manner that ensures all of the following:

a. Compliance with this Article.

b. Compliance with HIPAA and any rules adopted under HIPAA, including the Privacy Rule and Security Rule.

c. Compliance with the terms of any participation agreement, business associate agreement, or other agreement the Authority or qualified organization or other person or entity enters into with a covered entity participating in submission of data through or accessing the HIE Network.

d. Notice to the patient by the healthcare provider or other person or entity about the HIE Network, including information and education about the right of individuals on a continuing basis to opt out or rescind a decision to opt out.

e. Opportunity for all individuals whose data has been submitted to the HIE Network to exercise on a continuing basis the right to opt out or rescind a decision to opt out.

f. Nondiscriminatory treatment by covered entities of individuals who exercise the right to opt out.

g. Facilitation of HIE Network interoperability with electronic health record systems of all covered entities listed in G.S. 90-414.4(b).

h. Minimization of the amount of data required to be submitted under G.S. 90-414(b) and any use or disclosure of such data to what is determined by the Authority to be required in order to advance the purposes set forth in G.S. 90-414.2 and G.S. 90-414(a).

(2) In consultation with the Advisory Board, set guiding principles for the development, implementation, and operation of the HIE Network.

(3) Employ staff necessary to carry out the provisions of this Article and determine the compensation, duties, and other terms and conditions of employment of hired staff.

(4) Enter into contracts pertaining to the oversight and administration of the HIE Network, including contracts of a consulting or advisory nature. G.S. 143-64.20 does not apply to this subdivision.

(5) Establish fees for participation in the HIE Network and report the established fees to the General Assembly, with an explanation of the fee determination process.

(6) Following consultation with the Advisory Board, develop, approve, and enter into, directly or through qualified organizations acting under the authority of the Authority, written participation agreements with persons or entities that participate in or are granted access or user rights to the HIE Network. The participation agreements shall set forth terms and conditions governing participation in, access to, or use of the HIE Network not less than those set forth in agreements already governing covered entities' participation in the federal eHealth Exchange. The agreement shall also require compliance with policies developed by the Authority pursuant to this Article or pursuant to applicable laws of the state of residence for entities located outside of North Carolina.

(7) Receive, access, add, and remove data submitted through and stored by the HIE Network in accordance with this Article.

(8) Following consultation with the Advisory Board, enter into, directly or through qualified organizations acting under the authority of the Authority, a HIPAA compliant business associate agreement with each of the persons or entities participating in or granted access or user rights to the HIE Network.

(9) Following consultation with the Advisory Board, grant user rights to the HIE Network to business associates of covered entities participating in the HIE Network (i) at the request of the covered entities and (ii) at the discretion of and subject to contractual, policy, and other requirements of the Authority upon consideration of and consistent with the business associates' legitimate need for utilizing the HIE Network and privacy and security concerns.

(10) Facilitate and promote use of the HIE Network by covered entities.

(11) Actively monitor compliance with this Article by the Department, covered entities, and any other persons or entities participating in or granted access or user rights to the HIE Network or any data submitted through or stored by the HIE Network.

(12) Collaborate with the State CIO to ensure that resources available through the GDAC are properly leveraged, assigned, or deployed to support the work of the Authority. The duty to collaborate under this subdivision includes collaboration on data hosting and development, implementation, operation, and maintenance of the HIE Network.

(13) Initiate or direct expansion of existing public-private partnerships within the GDAC as necessary to meet the requirements, duties, and obligations of the Authority. Notwithstanding any other provision of law and subject to the availability of funds, the State CIO, at the request of the Authority, shall assist and facilitate expansion of existing contracts related to the HIE Network, provided that such request is made in writing by the Authority to the State CIO with reference to specific requirements set forth in this Article.

(14) In consultation with the Advisory Board, develop a strategic plan for achieving statewide participation in the HIE Network by all hospitals and health care providers licensed in this State.

(15) In consultation with the Advisory Board, define the following with respect to operation of the HIE Network:

a. Business policy.

b. Protocols for data integrity, data sharing, data security, HIPAA compliance, and business intelligence as defined in G.S. 143B-426.38A. To the extent permitted by HIPAA, protocols for data sharing shall allow for the disclosure of data for academic research.

c. Qualitative and quantitative performance measures.

d. An operational budget and assumptions.

(16) Annually report to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Information Technology on the following:

a. The operation of the HIE Network.

b. Any efforts or progress in expanding participation in the HIE Network.

c. Health care trends based on information disclosed through the HIE Network.

(17) Ensure that the HIE Network interfaces with the federal level HIE, the eHealth Exchange.

"**§ 90-414.8. North Carolina Health Information Exchange Advisory Board.**

(a) Creation and Membership. – There is hereby established the North Carolina Health Information Exchange Advisory Board within the Department of Information Technology. The Advisory Board shall consist of the following 11 members:

(1) The following four members appointed by the President Pro Tempore of the Senate:
   a. A licensed physician in good standing and actively practicing in this State.
   b. A patient representative.
   c. An individual with technical expertise in health data analytics.
   d. A representative of a behavioral health provider.

(2) The following four members appointed by the Speaker of the House of Representatives:
   a. A representative of a critical access hospital.
   b. A representative of a federally qualified health center.
   c. An individual with technical expertise in health information technology.
   d. A representative of a health system or integrated delivery network.

(3) The following three ex officio, nonvoting members:
   a. The State Chief Information Officer or a designee.
   b. The Director of GDAC or a designee.
   c. The Secretary of Health and Human Services, or a designee.

(b) Chairperson. – A chairperson shall be elected from among the members. The chairperson shall organize and direct the work of the Advisory Board.

(c) Administrative Support. – The Department of Information Technology shall provide necessary clerical and administrative support to the Advisory Board.

(d) Meetings. – The Advisory Board shall meet at least quarterly and at the call of the chairperson. A majority of the Advisory Board constitutes a quorum for the transaction of business.

(e) Terms. – In order to stagger terms, in making initial appointments, the President Pro Tempore of the Senate shall designate two of the members appointed under subdivision (1) of subsection (a) of this section to serve for a one-year period from the date of appointment and, the Speaker of the House of Representatives shall designate two members appointed under subdivision (2) of subsection (a) of this section to serve for a one-year period from the date of appointment. The remaining voting members shall serve two-year periods. Future appointees who are voting members shall serve terms of two years, with staggered terms based on this subsection. Voting members may serve up to two consecutive terms, not including the abbreviated two-year terms that establish staggered terms or terms of less than two years that result from the filling of a vacancy. Ex officio, nonvoting members are not subject to these term limits. A vacancy other than by expiration of a term shall be filled by the appointing authority.

(f) Expenses. – Members of the Advisory Board who are State officers or employees shall receive no compensation for serving on the Advisory Board but may be reimbursed for their expenses in accordance with G.S. 138-6. Members of the Advisory Board who are full-time salaried public officers or employees other than State officers or employees shall receive no compensation for serving on the Advisory Board but may be reimbursed for their expenses in accordance with G.S. 138-5(b). All other members of the Advisory Board may receive compensation and reimbursement for expenses in accordance with G.S. 138-5.

(g) Duties. – The Advisory Board shall provide consultation to the Authority with respect to the advancement, administration, and operation of the HIE Network and on matters pertaining to health information technology and exchange, generally. In carrying out its responsibilities, the Advisory Board may form committees of the Advisory Board to examine particular issues related to the advancement, administration, or operation of the HIE Network.

"§ **90-414.9. Participation by covered entities.**

(a) Each covered entity that elects to participate in the HIE Network shall enter into a HIPAA compliant business associate agreement described in G.S. 90-414.5(b)(8) and a written participation agreement described in G.S. 90-414.5(b)(6) with the Authority or qualified organization prior to submitting data through or in the HIE Network.

(b) Each covered entity that elects to participate in the HIE Network may authorize its business associates on behalf of the covered entity to submit data through, or access data stored in, the HIE Network in accordance with this Article and at the discretion of the Authority, as provided in G.S. 90-414.5(b)(8).

(c) Notwithstanding any State law or regulation to the contrary, each covered entity that elects to participate in the HIE Network may disclose an individual's protected health information through the HIE Network to other covered entities for any purpose permitted by HIPAA, unless the individual has exercised the right to opt out.

"§ **90-414.10. Continuing right to opt out; effect of opt out.**

(a) Each individual has the right on a continuing basis to opt out or rescind a decision to opt out.

(b) The Authority or its designee shall enforce an individual's decision to opt out or rescind an opt out prospectively from the date the Authority or its designee receives notice of the individual's decision to opt out or rescind an opt out in the manner prescribed by the Authority. An individual's decision to opt out or rescind an opt out does not affect any disclosures made by the Authority or covered entities through the HIE Network prior to receipt by the Authority or its designee of the individual's notice to opt out or rescind an opt out.

(c) A covered entity shall not deny treatment, coverage, or benefits to an individual because of the individual's decision to opt out. However, nothing in this Article is intended to restrict a health care provider from otherwise appropriately terminating a relationship with an individual in accordance with applicable law and professional ethical standards.

(d) Except as otherwise permitted in G.S. 90-414.9(a)(3), the protected health information of an individual who has exercised the right to opt out may not be made accessible or disclosed to covered entities or any other person or entity through the HIE Network for any purpose.

(e) The protected health information of an individual who has exercised the right to opt out may be disclosed through the HIE Network in order to facilitate the provision of emergency medical treatment to the individual if all of the following criteria are met:

(1) The reasonably apparent circumstances indicate to the treating health care provider that (i) the individual has an emergency medical condition, (ii) a meaningful discussion with the individual about whether to rescind a previous decision to opt out is impractical due to the nature of the individual's emergency medical condition, and (iii) information available through the HIE Network could assist in the diagnosis or treatment of the individual's emergency medical condition.

(2) The disclosure through the HIE Network is limited to the covered entities providing diagnosis and treatment of the individual's emergency medical condition.

(3) The circumstances and extent of the disclosure through the HIE Network is recorded electronically in a manner that permits the NC HIE or its designee to periodically audit compliance with this subsection.

"§ **90-414.11. Construction and applicability.**

(a) Nothing in this Article shall be construed to do any of the following:

(1) Impair any rights conferred upon an individual under HIPAA, including all of the following rights related to an individual's protected health information:

a. The right to receive a notice of privacy practices.

b. The right to request restriction of use and disclosure.

c. The right of access to inspect and obtain copies.
d. The right to request amendment.
e. The right to request confidential forms of communication.
f. The right to receive an accounting of disclosures.

(2) Authorize the disclosure of protected health information through the HIE Network to the extent that the disclosure is restricted by federal laws or regulations, including the federal drug and alcohol confidentiality regulations set forth in 42 C.F.R. Part 2.

(3) Restrict the disclosure of protected health information through the HIE Network for public health purposes or research purposes, so long as disclosure is permitted by both HIPAA and State law.

(4) Prohibit the Authority or any covered entity participating in the HIE Network from maintaining in the Authority's or qualified organization's computer system a copy of the protected health information of an individual who has exercised the right to opt out, as long as the Authority or the qualified organization does not access, use, or disclose the individual's protected health information for any purpose other than for necessary system maintenance or as required by federal or State law.

(b) This Article applies only to disclosures of protected health information made through the HIE Network, including disclosures made within qualified organizations. It does not apply to the use or disclosure of protected health information in any context outside of the HIE Network, including the redisclosure of protected health information obtained through the HIE Network.

"§ **90-414.12. Penalties and remedies; immunity for covered entities and business associates for good faith participation.**

(a) Except as provided in subsection (b) of this section, a covered entity that discloses protected health information in violation of this Article is subject to the following:

(1) Any civil penalty or criminal penalty, or both, that may be imposed on the covered entity pursuant to the Health Information Technology for Economic and Clinical Health (HITECH) Act, P.L. 111-5, Div. A, Title XIII, section 13001, as amended, and any regulations adopted under the HITECH Act.

(2) Any civil remedy under the HITECH Act or any regulations adopted under the HITECH Act that is available to the Attorney General or to an individual who has been harmed by a violation of this Article, including damages, penalties, attorneys' fees, and costs.

(3) Disciplinary action by the respective licensing board or regulatory agency with jurisdiction over the covered entity.

(4) Any penalty authorized under Article 2A of Chapter 75 of the General Statutes if the violation of this Article is also a violation of Article 2A of Chapter 75 of the General Statutes.

(5) Any other civil or administrative remedy available to a plaintiff by State or federal law or equity.

(b) To the extent permitted under or consistent with federal law, a covered entity or its business associate that in good faith submits data through, accesses, uses, discloses, or relies upon data submitted through the HIE Network shall not be subject to criminal prosecution or civil liability for damages caused by such submission, access, use, disclosure, or reliance."

SECTION 12A.5.(e) G.S. 126-5(c1) is amended by adding a new subdivision to read:

"§ **126-5. Employees subject to Chapter; exemptions.**

…

(c1) Except as to the provisions of Articles 6 and 7 of this Chapter, the provisions of this Chapter shall not apply to:

…

(32) Employees of the North Carolina Health Information Exchange Authority."

SECTION 12A.5.(f) Article 29A of Chapter 90 of the General Statutes is repealed.

SECTION 12A.5.(g) Subsections (d) and (e) of this section become effective October 1, 2015. Subsection (f) of this section becomes effective on the date the State Chief Information Officer notifies the Revisor of Statutes that all contracts pertaining to the HIE Network established under Article 29A of Chapter 90 of the General Statutes (i) between the State and the NC HIE, as defined in G.S. 90-413.3, and (ii) between the NC HIE and any third parties have been terminated or assigned to the North Carolina Health Information Exchange Authority established under Article 29B of Chapter 90 of the General Statutes, as enacted by subsection (d) of this section. The remainder of this section becomes effective July 1, 2015.

FUNDS FOR NCTRACKS, THE REPLACEMENT MULTIPAYER MEDICAID MANAGEMENT INFORMATION SYSTEM

SECTION 12A.6.(a) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, for NCTRACKS, the sum of four hundred thousand dollars ($400,000) for the 2015-2016 fiscal year and the sum of four hundred thousand dollars ($400,000) for the 2016-2017 fiscal year shall be used to operate and maintain NCTRACKS; and the sum of two million three hundred thousand dollars ($2,300,000) in nonrecurring funds for the 2015-2016 fiscal year and the sum of nine hundred forty thousand dollars ($940,000) in nonrecurring funds for the 2016-2017 fiscal year shall be used to develop and implement the ICD-10 Project and the Business Process Automated System for the Division of Health Service Regulation. In addition, overrealized receipts are hereby appropriated to the Department of Health and Human Services, Division of Central Management and Support, up to the amounts necessary to implement this section. In the event it becomes necessary for the Department to utilize these overrealized receipts or any other funds appropriated to the Department to implement this section, the Department shall first (i) obtain prior approval from the Office of State Budget and Management (OSBM) and (ii) report to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division. As part of the report required by this section, the Department shall provide the amounts of any overrealized receipts or other funds it intends to use to make up for any shortfall in funding for NCTRACKS and an explanation of the circumstances necessitating the use of overrealized receipts or other funds to make up for the shortfall.

SECTION 12A.6.(b) Beginning on November 15, 2015, and monthly thereafter, the Department of Health and Human Services shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the status of the implementation of ICD-10. The Department shall continue to submit the report by the 15th of each month until three consecutive months have passed in which the Department did not issue any hardship advances and until the new Department of Information Technology (DIT), created by this act, can assume this function. Thereafter, the Department or DIT, as appropriate, shall submit this report upon request of the Joint Legislative Oversight Committee on Health and Human Services. The report shall include all of the following items:

(1) An analysis of claims payments prior to the implementation compared to post implementation by major provider category that identifies any variations in claims payment levels.

(2) For variations attributable to the implementation of ICD-10, the report shall include corrective actions and communications that resulted from the identification of the variation.

(3) An update on hardship advances made to providers for payment issues arising for the implementation of ICD-10 that specifies the total amount advanced and the total amount recovered to date listed by provider.

FUNDS FOR NORTH CAROLINA FAMILIES ACCESSING SERVICES THROUGH TECHNOLOGY (NC FAST)

SECTION 12A.7.(a) Funds appropriated in this act in the amount of five million eight hundred three thousand dollars ($5,803,000) for the 2015-2016 fiscal year and thirteen million fifty-two thousand dollars ($13,052,000) for the 2016-2017 fiscal year along with prior year earned revenue in the amount of nine million four hundred thousand dollars ($9,400,000) and the cash balance in Budget Code 24410 Fund 2411 for the North Carolina Families Accessing Services through Technology (NC FAST) project shall be used to match federal funds in the 2015-2016 and 2016-2017 fiscal years to expedite the development and implementation of Child Care, Low Income Energy Assistance, Crisis Intervention Programs, Child Services, and NC FAST Federally-Facilitated Marketplace (FFM) Interoperability components of the NC FAST program. The Department shall report any changes in approved federal funding or federal match rates within 30 days after the change to the Joint Legislative Oversight Committees on Health and Human Services and Information Technology and the Fiscal Research Division.

SECTION 12A.7.(b) Departmental receipts appropriated in this act in the amount of nine million eight hundred seventy-one thousand fifty-nine dollars ($9,871,059) for the 2015-2016 fiscal year and thirteen million two hundred twenty thousand six hundred sixty-five dollars ($13,220,665) for the 2016-2017 fiscal year shall be used to provide ongoing maintenance and operations for the NC FAST system, including the creation of three full-time equivalent technology support analyst positions.

COMPETITIVE GRANTS/NONPROFIT ORGANIZATIONS

SECTION 12A.8.(a) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, the sum of ten million six hundred fifty-three thousand nine hundred eleven dollars ($10,653,911) for each year of the 2015-2017 fiscal biennium and the sum of three million eight hundred fifty-two thousand five hundred dollars ($3,852,500) appropriated in Section 12I.1 of this act in Social Services Block Grant funds for each year of the 2015-2017 fiscal biennium shall be used to allocate funds for nonprofit organizations.

SECTION 12A.8.(b) The Department shall continue administering a competitive grants process for nonprofit funding. The Department shall administer a plan that, at a minimum, includes each of the following:

(1) A request for application (RFA) process to allow nonprofits to apply for and receive State funds on a competitive basis. The Department shall require nonprofits to include in the application a plan to evaluate the effectiveness, including measurable impact or outcomes, of the activities, services, and programs for which the funds are being requested.

(2) A requirement that nonprofits match a minimum of fifteen percent (15%) of the total amount of the grant award.

(3) A requirement that the Secretary prioritize grant awards to those nonprofits that are able to leverage non-State funds in addition to the grant award.

(4) A process that awards grants to nonprofits that have the capacity to provide services on a statewide basis and that support any of the following State health and wellness initiatives:

a. A program targeting advocacy, support, education, or residential services for persons diagnosed with autism.

b. A system of residential supports for those afflicted with substance abuse addiction.

c. A program of advocacy and supports for individuals with intellectual and developmental disabilities or severe and persistent mental illness, substance abusers, or the elderly.

d. Supports and services to children and adults with developmental disabilities or mental health diagnoses.
e. A food distribution system for needy individuals.
f. The provision and coordination of services for the homeless.
g. The provision of services for individuals aging out of foster care.
h. Programs promoting wellness, physical activity, and health education programming for North Carolinians.
i. The provision of services and screening for blindness.
j. A provision for the delivery of after-school services for apprenticeships or mentoring at-risk youth.
k. The provision of direct services for amyotrophic lateral sclerosis (ALS) and those diagnosed with the disease.
l. A comprehensive smoking prevention and cessation program that screens and treats tobacco use in pregnant women and postpartum mothers.
m. A program providing short-term or long-term residential substance abuse services. For purposes of this sub-subdivision, "long-term" means a minimum of 12 months.

(5) Ensures that funds received by the Department to implement the plan supplement and do not supplant existing funds for health and wellness programs and initiatives.
(6) Allows grants to be awarded to nonprofits for up to two years.
(7) With grants awarded beginning July 1, 2016, a requirement that of the funds provided for competitive grants pursuant to this section, a minimum of five percent (5%) of the grants be awarded to new grant recipients who did not receive grant awards during the previous competitive grants process.

SECTION 12A.8.(c) No later than July 1 of each year, as applicable, the Secretary shall announce the recipients of the competitive grant awards and allocate funds to the grant recipients for the respective grant period pursuant to the amounts designated under subsection (a) of this section. After awards have been granted, the Secretary shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services on the grant awards that includes at least all of the following:

(1) The identity and a brief description of each grantee and each program or initiative offered by the grantee.
(2) The amount of funding awarded to each grantee.
(3) The number of persons served by each grantee, broken down by program or initiative.

SECTION 12A.8.(d) No later than December 1 of each fiscal year, each nonprofit organization receiving funding pursuant to this subsection in the respective fiscal year shall submit to the Division of Central Management and Support a written report of all activities funded by State appropriations. The report shall include the following information about the fiscal year preceding the year in which the report is due:

a. The entity's mission, purpose, and governance structure.
b. A description of the types of programs, services, and activities funded by State appropriations.
c. Statistical and demographical information on the number of persons served by these programs, services, and activities, including the counties in which services are provided.
d. Outcome measures that demonstrate the impact and effectiveness of the programs, services, and activities.
e. A detailed program budget and list of expenditures, including all positions funded, matching expenditures, and funding sources.

SECTION 12A.8.(e) For the 2015-2017 fiscal biennium only, from the funds identified in subsection (a) of this section, the Department shall make allocations as follows:

(1) The sum of two million four hundred twenty-seven thousand nine hundred seventy-five dollars ($2,427,975) in each year of the 2015-2017 fiscal biennium to provide grants to Boys and Girls Clubs across the State to implement (i) programs that improve the motivation, performance, and self-esteem of youth and (ii) other initiatives that would be expected to reduce gang participation, school dropout, and teen pregnancy rates. Boys and Girls Clubs shall be required to seek future funding through the competitive grants process in accordance with subsection (b) of this section.

(2) The sum of one million six hundred twenty-five thousand dollars ($1,625,000) in each year of the 2015-2017 fiscal biennium to Triangle Residential Options for Substance Abusers, Inc., (TROSA) for the purpose of assisting individuals with substance abuse addiction. TROSA shall be required to seek future funding through the competitive grants process in accordance with subsection (b) of this section.

COMMUNITY HEALTH GRANT PROGRAM CHANGES

SECTION 12A.9. The Department of Health and Human Services, Office of Rural Health, as renamed under Section 12A.16 of this act, shall repurpose two million two hundred fifty thousand dollars ($2,250,000) in Health Net appropriations to the Community Health Grant Program. The new appropriation for this program is seven million six hundred eighty-seven thousand one hundred sixty-nine dollars ($7,687,169) in recurring funds. To ensure continuity of care, safety-net agencies receiving Health Net funds at the end of the 2014-2015 fiscal year shall be eligible to apply for and receive Community Health Grant funds at their current level of funding for the 2015-2016 and 2016-2017 fiscal years. After the 2016-2017 fiscal year, these agencies must submit an application for funding through the competitive Community Health Grant process. The Community Health Grant Program is available to rural health centers, free clinics, public health departments, school-based health centers, federally qualified health centers, and other nonprofit organizations that provide primary care and preventive health services to low-income populations, including uninsured, underinsured, Medicaid, and Medicare residents across the State.

RURAL HEALTH LOAN REPAYMENT PROGRAMS

SECTION 12A.10.(a) The Department of Health and Human Services, Office of Rural Health, as renamed under Section 12A.16 of this act, shall use funds appropriated in this act for loan repayment to medical, dental, and psychiatric providers practicing in State hospitals or in rural or medically underserved communities in this State to combine the following loan repayment programs in order to achieve efficient and effective management of these programs:

(1) The Physician Loan Repayment Program.

(2) The Psychiatric Loan Repayment Program.

(3) The Loan Repayment Initiative at State Facilities.

SECTION 12A.10.(b) These funds may be used for the following additional purposes:

(1) Continued funding of the State Loan Repayment Program for primary care providers and expansion of State incentives to general surgeons practicing in Critical Access Hospitals (CAHs) located across the State.

(2) Expansion of the State Loan Repayment Program to include eligible providers residing in North Carolina who use telemedicine in rural and underserved areas.

FUNDS FOR COMMUNITY PARAMEDICINE PILOT PROGRAM

SECTION 12A.12.(a) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, for the 2015-2016

fiscal year, the sum of three hundred fifty thousand dollars ($350,000) shall be used to implement a community paramedicine pilot program. The pilot program shall focus on expanding the role of paramedics to allow for community-based initiatives that result in providing care that avoids nonemergency use of emergency rooms and 911 services and avoids unnecessary admissions into health care facilities.

SECTION 12A.12.(b) The North Carolina Office of Emergency Medical Services (NCOEMS) shall set the education standards and other requirements necessary to qualify as a community paramedic eligible to participate in the pilot program established in subsection (a) of this section. The Department shall consult with the NCOEMS to define the objectives, set standards, and establish the required outcomes for the pilot program.

SECTION 12A.12.(c) The Department of Health and Human Services shall establish up to three program sites to implement the community paramedicine pilot program, one of which shall be New Hanover Regional Emergency Medical Services. For the 2015-2016 fiscal year, the New Hanover Regional Emergency Medical Services program site shall be awarded up to two hundred ten thousand dollars ($210,000), and each of the remaining program sites may be awarded up to seventy thousand dollars ($70,000). In selecting the remaining program sites, the Department may give preference to counties that currently have an established community paramedic program.

SECTION 12A.12.(d) The Department of Health and Human Services shall submit a report to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Committee on Health and Human Services, and the Fiscal Research Division by June 1, 2016, on the progress of the pilot program and shall include an evaluation plan based on the U.S. Department of Health and Human Services, Health Resources and Services Administration Office of Rural Health Policy's Community Paramedicine Evaluation Tool published in March 2012.

SECTION 12A.12.(e) The Department of Health and Human Services shall submit a final report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by November 1, 2016. At a minimum, the final report shall include all of the following:

(1) An updated version of the evaluation plan required by subsection (d) of this section.
(2) An estimate of the cost to expand the program incrementally and statewide.
(3) An estimate of any potential savings of State funds associated with expansion of the program.
(4) If expansion of the program is recommended, a time line for expanding the program.

STUDY DESIGN AND IMPLEMENTATION OF CONTRACTING SPECIALIST AND CERTIFICATION PROGRAM

SECTION 12A.13. The Joint Legislative Oversight Committee on Health and Human Services shall study and make recommendations regarding the design of a contracting specialist training and certification program for management level personnel within the Department of Health and Human Services (DHHS) similar to the Certified Local Government Purchasing Officer program and local purchasing and contracts program of the University of North Carolina School of Government.

HEALTH CARE COST REDUCTION AND TRANSPARENCY ACT REVISIONS

SECTION 12A.15.(a) G.S. 131E-214.13 reads as rewritten:

"§ **131E-214.13. Disclosure of prices for most frequently reported DRGs, CPTs, and HCPCSs.**

(a) The following definitions apply in this Article:
(1) Ambulatory surgical facility. – A facility licensed under Part 4 of Article 6 of this Chapter.
(2) Commission. – The North Carolina Medical Care Commission.

(3) Health insurer. – An entity that writes a health benefit plan and is one of the following:
   a. An insurance company under Article 3 of Chapter 58 of the General Statutes.
   b. A service corporation under Article 65 of Chapter 58 of the General Statutes.
   c. A health maintenance organization under Article 67 of Chapter 58 of the General Statutes.
   d. A third-party administrator of one or more group health plans, as defined in section 607(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. § 1167(1)).

(4) Hospital. – A medical care facility licensed under Article 5 of this Chapter or under Article 2 of Chapter 122C of the General Statutes.

(5) Public or private third party. – Includes the State, the federal government, employers, health insurers, third-party administrators, and managed care organizations.

(b) Beginning with the ~~quarter ending June 30, 2014,~~ reporting period ending September 30, 2015, and ~~quarterly~~ annually thereafter, each hospital shall provide to the Department of Health and Human Services, utilizing electronic health records software, the following information about the 100 most frequently reported admissions by DRG for inpatients as established by the Department:

(1) The amount that will be charged to a patient for each DRG if all charges are paid in full without a public or private third party paying for any portion of the charges.

(2) The average negotiated settlement on the amount that will be charged to a patient required to be provided in subdivision (1) of this subsection.

(3) The amount of Medicaid reimbursement for each DRG, including claims and pro rata supplemental payments.

(4) The amount of Medicare reimbursement for each DRG.

(5) For each of the five largest health insurers providing payment to the hospital on behalf of insureds and teachers and State employees, the range and the average of the amount of payment made for each DRG. Prior to providing this information to the Department, each hospital shall redact the names of the health insurers and any other information that would otherwise identify the health insurers.

A hospital shall not be required to report the information required by this subsection for any of the 100 most frequently reported admissions where the reporting of that information reasonably could lead to the identification of the person or persons admitted to the hospital in violation of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) or other federal law.

(c) The Commission shall adopt rules on or before ~~January 1, 2015,~~ March 1, 2016, to ensure that subsection (b) of this section is properly implemented and that hospitals report this information to the Department in a uniform manner. The rules shall include all of the following:

(1) The method by which the Department shall determine the 100 most frequently reported DRGs for inpatients for which hospitals must provide the data set out in subsection (b) of this section.

(2) Specific categories by which hospitals shall be grouped for the purpose of disclosing this information to the public on the Department's Internet Web site.

(d) Beginning with the ~~quarter ending September 30, 2014,~~ reporting period ending September 30, 2015, and ~~quarterly~~ annually thereafter, each hospital and ambulatory surgical facility shall provide to the Department, utilizing electronic health records software,

information on the total costs for the 20 most common surgical procedures and the 20 most common imaging procedures, by volume, performed in hospital outpatient settings or in ambulatory surgical facilities, along with the related CPT and HCPCS codes. Hospitals and ambulatory surgical facilities shall report this information in the same manner as required by subdivisions (b)(1) through (5) of this section, provided that hospitals and ambulatory surgical facilities shall not be required to report the information required by this subsection where the reporting of that information reasonably could lead to the identification of the person or persons admitted to the hospital in violation of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) or other federal law.

(e) The Commission shall adopt rules on or before ~~January 1, 2015,~~ March 1, 2016, to ensure that subsection (d) of this section is properly implemented and that hospitals and ambulatory surgical facilities report this information to the Department in a uniform manner. The rules shall include the method by which the Department shall determine the 20 most common surgical procedures and the 20 most common imaging procedures for which the hospitals and ambulatory surgical facilities must provide the data set out in subsection (d) of this section.

(e1) The Commission shall adopt rules to establish and define no fewer than 10 quality measures ~~identical to those established by the Joint Commission for each of the following:~~for licensed hospitals and licensed ambulatory surgical facilities.

~~a. Primary cesarean section rate, uncomplicated (TJC PC-02)~~
~~b. Early elective delivery rate (TJC PC-01)~~
~~c. C. difficile infection SIR (NHSN)~~
~~d. Multidrug resistant organisms (NHSN)~~
~~e. Surgical site infection SRI for colon surgeries (NSHN)~~
~~f. Post op sepsis rate (PSI13)~~
~~g. Thrombolytic therapy for acute ischemic stroke patients (STK-4)~~
~~h. Stroke education (STK-8)~~
~~i. Venous thrombolism prophylaxis (VTE-1)~~
~~j. Venous thrombolism discharge instructions (VTE-5)~~

(f) Upon request of a patient for a particular DRG, imaging procedure, or surgery procedure reported in this section, a hospital or ambulatory surgical facility shall provide the information required by subsection (b) or subsection (d) of this section to the patient in writing, either electronically or by mail, within three business days after receiving the request.

(g) G.S. 150B-21.3 does not apply to rules adopted under subsections (c) and (e) of this section. A rule adopted under subsections (c) and (e) of this section becomes effective on the last day of the month following the month in which the rule is approved by the Rules Review Commission."

SECTION 12A.15.(b) G.S. 131E-214.14 reads as rewritten:

"§ **131E-214.14. Disclosure of charity care policy and costs.**

(a) Requirements. – A hospital or ambulatory surgical facility required to file Schedule H, federal form 990, under the Code must provide the public access to its financial assistance policy and its annual financial assistance costs reported on its Schedule H, federal form 990. The information must be submitted annually to the Department in the time, manner, and format required by the Department. The Department must post all of the information submitted pursuant to this subsection on its internet Web ~~site.~~site in one location and in a manner that is searchable. The posting requirement shall not be satisfied by posting links to internet Web sites. The information must also be displayed in a conspicuous place in the organization's place of business.

…."

RENAMING OF OFFICE OF RURAL HEALTH AND COMMUNITY CARE

SECTION 12A.16.(a) The Office of Rural Health and Community Care within the Department of Health and Human Services, Division of Central Management and Support, is hereby renamed the Office of Rural Health.

SECTION 12A.16.(b) Consistent with subsection (a) of this section, the Revisor of Statutes may conform names and titles changed by this section and may correct statutory references as required by this section throughout the General Statutes. In making the changes authorized by this section, the Revisor may also adjust subject and verb agreement and the placement of conjunctions.

FUNDS FOR DEVELOPMENT OF HEALTH ANALYTICS PILOT PROGRAM

SECTION 12A.17.(a) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, the sum of seven hundred fifty thousand dollars ($750,000) in nonrecurring funds for the 2015-2016 fiscal year and the sum of two hundred fifty thousand dollars ($250,000) in recurring funds for the 2015-2016 fiscal year and the 2016-2017 fiscal year shall be used for the development and implementation of a pilot program for Medicaid claims analytics and population health management.

SECTION 12A.17.(b) The Department shall coordinate with the Government Data Analytics Center (GDAC) to develop the pilot program and to provide access to needed data sources, including Medicaid claims data, for the pilot program. The pilot program shall utilize the subject matter expertise and technology available through existing GDAC public-private partnerships in order to apply analytics in a manner that would maximize health care savings and efficiencies to the State and optimize positive impacts on health outcomes.

SECTION 12A.17.(c) By November 30, 2015, the Department shall execute all contractual agreements and interagency data-sharing agreements necessary for development and implementation of the pilot program authorized by this section.

SECTION 12A.17.(d) By January 15, 2016, the Department and GDAC shall provide a progress report on the pilot program authorized by this section to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Committee on Health and Human Services, and the Fiscal Research Division. By May 31, 2016, the Department and GDAC shall make a final report of their findings and recommendations on the pilot program authorized by this section to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division.

SUBPART XII-B. DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION

NC PRE-K PROGRAM/STANDARDS FOR FOUR- AND FIVE-STAR RATED FACILITIES

SECTION 12B.1.(a) Eligibility. – The Department of Health and Human Services, Division of Child Development and Early Education, shall continue implementing the prekindergarten program (NC Pre-K). The NC Pre-K program shall serve children who are four years of age on or before August 31 of the program year. In determining eligibility, the Division shall establish income eligibility requirements for the program not to exceed seventy-five percent (75%) of the State median income. Up to twenty percent (20%) of children enrolled may have family incomes in excess of seventy-five percent (75%) of median income if those children have other designated risk factors. Furthermore, any age-eligible child who is a child of either of the following shall be eligible for the program: (i) an active duty member of the Armed Forces of the United States, including the North Carolina National Guard, State military forces, or a reserve component of the Armed Forces who was ordered to active duty by the proper authority within the last 18 months or is expected to be ordered within the next 18 months or (ii) a member of the Armed Forces of the United States, including the North Carolina National Guard, State military forces, or a reserve component of the Armed Forces

who was injured or killed while serving on active duty. Eligibility determinations for prekindergarten participants may continue through local education agencies and local North Carolina Partnership for Children, Inc., partnerships.

Other than developmental disabilities or other chronic health issues, the Division shall not consider the health of a child as a factor in determining eligibility for participation in the NC Pre-K program.

SECTION 12B.1.(b) Multiyear Contracts. – The Division of Child Development and Early Education shall require the NC Pre-K contractor to issue multiyear contracts for licensed private child care centers providing NC Pre-K classrooms.

SECTION 12B.1.(c) Programmatic Standards. – All entities operating prekindergarten classrooms shall adhere to all of the policies prescribed by the Division of Child Development and Early Education regarding programmatic standards and classroom requirements.

SECTION 12B.1.(d) NC Pre-K Committees. – Local NC Pre-K committees shall use the standard decision-making process developed by the Division of Child Development and Early Education in awarding prekindergarten classroom slots and student selection.

SECTION 12B.1.(e) Reporting. – The Division of Child Development and Early Education shall submit an annual report no later than March 15 of each year to the Joint Legislative Oversight Committee on Health and Human Services, the Office of State Budget and Management, and the Fiscal Research Division. The report shall include the following:

(1) The number of children participating in the NC Pre-K program by county.

(2) The number of children participating in the NC Pre-K program who have never been served in other early education programs such as child care, public or private preschool, Head Start, Early Head Start, or early intervention programs.

(3) The expected NC Pre-K expenditures for the programs and the source of the local contributions.

(4) The results of an annual evaluation of the NC Pre-K program.

SECTION 12B.1.(f) Audits. – The administration of the NC Pre-K program by local partnerships shall be subject to the financial and compliance audits authorized under G.S. 143B-168.14(b).

CHILD CARE SUBSIDY RATES

SECTION 12B.2.(a) The maximum gross annual income for initial eligibility, adjusted biennially, for subsidized child care services shall be determined based on a percentage of the federal poverty level as follows:

AGE	**INCOME PERCENTAGE LEVEL**
0 – 5	200%
6 – 12	133%

The eligibility for any child with special needs, including a child who is 13 years of age or older, shall be two hundred percent (200%) of the federal poverty level.

SECTION 12B.2.(b) Effective September 1, 2015, the Department of Health and Human Services, Division of Child Development and Early Education, shall revise its child care subsidy policy to exclude from the policy's definition of "income unit" a nonparent relative caretaker, and the caretaker's spouse and child, if applicable, when the parent of the child receiving child care subsidy does not live in the home with the child.

SECTION 12B.2.(c) Fees for families who are required to share in the cost of care are established based on ten percent (10%) of gross family income. Co-payments for part-time care shall be seventy-five percent (75%) of the full-time co-payment.

SECTION 12B.2.(d) Payments for the purchase of child care services for low-income children shall be in accordance with the following requirements:

(1) Religious-sponsored child care facilities operating pursuant to G.S. 110-106 and licensed child care centers and homes that meet the minimum licensing

standards that are participating in the subsidized child care program shall be paid the one-star county market rate or the rate they charge privately paying parents, whichever is lower, unless prohibited by subsection (g) of this section.

(2) Licensed child care centers and homes with two or more stars shall receive the market rate for that rated license level for that age group or the rate they charge privately paying parents, whichever is lower, unless prohibited by subsection (g) of this section.

(3) Nonlicensed homes shall receive fifty percent (50%) of the county market rate or the rate they charge privately paying parents, whichever is lower.

(4) No payments shall be made for transportation services or registration fees charged by child care facilities.

(5) Payments for subsidized child care services for postsecondary education shall be limited to a maximum of 20 months of enrollment.

(6) The Department of Health and Human Services shall implement necessary rule changes to restructure services, including, but not limited to, targeting benefits to employment.

SECTION 12B.2.(e) Provisions of payment rates for child care providers in counties that do not have at least 50 children in each age group for center-based and home-based care are as follows:

(1) Except as applicable in subdivision (2) of this subsection, payment rates shall be set at the statewide or regional market rate for licensed child care centers and homes.

(2) If it can be demonstrated that the application of the statewide or regional market rate to a county with fewer than 50 children in each age group is lower than the county market rate and would inhibit the ability of the county to purchase child care for low-income children, then the county market rate may be applied.

SECTION 12B.2.(f) A market rate shall be calculated for child care centers and homes at each rated license level for each county and for each age group or age category of enrollees and shall be representative of fees charged to parents for each age group of enrollees within the county. The Division of Child Development and Early Education shall also calculate a statewide rate and regional market rate for each rated license level for each age category.

SECTION 12B.2.(g) The Division of Child Development and Early Education shall continue implementing policies that improve the quality of child care for subsidized children, including a policy in which child care subsidies are paid, to the extent possible, for child care in the higher quality centers and homes only. The Division shall define higher quality, and subsidy funds shall not be paid for one- or two-star-rated facilities. For those counties with an inadequate number of four- and five-star-rated facilities, the Division shall continue a transition period that allows the facilities to continue to receive subsidy funds while the facilities work on the increased star ratings. The Division may allow exemptions in counties where there is an inadequate number of four- and five-star-rated facilities for non-star-rated programs, such as religious programs.

SECTION 12B.2.(h) Facilities licensed pursuant to Article 7 of Chapter 110 of the General Statutes and facilities operated pursuant to G.S. 110-106 may participate in the program that provides for the purchase of care in child care facilities for minor children of needy families. Except as authorized by subsection (g) of this section, no separate licensing requirements shall be used to select facilities to participate. In addition, child care facilities shall be required to meet any additional applicable requirements of federal law or regulations. Child care arrangements exempt from State regulation pursuant to Article 7 of Chapter 110 of the General Statutes shall meet the requirements established by other State law and by the Social Services Commission.

County departments of social services or other local contracting agencies shall not use a provider's failure to comply with requirements in addition to those specified in this subsection as a condition for reducing the provider's subsidized child care rate.

SECTION 12B.2.(i) Payment for subsidized child care services provided with Temporary Assistance for Needy Families Block Grant funds shall comply with all regulations and policies issued by the Division of Child Development and Early Education for the subsidized child care program.

SECTION 12B.2.(j) Noncitizen families who reside in this State legally shall be eligible for child care subsidies if all other conditions of eligibility are met. If all other conditions of eligibility are met, noncitizen families who reside in this State illegally shall be eligible for child care subsidies only if at least one of the following conditions is met:

(1) The child for whom a child care subsidy is sought is receiving child protective services or foster care services.

(2) The child for whom a child care subsidy is sought is developmentally delayed or at risk of being developmentally delayed.

(3) The child for whom a child care subsidy is sought is a citizen of the United States.

SECTION 12B.2.(k) The Department of Health and Human Services, Division of Child Development and Early Education, shall require all county departments of social services to include on any forms used to determine eligibility for child care subsidy whether the family waiting for subsidy is receiving assistance through the NC Pre-K Program or Head Start.

CHILD CARE SUBSIDY MARKET RATE INCREASES/CERTAIN AGE GROUPS AND COUNTIES

SECTION 12B.2A. Beginning January 1, 2016, the Department of Health and Human Services, Division of Child Development and Early Education, shall increase the child care subsidy market rates to the rates recommended by the 2015 Child Care Market Rate Study from birth through two years of age in three-, four-, and five-star-rated child care centers and homes in tier one and tier two counties. For purposes of this section, tier one and tier two counties shall have the same designations as those established by the N.C. Department of Commerce's 2015 County Tier Designations.

CHILD CARE ALLOCATION FORMULA

SECTION 12B.3.(a) The Department of Health and Human Services shall allocate child care subsidy voucher funds to pay the costs of necessary child care for minor children of needy families. The mandatory thirty-percent (30%) North Carolina Partnership for Children, Inc., subsidy allocation under G.S. 143B-168.15(g) shall constitute the base amount for each county's child care subsidy allocation. The Department of Health and Human Services shall use the following method when allocating federal and State child care funds, not including the aggregate mandatory thirty-percent (30%) North Carolina Partnership for Children, Inc., subsidy allocation:

(1) Funds shall be allocated to a county based upon the projected cost of serving children under age 11 in families with all parents working who earn less than the applicable federal poverty level percentage set forth in Section 12B.2 of this act.

(2) The Department of Health and Human Services shall allocate to counties all State funds appropriated for child care subsidy and shall not withhold funds during the 2015-2016 and 2016-2017 fiscal years.

SECTION 12B.3.(b) The Department of Health and Human Services may reallocate unused child care subsidy voucher funds in order to meet the child care needs of low-income families. Any reallocation of funds shall be based upon the expenditures of all child care subsidy voucher funding, including North Carolina Partnership for Children, Inc., funds within a county.

SECTION 12B.3.(c) When implementing the formula under subsection (a) of this section, the Department of Health and Human Services, Division of Child Development and Early Education, shall include the market rate increase in the formula process, rather than calculating the increases outside of the formula process. Additionally, the Department shall do the following:

(1) For fiscal year 2015-2016, (i) continue implementing one-third of the change in a county's allocation based on the new Census data; (ii) implement an additional one-third of the change in a county's allocation beginning fiscal year 2016-2017; and (iii) the final one-third change in a county's allocation beginning fiscal year 2018-2019. However, beginning fiscal year 2015-2016, a county's initial allocation shall be the county's expenditure in the previous fiscal year. With the exception of market rate increases consistent with any increases approved by the General Assembly, a county whose spending coefficient is less than ninety-five percent (95%) in the previous fiscal year shall receive its prior year's expenditure as its allocation and shall not receive an increase in its allocation in the following year. A county whose spending coefficient is at least ninety-five percent (95%) in the previous fiscal year shall receive, at a minimum, the amount it expended in the previous fiscal year and may receive additional funding, if available. The Division may waive this requirement and allow an increase if the spending coefficient is below ninety-five percent (95%) due to extraordinary circumstances, such as a State or federal disaster declaration in the affected county. By October 1 of each year, the Division shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division the counties that received a waiver pursuant to this subdivision and the reasons for the waiver.

(2) Effective immediately following the next new Census data release, implement (i) one-third of the change in a county's allocation in the year following the data release; (ii) an additional one-third of the change in a county's allocation beginning two years after the initial change under this subdivision; and (iii) the final one-third change in a county's allocation beginning the following two years thereafter.

CHILD CARE FUNDS MATCHING REQUIREMENTS

SECTION 12B.4. No local matching funds may be required by the Department of Health and Human Services as a condition of any locality's receiving its initial allocation of child care funds appropriated by this act unless federal law requires a match. If the Department reallocates additional funds above twenty-five thousand dollars ($25,000) to local purchasing agencies beyond their initial allocation, local purchasing agencies must provide a twenty percent (20%) local match to receive the reallocated funds. Matching requirements shall not apply when funds are allocated because of an emergency as defined in G.S. 166A-19.3(6).

CHILD CARE REVOLVING LOAN

SECTION 12B.5. Notwithstanding any law to the contrary, funds budgeted for the Child Care Revolving Loan Fund may be transferred to and invested by the financial institution contracted to operate the Fund. The principal and any income to the Fund may be used to make loans, reduce loan interest to borrowers, serve as collateral for borrowers, pay the contractor's cost of operating the Fund, or pay the Department's cost of administering the program.

ADMINISTRATIVE ALLOWANCE FOR COUNTY DEPARTMENTS OF SOCIAL SERVICES/USE OF SUBSIDY FUNDS FOR FRAUD DETECTION

SECTION 12B.6.(a) The Department of Health and Human Services, Division of Child Development and Early Education, shall fund the allowance that county departments of social services may use for administrative costs at four percent (4%) of the county's total child

care subsidy funds allocated in the Child Care and Development Fund Block Grant plan or eighty thousand dollars ($80,000), whichever is greater.

SECTION 12B.6.(b) Each county department of social services may use up to two percent (2%) of child care subsidy funds allocated to the county for fraud detection and investigation initiatives.

SECTION 12B.6.(c) The Division of Child Development and Early Education may adjust the allocations in the Child Care and Development Fund Block Grant under Section 12I.1 of this act according to (i) the final allocations for local departments of social services under subsection (a) of this section and (ii) the funds allocated for fraud detection and investigation initiatives under subsection (b) of this section. The Division shall submit a report on the final adjustments to the allocations of the four percent (4%) administrative costs to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than January 1, 2016, for the 2015-2016 fiscal year and no later than September 30 of each year thereafter.

EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES ENHANCEMENTS

SECTION 12B.7.(a) Policies. – The North Carolina Partnership for Children, Inc., and its Board shall ensure policies focus on the North Carolina Partnership for Children, Inc.'s mission of improving child care quality in North Carolina for children from birth to five years of age. North Carolina Partnership for Children, Inc.-funded activities shall include assisting child care facilities with (i) improving quality, including helping one-, two-, and three-star-rated facilities increase their star ratings, and (ii) implementing prekindergarten programs. State funding for local partnerships shall also be used for evidence-based or evidence-informed programs for children from birth to five years of age that do the following:

(1) Increase children's literacy.
(2) Increase the parents' ability to raise healthy, successful children.
(3) Improve children's health.
(4) Assist four- and five-star-rated facilities in improving and maintaining quality.

SECTION 12B.7.(b) Administration. – Administrative costs shall be equivalent to, on an average statewide basis for all local partnerships, not more than eight percent (8%) of the total statewide allocation to all local partnerships. For purposes of this subsection, administrative costs shall include costs associated with partnership oversight, business and financial management, general accounting, human resources, budgeting, purchasing, contracting, and information systems management. The North Carolina Partnership for Children, Inc., shall continue using a single statewide contract management system that incorporates features of the required standard fiscal accountability plan described in G.S. 143B-168.12(a)(4). All local partnerships are required to participate in the contract management system and, directed by the North Carolina Partnership for Children, Inc., to collaborate, to the fullest extent possible, with other local partnerships to increase efficiency and effectiveness.

SECTION 12B.7.(c) Salaries. – The salary schedule developed and implemented by the North Carolina Partnership for Children, Inc., shall set the maximum amount of State funds that may be used for the salary of the Executive Director of the North Carolina Partnership for Children, Inc., and the directors of the local partnerships. The North Carolina Partnership for Children, Inc., shall base the schedule on the following criteria:

(1) The population of the area serviced by a local partnership.
(2) The amount of State funds administered.
(3) The amount of total funds administered.
(4) The professional experience of the individual to be compensated.
(5) Any other relevant factors pertaining to salary, as determined by the North Carolina Partnership for Children, Inc.

The salary schedule shall be used only to determine the maximum amount of State funds that may be used for compensation. Nothing in this subsection shall be construed to prohibit a local partnership from using non-State funds to supplement an individual's salary in excess of the amount set by the salary schedule established under this subsection.

SECTION 12B.7.(d) Match Requirements. – The North Carolina Partnership for Children, Inc., and all local partnerships shall, in the aggregate, be required to match one hundred percent (100%) of the total amount budgeted for the program in each fiscal year of the 2015-2017 biennium. Of the funds the North Carolina Partnership for Children, Inc., and the local partnerships are required to match, contributions of cash shall be equal to at least twelve percent (12%) and in-kind donated resources shall be equal to no more than five percent (5%) for a total match requirement of seventeen percent (17%) for the 2015-2016 fiscal year; and contributions of cash shall be equal to at least thirteen percent (13%) and in-kind donated resources shall be equal to no more than six percent (6%) for a total match requirement of nineteen percent (19%) for the 2016-2017 fiscal year. The North Carolina Partnership for Children, Inc., may carry forward any amount in excess of the required match for a fiscal year in order to meet the match requirement of the succeeding fiscal year. Only in-kind contributions that are quantifiable shall be applied to the in-kind match requirement. Volunteer services may be treated as an in-kind contribution for the purpose of the match requirement of this subsection. Volunteer services that qualify as professional services shall be valued at the fair market value of those services. All other volunteer service hours shall be valued at the statewide average wage rate as calculated from data compiled by the Division of Employment Security of the Department of Commerce in the Employment and Wages in North Carolina Annual Report for the most recent period for which data are available. Expenses, including both those paid by cash and in-kind contributions, incurred by other participating non-State entities contracting with the North Carolina Partnership for Children, Inc., or the local partnerships, also may be considered resources available to meet the required private match. In order to qualify to meet the required private match, the expenses shall:

(1) Be verifiable from the contractor's records.
(2) If in-kind, other than volunteer services, be quantifiable in accordance with generally accepted accounting principles for nonprofit organizations.
(3) Not include expenses funded by State funds.
(4) Be supplemental to and not supplant preexisting resources for related program activities.
(5) Be incurred as a direct result of the Early Childhood Initiatives Program and be necessary and reasonable for the proper and efficient accomplishment of the Program's objectives.
(6) Be otherwise allowable under federal or State law.
(7) Be required and described in the contractual agreements approved by the North Carolina Partnership for Children, Inc., or the local partnership.
(8) Be reported to the North Carolina Partnership for Children, Inc., or the local partnership by the contractor in the same manner as reimbursable expenses.

Failure to obtain a seventeen-percent (17%) match by June 30 of the 2015-2016 fiscal year and a nineteen-percent (19%) match by June 30 of the 2016-2017 fiscal year shall result in a dollar-for-dollar reduction in the appropriation for the Program for a subsequent fiscal year. The North Carolina Partnership for Children, Inc., shall be responsible for compiling information on the private cash and in-kind contributions into a report that is submitted to the Joint Legislative Oversight Committee on Health and Human Services in a format that allows verification by the Department of Revenue. The same match requirements shall apply to any expansion funds appropriated by the General Assembly.

SECTION 12B.7.(e) Bidding. – The North Carolina Partnership for Children, Inc., and all local partnerships shall use competitive bidding practices in contracting for goods and services on contract amounts as follows:

(1) For amounts of five thousand dollars ($5,000) or less, the procedures specified by a written policy as developed by the Board of Directors of the North Carolina Partnership for Children, Inc.
(2) For amounts greater than five thousand dollars ($5,000), but less than fifteen thousand dollars ($15,000), three written quotes.
(3) For amounts of fifteen thousand dollars ($15,000) or more, but less than forty thousand dollars ($40,000), a request for proposal process.
(4) For amounts of forty thousand dollars ($40,000) or more, a request for proposal process and advertising in a major newspaper.

SECTION 12B.7.(f) Allocations. – The North Carolina Partnership for Children, Inc., shall not reduce the allocation for counties with less than 35,000 in population below the 2012-2013 funding level.

SECTION 12B.7.(g) Performance-Based Evaluation. – The Department of Health and Human Services shall continue to implement the performance-based evaluation system.

SECTION 12B.7.(h) Expenditure Restrictions. – The Department of Health and Human Services and the North Carolina Partnership for Children, Inc., shall ensure that the allocation of funds for Early Childhood Education and Development Initiatives for the 2015-2017 fiscal biennium shall be administered and distributed in the following manner:

(1) Capital expenditures are prohibited for the 2015-2017 fiscal biennium. For the purposes of this section, "capital expenditures" means expenditures for capital improvements as defined in G.S. 143C-1-1(d)(5).
(2) Expenditures of State funds for advertising and promotional activities are prohibited for the 2015-2017 fiscal biennium.

For the 2015-2017 fiscal biennium, local partnerships shall not spend any State funds on marketing campaigns, advertising, or any associated materials. Local partnerships may spend any private funds the local partnerships receive on those activities.

STATEWIDE EARLY EDUCATION AND FAMILY SUPPORT PROGRAMS

SECTION 12B.8.(a) The Joint Legislative Oversight Committee on Health and Human Services shall appoint a subcommittee to study early childhood and family support programs, including the Child Care Subsidy program, NC Prekindergarten program (NC Pre-K), and the Smart Start program. In conducting the study, the subcommittee shall consider the following:

(1) The purpose, outcomes, and effectiveness of each program.
(2) The flexibility needed to ensure the needs of young children in counties across the State are met.
(3) The potential for streamlined administration across the programs.
(4) Any other relevant issues the subcommittee deems appropriate.

SECTION 12B.8.(b) The subcommittee may seek input from other states, stakeholders, and national experts on early child and family support programs as it deems necessary.

SECTION 12B.8.(c) The subcommittee shall develop a proposal for a statewide plan that addresses how to meet county or regional needs of children by county or region. The subcommittee shall submit a report on the proposed statewide plan to the Joint Legislative Oversight Committee on Health and Human Services on or before April 1, 2016, at which time the subcommittee shall terminate.

U.S. DEPARTMENT OF DEFENSE-CERTIFIED CHILD CARE FACILITIES PARTICIPATION IN STATE-SUBSIDIZED CHILD CARE PROGRAM

SECTION 12B.9.(a) Article 7 of Chapter 110 of the General Statutes is amended by adding a new section to read:

"§ **110-106.2. Department of Defense-certified child care facilities.**

(a) As used in this section, the phrase "Department of Defense-certified child care facility" shall include child development centers, family child care homes, and school-aged

child care facilities operated aboard a military installation under the authorization of the United States Department of Defense (Department of Defense) certified by the Department of Defense.

(b) Procedure Regarding Department of Defense-Certified Child Care Facilities. –

(1) Department of Defense-certified child care facilities shall file with the Department a notice of intent to operate a child care facility in a form determined by the Department of Defense.

(2) As part of its notice, each Department of Defense-certified child care facility shall file a report to the Department indicating that it meets the minimum standards for child care facilities as provided by the Department of Defense.

(3) Department of Defense-certified child care facilities that meet all the requirements of this section shall be exempt from all other requirements of this Article and shall not be subject to licensure.

(4) For purposes of the North Carolina Subsidized Child Care Program, Department of Defense-certified child care facilities shall be reimbursed as follows:

a. Department of Defense-certified child care facilities that are accredited by the National Association for the Education of Young Children (NAEYC) shall be reimbursed based on the five-star-rated license rate.

b. All other Department of Defense-certified child care facilities shall be reimbursed based on the four-star-rated license rate."

SECTION 12B.9.(b) G.S. 143B-168.15(g) reads as rewritten:

"(g) Not less than thirty percent (30%) of the funds spent in each year of each local partnership's direct services allocation shall be used to expand child care subsidies. To the extent practicable, these funds shall be used to enhance the affordability, availability, and quality of child care services as described in this section. The North Carolina Partnership may increase this percentage requirement up to a maximum of fifty percent (50%) when, based upon a significant local waiting list for subsidized child care, the North Carolina Partnership determines a higher percentage is justified. Local partnerships shall spend an amount for child care subsidies that provides at least fifty-two million dollars ($52,000,000) for the Temporary Assistance to Needy Families (TANF) maintenance of effort requirement and the Child Care Development Fund and Block Grant match requirement. Funds allocated under this section shall supplement and not supplant any federal or State funds allocated to Department of Defense-certified child care facilities licensed under G.S. 110-106.2."

SECTION 12B.9.(c) Department of Defense-certified child care facilities licensed pursuant to G.S. 110-106.2, as enacted in subsection (a) of this section, may participate in the State-subsidized child care program that provides for the purchase of care in child care facilities for minor children in needy families; provided, that funds allocated from the State-subsidized child care program to Department of Defense-certified child care facilities shall supplement and not supplant funds allocated in accordance with G.S. 143B-168.15(g). Payment rates and fees for military families who choose Department of Defense-certified child care facilities and who are eligible to receive subsidized child care shall be as set forth in Section 12B.2 of this act.

SECTION 12B.9.(d) This section becomes effective January 1, 2016.

SUBPART XII-C. DIVISION OF SOCIAL SERVICES

TANF BENEFIT IMPLEMENTATION

SECTION 12C.1.(a) The General Assembly approves the plan titled "North Carolina Temporary Assistance for Needy Families State Plan FY 2013-2016," prepared by the Department of Health and Human Services and presented to the General Assembly. The North Carolina Temporary Assistance for Needy Families State Plan covers the period October 1, 2013, through September 30, 2016. The Department shall submit the State Plan, as revised in accordance with subsection (b) of this section, to the United States Department of Health and Human Services.

SECTION 12C.1.(b) The counties approved as Electing Counties in the North Carolina Temporary Assistance for Needy Families State Plan FY 2013-2016, as approved by this section, are Beaufort, Caldwell, Catawba, Lenoir, Lincoln, Macon, and Wilson.

SECTION 12C.1.(c) Counties that submitted the letter of intent to remain as an Electing County or to be redesignated as an Electing County and the accompanying county plan for years 2013 through 2016, pursuant to G.S. 108A-27(e), shall operate under the Electing County budget requirements effective July 1, 2015. For programmatic purposes, all counties referred to in this subsection shall remain under their current county designation through September 30, 2016.

SECTION 12C.1.(d) For each year of the 2015-2017 fiscal biennium, Electing Counties shall be held harmless to their Work First Family Assistance allocations for the 2014-2015 fiscal year, provided that remaining funds allocated for Work First Family Assistance and Work First Diversion Assistance are sufficient for payments made by the Department on behalf of Standard Counties pursuant to G.S. 108A-27.11(b).

SECTION 12C.1.(e) In the event that departmental projections of Work First Family Assistance and Work First Diversion Assistance for the 2015-2016 fiscal year or the 2016-2017 fiscal year indicate that remaining funds are insufficient for Work First Family Assistance and Work First Diversion Assistance payments to be made on behalf of Standard Counties, the Department is authorized to deallocate funds, of those allocated to Electing Counties for Work First Family Assistance in excess of the sums set forth in G.S. 108A-27.11, up to the requisite amount for payments in Standard Counties. Prior to deallocation, the Department shall obtain approval by the Office of State Budget and Management. If the Department adjusts the allocation set forth in subsection (d) of this section, then a report shall be made to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

INTENSIVE FAMILY PRESERVATION SERVICES FUNDING AND PERFORMANCE ENHANCEMENTS

SECTION 12C.2.(a) Notwithstanding the provisions of G.S. 143B-150.6, the Intensive Family Preservation Services (IFPS) Program shall provide intensive services to children and families in cases of abuse, neglect, and dependency where a child is at imminent risk of removal from the home and to children and families in cases of abuse where a child is not at imminent risk of removal. The Program shall be developed and implemented statewide on a regional basis. The IFPS shall ensure the application of standardized assessment criteria for determining imminent risk and clear criteria for determining out-of-home placement.

SECTION 12C.2.(b) The Department of Health and Human Services shall require that any program or entity that receives State, federal, or other funding for the purpose of IFPS shall provide information and data that allows for the following:

(1) An established follow-up system with a minimum of six months of follow-up services.
(2) Detailed information on the specific interventions applied, including utilization indicators and performance measurement.
(3) Cost-benefit data.
(4) Data on long-term benefits associated with IFPS. This data shall be obtained by tracking families through the intervention process.
(5) The number of families remaining intact and the associated interventions while in IFPS and 12 months thereafter.
(6) The number and percentage, by race, of children who received IFPS compared to the ratio of their distribution in the general population involved with Child Protective Services.

SECTION 12C.2.(c) The Department shall establish a performance-based funding protocol and shall only provide funding to those programs and entities providing the required

information specified in subsection (b) of this section. The amount of funding shall be based on the individual performance of each program.

CHILD CARING INSTITUTIONS

SECTION 12C.3. Until the Social Services Commission adopts rules setting standardized rates for child caring institutions as authorized under G.S. 143B-153(8), the maximum reimbursement for child caring institutions shall not exceed the rate established for the specific child caring institution by the Department of Health and Human Services, Office of the Controller. In determining the maximum reimbursement, the State shall include county and IV-E reimbursements.

USE OF FOSTER CARE BUDGET FOR GUARDIANSHIP ASSISTANCE PROGRAM

SECTION 12C.4. Of the funds available for the provision of foster care services, the Department of Health and Human Services, Division of Social Services, may provide for the financial support of children who are deemed to be (i) in a permanent family placement setting, (ii) eligible for legal guardianship, and (iii) otherwise unlikely to receive permanency. No additional expenses shall be incurred beyond the funds budgeted for foster care for the Guardianship Assistance Program (GAP). The Division of Social Services shall design the Guardianship Assistance Program (GAP) to include provisions for extending guardianship services for individuals who have attained the age of 18 years and opt to continue to receive guardianship services until reaching 21 years of age if the individual is (i) completing secondary education or a program leading to an equivalent credential, (ii) enrolled in an institution that provides postsecondary or vocational education, (iii) participating in a program or activity designed to promote, or remove barriers to, employment, (iv) employed for at least 80 hours per month, or (v) incapable of completing the educational or employment requirements of this section due to a medical condition or disability. The Guardianship Assistance Program rates shall reimburse the legal guardian for room and board and be set at the same rate as the foster care room and board rates in accordance with rates established under G.S. 108A-49.1. The Social Services Board shall adopt rules establishing a Guardianship Assistance Program to implement this section, including defining the phrase "legal guardian" as used in this section.

CHILD WELFARE POSTSECONDARY SUPPORT PROGRAM (NC REACH)

SECTION 12C.5.(a) Funds appropriated from the General Fund to the Department of Health and Human Services for the child welfare postsecondary support program shall be used to continue providing assistance with the "cost of attendance" as that term is defined in 20 U.S.C. § 108711 for the educational needs of foster youth aging out of the foster care system and special needs children adopted from foster care after age 12. These funds shall be allocated by the State Education Assistance Authority.

SECTION 12C.5.(b) Of the funds appropriated from the General Fund to the Department of Health and Human Services, the sum of fifty thousand dollars ($50,000) for the 2015-2016 fiscal year and the sum of fifty thousand dollars ($50,000) for the 2016-2017 fiscal year shall be allocated to the North Carolina State Education Assistance Authority (SEAA). The SEAA shall use these funds only to perform administrative functions necessary to manage and distribute scholarship funds under the child welfare postsecondary support program.

SECTION 12C.5.(c) Of the funds appropriated from the General Fund to the Department of Health and Human Services, the sum of three hundred thirty-nine thousand four hundred ninety-three dollars ($339,493) for the 2015-2016 fiscal year and the sum of three hundred thirty-nine thousand four hundred ninety-three dollars ($339,493) for the 2016-2017 fiscal year shall be used to contract with an entity to administer the child welfare postsecondary support program described under subsection (a) of this section, which administration shall include the performance of case management services.

SECTION 12C.5.(d) Funds appropriated to the Department of Health and Human Services for the child welfare postsecondary support program shall be used only for students attending public institutions of higher education in this State.

SUCCESSFUL TRANSITION/FOSTER CARE YOUTH

SECTION 12C.6.(a) It is the intent of the General Assembly to fund and support transitional living services that demonstrate positive outcomes for youth, attract significant private sector funding, and will lead to the development of evidence-based programs to serve the at-risk population described in this section.

SECTION 12C.6.(b) To that end, there is created the Foster Care Transitional Living Initiative Fund that will support a demonstration project with services provided by Youth Villages to (i) improve outcomes for youth ages 17-21 years who transition from foster care through implementation of outcome-based Transitional Living Services, (ii) identify cost-savings in social services and juvenile and adult correction services associated with the provision of Transitional Living Services to youth aging out of foster care, and (iii) take necessary steps to establish an evidence-based transitional living program available to all youth aging out of foster care. In implementing these goals, the Foster Care Transitional Living Initiative Fund shall support the following strategies:

(1) Transitional Living Services, which is an outcome-based program that follows the Youth Villages Transitional Living Model. Outcomes on more than 7,000 participants have been tracked since the program's inception. The program has been evaluated through an independent Randomized Controlled Trial. Results indicate that Youth Villages Transitional Living Model had positive impacts in a variety of areas, including housing stability, earnings, economic hardship, mental health, and intimate partner violence in comparison to the control population.

(2) Public-Private Partnership, which is a commitment by private-sector funding partners to match one hundred percent (100%) of the funds appropriated to the Foster Care Transitional Living Initiative Fund for the 2015-2017 fiscal biennium for the purposes of providing Transitional Living Services through the Youth Villages Transitional Living Model to youth aging out of foster care.

(3) Impact Measurement and Evaluation, which are services funded through private partners to provide independent measurement and evaluation of the impact the Youth Villages Transitional Living Model has on the youth served, the foster care system, and on other programs and services provided by the State which are utilized by former foster care youth.

(4) Advancement of Evidence-Based Process, which is the implementation and ongoing evaluation of the Youth Villages Transitional Living Model for the purposes of establishing the first evidence-based transitional living program in the nation. To establish the evidence-based program, additional randomized controlled trials may be conducted to advance the model.

SECTION 12C.6.(c) G.S. 131D-10.9A reads as rewritten:

"§ **131D-10.9A. Permanency Innovation Initiative Oversight Committee created.**

(a) Creation and Membership. – The Permanency Innovation Initiative Oversight Committee is established. The Committee shall be located administratively in the General Assembly. The Committee shall consist of ~~11~~ 12 members serving staggered terms. In making appointments, each appointing authority shall select members who have appropriate experience and knowledge of the issues to be examined by the Committee and shall strive to ensure racial, gender, and geographical diversity among the membership. The initial Committee members shall be appointed on or after July 1, 2013, as follows:

(1) Four members shall be appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives. Of the

members appointed under this subdivision, at least one shall be a member of the judiciary who shall serve for a term of two years and at least one shall be a representative from the Children's Home Society of North Carolina who shall serve for a term of three years. One member of the House shall be appointed for a one-year term. The remaining appointee shall serve a one-year term.

(2) Four members shall be appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate. Of the members appointed under this subdivision, at least one shall be a representative from the Department of Health and Human Services, Division of Social Services, who shall serve for a term of two years and at least one shall be a representative from The Duke Endowment who shall serve for a term of three years. One member of the Senate shall be appointed for a one-year term. The remaining appointee shall serve a one-year term.

(3) ~~Three~~ Four members shall be appointed by the Governor. Of the members appointed under this subdivision, at least one shall be a representative from a county department of social services who shall serve for a term of three ~~years and~~ years, at least one shall be a representative from the University of North Carolina at Chapel Hill who shall serve for a term of two ~~years.~~ years, and at least one shall be a representative from Youth Villages who shall serve for a term of two years. The remaining member shall serve a one-year term.

…

(c) Purpose and Powers. – The Committee shall:

(1) Design and implement a data tracking methodology to collect and analyze information to gauge the success of the ~~initiative.~~initiative established under this section as well as an initiative for foster care youth transitioning to adulthood in accordance with Part 3 of this Article.

(2) Develop a methodology to identify short- and long-term cost-savings in the provision of foster care and foster care transitional living services and any potential reinvestment strategies.

(3) Oversee program implementation to ensure fidelity to the program models identified under subdivisions (1) and (2) of ~~G.S. 131D-10.9B(a).~~G.S. 131D-10.9B(a) and under subdivisions (1) through (4) of G.S. 131D-10.9G(a).

(4) Study, review, and recommend other policies and services that may positively impact ~~permanency and well-being outcomes.~~permanency, well-being outcomes, and youth aging out of the foster care system.

…."

FEDERAL CHILD SUPPORT INCENTIVE PAYMENTS

SECTION 12C.7.(a) Centralized Services. – The North Carolina Child Support Services Section (NCCSS) of the Department of Health and Human Services, Division of Social Services, shall retain up to fifteen percent (15%) of the annual federal incentive payments it receives from the federal government to enhance centralized child support services. To accomplish this requirement, NCCSS shall do the following:

(1) In consultation with representatives from county child support services programs, identify how federal incentive funding could improve centralized services.

(2) Use federal incentive funds to improve the effectiveness of the State's centralized child support services by supplementing and not supplanting State expenditures for those services.

(3) Develop and implement rules that explain the State process for calculating and distributing federal incentive funding to county child support services programs.

SECTION 12C.7.(b) County Child Support Services Programs. – NCCSS shall allocate no less than eighty-five percent (85%) of the annual federal incentive payments it receives from the federal government to county child support services programs to improve effectiveness and efficiency using the federal performance measures. To that end, NCCSS shall do the following:

(1) In consultation with representatives from county child support services programs, examine the current methodology for distributing federal incentive funding to the county programs and determine whether an alternative formula would be appropriate. NCCSS shall use its current formula for distributing federal incentive funding until an alternative formula is adopted.

(2) Upon adopting an alternative formula, develop a process to phase-in the alternative formula for distributing federal incentive funding over a four-year period.

SECTION 12C.7.(c) Reporting by County Child Support Services Programs. – NCCSS shall establish guidelines that identify appropriate uses for federal incentive funding. To ensure those guidelines are properly followed, NCCSS shall require county child support services programs to comply with each of the following:

(1) Submit an annual plan describing how federal incentive funding would improve program effectiveness and efficiency as a condition of receiving federal incentive funding.

(2) Report annually on: (i) how federal incentive funding has improved program effectiveness and efficiency and been reinvested into their programs, (ii) provide documentation that the funds were spent according to their annual plans, and (iii) explain any deviations from their plans.

SECTION 12C.7.(d) Plan/Report by NCCSS. – The NCCSS shall develop a plan to implement the requirements of this section. Prior to implementing the plan, NCCSS shall submit a progress report on the plan to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by February 1, 2016.

After implementing the plan, NCCSS shall submit a report on federal child support incentive funding to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by November 1 of each year. The report shall describe how federal incentive funds enhanced centralized child support services to benefit county child support services programs and improved the effectiveness and efficiency of county child support services programs. The report shall further include any changes to the State process the NCCSS used in calculating and distributing federal incentive funding to county child support services programs and any recommendations for further changes.

CHILD PROTECTIVE SERVICES IMPROVEMENT INITIATIVE/REVISE STATEWIDE EVALUATION REPORT DATE

SECTION 12C.8. The Department of Health and Human Services, Division of Social Services, shall report on the findings and recommendations from the comprehensive, statewide evaluation of the State's child protective services system required by Section 12C.1(f) of S.L. 2014-100 to the Joint Legislative Oversight Committee on Health and Human Services on or before March 1, 2016.

FOSTERING SUCCESS/EXTEND FOSTER CARE TO 21 YEARS OF AGE

SECTION 12C.9.(a) G.S. 108A-48 reads as rewritten:

"§ **108A-48. State Foster Care Benefits Program.**

(a) The Department is authorized to establish a State Foster Care Benefits Program with appropriations by the General Assembly for the purpose of providing assistance to children

who are placed in foster care facilities by county departments of social services in accordance with the rules and regulations of the Social Services Commission. Such appropriations, together with county contributions for this purpose, shall be expended to provide for the costs of keeping children in foster care facilities.

~~(b) No benefits provided by this section shall be granted to any individual who has passed his eighteenth birthday unless he is less than 21 years of age and is a full-time student or has been accepted for enrollment as a full-time student for the next school term pursuing a high school diploma or its equivalent; a course of study at the college level; or a course of vocational or technical training designed to fit him for gainful employment.~~

(c) The Department may continue to provide benefits pursuant to this section to an individual who has attained the age of 18 years and chosen to continue receiving foster care services until reaching 21 years of age if the individual is (i) completing secondary education or a program leading to an equivalent credential, (ii) enrolled in an institution that provides postsecondary or vocational education, (iii) participating in a program or activity designed to promote, or remove barriers to, employment, (iv) employed for at least 80 hours per month, or (v) incapable of completing the educational or employment requirements of this subsection due to a medical condition or disability.

(d) With monthly supervision and oversight by the director of the county department of social services or a supervising agency, an individual receiving benefits pursuant to subsection (c) of this section may reside outside a foster care facility in a college or university dormitory or other semi-supervised housing arrangement approved by the director of the county department of social services and continue to receive benefits pursuant to this section."

SECTION 12C.9.(b) G.S. 108A-49 is amended by adding a new subsection to read:

"(e) If all other eligibility criteria are met, adoption assistance payments may continue until the beneficiary reaches the age of 21 if the beneficiary was adopted after reaching the age of 16 but prior to reaching the age of 18."

SECTION 12C.9.(c) G.S. 108A-49.1 reads as rewritten:

"§ **108A-49.1. Foster care and adoption assistance payment rates.**

(a) The maximum rates for State participation in the foster care assistance program are established on a graduated scale as follows:

(1) $475.00 per child per month for children from birth through five years of age.
(2) $581.00 per child per month for children six through 12 years of age.
(3) $634.00 per child per month for children at least 13 ~~through 18~~ but less than 21 years of age.

(b) The maximum rates for the State adoption assistance program are established consistent with the foster care rates as follows:

(1) $475.00 per child per month for children from birth through five years of age.
(2) $581.00 per child per month for children six through 12 years of age.
(3) $634.00 per child per month for children at least 13 ~~through 18~~ but less than 21 years of age.

(c) The maximum rates for the State participation in human immunodeficiency virus (HIV) foster care and adoption assistance are established on a graduated scale as follows:

(1) $800.00 per child per month with indeterminate HIV status.
(2) $1,000 per child per month with confirmed HIV infection, asymptomatic.
(3) $1,200 per child per month with confirmed HIV infection, symptomatic.
(4) $1,600 per child per month when the child is terminally ill with complex care needs.

In addition to providing board payments to foster and adoptive families of HIV-infected children, any additional funds remaining that are appropriated for purposes described in this subsection shall be used to provide medical training in avoiding HIV transmission in the home.

(d) The State and a county participating in foster care and adoption assistance shall each contribute fifty percent (50%) of the nonfederal share of the cost of care for a child placed by a county department of social services or child-placing agency in a family foster home or residential child care facility. A county shall be held harmless from contributing fifty percent (50%) of the nonfederal share of the cost for a child placed in a family foster home or residential child care facility under an agreement with that provider as of October 31, 2008, until the child leaves foster care or experiences a placement change.

(e) A county shall be held harmless from contributing fifty percent (50%) of the nonfederal share of the cost for an individual receiving benefits pursuant to G.S. 108A-48(c)."

SECTION 12C.9.(d) G.S. 131D-10.2 reads as rewritten:

"§ **131D-10.2. Definitions.**

For purposes of this Article, unless the context clearly implies otherwise:

…

(3) "Child" means an individual less than ~~18~~ 21 years of age, who has not been emancipated under the provisions of Article 35 of Chapter 7B of the General Statutes.

…

(9a) "Foster Parent" means any individual who is ~~18~~ 21 years of age or older who is licensed by the State to provide foster care.

…."

SECTION 12C.9.(e) Part 1 of Article 1A of Chapter 131D of the General Statutes is amended by adding a new section to read:

"**§ 131D-10.2B. Foster care until 21 years of age.**

(a) A child placed in foster care who has attained the age of 18 years may continue receiving foster care services until reaching 21 years of age as provided by law. A child who initially chooses to opt out of foster care upon attaining the age of 18 years may opt to receive foster care services at a later date until reaching 21 years of age.

(b) A child who has attained the age of 18 years and chosen to continue receiving foster care services until reaching 21 years of age may continue to receive benefits pursuant to Part 4 of Article 2 of Chapter 108A of the General Statutes upon meeting the requirements under G.S. 108A-48(c)."

SECTION 12C.9.(f) G.S. 131D-10.5 reads as rewritten:

"§ **131D-10.5. Powers and duties of the Commission.**

In addition to other powers and duties prescribed by law, the Commission shall exercise the following powers and duties:

(1) Adopt, amend and repeal rules consistent with the laws of this State and the laws and regulations of the federal government to implement the provisions and purposes of this ~~Article;~~Article.

(2) Issue declaratory rulings as may be needed to implement the provisions and purposes of this ~~Article;~~Article.

(3) Adopt rules governing procedures to appeal Department decisions pursuant to this Article granting, denying, suspending or revoking ~~licenses;~~licenses.

(4) Adopt criteria for waiver of licensing rules adopted pursuant to this ~~Article;~~Article.

(5) Adopt rules on documenting the use of physical restraint in residential child-care ~~facilities;~~facilities.

(6) Adopt rules establishing personnel and training requirements related to the use of physical restraints and time-out for staff employed in residential child-care ~~facilities; and~~facilities.

(7) Adopt rules establishing educational requirements, minimum age, relevant experience, and criminal record status for executive directors and staff employed by child placing agencies and residential child care facilities.

(8) Adopt any rules necessary for the expansion of foster care for individuals who have attained the age of 18 years and chosen to continue receiving foster care services to 21 years of age in accordance with G.S. 131D-10.2B."

SECTION 12C.9.(g) Article 9 of Chapter 7B of the General Statutes is amended by adding a new section to read:

"**§ 7B-910.1. Review of voluntary foster care placements with young adults.**

(a) The court shall review the placement of a young adult in foster care authorized by G.S. 108A-48(c) when the director of social services and a young adult who was in foster care as a juvenile enter into a voluntary placement agreement. The review hearing shall be held not more than 90 days from the date the agreement was executed, and the court shall make findings from evidence presented at this review hearing with regard to all of the following:

(1) Whether the placement is in the best interest of the young adult in foster care.

(2) The services that have been or should be provided to the young adult in foster care to improve the placement.

(3) The services that have been or should be provided to the young adult in foster care to further the young adult's educational or vocational ambitions, if relevant.

(b) Upon written request of the young adult or the director of social services, the court may schedule additional hearings to monitor the placement and progress toward the young adult's educational or vocational ambitions.

(c) No guardian ad litem under G.S. 7B-601 will be appointed to represent the young adult in the initial or any subsequent hearing.

(d) The clerk shall give written notice of the initial and any subsequent review hearings to the young adult and foster care and the director of social services at least 15 days prior to the date of the hearing."

SECTION 12C.9.(h) G.S. 7B-401.1 is amended by adding a new subsection to read:

"(i) Young Adult in Foster Care. – In proceedings held pursuant to G.S. 7B-910.1, the young adult in foster care and the director of the department of social services are parties."

SECTION 12C.9.(i) The Department of Health and Human Services, Division of Social Services (Division), shall develop a plan for the expansion of foster care services for individuals who have attained the age of 18 years and opt to continue receiving foster care services until reaching 21 years of age. The Division shall report on the plan to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by March 1, 2016. The Division shall report on the plan as implemented to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by March 1, 2017.

SECTION 12C.9.(j) No later than 60 days after the Department implements the plan for the expansion of foster care services as required under subsection (i) of this section, the Division shall submit a State plan amendment to the U.S. Department of Health and Human Services Administration for Children and Families to make federal payments for foster care and adoption assistance, as applicable, under Title IV-E, available to a person meeting the requirements of G.S. 108A-48(c), as enacted in subsection (a) of this section.

SECTION 12C.9.(k) Any agreement entered into pursuant to G.S. 108A-48(b) prior to the effective date of subsection (a) of this section shall remain in full force and effect, and no provision of this section shall be construed to affect or alter such an agreement.

SECTION 12C.9.(l) Subsection (a) of this section becomes effective January 1, 2017, and applies to agreements entered into on or after that date. Subsections (i), (j), and (k) of this section are effective when they become law. The remainder of this section becomes effective January 1, 2017.

REQUIRE TRANSFER OF CERTAIN SERVICES TO EASTERN BAND OF CHEROKEE INDIANS

SECTION 12C.10.(a) G.S. 108A-25 reads as rewritten:

"§ **108A-25. Creation of programs; assumption by federally recognized tribe of programs.**

…

(e) When any federally recognized Native American tribe within the State assumes responsibility for any social services, Medicaid and NC Health Choice healthcare benefit programs, and ancillary services, including Medicaid administrative and service functions, that are otherwise the responsibility of a county under State law, then, notwithstanding any other provision of law, the county shall be relieved of the legal responsibility related to the tribe's assumption of those services. With respect to a tribe's assumption of any responsibilities for administration of any aspects of the NC Medicaid program, NC Health Choice, and the Supplemental Nutrition Assistance Program (SNAP), the State and the tribe shall execute an agreement to set forth the general terms, definitions, and conditions by which the parties shall operate. The agreement shall also include requirements and procedures regarding the allocation of all federal and other funds for all programs to be administered by the tribe. Upon the execution of the agreement, to allow the tribe to assume certain duties and responsibilities for the administration of the NC Medicaid program, NC Health Choice, and SNAP, the agreement between the State and the tribe shall require the tribe to accept the oversight authority of the State and the Department of Health and Human Services (Department) in the administration and supervision of these programs. In addition to the other necessary terms and conditions, the agreement shall include the following conditions:

(1) All requirements as prescribed by federal law, as well as the tribe and State's responsibilities in complying with federal law, including, but not limited to, any specific provisions pertaining to accounting and auditing compliance, maintenance of liability insurance, confidentiality, reporting requirements, indemnity, waiver of immunity, or due process.

(2) As the Department is the federally recognized single State agency for the NC Medicaid program, NC Health Choice, and SNAP, provisions stating the Department retains ultimate administrative discretion in the administration interpretation of all applicable policies, rules, and regulations regarding application processing, eligibility determinations and redeterminations, and other functions related to the eligibility process.

(3) Provisions by the tribe to ensure that individuals who will be responsible for the tribe's duties and responsibilities under this agreement shall be employed under standards equivalent to current standards for a Merit System of Personnel Administration or any standards later prescribed by the Office of Personnel Management under section 208 of the Intergovernmental Personnel Act of 1970, unless an exemption is obtained from the federal government. The tribe shall also provide the Department with information to verify the unemployment standards included under this condition.

(4) Requirements and procedures for allocating to the tribe in a timely manner all federal funds, nonfederal matching funds, and State funds for State programs previously borne by the State. However, requirements and procedures for allocating funds pursuant to this subdivision shall not include any funding the tribe receives directly from federal agencies.

(5) The Department shall, when possible and as allowed by the federal government, adopt funding flexibility for Indian Health Services when such flexibility furthers goals addressing health disparities among American Indians."

SECTION 12C.10.(b) G.S. 108A-87(c) reads as rewritten:

"(c) Notwithstanding subsections (a) and (b) of this section, when the Eastern Band of Cherokee Indians assumes responsibility for a program described under G.S. 108A-25(e), the following shall occur:

(1) Nonfederal matching funds and State funds for State programs designated to Jackson and Swain counties to serve the Eastern Band of Cherokee Indians for ~~that program~~programs previously borne by the State shall be allocated directly to the Eastern Band of Cherokee Indians rather than to those ~~counties.~~counties and shall not exceed the amount expended by the State for fiscal year 2014-2015 for programs or services assumed by the Eastern Band of Cherokee Indians, as applicable, plus the growth rate equal to the growth in State-funded nonfederal share for all counties. Any fund sources from which the tribe receives funds directly from federal agencies are excluded from the requirements of this subdivision.

(2) Any portion of nonfederal matching funds borne by counties for public assistance and social services programs and related administrative costs shall be borne by the Eastern Band of Cherokee Indians.

(3) Nothing in this section shall be construed to prevent the Eastern Band of Cherokee Indians from providing further nonfederal matching funds to maximize their receipt of federal funds."

SECTION 12C.10.(c) Of the funds appropriated in this act from the General Fund to the Department of Health and Human Services, Division of Social Services, the sum of three hundred sixty thousand dollars ($360,000) in recurring funds for fiscal year 2015-2016 and the sum of three million two hundred thousand dollars ($3,200,000) in nonrecurring funds for fiscal year 2015-2016 shall be deposited in the Department's information technology budget code within 30 days of the effective date of this act to be used for ongoing operation and maintenance pursuant to implementing the provisions of this section.

SECTION 12C.10.(d) Approval for the Eastern Band of Cherokee Indians to administer the eligibility process for Medicaid and NC Health Choice is contingent upon federal approval of State Plan amendments and Medicaid waivers by the Centers for Medicare & Medicaid Services (CMS). The Department of Health and Human Services, Division of Medical Assistance (DMA), shall submit any State Plan amendments and Medicaid waivers necessary for the delegation of authority and administrative transfer of function to the Eastern Band of Cherokee Indians or to effectuate the changes required by this section and Section 12C.3 of S.L. 2014-100. All State Plan amendments and Medicaid waivers submitted as allowed under this subsection shall have an effective date of October 1, 2016. DMA shall submit the State Plan amendments and waivers allowed under this subsection and any related responses to CMS requests for additional information to the Eastern Band of Cherokee Indians for review prior to submission to CMS. If CMS does not approve the State Plan amendments and Medicaid waivers allowed by this subsection, the counties shall continue serving individuals living on the federal lands held in trust by the United States.

SECTION 12C.10.(e) Within 30 days of CMS approval of the State Plan amendments and Medicaid waivers submitted as allowed under subsection (d) of this section, the Department of Health and Human Services shall submit an Advanced Planning Document Update (APDU) to CMS, the United States Department of Agriculture (USDA), and the Administration for Children and Families (ACF). If CMS, USDA, and ACF do not approve the APDU, the counties shall continue serving individuals living on the federal lands held in trust by the United States.

SECTION 12C.10.(e1) Section 12C.3(b) of S.L. 2014-100 reads as rewritten:

"**SECTION 12C.3.(b)** Beginning October 1, 2014, or upon federal approval, the Eastern Band of Cherokee Indians may begin assuming the responsibility for the Supplemental Nutrition Assistance Program (SNAP). When the Eastern Band of Cherokee Indians assumes responsibility for SNAP, then any State statutes, portions of statutes, or rules relating to the provision of social services regarding SNAP services by a county department of social services

for members of the Eastern Band of Cherokee Indians shall no longer apply to the Tribe, and the functions, administration, and funding requirements relating to those social services are thereby delegated to the Eastern Band of Cherokee Indians.

No later than October 1, ~~2015,~~2016, and with the exception of services related to special assistance, childcare, and adult care homes, the Eastern Band of Cherokee Indians may assume responsibility for other programs as described under G.S. 108A-25(e), enacted in subsection (c) of this section. When the Eastern Band of Cherokee Indians assumes responsibility for any of those other programs, then any State statutes, portions of statutes, or rules relating to the provision of services for those programs by a county department of social services for members of the Eastern Band of Cherokee Indians shall no longer apply to the Tribe, and the functions, administration, and funding requirements relating to those programs are thereby delegated to the Eastern Band of Cherokee Indians."

SECTION 12C.10.(e2) Jackson County and Swain County Departments' of Social Services shall provide NC Medicaid, NC Health Choice, and SNAP eligibility workers on-site at Qualla Boundary five days per week until the transfer of eligibility determination responsibilities under this section have been completed. The number of days per week eligibility workers are provided on-site may be amended by agreement between the Counties and the tribe.

SECTION 12C.10.(f) As soon as practicable, but no later than approval by CMS, USDA, and ACF of the APDU, the Department of Health and Human Services (Department) shall begin functional and detailed design, development, testing, and training of NC FAST, NCTracks, and legacy systems to allow the Eastern Band of Cherokee Indians to assume certain administrative duties consistent with approval given by federal funding partners and any agreements between the Eastern Band of Cherokee Indians and the Department. Failure to approve the APDU shall not hinder the transfer of any social services that do not require approval of federal agencies.

SECTION 12C.10.(f1) The Department, in collaboration with the Eastern Band of Cherokee Indians, shall draft a project plan to meet the October 1, 2016, effective date required by subsection (d) of this section. The Department shall report on the project plan to the Joint Legislative Oversight Committee on Health and Human Services on or before January 1, 2016.

SECTION 12C.10.(g) If federal law allows the Eastern Band of Cherokee Indians to assume responsibility for the NC Medicaid program, NC Health Choice, or SNAP, the Eastern Band of Cherokee Indians shall be allowed to assume responsibility for those programs if they choose to assume such responsibility.

SECTION 12C.10.(h) Beginning October 1, 2015, and quarterly thereafter, the Department shall report to the Joint Legislative Oversight Committee on Health and Human Services on the status of implementation of this section until implementation is complete.

CHILD PROTECTIVE SERVICES PILOT PROJECT

SECTION 12C.11.(a) The Department of Health and Human Services, Division of Social Services, shall continue implementing the Child Protective Services Pilot Project established by Section 12C.1(e) of S.L. 2014-100. The Division shall continue to collaborate with the Government Data Analytics Center (GDAC) to enhance the Pilot Project by doing the following:

(1) Developing a dashboard linking the family to the child.

(2) Integrating additional Department of Health and Human Services and other State department data sources to build a more comprehensive view of the child and family, including (i) matching the child to the caretaker; (ii) linking child, family, and address information; and (iii) integrating Criminal Justice Law Enforcement Automated Data Services (CJLEADS) data to determine if the caretaker or someone living in the house is a sex offender or has a criminal history.

(3) Developing a comprehensive profile of a child that includes demographic and caretaker information and indicators or flags of other services, including, but not limited to, prior assessments of the child, eligibility for food and nutrition programs, Medicaid, and subsidized child care.

SECTION 12C.11.(b) The Division of Social Services shall interface the work product from the Child Protective Services Pilot Project with the statewide child welfare case management system operated by the Department of Health and Human Services by utilizing resources and subject matter expertise available through existing public-private partnerships within the GDAC for the purposes of analyzing risk and improving outcomes for children. The Division of Social Services shall submit its findings and recommendations in a final report on the Child Protective Services Pilot Project to the Joint Legislative Oversight Committee on Health and Human Services no later than March 1, 2016.

SUBPART XII-D. DIVISION OF AGING AND ADULT SERVICES

STATE-COUNTY SPECIAL ASSISTANCE RATES

SECTION 12D.1.(a) For each year of the 2015-2017 fiscal biennium, the maximum monthly rate for residents in adult care home facilities shall be one thousand one hundred eighty-two dollars ($1,182) per month per resident.

SECTION 12D.1.(b) For each year of the 2015-2017 fiscal biennium, the maximum monthly rate for residents in Alzheimer's/Dementia special care units shall be one thousand five hundred fifteen dollars ($1,515) per month per resident.

SUBPART XII-E. DIVISION OF PUBLIC HEALTH

FUNDS FOR SCHOOL NURSES

SECTION 12E.1.(a) Funds appropriated in this act for the School Nurse Funding Initiative shall be used to supplement and not supplant other State, local, or federal funds appropriated or allocated for this purpose. Communities shall maintain their current level of effort and funding for school nurses. These funds shall not be used to fund nurses for State agencies. These funds shall be distributed to local health departments according to a formula that includes all of the following:

(1) School nurse-to-student ratio.
(2) Percentage of students eligible for free or reduced-price meals.
(3) Percentage of children in poverty.
(4) Per capita income.
(5) Eligibility as a low-wealth county.
(6) Mortality rates for children between one and 19 years of age.
(7) Percentage of students with chronic illnesses.
(8) Percentage of county population consisting of minority persons.

SECTION 12E.1.(b) The Division of Public Health shall ensure that school nurses funded with State funds (i) do not assist in any instructional or administrative duties associated with a school's curriculum and (ii) perform all of the following with respect to school health programs:

(1) Serve as the coordinator of the health services program and provide nursing care.
(2) Provide health education to students, staff, and parents.
(3) Identify health and safety concerns in the school environment and promote a nurturing school environment.
(4) Support healthy food services programs.
(5) Promote healthy physical education, sports policies, and practices.
(6) Provide health counseling, assess mental health needs, provide interventions, and refer students to appropriate school staff or community agencies.
(7) Promote community involvement in assuring a healthy school and serve as school liaison to a health advisory committee.

(8) Provide health education and counseling and promote healthy activities and a healthy environment for school staff.

(9) Be available to assist the county health department during a public health emergency.

AIDS DRUG ASSISTANCE PROGRAM (ADAP)

SECTION 12E.2. The Department of Health and Human Services shall work with the Department of Public Safety (DPS) to use DPS funds to purchase pharmaceuticals for the treatment of individuals in the custody of DPS who have been diagnosed with Human Immunodeficiency Virus or Acquired Immune Deficiency Syndrome (HIV/AIDS) in a manner that allows these funds to be accounted for as State matching funds in the Department of Health and Human Services drawdown of federal Ryan White funds earmarked for the AIDS Drug Assistance Program (ADAP).

COMMUNITY-FOCUSED ELIMINATING HEALTH DISPARITIES INITIATIVE

SECTION 12E.3.(a) Funds appropriated in this act to the Department of Health and Human Services, Division of Public Health, for the Community-Focused Eliminating Health Disparities Initiative (CFEHDI) shall be used to provide a maximum of 12 grants-in-aid to close the gap in the health status of African-Americans, Hispanics/Latinos, and American Indians as compared to the health status of white persons. These grants-in-aid shall focus on the use of measures to eliminate or reduce health disparities among minority populations in this State with respect to heart disease, stroke, diabetes, obesity, asthma, HIV/AIDS, cancer, infant mortality, and low birth weight. The Office of Minority Health shall coordinate and implement the grants-in-aid program authorized by this section.

SECTION 12E.3.(b) In implementing the grants-in-aid program authorized by subsection (a) of this section, the Department shall ensure all of the following:

(1) The amount of any grant-in-aid is limited to three hundred thousand dollars ($300,000).

(2) Only community-based organizations, faith-based organizations, local health departments, hospitals, and CCNC networks located in urban and rural areas of the western, eastern, and Piedmont areas of this State are eligible to apply for these grants-in-aid. No more than four grants-in-aid shall be awarded to applicants located in any one of the three areas specified in this subdivision.

(3) Each eligible applicant shall be required to demonstrate substantial participation and involvement with all other categories of eligible applicants in order to ensure an evidence-based medical home model that will affect change in health and geographic disparities.

(4) Eligible applicants shall select one or more of the following chronic illnesses or conditions specific to the applicant's geographic area as the basis for applying for a grant-in-aid under this section to affect change in the health status of African-Americans, Hispanics/Latinos, or American Indians:
   a. Heart Disease.
   b. Stroke.
   c. Diabetes.
   d. Obesity.
   e. Asthma.
   f. HIV/AIDS.
   g. Cancer.
   h. Infant mortality.
   i. Low birth weight.

(5) The minimum duration of the grant period for any grant-in-aid is two years.

(6) The maximum duration of the grant period for any grant-in-aid is three years.

(7) If approved for a grant-in-aid, the grantee (i) shall not use more than eight percent (8%) of the grant funds for overhead costs and (ii) shall be required at the end of the grant period to demonstrate significant gains in addressing one or more of the health disparity focus areas identified in subsection (a) of this section.

(8) An independent panel with expertise in the delivery of services to minority populations, health disparities, chronic illnesses and conditions, and HIV/AIDS shall conduct the review of applications for grants-in-aid. The Department shall establish the independent panel required by this section.

SECTION 12E.3.(c) The grants-in-aid awarded under this section shall be awarded in honor of the memory of the following deceased members of the General Assembly: Bernard Allen, Pete Cunningham, John Hall, Robert Holloman, Howard Hunter, Ed Jones, Jeanne Lucas, Vernon Malone, William Martin, and William Wainwright. These funds shall be used for concerted efforts to address large gaps in health status among North Carolinians who are African-American, as well as disparities among other minority populations in North Carolina.

SECTION 12E.3.(d) By October 1, 2017, the Department shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on funds appropriated to the CFEHDI for the 2015-2017 fiscal biennium. The report shall include specific activities undertaken by grantees pursuant to subsection (a) of this section to address large gaps in health status among North Carolinians who are African-American and other minority populations in this State and shall also address all of the following:

(1) Which community-based organizations, faith-based organizations, local health departments, hospitals, and CCNC networks received CFEHDI grants-in-aid.

(2) The amount of funding awarded to each grantee.

(3) Which of the minority populations were served by each grantee.

(4) Which community-based organizations, faith-based organizations, local health departments, hospitals, and CCNC networks were involved in fulfilling the goals and activities of each grant-in-aid awarded under this section and what activities were planned and implemented by the grantee to fulfill the community focus of the CFEHDI program.

(5) How the activities implemented by the grantee fulfilled the goal of reducing health disparities among minority populations and the specific success in reducing particular incidences.

INCREASE IN NORTH CAROLINA MEDICAL EXAMINER AUTOPSY FEE

SECTION 12E.5.(a) G.S. 130A-389(a) reads as rewritten:

"(a) If, in the opinion of the medical examiner investigating the case or of the Chief Medical Examiner, it is advisable and in the public interest that an autopsy or other study be made; or, if an autopsy or other study is requested by the district attorney of the county or by any superior court judge, an autopsy or other study shall be made by the Chief Medical Examiner or by a competent pathologist designated by the Chief Medical Examiner. A complete autopsy report of findings and interpretations, prepared on forms designated for the purpose, shall be submitted promptly to the Chief Medical Examiner. Subject to the limitations of G.S. 130A-389.1 relating to photographs and video or audio recordings of an autopsy, a copy of the report shall be furnished to any person upon request. ~~A~~ The fee for the autopsy or other study shall be ~~paid by the State. However, if the deceased is a resident of the county in which the death or fatal injury occurred, that county shall pay the fee. The fee shall be one thousand two hundred fifty dollars ($1,250).~~two thousand eight hundred dollars ($2,800) to be paid as follows:

(1) Except as provided in subdivision (2) of this subsection, the county in which the deceased resided shall pay a fee of one thousand seven hundred fifty

dollars ($1,750) and the State shall pay the remaining balance of one thousand fifty dollars ($1,050).

(2) If the death or fatal injury occurred outside the county in which the deceased resided, the State shall pay the entire fee in the amount of two thousand eight hundred dollars ($2,800)."

SECTION 12E.5.(b) Subsection (a) of this section becomes effective October 1, 2015, and applies to fees imposed for autopsies performed on or after that date.

INCREASE IN MEDICAL EXAMINER FEES

SECTION 12E.6.(a) G.S. 130A-387 reads as rewritten:

"§ **130A-387. Fees.**

For each investigation and prompt filing of the required report, the medical examiner shall receive a fee paid by the State. However, if the deceased is a resident of the county in which the death or fatal injury occurred, that county shall pay the fee. The fee shall be ~~one hundred dollars ($100.00).~~two hundred dollars ($200.00)."

SECTION 12E.6.(b) Subsection (a) of this section becomes effective October 1, 2015, and applies to fees imposed for investigations and reports filed on or after that date.

INCREASE IN TRANSPORTATION RATE FOR DEATH INVESTIGATIONS AND AUTOPSIES

SECTION 12E.7. Of the funds appropriated in this act to the Department of Health and Human Services, Division of Public Health, Office of the Chief Medical Examiner, the sum of four hundred thousand dollars ($400,000) for the 2015-2016 fiscal year and the sum of four hundred thousand dollars ($400,000) for the 2016-2017 fiscal year shall be used to increase the current base contract rate paid by the Department to transport bodies for death investigations or autopsies to one hundred ninety dollars ($190.00) for the first 40 miles and then one dollar ($1.00) per mile after the first 40 miles.

IMPROVE MATERNAL AND CHILD HEALTH/ESTABLISH COMPETITIVE GRANTS PROCESS

SECTION 12E.11.(a) Findings. – The General Assembly finds that America spends twice as much on health care as any other nation, yet Americans are not the healthiest people in the world. Research indicates that spending on health care to treat people may actually come at the expense of investing in public health programs meant to keep people from getting sick in the first place. The General Assembly further finds that infant mortality rates are an indicator of a state's overall health status. North Carolina currently ranks 40th in the nation on infant mortality. Implementing statewide policies to invest in evidence-based programs that are scientifically proven to lower infant mortality rates and improve birth outcomes and the health of children ages birth to five will assure that future rankings for North Carolina are among the best in the nation.

SECTION 12E.11.(b) Designation of Lead Agency. – The Department of Health and Human Services, Division of Public Health (Division), shall be the lead agency responsible for doing all of the following:

(1) Assuming responsibility for controlling all funding and contracts designed to (i) improve North Carolina's birth outcomes, (ii) improve the overall health status of children in this State from ages birth to five, and (iii) lower this State's infant mortality rates.

(2) Working in consultation with the University of North Carolina Gillings School of Global Public Health to develop a statewide, comprehensive plan to accomplish the goals described in subdivision (1) of this subsection.

(3) Conducting a continuation review of all maternal and child health-related programs and activities as directed under Section 6.20 of this act, in consultation with the Department of Health and Human Services, Office of

Program Evaluation Reporting and Accountability (OPERA), as created in Section 12A.3 of this act.

SECTION 12E.11.(c) Establishment of Competitive Grants Process for Local Health Departments. – It is the intent of the General Assembly that, beginning in the 2016-2017 fiscal year, the Division implement a competitive grants process for local health departments based on maternal and infant health indicators and the county's detailed proposal to invest in evidence-based programs to achieve the goals described in subdivision (1) of subsection (b) of this section. To that end, the Division shall develop a plan to establish a competitive grants process that, at a minimum, includes each of the following components:

(1) A request for application (RFA) process to allow local health departments to apply for and receive State funds on a competitive basis.

(2) A requirement that the Division prioritize grant awards to those local health departments that are able to leverage non-State funds in addition to the grant award.

(3) A process that awards grants to local health departments dedicated to providing services on a countywide basis and that supports the goals described in subdivision (1) of subsection (b) of this section.

(4) Ensures that funds received by the Division to implement the plan supplement and do not supplant existing funds for health and wellness programs and initiatives.

SECTION 12E.11.(d) Funds for Competitive Grants Process. – Of the funds appropriated in this act to the Department of Health and Human Services, Division of Public Health (Division), the sum of two million five hundred thousand dollars ($2,500,000) in recurring funds for each year of the 2015-2017 fiscal biennium shall be used to establish the competitive grants process for local health departments described in subsection (c) of this section. The Division shall not use more than five percent (5%) of these funds for administrative purposes.

SECTION 12E.11.(e) Evaluation Protocol for Future Program Funding. – The Division shall work with the University of North Carolina Gillings School of Global Public Health (School of Global Public Health) to establish an evaluation protocol for determining program effectiveness and future funding requirements at the local level. By April 1, 2016, the Department, in consultation with the School of Global Public Health, shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services on the request for application process to allow local health departments to apply for and receive State funds on a competitive basis. The report shall include the counties awarded, the amount of the award, the types of programs to be funded, and the evaluation process to be used in determining county performance.

INCREASE FEE FOR NEWBORN SCREENING PROGRAM

SECTION 12E.12.(a) G.S. 130A-125(c) reads as rewritten:

"(c) A fee of ~~nineteen~~ twenty-four dollars ~~($19.00)~~($24.00) applies to a laboratory test performed by the State Laboratory of Public Health pursuant to this section. The fee for a laboratory test is a departmental receipt of the Department and shall be used to offset the cost of the Newborn Screening Program."

SECTION 12E.12.(b) Subsection (a) of this section becomes effective October 1, 2015, and applies to fees imposed for laboratory tests performed on or after that date.

LIMITATION ON USE OF STATE FUNDS FOR FAMILY PLANNING SERVICES, PREGNANCY PREVENTION ACTIVITIES, AND ADOLESCENT PARENTING PROGRAMS

SECTION 12E.13. Of the funds appropriated in this act to the Department of Health and Human Services for the 2015-2017 fiscal biennium, no State funds shall be allocated to renewing or extending existing contracts or entering into new contracts for the provision of family planning services, pregnancy prevention activities, or adolescent parenting

programs with any provider that performs abortions. This section shall not be construed to prevent the Department from paying any State Health Plan provider or Medicaid provider for services authorized under the State Health Plan or the State Medicaid Program

SUBPART XII-F. DIVISION OF MH/DD/SAS AND STATE OPERATED HEALTHCARE FACILITIES

FUNDS FOR LOCAL INPATIENT PSYCHIATRIC BEDS OR BED DAYS

SECTION 12F.1.(a) Use of Funds. – Of the funds appropriated in Section 2.1 of this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for crisis services, the sum of forty million five hundred eighty-three thousand three hundred ninety-four dollars ($40,583,394) for the 2015-2016 fiscal year and the sum of forty million five hundred eighty-three thousand three hundred ninety-four dollars ($40,583,394) for the 2016-2017 fiscal year shall be used to purchase additional new or existing local inpatient psychiatric beds or bed days not currently funded by or though LME/MCOs. The Department shall continue to implement a two-tiered system of payment for purchasing these local inpatient psychiatric beds or bed days based on acuity level with an enhanced rate of payment for inpatient psychiatric beds or bed days for individuals with higher acuity levels, as defined by the Department. The enhanced rate of payment for inpatient psychiatric beds or bed days for individuals with higher acuity levels shall not exceed the lowest average cost per patient bed day among the State psychiatric hospitals. In addition, at the discretion of the Secretary of Health and Human Services, existing funds allocated to LME/MCOs for community-based mental health, developmental disabilities, and substance abuse services may be used to purchase additional local inpatient psychiatric beds or bed days. Funds designated in this subsection for the purchase of local inpatient psychiatric beds or bed days shall not be used to supplant other funds appropriated or otherwise available to the Department for the purchase of inpatient psychiatric services through contracts with local hospitals.

SECTION 12F.1.(b) Distribution and Management of Beds or Bed Days. – The Department shall work to ensure that any local inpatient psychiatric beds or bed days purchased in accordance with this section are utilized solely for individuals who are medically indigent, defined as uninsured persons who (i) are financially unable to obtain private insurance coverage as determined by the Department and (ii) are not eligible for government-funded health coverage such as Medicare or Medicaid; and distributed across the State in LME/MCO catchment areas and according to need as determined by the Department. The Department shall ensure that beds or bed days for individuals with higher acuity levels are distributed across the State in LME catchment areas, including any catchment areas served by managed care organizations, and according to greatest need based on hospital bed utilization data. The Department shall enter into contracts with LME/MCOs and local hospitals for the management of these beds or bed days. The Department shall work to ensure that these contracts are awarded equitably around all regions of the State. LME/MCOs shall manage and control these local inpatient psychiatric beds or bed days, including the determination of the specific local hospital or State psychiatric hospital to which an individual should be admitted pursuant to an involuntary commitment order.

SECTION 12F.1.(c) Funds to Be Held in Statewide Reserve. – Funds appropriated to the Department for the purchase of local inpatient psychiatric beds or bed days shall not be allocated to LME/MCOs but shall be held in a statewide reserve at the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, to pay for services authorized by the LME/MCOs and billed by the hospitals through the LME/MCOs. LME/MCOs shall remit claims for payment to the Department within 15 working days after receipt of a clean claim from the hospital and shall pay the hospital within 30 working days after receipt of payment from the Department.

SECTION 12F.1.(d) Ineffective LME/MCO Management of Beds or Bed Days. – If the Department determines that (i) an LME/MCO is not effectively managing the beds or bed

days for which it has responsibility, as evidenced by beds or bed days in the local hospital not being utilized while demand for services at the State psychiatric hospitals has not reduced, or (ii) the LME/MCO has failed to comply with the prompt payment provisions of subsection (c) of this section, the Department may contract with another LME/MCO to manage the beds or bed days or, notwithstanding any other provision of law to the contrary, may pay the hospital directly.

SECTION 12F.1.(e) Reporting by LME/MCOs. – The Department shall establish reporting requirements for LME/MCOs regarding the utilization of these beds or bed days.

SECTION 12F.1.(f) Reporting by Department. – By no later than December 1, 2016, and by no later than December 1, 2017, the Department shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on all of the following:

(1) A uniform system for beds or bed days purchased during the preceding fiscal year from (i) funds appropriated in this act that are designated for this purpose in subsection (a) of this section, (ii) existing State appropriations, and (iii) local funds.

(2) Other Department initiatives funded by State appropriations to reduce State psychiatric hospital use.

SINGLE STREAM FUNDING FOR MH/DD/SAS COMMUNITY SERVICES

SECTION 12F.2.(a) For the purpose of mitigating cash flow problems that many LME/MCOs experience at the beginning of each fiscal year relative to single stream funding, the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS), shall distribute not less than one-twelfth of each LME/MCO's continuation allocation at the beginning of the fiscal year and subtract the amount of that distribution from the LME/MCO's total reimbursements for the fiscal year.

SECTION 12F.2.(b) The DMH/DD/SAS is directed to reduce its allocation for single stream funding by one hundred ten million eight hundred eight thousand seven hundred fifty-two dollars ($110,808,752) in nonrecurring funds for the 2015-2016 fiscal year and by one hundred fifty-two million eight hundred fifty thousand one hundred thirty-three dollars ($152,850,133) in nonrecurring funds for the 2016-2017 fiscal year. The DMH/DD/SAS is directed to allocate this reduction among the LME/MCOs based on the individual LME/MCO's percentage of the total cash on hand of all of the LME/MCOs in the State. Cash on hand means the sum of the "Total Cash and Investments" plus the "Short-Term Investments" reported on Schedule "A" of the financial reporting package submitted by the LME/MCOs to the Division of Medical Assistance (DMA) on June 30, 2015. The individual LME/MCO's percentage of the total cash on hand equals the individual LME/MCO's cash on hand divided by the aggregate amount of cash on hand of all of the LME/MCOs in the State. During each year of the 2015-2017 fiscal biennium, each LME/MCO shall provide at least the same level of services paid for by single stream funding during the 2014-2015 fiscal year.

SECTION 12F.2.(c) The Department shall modify the monthly reporting package submitted by the LME/MCOs to the Department to include revenues and expenditures for the State funding sources for single stream, intellectual and developmental disability, and substance abuse services on Schedule D2. Additionally, the Department shall modify appropriate schedules in the LME/MCO monthly reporting package to include unduplicated recipients and encounters in the same level of detail included in each D schedule for each source of funding for the reporting for the current and previous year's month and year-to-date periods. The Department shall submit these reports to the Joint Legislative Oversight Committee on Health and Human Services by the third Monday of each month beginning in October 2015.

SECTION 12F.2.(d) If, on or after June 1, 2016, the Office of State Budget and Management (OSBM) certifies a Medicaid budget surplus in funds 1310 and 1311 and

sufficient cash in Budget Code 14445 to meet total obligations for fiscal year 2015-2016, then the DMA may transfer to the DMH/DD/SAS funds not to exceed the amount of the certified surplus or thirty million dollars ($30,000,000), whichever is less, to offset the reduction in single stream funding required by this section. If, on or after June 1, 2017, the OSBM certifies a Medicaid budget surplus in funds 1310 and 1311 and sufficient cash in Budget Code 14445 to meet total obligations for fiscal year 2016-2017, then the DMA may transfer to the DMH/DD/SAS funds not to exceed the amount of the certified surplus or thirty million dollars ($30,000,000), whichever is less, to offset the reduction in single stream funding required by this section. The DMH/DD/SAS shall allocate funds transferred pursuant to this subsection among the LME/MCOs based on the individual LME/MCO's percentage of the total cash on hand of all the LME/MCOs in the State, calculated in accordance with subsection (b) of this section. These funds shall be allocated as prescribed by June 30 of each State fiscal year.

SECTION 12F.2.(e) The Department of Health and Human Services shall develop a maintenance of effort (MOE) spending requirement for all mental health and substance abuse services which must be maintained using non-federal, State appropriations on an annual basis in order to meet MOE requirements for federal block grant awards. LME/MCOs shall ensure the MOE spending requirement is met using State appropriations.

FUNDS FOR THE NORTH CAROLINA CHILD TREATMENT PROGRAM

SECTION 12F.3.(a) Recurring funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the 2015-2017 fiscal biennium for the North Carolina Child Treatment Program (NC CTP) shall be used for the following purposes:

(1) To continue to provide clinical training and coaching to licensed clinicians on an array of evidence-based treatments and to provide a statewide platform to assure accountability and outcomes.

(2) To maintain and manage a public roster of program graduates, linking high-quality clinicians with children, families, and professionals.

(3) To partner with State, LME/MCO, and private sector leadership to bring effective mental health treatment to children in juvenile justice and mental health facilities.

SECTION 12F.3.(b) All data, including any entered or stored in the State-funded secure database developed for the NC CTP to track individual-level and aggregate-level data with interface capability to work with existing networks within State agencies, is and remains the sole property of the State.

TRAUMATIC BRAIN INJURY FUNDING

SECTION 12F.6. Of the funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the 2015-2016 fiscal year, the sum of two million three hundred seventy-three thousand eighty-six dollars ($2,373,086) shall be used exclusively to support traumatic brain injury (TBI) services as follows:

(1) The sum of three hundred fifty-nine thousand two hundred eighteen dollars ($359,218) shall be used to fund contracts with the Brain Injury Association of North Carolina, Carolinas Rehabilitation, or other appropriate service providers.

(2) The sum of seven hundred ninety-six thousand nine hundred thirty-four dollars ($796,934) shall be used to support residential programs across the State that are specifically designed to serve individuals with TBI.

(3) The sum of one million two hundred sixteen thousand nine hundred thirty-four dollars ($1,216,934) shall be used to support requests submitted by individual consumers for assistance with residential support services, home modifications, transportation, and other requests deemed necessary by the consumer's local management entity and primary care physician.

DOROTHEA DIX HOSPITAL PROPERTY FUND AND PLAN FOR USE OF FUNDS

SECTION 12F.7.(a) It is the intent of the General Assembly to use funds deposited in the Dorothea Dix Hospital Property Fund established in subsection (b) of this section to increase the availability of short-term behavioral health inpatient services around the State and to increase inpatient bed capacity for short-term care of individuals experiencing an acute mental health, substance abuse, or developmental disability crisis.

SECTION 12F.7.(b) G.S. 143C-9-2 is amended by adding a new subsection to read:

"(b1) The Dorothea Dix Hospital Property Fund is established as a separate fund within the Trust Fund. The Fund is established to receive the net proceeds from the sale of the Dorothea Dix Hospital property. Moneys in the Dorothea Dix Hospital Property Fund shall be allocated or expended only upon an act of appropriation by the General Assembly and shall not be subject to the limitations of the moneys in the Trust Fund for Mental Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding Needs as described in subsection (b) of this section."

SECTION 12F.7.(c) Notwithstanding G.S. 146-30 or any other provision of law, the State Controller shall transfer a total of forty-nine million eight hundred ninety-nine thousand four hundred fifty-six dollars ($49,899,456) for the 2015-2016 fiscal year from the net proceeds of the sale of the Dorothea Dix Hospital property into the Dorothea Dix Hospital Property Fund established in G.S. 143C-9-2(b1), as enacted by subsection (b) of this section. These funds shall be available for expenditure only upon an appropriation by act of the General Assembly and do not constitute an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution.

SECTION 12F.7.(d) The Department of Health and Human Services (Department) shall develop a plan to use a portion of the funds deposited in the Dorothea Dix Hospital Property Fund not to exceed twenty-five million dollars ($25,000,000) to produce 150 new behavioral health inpatient beds. The plan shall include the following components:

(1) Conversion of existing unused physical health hospital beds in addition to the construction of new inpatient behavioral health facilities.

(2) The plan shall allow hospitals in rural areas to convert unused acute care beds into licensed, inpatient psychiatric or substance abuse beds without undergoing certificate of need review by the Division of Health Service Regulation, notwithstanding the State Medical Facilities Plan, Article 9 of Chapter 131E of the General Statutes, or any other provision of law to the contrary. All converted beds shall be subject to existing licensure laws and requirements.

(3) An estimate of the amount from Dorothea Dix Hospital Property Fund needed to pay for the construction of new beds and the renovation or building costs associated with converting existing acute care beds into licensed, short-term inpatient behavioral health beds designated for voluntarily and involuntarily committed patients.

(4) A method for ensuring that the 150 inpatient beds are distributed equitably around the State and that the distribution of beds addresses the projected unmet bed need in each LME/MCO catchment area as determined in the 2015 State Medical Facilities Plan produced by the Department of Health and Human Services, Division of Health Services Regulations.

(5) A proposal for funding the recurring operating cost of the new behavioral health inpatient beds, including the identification of potential new funding sources.

(6) The newly created behavioral health inpatient beds and facilities shall be named in honor of Dorothea Dix.

SECTION 12F.7.(e) The Department shall submit recommendations to increase the availability of community-based, behavioral health treatment and services that will reduce the need for costly emergency department and inpatient services.

SECTION 12F.7.(f) The Department shall submit the plan required by subsection (d) of this section and the recommendations required by subsection (e) of this section to the Joint Legislative Oversight Committee on Health and Human Services no later than April 1, 2016.

COMMUNITY PARAMEDIC MOBILE CRISIS MANAGEMENT PILOT PROGRAM

SECTION 12F.8.(a) Of the funds appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of two hundred twenty-five thousand dollars ($225,000) for fiscal year 2015-2016 shall be used to continue the Department's community paramedic mobile crisis management program to divert behavioral health consumers from emergency departments by implementing a pilot of the thirteen programs across the State.

SECTION 12F.8.(b) The Department shall develop an evaluation plan for the community paramedic mobile crisis management pilot program based on the U.S. Department of Health and Human Services, Health Resources and Services Administration Office of Rural Health Policy's, Community Paramedicine Evaluation Tool, published in March 2012.

SECTION 12F.8.(c) The Department shall submit a report to the Senate Appropriations Committee on Health and Human Services, House Appropriations, Health and Human Services, and the Fiscal Research Division by June 1, 2016, on the progress of the project and the Department's evaluation plan.

SECTION 12F.8.(d) The Department of Health and Human Services shall submit a final report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by November 1, 2016. At a minimum, the final report shall include the following:

(1) An updated version of the evaluation plan required by subsection (b) of this section.
(2) An estimate of the cost to expand the program incrementally.
(3) An estimate of any potential savings of State funds associated with expansion of the program.
(4) If expansion of the program is recommended, a time line for expanding the program.

JOINT STUDY OF JUSTICE AND PUBLIC SAFETY AND BEHAVIORAL HEALTH

SECTION 12F.10. The Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Justice and Public Safety shall each appoint a subcommittee to study the intersection of Justice and Public Safety and behavioral health and report their findings and recommendations to their respective Committees. The subcommittees shall meet jointly to study and report on the following issues:

(1) The impact of the Justice Reinvestment Act on the State's behavioral health system, including the following:
    a. The impact of the Justice Reinvestment Act on the demand for community-based behavioral health services available through local management entities/managed care organizations (LME/MCOs).
    b. The change in the number of criminal offenders referred to the Treatment Accountability for Safer Communities (TASC) program since 2010 and other demands on the TASC program that have arisen since that time.
    c. The sources and amounts of funding available to serve this population, as well as any other support or resources that are provided by the Department of Public Safety to the Department of Health and Human Services or the LME/MCOs.

d. An analysis of the supply and demand for behavioral health providers who serve this population.

(2) The impact of mental illness and substance abuse on county law enforcement agencies, including the following:

a. The number of people with mental illness and substance abuse issues held in county jails.

b. The impact on local law enforcement agencies, particularly with respect to their budgets and personnel.

(3) The impact of judicial decisions on the State's behavioral health and social services system, including the following:

a. The role and impact of family court decisions on the demand for and delivery of county social services.

b. The role and impact of decisions by drug treatment courts, veterans' mental health courts, and driving while impaired courts.

c. The impact of judicial decisions on the availability of beds in State-operated psychiatric facilities as a result of involuntary commitment orders and incapacity to proceed decisions.

(4) Any other relevant issues the subcommittees jointly deem appropriate.

LME/MCO USE OF FUNDS TO PURCHASE INPATIENT ALCOHOL AND SUBSTANCE ABUSE TREATMENT SERVICES

SECTION 12F.12.(a) It is the intent of the General Assembly to terminate all direct State appropriations for State-operated alcohol and drug abuse treatment centers (ADATCs) beginning with the 2015-2016 fiscal year and instead appropriate funds to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for community services in order to allow local management entities/managed care organizations (LME/MCOs) to assume responsibility for managing the full array of publicly funded substance abuse services, including inpatient services delivered through the ADATCs. To this end and notwithstanding any other provision of law, on the effective date of this section all direct State appropriations for ADATCs are terminated and the ADATCs shall be one hundred percent (100%) receipt-supported.

SECTION 12F.12.(b) From funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, to be allocated to LME/MCOs for the purchase of inpatient alcohol and substance abuse treatment services, the LME/MCOs shall use their respective fund allocations for individuals within their respective catchment areas as follows:

(1) During the 2015-2016 fiscal year, a minimum of one hundred percent (100%) of the allocation shall be used exclusively to purchase inpatient alcohol and substance abuse treatment services from the ADATCs.

(2) During the 2016-2017 fiscal year, a minimum of ninety percent (90%) of the allocation shall be used exclusively to purchase inpatient alcohol and substance abuse treatment services from the ADATCs. The LME/MCOs shall use the remaining ten percent (10%) of their respective allocations to purchase inpatient alcohol and substance abuse treatment services from any qualified provider.

(3) In subsequent fiscal years, the percentage of the allocation that shall be used exclusively to purchase inpatient alcohol and substance abuse treatment services from the ADATCs shall decrease by ten percentage points each fiscal year after the 2016-2017 fiscal year until it reaches zero percent (0%). The percentage of the allocation remaining that shall be used to purchase inpatient alcohol and substance abuse treatment services from any qualified provider shall increase by ten percentage points each fiscal year after the 2016-2017 fiscal year until it reaches one hundred percent (100%).

SECTION 12F.12.(c) By March 1, 2016, the Department of Health and Human Services shall develop and report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division a plan to allow the ADATCs to remain one hundred percent (100%) receipt-supported. The report shall include an evaluation of (i) other community-based and residential services that could be provided by the ADATCs and (ii) potential funding sources other than payments from the LME/MCOs, including funding available from estimated receipts from Medicare, Medicaid, insurance, and self-pay.

SECTION 12F.12.(d) This section becomes effective October 1, 2015.

REPORT ON MULTIPLICATIVE AUDITING AND MONITORING OF CERTAIN SERVICE PROVIDERS

SECTION 12F.14. No later than December 1, 2015, the Department of Health and Human Services shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the status of multiplicative auditing and monitoring of all provider agencies under the Division of Mental Health, Developmental Disabilities and Substance Abuse Services, that have been nationally accredited through a recognized national accrediting body. The report shall include (i) all group home facilities licensed under Chapter 122C of the General Statutes, (ii) a complete list of all auditing and monitoring activities to which these service providers are subject, and (iii) recommendations on the removal of all unnecessary regulatory duplication to enhance efficiency.

FUNDS FOR DRUG OVERDOSE MEDICATIONS

SECTION 12F.15.(a) Funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the 2015-2016 fiscal year for the purchase of opioid antagonists as defined in G.S. 90-106.2, shall be used as follows:

(1) Twenty-five thousand dollars ($25,000) shall be used to purchase opioid antagonists to be distributed at no charge to the North Carolina Harm Reduction Coalition to serve individuals at risk of experiencing an opioid-related drug overdose or to the friends and family members of an at-risk individual.

(2) Twenty-five thousand dollars ($25,000) shall be used to purchase opioid antagonists to be distributed at no charge to North Carolina law enforcement agencies.

SECTION 12F.15.(b) Funds appropriated in this act for the purposes and in the amounts specified in subsection (a) of this section shall be adjusted or eliminated if the Department is successful in obtaining grant awards or identifying other allowable receipts for this purpose. If receipts are used for this purpose, this nonrecurring appropriation shall revert to the General Fund.

STATEWIDE OPIOID PRESCRIBING GUIDELINES

SECTION 12F.16.(a) By July 1, 2016, the following State health officials and health care provider licensing boards shall adopt the North Carolina Medical Board's Policy for the Use of Opiates for the Treatment of Pain:

(1) The Director of the Division of Public Health of the Department of Health and Human Services (DHHS).

(2) The Director of the Division of Medical Assistance, DHHS.

(3) The Director of the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, DHHS.

(4) The directors of medical, dental, and mental health services within the Department of Public Safety.

(5) North Carolina State Board of Dental Examiners.

(6) North Carolina Board of Nursing.

(7) North Carolina Board of Podiatry Examiners.

CONTINUING EDUCATION REQUIREMENTS

SECTION 12F.16.(b) The following health care provider occupational licensing boards shall require continuing education on the abuse of controlled substances as a condition of license renewal for health care providers who prescribe controlled substances:

(1) North Carolina Board of Dental Examiners.
(2) North Carolina Board of Nursing.
(3) North Carolina Board of Podiatry Examiners.
(4) North Carolina Medical Board.

SECTION 12F.16.(c) In establishing the continuing education standards, the boards listed in subsection (b) of this section shall require that at least one hour of the total required continuing education hours consists of a course designed specifically to address prescribing practices. The course shall include, but not be limited to, instruction on controlled substance prescribing practices and controlled substance prescribing for chronic pain management.

IMPROVE CONTROLLED SUBSTANCES REPORTING SYSTEM ACCESS AND UTILIZATION

SECTION 12F.16.(d) G.S. 90-113.74 reads as rewritten:

"§ **90-113.74. Confidentiality.**

(a) Prescription information submitted to the Department is privileged and confidential, is not a public record pursuant to G.S. 132-1, is not subject to subpoena or discovery or any other use in civil proceedings, and except as otherwise provided below may only be used (i) for investigative or evidentiary purposes related to violations of State or federal ~~law and~~ law, (ii) for regulatory ~~activities.~~ activities, or (iii) to inform medical records or clinical care. Except as otherwise provided by this section, prescription information shall not be disclosed or disseminated to any person or entity by any person or entity authorized to review prescription information.

…

(c) The Department shall release data in the controlled substances reporting system to the following persons only:

…

(8) Any county medical examiner appointed by the Chief Medical Examiner pursuant to G.S. 130A-382 and the Chief Medical Examiner, for the purpose of investigating the death of an individual.
(9) The federal Drug Enforcement Administration's Office of Diversion Control.
(10) The North Carolina Health Information Exchange Authority (NC HIE Authority), established under Article 29B of this Chapter, through Web-service calls.

…."

SECTION 12F.16.(e) The Department of Health and Human Services shall adopt appropriate policies and procedures documenting and supporting the additional functionality and expanded access added by subsection (d) of this section for the Controlled Substances Reporting System (CSRS) for the entities added to G.S. 90-113.74(c) by subsection (d) of this section and shall amend its contract with the vendor that operates the CSRS to support the additional functionality and expanded access to the CSRS.

IMPROVE CONTROLLED SUBSTANCES REPORTING SYSTEM CONTRACT

SECTION 12F.16.(f) The Department of Health and Human Services (DHHS) shall modify the contract for the Controlled Substances Reporting System (CSRS) to improve performance, establish user access controls, establish data security protocols, and ensure availability of data for advanced analytics. Specifically, the contract shall be modified to include the following:

(1) A connection to the HIE Network administered by the North Carolina Health Information Exchange Authority (NC HIE Authority).

(2) The establishment of interstate connectivity.

(3) Data security protocols that meet or exceed the Federal Information Processing Standards (FIPS) established by the National Institute of Standards and Technology (NIST).

SECTION 12F.16.(g) DHHS shall complete the contract modifications required by subsection (f) of this section by December 31, 2015. DHHS shall report by November 15, 2015, to the Joint Legislative Program Evaluation Oversight Committee and the Joint Legislative Oversight Committee on Health and Human Services regarding the progress to modify the contract.

SECTION 12F.16.(h) DHHS shall apply for grant funding from the National Association of Boards of Pharmacy to establish the connection to PMP InterConnect. The Department shall request forty thousand thirty-five dollars ($40,035) to establish the initial interface for PMP InterConnect and thirty thousand dollars ($30,000) for two years of ongoing service, maintenance, and support for PMP InterConnect in order to create interstate connectivity for the drug monitoring program as required by subdivision (2) of subsection (f) of this section.

SECTION 12F.16.(i) Funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the CSRS shall be used as follows:

(1) For the 2015-2016 fiscal year, the sum of forty thousand thirty-five dollars ($40,035) shall be used to connect the CSRS and the HIE Network administered by the NC HIE Authority, as required by subdivision (1) of subsection (f) of this section.

(2) For the 2015-2016 fiscal year and for the 2016-2017 fiscal year, the sum of fifteen thousand dollars ($15,000) shall be used to maintain a connection between the CSRS and the HIE Network administered by the NC HIE Authority, as required by subdivision (1) of subsection (f) of this section.

(3) For the 2015-2016 fiscal year, the sum of forty thousand thirty-five dollars ($40,035) shall be used to establish the initial interface for PMP InterConnect, as required by subdivision (2) of subsection (f) of this section. This amount shall be adjusted or eliminated if DHHS is successful in obtaining grant awards or identifying other allowable receipts for this purpose. If receipts are used for this purpose, this nonrecurring appropriation shall revert to the General Fund.

(4) For the 2015-2016 fiscal year, the sum of fifteen thousand dollars ($15,000) shall be used for the cost of annual service fees for the interstate connection for the drug monitoring program, as required by subdivision (2) of subsection (f) of this section. This amount shall be adjusted or eliminated if DHHS is successful in obtaining grant awards or identifying other allowable receipts for this purpose. If receipts are used for this purpose, this nonrecurring appropriation shall revert to the General Fund.

EXPAND MONITORING CAPACITY

SECTION 12F.16.(j) The North Carolina Controlled Substances Reporting System shall expand its monitoring capacity by establishing data use agreements with the Prescription Behavior Surveillance System. In order to participate, the CSRS shall establish a data use agreement with the Center of Excellence at Brandeis University no later than January 1, 2016.

SECTION 12F.16.(k) Beginning September 1, 2016, and every two years thereafter, the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services of the Department of Health and Human Services shall report on its participation with the Prescription Behavior Surveillance System to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Justice and Public Safety.

MEDICAID LOCK-IN PROGRAM

SECTION 12F.16.(l) The Division of Medical Assistance of the Department of Health and Human Services (DMA) shall take the following steps to improve the effectiveness and efficiency of the Medicaid lock-in program:

(1) Establish written procedures for the operation of the lock-in program, including specifying the responsibilities of DMA and the program contractor.

(2) Establish procedures for the sharing of bulk data with the Controlled Substances Regulatory Branch.

(3) In consultation with the Physicians Advisory Group, extend lock-in duration to two years and revise program eligibility criteria to align the program with the statewide strategic goals for preventing prescription drug abuse. DMA shall report an estimate of the cost-savings from the revisions to the eligibility criteria to the Joint Legislative Program Evaluation Oversight Committee and the Joint Legislative Oversight Committee on Health and Human Services within one year of the lock-in program again becoming operational.

(4) Develop a Web site and communication materials to inform lock-in enrollees, prescribers, pharmacists, and emergency room health care providers about the program.

(5) Increase program capacity to ensure that all individuals who meet program criteria are locked in.

(6) Conduct an audit of the lock-in program within six months after the effective date of this act in order to evaluate the effectiveness of program restrictions in preventing overutilization of controlled substances, identify any program vulnerabilities, and address whether there is evidence of any fraud or abuse within the program.

DMA shall report to the Joint Legislative Program Evaluation Oversight Committee by September 30, 2015, on its progress toward implementing all items included in this section.

STATEWIDE STRATEGIC PLAN

SECTION 12F.16.(m) There is hereby created the Prescription Drug Abuse Advisory Committee, to be housed in and staffed by the Department of Health and Human Services (DHHS). The Committee shall develop and, through its members, implement a statewide strategic plan to combat the problem of prescription drug abuse. The Committee shall include representatives from the following, as well as any other persons designated by the Secretary of Health and Human Services:

(1) The Division of Medical Assistance, DHHS.

(2) The Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, DHHS.

(3) The Division of Public Health, DHHS.

(4) The Rural Health Section of the Division of Public Health, DHHS.

(5) The State Bureau of Investigation.

(6) The Attorney General's Office.

(7) The following health care regulatory boards with oversight of prescribers and dispensers of prescription drugs:

a. North Carolina Board of Dental Examiners.

b. North Carolina Board of Nursing.

c. North Carolina Board of Podiatry Examiners.

d. North Carolina Medical Board.

e. North Carolina Board of Pharmacy.

(8) The UNC Injury Prevention Research Center.

(9) The substance abuse treatment community.

(10) Governor's Institute on Substance Abuse, Inc.

(11) The Department of Insurance's drug take-back program.

After developing the strategic plan, the Committee shall be the State's steering committee to monitor achievement of strategic objectives and receive regular reports on progress made toward reducing prescription drug abuse in North Carolina.

SECTION 12F.16.(n) In developing the statewide strategic plan to combat the problem of prescription drug abuse, the Prescription Drug Abuse Advisory Committee shall, at a minimum, complete the following steps:

(1) Identify a mission and vision for North Carolina's system to reduce and prevent prescription drug abuse.

(2) Scan the internal and external environment for the system's strengths, weaknesses, opportunities, and challenges (a SWOC analysis).

(3) Compare threats and opportunities to the system's ability to meet challenges and seize opportunities (a GAP analysis).

(4) Identify strategic issues based on SWOC and GAP analyses.

(5) Formulate strategies and resources for addressing these issues.

SECTION 12F.16.(o) The strategic plan for reducing prescription drug abuse shall include three to five strategic goals that are outcome-oriented and measureable. Each goal must be connected with objectives supported by the following five mechanisms of the system:

(1) Oversight and regulation of prescribers and dispensers by State health care regulatory boards.

(2) Operation of the Controlled Substances Reporting System.

(3) Operation of the Medicaid lock-in program to review behavior of patients with high use of prescribed controlled substances.

(4) Enforcement of State laws for the misuse and diversion of controlled substances.

(5) Any other appropriate mechanism identified by the Committee.

SECTION 12F.16.(p) DHHS, in consultation with the Prescription Drug Abuse Advisory Committee, shall develop and implement a formalized performance management system that connects the goals and objectives identified in the statewide strategic plan to operations of the Controlled Substances Reporting System and Medicaid lock-in program, law enforcement activities, and oversight of prescribers and dispensers. The performance management system must be designed to monitor progress toward achieving goals and objectives and must recommend actions to be taken when performance falls short.

SECTION 12F.16.(q) Beginning on December 1, 2016, and annually thereafter, DHHS shall submit an annual report on the performance of North Carolina's system for monitoring prescription drug abuse to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Justice and Public Safety.

EFFECTIVE DATE

SECTION 12F.16.(r) Subdivision (1) of Section 12F.16(f) of this act becomes effective upon the establishment of the HIE Network pursuant to Section 12A.5 of this act. The remainder of this section is effective when it becomes law.

ELIMINATE PUBLICATION/ACCESS NORTH CAROLINA TRAVEL GUIDE

SECTION 12F.17. G.S. 168-2 is repealed.

SUBPART XII-G. DIVISION OF HEALTH SERVICE REGULATION

MORATORIUM ON SPECIAL CARE UNIT LICENSES

SECTION 12G.2.(a) Section 12G.1(a) of S.L. 2013-360, as amended by Section 12G.5 of S.L. 2014-100, reads as rewritten:

"**SECTION 12G.1.(a)** For the period beginning July 31, 2013, and ending ~~June 30, 2016,~~June 30, 2017, the Department of Health and Human Services, Division of Health Service Regulation (Department), shall not issue any licenses for special care units as defined in

G.S. 131D-4.6 and G.S. 131E-114. This prohibition shall not restrict the Department from doing any of the following:

(1) Issuing a license to a facility that is acquiring an existing special care unit.

(2) Issuing a license for a special care unit in any area of the State upon a determination by the Secretary of the Department of Health and Human Services that increased access to this type of care is necessary in that area during the moratorium imposed by this section.

(3) Processing all completed applications for special care unit licenses received by the Division of Health Service Regulation along with the applicable license fee prior to June 1, 2013.

(4) Issuing a license to a facility that was in possession of a certificate of need as of July 31, 2013, that included authorization to operate special care unit beds."

SECTION 12G.2.(a1) The Department shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services by March 1, 2016, containing at least the following information:

(1) The number of licensed special care units in the State.

(2) The capacity of the currently licensed special care units to serve people in need of their services.

(3) The anticipated growth in the number of people who will need the services of a licensed special care unit.

(4) The number of applications received from special care units seeking licensure as permitted by this section, and the number of those applications that were not approved.

SECTION 12G.2.(b) This section is effective when this act becomes law.

LICENSURE OF OVERNIGHT RESPITE FACILITIES

SECTION 12G.3.(a) Article 1 of Chapter 131D of the General Statutes is amended by adding a new section to read:

"**§ 131D-6.1. Licensure to offer overnight respite; rules; enforcement.**

(a) As used in this section, "overnight respite services" means the provision of group care and supervision in a place other than their usual place of abode on a 24-hour basis for a specified period of time to adults who may be physically or mentally disabled in order to provide temporary relief for a caregiver and includes services provided by any facility certified to provide adult day care services pursuant to G.S. 131D-6, or adult day health services pursuant to 10A NCAC, Chapter 06, Subchapter S, or both. Overnight respite services may include the services of the adult day care program or the adult day health program.

(b) Any facility described under subsection (a) of this section seeking to offer overnight respite services shall apply to the Department for licensure to offer a program of overnight respite services. The Department shall annually license facilities providing a program of overnight respite services under rules adopted by the Medical Care Commission pursuant to subsection (c) of this section. As part of the licensure process, the Division of Health Service Regulation shall inspect the construction projects associated with, and the operations of, each facility providing a program of overnight respite services for compliance with the rules adopted by the Medical Care Commission pursuant to subsection (c) of this section.

(c) The Medical Care Commission shall adopt rules governing the licensure of adult day care and adult day health facilities providing a program of overnight respite services in accordance with this section. The Medical Care Commission shall seek input from stakeholders before proposing rules for adoption as required by this subsection. The rules shall limit the provision of overnight respite services for each adult to (i) not more than 14 consecutive calendar days, and not more than 60 total calendar days, during a 365-day period or (ii) the amount of respite allowed under the North Carolina Innovations waiver or Community Alternatives Program for Disabled Adults (CAP/DA) waiver, as applicable. The rules shall

include minimum requirements to ensure the health and safety of overnight respite participants. These requirements shall address all of the following:

(1) Program management.
(2) Staffing.
(3) Building specifications.
(4) Fire safety.
(5) Sanitation.
(6) Nutrition.
(7) Enrollment.
(8) Bed capacity limitations, which shall not exceed six beds in each adult day care program.
(9) Medication management.
(10) Program activities.
(11) Personal care, supervision, and other services.

(d) The Medical Care Commission shall, as necessary, amend the rules pertaining to the provision of respite care in adult care homes and family care homes to address each of the categories enumerated in subsection (c) of this section.

(e) The Division of Health Service Regulation shall have the authority to enforce the rules adopted by the Medical Care Commission under subsections (c) and (d) of this section and shall be responsible for conducting annual inspections and investigating complaints pertaining to overnight respite services in facilities licensed to provide a program of overnight respite services.

(f) Each facility licensed to provide a program of overnight respite services under this section shall periodically report the number of individuals served and the average daily census to the Division of Health Service Regulation on a schedule determined by the Division.

(g) The Division of Health Service Regulation is authorized to do both of the following with respect to a facility licensed to provide overnight respite services under this section in a manner that complies with the provisions of G.S. 131D-2.7:

(1) Suspend admissions to programs of overnight respite services in facilities licensed to provide these services.
(2) Suspend or revoke a facility's license to provide a program of overnight respite services.

(h) Nothing in this section shall be construed to prevent a facility licensed to provide overnight respite services under this section from receiving State funds or participating in any government insurance plan, including the Medicaid program, to the extent authorized or permitted under applicable State or federal law.

(i) The Department shall charge each adult day care and each adult day health facility seeking to provide overnight respite services a nonrefundable initial licensure fee of three hundred fifty dollars ($350.00) and a nonrefundable annual renewal licensure fee in the amount of three hundred fifteen dollars ($315.00)."

SECTION 12G.3.(b) G.S. 131D-6(b) reads as rewritten:

"(b) As used in this section "adult day care program" means the provision of group care and supervision in a place other than their usual place of abode on a less than 24-hour basis to adults who may be physically or mentally ~~disabled.~~disabled, except that an adult day care program provider may provide overnight respite services on a 24-hour basis in accordance with G.S. 131D-6.1. The Department of Health and Human Services shall annually inspect and certify all adult day care programs, under rules adopted by the Social Services Commission. The Social Services Commission shall adopt rules to protect the health, safety, and welfare of persons in adult day care programs. These rules shall include minimum standards relating to management of the program, staffing requirements, building requirements, fire safety, sanitation, nutrition, and program activities. Adult day care programs are not required to provide transportation to participants; however, those programs that choose to provide

transportation shall comply with rules adopted by the Commission for the health and safety of participants during transport.

The Department of Health and Human Services shall enforce the rules of the Social Services Commission."

SECTION 12G.3.(c) G.S. 131E-267(g) reads as rewritten:

"(g) The fee imposed for the review of the following residential construction projects is:

Residential Project	**Project Fee**
Family Care Homes	$225.00 flat fee
ICF/MR Group Homes	$350.00 flat fee
Group Homes: 1-3 beds	$125.00 flat fee
Group Homes: 4-6 beds	$225.00 flat fee
Group Homes: 7-9 beds	$275.00 flat fee
Adult Day Care Overnight Respite Facility	$225.00 flat fee
Adult Day Health Overnight Respite Facility	$225.00 flat fee
Other residential:	
More than 9 beds	$275.00 plus $0.15 per square foot of project space."

SECTION 12G.3.(d) Of the funds appropriated to the Department of Health and Human Services, Division of Health Service Regulation, the sum of eighty-two thousand six hundred six dollars ($82,606) for the 2015-2016 fiscal year and the sum of eighty-eight thousand thirty-three dollars ($88,033) for the 2016-2017 fiscal year shall be used to create one full-time equivalent Nursing Consultant position and one full-time equivalent Engineer/Architect position within the Division dedicated to inspecting adult day care, adult day health, adult care home, and family care home facilities seeking licensure to provide overnight respite services in accordance with G.S. 131D-6.1, as enacted by subsection (a) of this section.

SECTION 12G.3.(e) The Department of Health and Human Services, Division of Aging and Adult Services, shall add adult day care overnight respite programs as a service category under the Home and Community Care Block Grant. Counties may elect to use (i) an adult day care or adult day health facility licensed to provide a program of overnight respite under G.S. 131D-6.1, as enacted by subsection (a) of this section, (ii) an adult care home, or (iii) a family care home to provide overnight respite services to caregivers of older adults from funds received under the Home and Community Care Block Grant.

SECTION 12G.3.(f) The Department of Health and Human Services, Division of Medical Assistance, shall take any and all action necessary to amend the North Carolina Innovations waiver and the North Carolina Community Alternatives Program for Disabled Adults (CAP/DA) waiver for the purpose of allowing facilities licensed to provide adult day health overnight respite services under G.S. 131D-6.1, as enacted by subsection (a) of this section, to become allowable providers of overnight respite under each waiver.

SECTION 12G.3.(g) The overnight respite pilot program authorized under S.L. 2011-104 is repealed on the earlier of June 30, 2017, or the date the overnight respite licensure process established pursuant to G.S. 131D-6.1, as enacted by subsection (a) of this section, is implemented and fully operational. For the purpose of this subsection, the overnight respite licensure process shall not be deemed fully operational prior to the adoption of rules pursuant to G.S. 131D-6.1(c), as enacted by subsection (a) of this section. The Department of Health and Human Services shall report to the Revisor of Statutes the date that G.S. 131D-6.1, as enacted by subsection (a) of this section, is implemented and fully operational.

SUBPART XII-H. DIVISION OF MEDICAL ASSISTANCE (MEDICAID)

REINSTATE MEDICAID ANNUAL REPORT

SECTION 12H.1.(a) The Department of Health and Human Services, Division of Medical Assistance, shall reinstate the publication of the Medicaid Annual Report and

accompanying tables, which was discontinued after 2008. The Division shall publish the report and tables on its Web site and shall not publish copies in print.

SECTION 12H.1.(b) If the Department of Health and Human Services, Division of Medical Assistance, has not complied with the requirements of subsection (a) of this section by June 1, 2016, then the Office of State Budget and Management shall not allot any funds to the Department of Health and Human Services, Division of Central Management and Support, until the 2015 Medicaid Annual Report and accompanying tables have been published in accordance with subsection (a) of this section.

MEDICAID ELIGIBILITY

SECTION 12H.2.(a) Families and children who are categorically and medically needy are eligible for Medicaid, subject to the following annual income levels:

Family Size	Categorically Needy Income Level	Medically Needy Income Level
1	$ 5,208	$ 2,904
2	6,828	3,804
3	8,004	4,404
4	8,928	4,800
5	9,888	5,196
6	10,812	5,604
7	11,700	6,000
8	12,432	6,300

The Department of Health and Human Services shall provide Medicaid coverage to 19- and 20-year-olds under this subsection in accordance with federal rules and regulations. Medicaid enrollment of categorically needy families with children shall be continuous for one year without regard to changes in income or assets.

SECTION 12H.2.(b) For the following Medicaid eligibility classifications for which the federal poverty guidelines are used as income limits for eligibility determinations, the income limits will be updated each April 1 immediately following publication of federal poverty guidelines. The Department of Health and Human Services, Division of Medical Assistance, shall provide Medicaid coverage to the following:

(1) All elderly, blind, and disabled people who have incomes equal to or less than one hundred percent (100%) of the federal poverty guidelines.

(2) Pregnant women with incomes equal to or less than one hundred ninety-six percent (196%) of the federal poverty guidelines and without regard to resources. Services to pregnant women eligible under this subsection continue throughout the pregnancy but include only those related to pregnancy and to those other conditions determined by the Department as conditions that may complicate pregnancy.

(3) Infants under the age of one with family incomes equal to or less than two hundred ten percent (210%) of the federal poverty guidelines and without regard to resources.

(4) Children aged one through five with family incomes equal to or less than two hundred ten percent (210%) of the federal poverty guidelines and without regard to resources.

(5) Children aged six through 18 with family incomes equal to or less than one hundred thirty-three percent (133%) of the federal poverty guidelines and without regard to resources.

(6) Workers with disabilities described in G.S. 108A-66A with unearned income equal to or less than one hundred fifty percent (150%) of the federal poverty guidelines.

The Department of Health and Human Services, Division of Medical Assistance, shall also provide family planning services to men and women of childbearing age with family incomes equal to or less than one hundred ninety-five percent (195%) of the federal poverty guidelines and without regard to resources.

SECTION 12H.2.(c) The Department of Health and Human Services, Division of Medical Assistance, shall provide Medicaid coverage to adoptive children with special or rehabilitative needs, regardless of the adoptive family's income.

SECTION 12H.2.(d) The Department of Health and Human Services, Division of Medical Assistance, shall provide Medicaid coverage to "independent foster care adolescents," ages 18, 19, and 20, as defined in section 1905(w)(1) of the Social Security Act (42 U.S.C. § 1396d(w)(1)), without regard to the adolescent's assets, resources, or income levels.

SECTION 12H.2.(e) The Department of Health and Human Services, Division of Medical Assistance, shall provide Medicaid coverage to women who need treatment for breast or cervical cancer and who are defined in 42 U.S.C. § 1396a(a)(10)(A)(ii)(XVIII).

SECTION 12H.2.(f) G.S. 108A-70.21 reads as rewritten:

"§ **108A-70.21. Program eligibility; benefits; enrollment fee and other cost-sharing; coverage from private plans; purchase of extended coverage.**

(a) Eligibility. – The Department may enroll eligible children based on availability of funds. Following are eligibility and other requirements for participation in the Program:

(1) Children must:

a. Be between the ages of 6 through 18;

b. Be ineligible for Medicaid, Medicare, or other federal government-sponsored health insurance;

c. Be uninsured;

d. Be in a family whose family income is above one hundred thirty-three percent (133%) ~~through~~ and less than or equal to two hundred eleven percent ~~(200%)~~(211%) of the federal poverty level;

e. Be a resident of this State and eligible under federal law; and

f. Have paid the Program enrollment fee required under this Part.

...

(b) Benefits. – All health benefits changes of the Program shall meet the coverage requirements set forth in this subsection. Except as otherwise provided for eligibility, fees, deductibles, copayments, and other cost sharing charges, health benefits coverage provided to children eligible under the Program shall be equivalent to coverage provided for dependents under North Carolina Medicaid Program except for the following:

(1) No services for long-term care.

(2) No nonemergency medical transportation.

(3) No EPSDT.

(4) Dental services shall be provided on a restricted basis in accordance with criteria adopted by the Department to implement this subsection.

In addition to the benefits provided under the North Carolina Medicaid Program, the following services and supplies are covered under the Health Insurance Program for Children established under this Part:

(1), (1a) Repealed by Session Laws 2011-145, s. 10.41(b), effective July 1, 2011.

(2) Vision: Scheduled routine eye examinations once every 12 months, eyeglass lenses or contact lenses once every 12 months, routine replacement of eyeglass frames once every 24 months, and optical supplies and solutions when needed. NCHC recipients must obtain optical services, supplies, and solutions from NCHC enrolled, licensed or certified ophthalmologists, optometrists, or opticians. In accordance with G.S. 148-134, NCHC providers must order complete eyeglasses, eyeglass lenses, and ophthalmic frames through Nash Optical Plant. Eyeglass lenses are limited to NCHC-approved single vision, bifocal, trifocal, or other complex lenses

necessary for a Plan enrollee's visual welfare. Coverage for oversized lenses and frames, designer frames, photosensitive lenses, tinted contact lenses, blended lenses, progressive multifocal lenses, coated lenses, and laminated lenses is limited to the coverage for single vision, bifocal, trifocal, or other complex lenses provided by this subsection. Eyeglass frames are limited to NCHC-approved frames made of zylonite, metal, or a combination of zylonite and metal. All visual aids covered by this subsection require prior approval. Requests for medically necessary complete eyeglasses, eyeglass lenses, and ophthalmic frames outside of the NCHC-approved selection require prior approval. Requests for medically necessary fabrication of complete eyeglasses or eyeglass lenses outside of Nash Optical Plant require prior approval. Upon prior approval refractions may be covered more often than once every 12 months.

(3) Under the North Carolina Health Choice Program for Children, the co-payment for nonemergency visits to the emergency room for children whose family income is ~~at or below~~ less than or equal to one hundred ~~fifty~~fifty-nine percent ~~(150%)~~(159%) of the federal poverty level is ten dollars ($10.00). The co-payment for children whose family income is ~~between~~ above one hundred ~~fifty-one~~ fifty-nine percent ~~(151%)~~(159%) and less than or equal to two hundred eleven percent ~~(200%)~~(211%) of the federal poverty level is twenty-five dollars ($25.00).

...

(c) Annual Enrollment Fee. – There shall be no enrollment fee for Program coverage for enrollees whose family income is ~~at or below~~less than or equal to one hundred ~~fifty~~ fifty-nine percent ~~(150%)~~(159%) of the federal poverty level. The enrollment fee for Program coverage for enrollees whose family income is above one hundred ~~fifty~~ fifty-nine percent ~~(150%)~~(159%) ~~through~~and less than or equal to two hundred eleven percent ~~(200%)~~(211%) of the federal poverty level shall be fifty dollars ($50.00) per year per child with a maximum annual enrollment fee of one hundred dollars ($100.00) for two or more children. The enrollment fee shall be collected by the county department of social services and retained to cover the cost of determining eligibility for services under the Program. County departments of social services shall establish procedures for the collection of enrollment fees.

(d) Cost-Sharing. – There shall be no deductibles, copayments, or other cost-sharing charges for families covered under the Program whose family income is ~~at or below~~less than or equal to one hundred ~~fifty~~fifty-nine percent ~~(150%)~~(159%) of the federal poverty level, except that fees for outpatient prescription drugs are applicable and shall be one dollar ($1.00) for each outpatient generic prescription drug, for each outpatient brand-name prescription drug for which there is no generic substitution available, and for each covered over-the-counter medication. The fee for each outpatient brand-name prescription drug for which there is a generic substitution available is three dollars ($3.00). Families covered under the Program whose family income is above one hundred ~~fifty~~ fifty-nine percent ~~(150%)~~(159%) of the federal poverty level shall be responsible for copayments to providers as follows:

(1) Five dollars ($5.00) per child for each visit to a provider, except that there shall be no copayment required for well-baby, well-child, or age-appropriate immunization services;

(2) Five dollars ($5.00) per child for each outpatient hospital visit;

(3) A one dollar ($1.00) fee for each outpatient generic prescription drug, for each outpatient brand-name prescription drug for which there is no generic substitution available, and for each covered over-the-counter medication. The fee for each outpatient brand-name prescription drug for which there is a generic substitution available is ten dollars ($10.00).

(4) Twenty dollars ($20.00) for each emergency room visit unless:

a. The child is admitted to the hospital, or

b. No other reasonable care was available as determined by the Department.

…."

LME/MCO OUT-OF-NETWORK AGREEMENTS

SECTION 12H.3.(a) The Department of Health and Human Services (Department) shall ensure that local management entities/managed care organizations (LME/MCOs) utilize an out-of-network agreement that contains standardized elements developed in consultation with LME/MCOs. The out-of-network agreement shall be a streamlined agreement between a single provider of behavioral health or intellectual/developmental disability (IDD) services and an LME/MCO to ensure access to care in accordance with 42 C.F.R. § 438.206(b)(4), reduce administrative burden on the provider, and comply with all requirements of State and federal laws and regulations. Beginning November 1, 2015, LME/MCOs shall use the out-of-network agreement in lieu of a comprehensive provider contract when all of the following conditions are met:

(1) The services requested are medically necessary and cannot be provided by an in-network provider.

(2) The behavioral health or IDD provider's site of service delivery is located outside of the geographical catchment area of the LME/MCO, and the LME/MCO is not accepting applications or the provider does not wish to apply for membership in the LME/MCO closed network.

(3) The behavioral health or IDD provider is not excluded from participation in the Medicaid program, the NC Health Choice program, or other State or federal health care program.

(4) The behavioral health or IDD provider is serving no more than two enrollees of the LME/MCO, unless the agreement is for inpatient hospitalization, in which case the LME/MCO may, but shall not be required to, enter into more than five such out-of-network agreements with a single hospital or health system in any 12-month period.

SECTION 12H.3.(b) Medicaid providers providing services pursuant to an out-of-network agreement shall be considered a network provider for purposes of Chapter 108D of the General Statutes only as it relates to enrollee grievances and appeals.

PROVIDER APPLICATION AND RECREDENTIALING FEE

SECTION 12H.4. The Department of Health and Human Services, Division of Medical Assistance, shall charge an application fee of one hundred dollars ($100.00), and the amount federally required, to each provider enrolling in the Medicaid Program for the first time. The fee shall be charged to all providers at recredentialing every three years.

REIMBURSEMENT FOR IMMUNIZING PHARMACIST SERVICES

SECTION 12H.5.(a) Effective January 1, 2016, the Department of Health and Human Services, Division of Medical Assistance (Department), shall provide Medicaid and NC Health Choice reimbursement for the administration of covered vaccinations or immunizations provided by immunizing pharmacists in accordance with G.S. 90-85.15B.

SECTION 12H.5.(b) Any State Plan amendments required to implement this section shall not be subject to the 90-day prior submission requirement of G.S. 108A-54.1A(e) but shall be submitted by January 1, 2016.

TRAUMATIC BRAIN INJURY MEDICAID WAIVER

SECTION 12H.6.(a) The Department of Health and Human Services, Division of Medical Assistance and Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (Department), shall submit to the Centers for Medicare and Medicaid Services a request for approval of the 1915(c) waiver for individuals with traumatic brain injury (TBI) that the Department designed pursuant to Section 12H.6 of S.L. 2014-100, which the Joint Legislative Oversight Committee on Health and Human Services recommended as part of its

December 2014 report to the General Assembly, and which is further described in the Department's February 1, 2015, report to the General Assembly.

SECTION 12H.6.(b) The Department shall report to the Joint Legislative Oversight Committee on Health and Human Services on the status of the Medicaid TBI waiver request and the plan for implementation no later than December 1, 2015. The Department shall submit an updated report by March 1, 2016. Each report shall include the following:

(1) The number of individuals who are being served under the waiver and the total number of individuals expected to be served.
(2) The expenditures to date and a forecast of future expenditures.
(3) Any recommendations regarding expansion of the waiver.

SECTION 12H.6.(c) Of the funds appropriated to the Department of Health and Human Services, Division of Medical Assistance, one million dollars ($1,000,000) for fiscal year 2015-2016 and two million dollars ($2,000,000) for fiscal year 2016-2017 shall be used to fund the Medicaid TBI waiver.

SECTION 12H.6.(d) The waiver and any State Plan amendments required to implement this section shall not be subject to the 90-day prior submission requirement of G.S. 108A-54.1A(e).

STUDY MEDICAID COVERAGE FOR VISUAL AIDS

SECTION 12H.6A. The Department of Health and Human Services, Division of Medical Assistance, in consultation with the Department of Public Safety, shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by March 1, 2016, containing an analysis of the fiscal impact to the State of reinstating Medicaid coverage for visual aids for adults utilizing a contract with the Department of Public Safety for fabrication of the eyeglasses at Nash Optical Plant Optical Laboratory. The report shall also analyze the cost of reinstating Medicaid coverage for routine eye examinations for adults in addition to the coverage for visual aids.

ASSESSMENTS

SECTION 12H.7. G.S. 108A-122(b) reads as rewritten:

"(b) Allowable Cost. – An assessment paid under this Article may be included as allowable costs of a hospital for purposes of any applicable Medicaid reimbursement ~~formula.~~ formula; assessments paid under this Article shall be excluded from cost settlement. An assessment imposed under this Article may not be added as a surtax or assessment on a patient's bill."

LME/MCO INTERGOVERNMENTAL TRANSFERS

SECTION 12H.8. The local management entities/managed care organizations (LME/MCOs) shall make intergovernmental transfers to the Department of Health and Human Services, Division of Medical Assistance, in an aggregate amount of seventeen million two hundred thirty-six thousand nine hundred eighty-five dollars ($17,236,985) in each year of the 2015-2017 fiscal biennium, and this amount shall be referred to as the aggregate amount of the transfer. The amount of the intergovernmental transfer that an individual LME/MCO is required to make in each fiscal year shall equal the aggregate amount of the transfer multiplied by the individual LME/MCO's percentage of the total Medicaid cash on hand of all of the LME/MCOs in the State. Medicaid cash on hand means the sum of the "Medicaid Cash and Investments" plus the "Short-Term Investments" reported on Schedule "A" of the financial reporting package submitted by the LME/MCOs to the Division of Medical Assistance for June 30, 2015. The individual LME/MCO's percentage of the total Medicaid cash on hand equals the individual LME/MCO's cash on hand divided by the aggregate amount of cash on hand of all of the LME/MCOs in the State.

ADMINISTRATIVE HEARINGS FUNDING

SECTION 12H.9. Of the funds appropriated to the Department of Health and Human Services, Division of Medical Assistance, for administrative contracts and interagency

transfers, the Department of Health and Human Services (Department) shall transfer the sum of one million dollars ($1,000,000) for the 2015-2016 fiscal year and the sum of one million dollars ($1,000,000) for the 2016-2017 fiscal year to the Office of Administrative Hearings (OAH). These funds shall be allocated by the OAH for mediation services provided for Medicaid applicant and recipient appeals and to contract for other services necessary to conduct the appeals process. OAH shall continue the Memorandum of Agreement (MOA) with the Department for mediation services provided for Medicaid recipient appeals and contracted services necessary to conduct the appeals process. The MOA will facilitate the Department's ability to draw down federal Medicaid funds to support this administrative function. Upon receipt of invoices from OAH for covered services rendered in accordance with the MOA, the Department shall transfer the federal share of Medicaid funds drawn down for this purpose.

ACCOUNTING FOR MEDICAID RECEIVABLES AS NONTAX REVENUE

SECTION 12H.10.(a) Receivables reserved at the end of the 2015-2016 and 2016-2017 fiscal years shall, when received, be accounted for as nontax revenue for each of those fiscal years.

SECTION 12H.10.(b) For the 2015-2016 fiscal year, the Department of Health and Human Services shall deposit from its revenues one hundred thirty-nine million dollars ($139,000,000) with the Department of State Treasurer to be accounted for as nontax revenue. For the 2016-2017 fiscal year, the Department of Health and Human Services shall deposit from its revenues one hundred thirty-nine million dollars ($139,000,000) with the Department of State Treasurer to be accounted for as nontax revenue. These deposits shall represent the return of General Fund appropriations, nonfederal revenue, fund balances, or other resources from State-owned and State-operated hospitals which are used to provide indigent and nonindigent care services. The return from State-owned and State-operated hospitals to DHHS will be made from nonfederal resources in an amount equal to the amount of the payments from the Division of Medical Assistance for uncompensated care. The treatment of any revenue derived from federal programs shall be in accordance with the requirements specified in the Code of Federal Regulations, Title 2, Part 225.

MEDICAID SPECIAL FUND TRANSFER

SECTION 12H.11. Of the funds transferred to the Department of Health and Human Services for Medicaid programs pursuant to G.S. 143C-9-1, there is appropriated from the Medicaid Special Fund to the Department of Health and Human Services the sum of forty-three million dollars ($43,000,000) for the 2015-2016 fiscal year and the sum of forty-three million dollars ($43,000,000) for the 2016-2017 fiscal year. These funds shall be allocated as prescribed by G.S. 143C-9-1(b) for Medicaid programs. Notwithstanding the prescription in G.S. 143C-9-1(b) that these funds not reduce State general revenue funding, these funds shall replace the reduction in general revenue funding effected in this act.

MISCELLANEOUS MEDICAID PROVISIONS

SECTION 12H.12.(a) Volume Purchase Plans and Single Source Procurement. – The Department of Health and Human Services, Division of Medical Assistance, may, subject to the approval of a change in the State Medicaid Plan, contract for services, medical equipment, supplies, and appliances by implementation of volume purchase plans, single source procurement, or other contracting processes in order to improve cost containment.

SECTION 12H.12.(b) Cost Containment Programs. – The Department of Health and Human Services, Division of Medical Assistance, may undertake cost containment programs, including contracting for services, preadmissions to hospitals, and prior approval for certain outpatient surgeries before they may be performed in an inpatient setting.

SECTION 12H.12.(c) Medicaid Identification Cards. – The Department shall issue Medicaid identification cards to recipients on an annual basis with updates as needed.

MISCELLANEOUS HEALTH CHOICE PROVISIONS

SECTION 12H.14.(a) Subsections (g) and (h) of G.S. 108A-70.21 are repealed.

SECTION 12H.14.(b) G.S. 108A-70.21(i) reads as rewritten:

"(i) ~~No Lifetime Maximum Benefit Limit.~~ Benefits provided to an enrollee in the Program ~~shall not be subject to a maximum lifetime limit.~~may be subject to lifetime maximum limits set forth in Medicaid and NC Health Choice medical coverage policies adopted pursuant to G.S. 108A-54.2."

SECTION 12H.14.(c) Any State plan amendments required to implement this section shall not be subject to the 90-day prior submission requirements of G.S. 108A-54.1A(e) and G.S. 108A-70.25(b).

SECTION 12H.14.(d) This section is effective when this act becomes law.

REINSTATE COST SETTLEMENT PURSUANT TO 1993 STATE AGREEMENT

SECTION 12H.17.(a) Effective July 1, 2015, the cost settlement for outpatient Medicaid services performed by Vidant Medical Center, which was previously known as Pitt County Memorial Hospital, shall be at one hundred percent (100%) of allowable costs.

SECTION 12H.17.(b) Any State Plan amendments required to implement this section shall not be subject to the 90-day prior submission requirement of G.S. 108A-54.1A(e).

COVERED SERVICES AND PAYMENT FOR SERVICES

SECTION 12H.18. Except as otherwise specifically provided in this act or another act passed during the 2015 Regular Session, the authorized State plan services, co-pays, reimbursement rates, and fees shall remain the same as those authorized as of June 30, 2015.

DRUG REIMBURSEMENT USING AVERAGE ACQUISITION COST

SECTION 12H.19.(a) The Department of Health and Human Services, Division of Medical Assistance, (Department) shall adopt an average acquisition cost methodology for brand and generic drug ingredient pricing to be effective beginning on January 1, 2016. The drug ingredient pricing methodology shall be consistent with new federal requirements or, if the new federal requirements have not yet been finalized by July 1, 2015, consistent with the most recent draft federal requirements. In adopting a new drug ingredient pricing methodology, the Department shall also do all of the following:

(1) Raise the average dispensing fee to a weighted average amount that does not exceed twelve dollars and forty cents ($12.40).

(2) Set actual dispensing fees that maintain a higher dispensing fee for preferred and generic drugs and a lower dispensing fee for brand and nonpreferred drugs.

(3) Ensure that ingredient prices are updated at least monthly.

SECTION 12H.19.(b) In order to implement this section, the Department shall either amend the State plan amendment request submitted to the Centers for Medicare and Medicaid Services (CMS) pursuant to Section 12H.8 of S.L. 2014-100 so that it conforms with the requirements of this section or shall withdraw that State plan amendment and submit a new State plan amendment request to CMS that conforms with the requirements of this section. Any State plan amendments required to implement this section shall not be subject to the 90-day prior submission requirement of G.S. 108A-54.1A(e) but shall be submitted by January 1, 2016.

MEDICAID DENTAL SERVICE COST SETTLEMENT

SECTION 12H.20.(a) The Department of Health and Human Services, Division of Medical Assistance, shall submit a State Plan amendment request to the Centers for Medicare and Medicaid Services to assure that all State-operated dental schools receive the same reimbursement for dental services provided to North Carolina Medicaid beneficiaries.

SECTION 12H.20.(b) The State Plan amendment required by this section shall not be subject to the 90-day prior submission requirement of G.S. 108A-54.1A(e).

MOBILE DENTAL PROVIDER ENROLLMENT

SECTION 12H.21.(a) For mobile dental providers seeking enrollment as a Medicaid provider, and upon reenrollment of current Medicaid mobile dental providers, the Department of Health and Human Services, Division of Medicaid Assistance, shall require as a condition of enrollment or reenrollment that the mobile dental provider show proof of a contractual affiliation with a dental practice that is not mobile, and the Department shall require the mobile dental provider to use the National Provider Identifier (NPI) of the nonmobile dental practice for purposes of filing claims.

SECTION 12H.21.(b) This section is effective when this act becomes law.

INCREASE RATES FOR PRIVATE DUTY NURSING

SECTION 12H.22.(a) Effective January 1, 2016, the Department of Health and Human Services, Division of Medical Assistance, shall increase by ten percent (10%) the rate paid for private duty nursing services provided pursuant to Clinical Coverage Policy 3G.

SECTION 12H.22.(b) Any State plan amendments required to implement this section shall not be subject to the 90-day prior submission requirement of G.S. 108A-54.1A(e) but shall be submitted by January 1, 2016.

RESTRICTING GRADUATE MEDICAL PAYMENTS

SECTION 12H.23.(a) The Department of Health and Human Services shall submit a State Plan amendment to modify Section 4.19-A of the Medicaid State Plan, such that, effective January 1, 2016, no Medicaid provider may receive reimbursement for Graduate Medical Education (GME) in addition to their DRG Unit Value (Base) rate under the methodology as defined in the current Medicaid State Plan.

SECTION 12H.23.(b) The modification to the Medicaid State Plan required by subsection (a) of this section shall be implemented upon approval by the Centers for Medicare & Medicaid Services (CMS).

SECTION 12H.23.(c) The Department of Health and Human Services, Division of Medical Assistance, shall be exempt from the 90-day prior submission requirement in G.S. 108A-54.1A(e) in order to submit to CMS the State Plan amendment required to implement this section but shall submit the State Plan amendment by January 1, 2016.

SECTION 12H.23.(d) The Department of Health and Human Services, Division of Medical Assistance, shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by March 1, 2016, identifying options for alternative funding streams to replace the GME reimbursement eliminated by this section.

MEDICAID TRANSFORMATION ENACTMENT CONTINGENCY

SECTION 12H.25.(a) If House Bill 372 of the 2015 Regular Session is not ratified prior to March 1, 2016, containing a plan for Medicaid transformation, then the following shall occur:

(1) Effective March 1, 2016, the current Medicaid and NC Health Choice primary care case management (PCCM) program is discontinued. If CMS has not approved the State Plan amendment by March 1, 2016, the Department of Health and Human Services nevertheless shall discontinue all payments related to the PCCM program beginning March 1, 2016, unless and until CMS denies the State Plan amendment. This requirement shall result in savings that shall be used to offset the requirements of subdivisions (2) and (3) of this subsection in the following amounts: sixteen million eight hundred nineteen thousand seven hundred twenty-three dollars ($16,819,723) for fiscal year 2015-2016 and fifty million four hundred fifty-nine thousand one hundred sixty-eight dollars ($50,459,168) for fiscal year 2016-2017.

(2) Effective March 1, 2016, the rates paid to primary care physicians shall be one hundred percent (100%) of Medicare rates. For purposes of this subdivision, the term primary care physicians refers to those physicians for whom the Affordable Care Act required payment at one hundred percent (100%) of the Medicare rate until January 1, 2015, and all OB/GYN physicians. Of the funds appropriated to the Department of Health and Human Services, Division of Medical Assistance, the sum of twelve million four hundred ninety-nine thousand one hundred sixty-three dollars ($12,499,163) for fiscal year 2015-2016 and the sum of thirty-seven million four hundred ninety-seven thousand four hundred ninety dollars ($37,497,490) for fiscal year 2016-2017 shall be used to implement the changes required by this subdivision.

(3) Effective March 1, 2016, the Department of Health and Human Services, Division of Medical Assistance, shall use four million three hundred twenty thousand five hundred fifty-nine dollars ($4,320,559) in fiscal year 2015-2016 and twelve million nine hundred sixty-one thousand six hundred sixty-eight dollars ($12,968,668) in fiscal year 2016-2017 to directly fund local health departments' continued services related to the Care Coordination for Children (CC4C) program, which was previously funded through the contract with NCCCN.

SECTION 12H.25.(b) If House Bill 372 of the 2015 Regular Session is not ratified prior to March 1, 2016, containing a plan for Medicaid transformation, then G.S. 108A-70.21(b) reads as rewritten:

"(b) Benefits. – All health benefits changes of the Program shall meet the coverage requirements set forth in this subsection. Except as otherwise provided for eligibility, fees, deductibles, copayments, and other cost sharing charges, health benefits coverage provided to children eligible under the Program shall be equivalent to coverage provided for dependents under North Carolina Medicaid Program except for the following:

…

No benefits are to be provided for services and materials under this subsection that do not meet the standards accepted by the American Dental Association.

~~The Department shall provide services to children enrolled in the NC Health Choice Program through Community Care of North Carolina (CCNC) and shall pay Community Care of North Carolina providers the per member, per month fees as allowed under Medicaid.~~"

SECTION 12H.25.(c) Any State Plan amendments required to implement this section shall not be subject to the 90-day prior submission requirement of G.S. 108A-54.1A(e).

NC HEALTH CHOICE COST SETTLEMENT

SECTION 12H.26.(a) Effective October 1, 2015, hospital outpatient services covered by NC Health Choice shall be cost settled at seventy percent (70%) of allowable costs, using the same methodology that is used for Medicaid.

SECTION 12H.26.(b) G.S. 108A-70.21, as amended by S.L. 2015-96, Section 4, reads as rewritten:

"§ **108A-70.21. Program eligibility; benefits; enrollment fee and other cost-sharing; coverage from private plans; purchase of extended coverage.**

…

(b1) Payments. – Prescription drug providers shall accept as payment in full, for outpatient prescriptions filled, amounts allowable for prescription drugs under Medicaid. For all other providers, services provided to children enrolled in the Program shall be provided at rates equivalent to one hundred percent (100%) of Medicaid rates, less any co-payments assessed to enrollees under this Part. ~~Payments to NC Health Choice Program providers under this Part shall be paid in full and shall not be subject to cost settlement.~~

…."

SECTION 12H.26.(c) Any State Plan amendments required to implement this section shall not be subject to the 90-day prior submission requirements of G.S. 108A-54.1A(e) and G.S. 108A-70.25(b).

BLOOD GLUCOSE TESTING EQUIPMENT AND SUPPLIES

SECTION 12H.27.(a) Notwithstanding any other provision of law, the Department of Health and Human Services, Division of Medical Assistance, (Department) is authorized to use any reimbursement methodology or arrangement to provide Medicaid coverage for blood glucose testing equipment and supplies, provided that the Department's total requirements, net of rebates, for providing blood glucose testing equipment and supplies does not exceed one million nine hundred thirty-three thousand three hundred fifty-seven dollars ($1,933,357) in fiscal year 2015-2016 and two million twenty thousand nine hundred seventy-four dollars ($2,020,974) in fiscal year 2016-2017.

SECTION 12H.27.(b) Any state plan amendment submitted to implement this section shall not be subject to the 90-day prior submission requirement of G.S. 108A-54.1A(e).

MEDICAID CONTINGENCY RESERVE

SECTION 12H.28.(a) Funds in the Medicaid Contingency Reserve established by Section 12H.38 of S.L. 2014-100 shall be used only for budget shortfalls in the Medicaid Program that occur during the 2015-2016 fiscal year. These funds shall be available for expenditure only upon an appropriation by act of the General Assembly.

SECTION 12H.28.(b) It is the intent of the General Assembly to appropriate funds from the Medicaid Contingency Reserve only if:

(1) The Director of the Budget, after the State Controller has verified that receipts are being used appropriately, has found that additional funds are needed to cover a shortfall in the Medicaid budget for the State fiscal year.

(2) The Director of the Budget has reported immediately to the Fiscal Research Division on the amount of the shortfall found in accordance with subdivision (1) of this subsection. This report shall include an analysis of the causes of the shortfall, such as (i) unanticipated enrollment and mix of enrollment, (ii) unanticipated growth or utilization within particular service areas, (iii) errors in the data or analysis used to project the Medicaid budget, (iv) the failure of the program to achieve budgeted savings, (v) other factors and market trends that have impacted the price of or spending for services, (vi) variations in receipts from prior years or from assumptions used to prepare the Medicaid budget for the current fiscal year, or (vii) other factors. The report shall also include data in an electronic format that is adequate for the Fiscal Research Division to confirm the amount of the shortfall and its causes.

SECTION 12H.28.(c) Nothing in this section shall be construed to limit the authority of the Governor to carry out his duties under the Constitution.

MEDICAID TRANSFORMATION FUND

SECTION 12H.29. The Medicaid Transformation Fund is established as a special fund in the Office of State Budget and Management. The purpose of the Medicaid Transformation Fund is to provide funds for converting from a fee-for-service payment system to a capitated payment system.

SUBPART XII-I. DHHS BLOCK GRANTS

DHHS BLOCK GRANTS

SECTION 12I.1.(a) Except as otherwise provided, appropriations from federal block grant funds are made for each year of the fiscal biennium ending June 30, 2017, according to the following schedule:

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS	**FY 2015-2016**	**FY 2016-2017**
Local Program Expenditures		
Division of Social Services		
01. Work First Family Assistance	$57,167,454	$57,167,454
02. Work First County Block Grants	80,093,566	78,073,437
03. Work First Electing Counties	2,378,213	2,378,213
04. Adoption Services – Special Children Adoption Fund	2,026,877	2,026,877
05. Child Protective Services – Child Welfare Workers for Local DSS	9,412,391	9,412,391
06. Child Welfare Collaborative	632,416	632,416
Division of Child Development and Early Education		
07. Subsidized Child Care Program	35,248,910	37,419,801
08. Swap Child Care Subsidy	6,352,644	6,352,644
09. Pre-K Swap Out	16,829,306	12,333,981
Division of Public Health		
10. Teen Pregnancy Prevention Initiatives	2,950,000	2,950,000
DHHS Administration		
11. Division of Social Services	2,482,260	2,482,260
12. Office of the Secretary	34,042	34,042
13. Eligibility Systems – Operations and Maintenance	2,738,926	4,206,640
14. NC FAST Implementation	1,313,384	1,865,799
Transfers to Other Block Grants		
Division of Child Development and Early Education		
15. Transfer to the Child Care and Development Fund	71,773,001	71,773,001
Division of Social Services		
16. Transfer to Social Services Block Grant for Child Protective Services –Training	1,300,000	1,300,000
17. Transfer to Social Services Block Grant for Child Protective Services	5,040,000	5,040,000
18. Transfer to Social Services Block Grant for County Departments of Social Services for Children's Services	4,148,001	4,148,001
19. Transfer to Social Services Block Grant – Foster Care Services	1,385,152	1,385,152
TOTAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS	**$303,306,543**	**$300,982,109**

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) EMERGENCY CONTINGENCY FUNDS		
Local Program Expenditures		
Division of Child Development and Early Education		
01. Subsidized Child Care	29,033,340	28,600,000
02. Subsidized Child Care Swap Out	4,547,023	0
TOTAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) EMERGENCY CONTINGENCY FUNDS	**$33,580,363**	**$28,600,000**

SOCIAL SERVICES BLOCK GRANT		
Local Program Expenditures		
Divisions of Social Services and Aging and Adult Services		
01. County Departments of Social Services		

(Transfer From TANF $4,148,001)	$27,335,458	$27,108,324
02. Child Protective Services (Transfer From TANF)	5,040,000	5,040,000
03. State In-Home Services Fund	2,209,023	1,943,950
04. Adult Protective Services	1,245,363	1,245,363
05. State Adult Day Care Fund	2,039,647	1,994,084
06. Child Protective Services/CPS Investigative Services – Child Medical Evaluation Program	563,868	563,868
07. Special Children Adoption Incentive Fund	462,600	462,600
08. Child Protective Services – Child Welfare Training for Counties (Transfer From TANF)	1,300,000	1,300,000
09. Home and Community Care Block Grant (HCCBG)	1,788,157	1,696,888
10. Child Advocacy Centers	375,000	375,000
11. Guardianship	4,107,032	4,035,704
12. Foster Care Services (Transfer From TANF)	1,385,152	1,385,152
Division of Central Management and Support		
13. DHHS Competitive Block Grants for Nonprofits	3,852,500	3,852,500
14. NC FAST – Operations and Maintenance	712,324	939,315
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services		
15. Mental Health Services – Adult and Child/Developmental Disabilities Program/ Substance Abuse Services – Adult	4,030,730	4,030,730
DHHS Program Expenditures		
Division of Services for the Blind		
16. Independent Living Program	3,361,323	3,361,323
Division of Health Service Regulation		
17. Adult Care Licensure Program	381,087	381,087
18. Mental Health Licensure and Certification Program	190,284	190,284
DHHS Administration		
19. Division of Aging and Adult Services	577,745	577,745
20. Division of Social Services	559,109	559,109
21. Office of the Secretary/Controller's Office	127,731	127,731
22. Division of Child Development and Early Education	13,878	13,878
23. Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	27,446	27,446
24. Division of Health Service Regulation	118,946	118,946
TOTAL SOCIAL SERVICES BLOCK GRANT	**$61,804,403**	**$61,331,027**
LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT		
Local Program Expenditures		
Division of Social Services		
01. Low-Income Energy Assistance Program (LIEAP)	$40,244,534	$39,303,674
02. Crisis Intervention Program (CIP)	40,244,534	39,303,674
Local Administration		
Division of Social Services		
03. County DSS Administration	6,454,961	6,454,961
DHHS Administration		
04. Office of the Secretary/DIRM	412,488	412,488
05. Office of the Secretary/Controller's Office	18,378	18,378

06. NC FAST Development	1,075,319	3,381,373
Transfers to Other State Agencies		
Department of Environment and Natural Resources (DENR)		
07. Weatherization Program	11,847,017	11,570,050
08. Heating Air Repair and Replacement Program (HARRP)	6,303,514	6,156,147
09. Local Residential Energy Efficiency Service Providers – Weatherization	475,046	475,046
10. Local Residential Energy Efficiency Service Providers – HARRP	252,761	252,761
11. DENR – Weatherization Administration	475,046	475,046
12. DENR – HARRP Administration	252,760	252,760
Department of Administration		
13. N.C. Commission on Indian Affairs	87,736	87,736
TOTAL LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT	**$108,144,094**	**$108,144,094**
CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT		
Local Program Expenditures		
Division of Child Development and Early Education		
01. Child Care Services (Smart Start $7,000,000)	$154,278,008	$152,370,856
02. Electronic Tracking System	1,201,240	401,492
03. Transfer from TANF Block Grant for Child Care Subsidies	71,773,001	71,773,001
04. Quality and Availability Initiatives (TEACH Program $3,800,000)	26,514,964	26,019,987
DHHS Administration		
Division of Child Development and Early Education		
05. DCDEE Administrative Expenses	9,049,505	9,049,505
Division of Social Services		
06. Local Subsidized Child Care Services Support	15,930,279	15,930,279
07. NC FAST Development	186,404	586,152
Division of Central Administration		
08. DHHS Central Administration – DIRM Technical Services	775,000	775,000
09. Central Regional Maintenance	202,000	202,000
10. Child Care Health Consultation Contracts	62,205	62,205
TOTAL CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT	**$279,972,606**	**$277,170,477**
MENTAL HEALTH SERVICES BLOCK GRANT		
Local Program Expenditures		
01. Mental Health Services – Child	$3,619,833	$3,619,833
02. Administration	200,000	200,000
03. Mental Health Services – Adult/Child	11,755,152	11,755,152
04. Crisis Solutions Initiative – Critical Time Intervention	750,000	750,000
05. Mental Health Services – First Psychotic Symptom Treatment	643,491	643,491
TOTAL MENTAL HEALTH SERVICES BLOCK GRANT	**$16,968,476**	**$16,968,476**

SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT		
Local Program Expenditures		
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services		
01. Substance Abuse – HIV and IV Drug	$3,919,723	$3,919,723
02. Substance Abuse Prevention	8,669,284	8,669,284
03. Substance Abuse Services – Treatment for Children/Adults	29,519,883	29,519,883
04. Crisis Solutions Initiatives – Walk-In Crisis Centers	420,000	420,000
05. Crisis Solutions Initiatives – Collegiate Wellness/Addiction Recovery	1,085,000	1,085,000
06. Crisis Solutions Initiatives – Community Paramedic Mobile Crisis Management	60,000	60,000
07. Crisis Solutions Initiatives – Innovative Technologies	41,000	41,000
08. Crisis Solutions Initiatives – Veteran's Crisis	250,000	250,000
09. Administration	454,000	454,000
Division of Public Health		
10. HIV Testing for Individuals in Substance Abuse Treatment	765,949	765,949
TOTAL SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT	**$45,184,839**	**$45,184,839**
MATERNAL AND CHILD HEALTH BLOCK GRANT		
Local Program Expenditures		
Division of Public Health		
01. Children's Health Services (Safe Sleep Campaign $45,000; Prevent Blindness $560,837; Community-Based Sickle Cell Centers $100,000)	$7,574,703	$7,574,703
02. Women's Health (March of Dimes $350,000; Teen Pregnancy Prevention Initiatives $650,000; 17P Project $52,000; Nurse-Family Partnership $509,018; Carolina Pregnancy Care Fellowship $300,000)	6,520,148	6,520,148
03. Oral Health	44,901	44,901
04. Evidence-Based Programs in Counties With Highest Infant Mortality Rates	1,575,000	1,575,000
DHHS Program Expenditures		
Division of Public Health		
05. Children's Health Services	1,342,928	1,342,928
06. Women's Health – Maternal Health	107,714	107,714
07. State Center for Health Statistics	158,583	158,583
08. Health Promotion – Injury and Violence Prevention	87,271	87,271
DHHS Administration		
Division of Public Health		
09. Division of Public Health Administration	552,571	552,571
TOTAL MATERNAL AND CHILD HEALTH BLOCK GRANT	**$17,963,819**	**$17,963,819**
PREVENTIVE HEALTH SERVICES BLOCK GRANT		
Local Program Expenditures		
01. Physical Activity and Prevention	$2,444,718	$2,642,322
02. Injury and Violence Prevention (Services to Rape Victims – Set-Aside)	173,476	173,476

03. Community-Focused Eliminating Health Disparities Initiative Grants	2,756,855	0
DHHS Program Expenditures		
Division of Public Health		
04. HIV/STD Prevention and Community Planning	145,819	145,819
05. Oral Health Preventive Services	320,074	451,809
06. Laboratory Services – Testing, Training, and Consultation	21,012	21,012
07. Injury and Violence Prevention (Services to Rape Victims – Set-Aside)	192,315	192,315
08. State Laboratory Services – Testing, Training, and Consultation	199,634	199,634
09. Performance Improvement and Accountability	702,850	768,717
10. State Center for Health Statistics	107,291	107,291
DHHS Administration		
Division of Public Health		
11. Division of Public Health	172,820	172,820
12. Division of Public Health – Physical Activity and Nutrition Branch	1,311,972	68,073
TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT	**$8,548,836**	**$4,943,288**
COMMUNITY SERVICES BLOCK GRANT		
Local Program Expenditures		
Office of Economic Opportunity		
01. Community Action Agencies	$24,047,065	$24,047,065
02. Limited Purpose Agencies	1,335,948	1,335,948
DHHS Administration		
03. Office of Economic Opportunity	1,335,948	1,335,948
TOTAL COMMUNITY SERVICES BLOCK GRANT	**$26,718,961**	**$26,718,961**

GENERAL PROVISIONS

SECTION 12I.1.(b) Information to Be Included in Block Grant Plans. – The Department of Health and Human Services shall submit a separate plan for each Block Grant received and administered by the Department, and each plan shall include the following:

(1) A delineation of the proposed allocations by program or activity, including State and federal match requirements.

(2) A delineation of the proposed State and local administrative expenditures.

(3) An identification of all new positions to be established through the Block Grant, including permanent, temporary, and time-limited positions.

(4) A comparison of the proposed allocations by program or activity with two prior years' program and activity budgets and two prior years' actual program or activity expenditures.

(5) A projection of current year expenditures by program or activity.

(6) A projection of federal Block Grant funds available, including unspent federal funds from the current and prior fiscal years.

SECTION 12I.1.(c) Changes in Federal Fund Availability. – If the Congress of the United States increases the federal fund availability for any of the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services from the amounts appropriated in this section, the Department shall allocate the increase proportionally across the program and activity appropriations identified for that Block Grant in this section. In allocating an increase in federal fund

availability, the Office of State Budget and Management shall not approve funding for new programs or activities not appropriated in this section.

If the Congress of the United States decreases the federal fund availability for any of the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services from the amounts appropriated in this section, the Department shall develop a plan to adjust the Block Grants based on reduced federal funding.

Notwithstanding the provisions of this subsection, for fiscal years 2015-2016 and 2016-2017, increases in the federal fund availability for the Temporary Assistance to Needy Families (TANF) Block Grant shall be used only for the North Carolina Child Care Subsidy program to pay for child care in four- or five-star-rated facilities for four-year-old children and shall not be used to supplant State funds.

Prior to allocating the change in federal fund availability, the proposed allocation must be approved by the Office of State Budget and Management. If the Department adjusts the allocation of any Block Grant due to changes in federal fund availability, then a report shall be made to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

SECTION 12I.1.(d) Except as otherwise provided, appropriations from federal Block Grant funds are made for each year of the fiscal biennium ending June 30, 2017, according to the schedule enacted for State fiscal years 2015-2016 and 2016-2017 or until a new schedule is enacted by the General Assembly.

SECTION 12I.1.(e) All changes to the budgeted allocations to the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services that are not specifically addressed in this section shall be approved by the Office of State Budget and Management, and the Office of State Budget and Management shall consult with the Joint Legislative Oversight Committee on Health and Human Services for review prior to implementing the changes. The report shall include an itemized listing of affected programs, including associated changes in budgeted allocations. All changes to the budgeted allocations to the Block Grants shall be reported immediately to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. This subsection does not apply to Block Grant changes caused by legislative salary increases and benefit adjustments.

SECTION 12I.1.(f) Except as otherwise provided, the Department of Health and Human Services shall have flexibility to transfer funding between the Temporary Assistance for Needy Families (TANF) Block Grant and the TANF Emergency Contingency Funds Block Grant so long as the total allocation for the line items within those block grants remains the same.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS

SECTION 12I.1.(g) The sum of eighty million ninety-three thousand five hundred sixty-six dollars ($80,093,566) for the 2015-2016 fiscal year and the sum of seventy-eight million seventy-three thousand four hundred thirty-seven dollars ($78,073,437) for the 2016-2017 fiscal year appropriated in this section in TANF funds to the Department of Health and Human Services, Division of Social Services, shall be used for Work First County Block Grants. The Division shall certify these funds in the appropriate State-level services based on prior year actual expenditures. The Division has the authority to realign the authorized budget for these funds among the State-level services based on current year actual expenditures. The Division shall also have the authority to realign appropriated funds from Work First Family Assistance for electing counties to the Work First County Block Grant for electing counties based on current year expenditures so long as the electing counties meet Maintenance of Effort requirements.

SECTION 12I.1.(h) The sum of nine million four hundred twelve thousand three hundred ninety-one dollars ($9,412,391) appropriated in this section to the Department of

Health and Human Services, Division of Social Services, in TANF funds for each year of the 2015-2017 fiscal biennium for child welfare improvements shall be allocated to the county departments of social services for hiring or contracting staff to investigate and provide services in Child Protective Services cases; to provide foster care and support services; to recruit, train, license, and support prospective foster and adoptive families; and to provide interstate and post-adoption services for eligible families.

Counties shall maintain their level of expenditures in local funds for Child Protective Services workers. Of the Block Grant funds appropriated for Child Protective Services workers, the total expenditures from State and local funds for fiscal years 2015-2016 and 2016-2017 shall not be less than the total expended from State and local funds for the 2012-2013 fiscal year.

SECTION 12I.1.(i) The sum of two million twenty-six thousand eight hundred seventy-seven dollars ($2,026,877) appropriated in this section in TANF funds to the Department of Health and Human Services, Special Children Adoption Fund, for each year of the 2015-2017 fiscal biennium shall be used in accordance with G.S. 108A-50.2. The Division of Social Services, in consultation with the North Carolina Association of County Directors of Social Services and representatives of licensed private adoption agencies, shall develop guidelines for the awarding of funds to licensed public and private adoption agencies upon the adoption of children described in G.S. 108A-50 and in foster care. Payments received from the Special Children Adoption Fund by participating agencies shall be used exclusively to enhance the adoption services program. No local match shall be required as a condition for receipt of these funds.

SOCIAL SERVICES BLOCK GRANT

SECTION 12I.1.(j) The sum of twenty-seven million three hundred thirty-five thousand four hundred fifty-eight dollars ($27,335,458) for the 2015-2016 fiscal year and the sum of twenty-seven million one hundred eight thousand three hundred twenty-four dollars ($27,108,324) for the 2016-2017 fiscal year appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Division of Social Services, shall be used for county block grants. The Division shall certify these funds in the appropriate State-level services based on prior year actual expenditures. The Division has the authority to realign the authorized budget for these funds, as well as State Social Services Block Grant funds, among the State-level services based on current year actual expenditures.

SECTION 12I.1.(k) The sum of one million three hundred thousand dollars ($1,300,000) appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Division of Social Services, for each year of the 2015-2017 fiscal biennium shall be used to support various child welfare training projects as follows:

(1) Provide a regional training center in southeastern North Carolina.
(2) Provide training for residential child caring facilities.
(3) Provide for various other child welfare training initiatives.

SECTION 12I.1.(l) The Department of Health and Human Services is authorized, subject to the approval of the Office of State Budget and Management, to transfer Social Services Block Grant funding allocated for departmental administration between divisions that have received administrative allocations from the Social Services Block Grant.

SECTION 12I.1.(m) Social Services Block Grant funds appropriated for the Special Children Adoption Incentive Fund will require a fifty-percent (50%) local match.

SECTION 12I.1.(n) The sum of five million forty thousand dollars ($5,040,000) appropriated in this section in the Social Services Block Grant for each year of the 2015-2017 fiscal biennium shall be allocated to the Department of Health and Human Services, Division of Social Services. The Division shall allocate these funds to local departments of social services to replace the loss of Child Protective Services State funds that are currently used by county governments to pay for Child Protective Services staff at the local level. These funds shall be used to maintain the number of Child Protective Services workers throughout the State.

These Social Services Block Grant funds shall be used to pay for salaries and related expenses only and are exempt from 10A NCAC 71R .0201(3) requiring a local match of twenty-five percent (25%).

SECTION 12I.1.(o) The sum of three million eight hundred fifty-two thousand five hundred dollars ($3,852,500) appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Division of Central Management and Support, shall be used for DHHS competitive block grants pursuant to Section 12A.8 of this act for each year of the 2015-2017 fiscal biennium. These funds are exempt from the provisions of 10A NCAC 71R .0201(3).

SECTION 12I.1.(p) The sum of three hundred seventy-five thousand dollars ($375,000) appropriated in this section in the Social Services Block Grant for each year of the 2015-2017 fiscal biennium to the Department of Health and Human Services, Division of Social Services, shall be used to continue support for the Child Advocacy Centers, and the funds are exempt from the provisions of 10A NCAC 71R .0201(3).

SECTION 12I.1.(q) The sum of four million one hundred seven thousand thirty-two dollars ($4,107,032) for the 2015-2016 fiscal year and the sum of four million thirty-five thousand seven hundred four dollars ($4,035,704) for the 2016-2017 fiscal year appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Divisions of Social Services and Aging and Adult Services, shall be used for guardianship services pursuant to Chapter 35A of the General Statutes. The Department may expend funds appropriated in this section to support (i) existing corporate guardianship contracts during the 2015-2016 and 2016-2017 fiscal years and (ii) guardianship contracts transferred to the State from local management entities or managed care organizations during the 2015-2016 and 2016-2017 fiscal years.

LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT

SECTION 12I.1.(r) Additional emergency contingency funds received may be allocated for Energy Assistance Payments or Crisis Intervention Payments without prior consultation with the Joint Legislative Oversight Committee on Health and Human Services. Additional funds received shall be reported to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division upon notification of the award. The Department of Health and Human Services shall not allocate funds for any activities, including increasing administration, other than assistance payments, without prior consultation with the Joint Legislative Oversight Committee on Health and Human Services.

SECTION 12I.1.(s) The sum of forty million two hundred forty-four thousand five hundred thirty-four dollars ($40,244,534) for the 2015-2016 fiscal year and the sum of thirty-nine million three hundred three thousand six hundred seventy-four dollars ($39,303,674) for the 2016-2017 fiscal year appropriated in this section in the Low-Income Energy Assistance Block Grant to the Department of Health and Human Services, Division of Social Services, shall be used for Energy Assistance Payments for the households of (i) elderly persons age 60 and above with income up to one hundred thirty percent (130%) of the federal poverty level and (ii) disabled persons eligible for services funded through the Division of Aging and Adult Services.

County departments of social services shall submit to the Division of Social Services an outreach plan for targeting households with 60-year-old household members no later than August 1 of each year. The outreach plan shall comply with the following:

(1) Ensure that eligible households are made aware of the available assistance, with particular attention paid to the elderly population age 60 and above and disabled persons receiving services through the Division of Aging and Adult Services.

(2) Include efforts by the county department of social services to contact other State and local governmental entities and community-based organizations to

(i) offer the opportunity to provide outreach and (ii) receive applications for energy assistance.

(3) Be approved by the local board of social services or human services board prior to submission.

CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT

SECTION 12I.1.(t) Payment for subsidized child care services provided with federal TANF funds shall comply with all regulations and policies issued by the Division of Child Development and Early Education for the subsidized child care program.

SECTION 12I.1.(u) If funds appropriated through the Child Care and Development Fund Block Grant for any program cannot be obligated or spent in that program within the obligation or liquidation periods allowed by the federal grants, the Department may move funds to child care subsidies, unless otherwise prohibited by federal requirements of the grant, in order to use the federal funds fully.

MENTAL HEALTH SERVICES BLOCK GRANT

SECTION 12I.1.(v) The sum of six hundred forty-three thousand four hundred ninety-one dollars ($643,491) appropriated in this section in the Mental Health Services Block Grant to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for each year of the 2015-2017 fiscal biennium is allocated for Mental Health Services – First Psychotic Symptom Treatment. The Division shall report on (i) the specific evidence-based treatment and services provided, (ii) the number of persons treated, and (iii) the measured outcomes or impact on the participants served. The Division shall report to the House of Representatives Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division no later than December 31, 2016.

SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT

SECTION 12I.1.(w) The sum of two hundred fifty thousand dollars ($250,000) appropriated in this section in the Substance Abuse Prevention and Treatment Block Grant to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for each year of the 2015-2017 fiscal biennium shall be allocated to the Department of Administration, Division of Veterans Affairs, to establish a call-in center to assist veterans in locating service benefits and crisis services. The call-in center shall be staffed by certified veteran peers within the Division of Veterans Affairs and trained by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.

MATERNAL AND CHILD HEALTH BLOCK GRANT

SECTION 12I.1.(x) If federal funds are received under the Maternal and Child Health Block Grant for abstinence education, pursuant to section 912 of Public Law 104-193 (42 U.S.C. § 710), for the 2015-2016 fiscal year or the 2016-2017 fiscal year, then those funds shall be transferred to the State Board of Education to be administered by the Department of Public Instruction. The Department of Public Instruction shall use the funds to establish an abstinence until marriage education program and shall delegate to one or more persons the responsibility of implementing the program and G.S. 115C-81(e1)(4) and (4a). The Department of Public Instruction shall carefully and strictly follow federal guidelines in implementing and administering the abstinence education grant funds.

SECTION 12I.1.(y) The Department of Health and Human Services shall ensure that there will be follow-up testing in the Newborn Screening Program.

SECTION 12I.1.(z) The sum of one million five hundred seventy-five thousand dollars ($1,575,000) appropriated in this section in the Maternal and Child Health Block Grant to the Department of Health and Human Services, Division of Public Health, for each year of the 2015-2017 fiscal biennium shall be used for evidence-based programs in counties with the highest infant mortality rates. The Division shall report on (i) the counties selected to receive

the allocation, (ii) the specific evidenced-based services provided, (iii) the number of women served, and (iv) any impact on the counties' infant mortality rate. The Division shall report its findings to the House of Representatives Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division no later than December 31, 2016.

SECTION 12I.1.(aa) The sum of one hundred thousand dollars ($100,000) allocated in this section in the Maternal and Child Health Block Grant to the Department of Health and Human Services, Division of Public Health, for each year of the 2015-2017 fiscal biennium for community-based sickle cell centers shall not be used to supplant existing State or federal funds.

SECTION 12I.1.(bb) No more than fifteen percent (15%) of the funds provided in this section in the Maternal and Child Health Block Grant to Carolina Pregnancy Care Fellowship shall be used for administrative purposes. The balance of those funds shall be used for direct services.

PART XIII. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

TVA SETTLEMENT FUNDS

SECTION 13.2. In fiscal year 2015-2016, The Department of Agriculture and Consumer Services shall apply for two million two hundred forty thousand dollars ($2,240,000) from the Tennessee Valley Authority Settlement Agreement in compliance with the requirements of paragraphs 122 through 128 of the Consent Decree entered into by the State in *State of Alabama et al. v. Tennessee Valley Authority,* Civil Action 3:11-cv-00170 in the United States District Court for the Eastern District of Tennessee, and Appendix C to the Compliance Agreement. The funds received by the State shall be allocated as follows:

(1) Five hundred thousand dollars ($500,000) to WNC Communities to fund energy efficiency projects for public schools in areas served by the organization. Of the funds allocated in this subdivision, WNC Communities may use up to fifty thousand dollars ($50,000) for administrative expenses.

(2) Seven hundred forty thousand dollars ($740,000) to municipalities with a population less than 1,000 located in counties within the Tennessee Valley Authority Service area that are classified as distressed by the Appalachian Regional Commission, for higher efficiency upgrades to electrical transmission and distribution equipment and facilities.

(3) Five hundred thousand dollars ($500,000) to the Agriculture Cost Share Program for Nonpoint Source Pollution Control.

(4) Five hundred thousand dollars ($500,000) to the Department's Bioenergy Development Program.

The funds allocated under subdivisions (3) and (4) of this section shall be used only for projects in the counties of Avery, Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Swain, Transylvania, Watauga, and Yancey.

DRUG MANUFACTURING LICENSING AND REGISTRATION FEES

SECTION 13.4.(a) G.S. 106-140.1(h) reads as rewritten:

"(h) The Commissioner shall adopt rules to implement the registration requirements of this section. These rules ~~may~~ shall provide for an annual registration fee of ~~up to five hundred dollars ($500.00)~~one thousand dollars ($1,000) for companies operating as ~~manufacturers, wholesalers, or repackagers.~~manufacturers or repackagers and seven hundred dollars ($700.00) for companies operating as wholesalers. The Department of Agriculture and Consumer Services shall use these funds for the implementation of the North Carolina Food, Drug and Cosmetic Act."

SECTION 13.4.(b) G.S. 106-145.4(b) reads as rewritten:

"§ **106-145.4. Application and fee for license.**

"(b) Fee. – An application for an initial license or a renewed license as a wholesale distributor shall be accompanied by a nonrefundable fee of ~~five hundred dollars ($500.00)~~ one thousand dollars ($1,000) for a manufacturer or ~~three hundred fifty dollars ($350.00)~~ seven hundred dollars ($700.00) for any other person."

FOOD MANUFACTURER AND RETAILER INSPECTION FEES

SECTION 13.5. G.S. 106-254 reads as rewritten:

"§ **106-254. Inspection fees; wholesalers; retailers and cheese factories.**

For the purpose of defraying the expenses incurred in the enforcement of this Article, the owner, proprietor or operator of each ice cream factory where ice cream, milk shakes, milk sherbet, sherbet, water ices, mixes for frozen or semifrozen desserts and other similar frozen or semifrozen food products are made or stored, or any cheese factory or butter-processing plant that disposes of its products at wholesale to retail dealers for resale in this State shall pay to the Commissioner of Agriculture each year an inspection fee of ~~forty dollars ($40.00).~~one hundred dollars ($100.00). Each maker of ice cream, milk shakes, milk sherbet, sherbet, water ices and/or other similar frozen or semifrozen food products who disposes of his product at retail only, and cheese factories, shall pay to the Commissioner of Agriculture an inspection fee of ~~ten dollars ($10.00)~~ fifty dollars ($50.00) each year. The inspection fee of ~~ten dollars ($10.00)~~ fifty dollars ($50.00) shall not apply to conventional spindle-type milk-shake mixers, but shall apply to milk-shake dispensing and vending machines, which operate on a continuous or automatic basis."

SPAY/NEUTER PROGRAM REVISIONS

SECTION 13.7.(a) G.S. 19A-63 reads as rewritten:

"§ **19A-63. Eligibility for distributions from Spay/Neuter ~~Account.~~Account; Definitions.**

(a) A county or city is eligible for reimbursement from the Spay/Neuter Account if it meets the following condition:

(1) The county or city offers one or more of the following programs to low-income persons on a year-round basis for the purpose of reducing the cost of spaying and neutering procedures for dogs and cats:

a. A spay/neuter clinic operated by the county or city.

b. A spay/neuter clinic operated by a ~~private~~ non-profit organization under contract or other arrangement with the county or ~~city.~~city, provided that the non-profit organization contracts with a local veterinarian to perform the spay/neuter procedures.

c. A contract or contracts with one or more veterinarians, whether or not located within the county, to provide reduced-cost spaying and neutering procedures.

d. Subvention of the spaying and neutering costs incurred by low-income pet owners through the use of vouchers or other procedure that provides a discount of the cost of the spaying or neutering procedure fixed by a participating ~~veterinarian or other provider.~~veterinarian.

e. Subvention of the spaying and neutering costs incurred by persons who adopt a pet from an animal shelter operated by or under contract with the county or city.

(2) Reserved for future codification purposes.

(b) ~~For purposes of this Article, the term "low-income person" shall mean~~The following definitions apply in this Article:

(1) Local veterinarian. – A veterinarian licensed by the North Carolina Veterinary Medical Board under Article 11 of Chapter 90 of the General Statutes and practicing within the county where the services are provided. If no licensed veterinarian practices within that county, then a local

veterinarian is a licensed veterinarian practicing in a county adjacent to the county where the services are provided. For purposes of this definition, "practicing" means engaging in the practice of veterinary medicine, as defined in Article 11 of Chapter 90 of the General Statutes.

(2) Low-income person. – ~~an~~ An individual ~~who qualifies for one or more of the programs of public assistance administered by the Department of Health and Human Services pursuant to Chapter 108A of the General Statutes or~~ whose annual household income is ~~under three hundred percent (300%)~~ lower than one hundred percent (100%) of the federal poverty level guidelines published by the United States Department of Health and Human Services.

(c) Each county shall make rules or publish guidelines that designate what proof a low-income person must submit to establish that the person ~~qualifies for public assistance under subsection (b) of this section or~~ has an annual household income lower than ~~three hundred percent (300%)~~ one hundred percent (100%) of the federal poverty level guidelines published by the United States Department of Health and Human Services.

(d) Each county shall provide the opportunity to participate in the program created by this Article to all local veterinarians. Proof of the provision of this opportunity shall be included in the first reimbursement request of each calendar year."

SECTION 13.7.(b) Chapter 19A of the General Statutes is amended by adding a new Article to read:

"Article 5A.

"Animal Shelter Support Fund.

"**§ 19A-67. Animal Shelter Support Fund.**

(a) Creation. – The Animal Shelter Support Fund is established as a special fund in the Department of Agriculture and Consumer Services. The Fund consists of appropriations by the General Assembly or contributions and grants from public or private sources.

(b) Use. – The Fund shall be used by the Animal Welfare Section of the Department of Agriculture and Consumer Services to reimburse local governments for expenses related to their operation of a registered animal shelter due to any of the following:

(1) The denial, suspension, or revocation of the shelter's registration.

(2) An unforeseen catastrophic disaster at an animal shelter.

(c) Rules. – The Animal Welfare Section shall issue rules detailing eligible expenses and application guidelines that comply with the requirements of this Article.

(d) Reversion. – Any appropriated and unencumbered funds remaining at the end of each fiscal year in excess of two hundred fifty thousand dollars ($250,000) shall revert to the General Fund.

"**§ 19A-68. Distributions to counties and cities from Animal Shelter Support Fund.**

(a) Reimbursable Costs. – Local governments eligible for distributions from the Animal Shelter Support Fund may receive reimbursement only for the direct operational costs of the animal shelter following an event described in G.S. 19A-67(b). For purposes of this subsection, direct operational costs shall include veterinary services, sanitation services and needs, animal sustenance and supplies, and temporary housing and sheltering. Counties and cities shall not be reimbursed for administrative costs or capital expenditures for facilities and equipment.

(b) Cost-Share. – A local government requesting distributions from the Animal Shelter Support Fund must provide a local match based on their most recent development tier designation as defined in G.S. 143B-437.08. Local governments located in development tier one counties must provide a match equivalent to one dollar ($1.00) for every three dollars ($3.00) distributed from the Fund. Local governments located in development tier two counties must provide a match equivalent to one dollar ($1.00) for every two dollars ($2.00) distributed from the Fund. Local governments located in development tier three counties must provide a match equivalent to one dollar ($1.00) for every one dollar ($1.00) distributed from the Fund.

(c) Application. – A county or city eligible for reimbursement from the Animal Shelter Support Fund shall apply to the Department of Agriculture and Consumer Services within 60

days of when the reimbursable cost has been incurred. The application shall be submitted in the form required by the Department and shall include an itemized listing of the costs for which reimbursement is sought.

(d) Distribution. – The Department shall make payments from the Animal Shelter Support Fund to eligible counties and cities that have made timely application for reimbursement within 30 days of receipt of requests.

"**§ 19A-69. Report.**

The Department shall report annually to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division no later than March 1. The report shall contain information regarding all revenues and expenditures of the Animal Shelter Support Fund."

CONSERVATION RESERVE ENHANCEMENT PROGRAM REPORT

SECTION 13.8.(a) The Department of Agriculture and Consumer Services shall study and report on the activities of the Conservation Reserve Enhancement Program. The report shall include, at a minimum, the following components:

(1) A listing of contracts currently in effect and contracts entered into in each of the last five fiscal years, including the acreage and location of the land under contract and the distribution of contracts by duration.

(2) A five-year projection of future funding requirements.

(3) A detailed listing of the conservation practices used at project sites over the last five fiscal years and an assessment of the effectiveness of those practices for preventing or reducing nonpoint source pollution.

(4) An assessment of the effectiveness and impact of the program in both protection of waterways from nonpoint source pollution and the leveraging of additional programs and efforts to reduce nonpoint source pollution.

SECTION 13.8.(b) The Department shall submit its findings and report to the chairs of the Senate Appropriations Committee on Natural and Economic Resources and the House Appropriations Committee on Agriculture and Natural and Economic Resources and to the Fiscal Research Division no later than April 1, 2016.

TOBACCO TRUST FUND ADMINISTRATION

SECTION 13.12. G.S. 143-717(i) reads as rewritten:

"(i) Limit on Operating and Administrative Expenses. – All administrative expenses of the Commission shall be paid from the Fund. No more than ~~two and one-half percent (2 ½%) of the annual receipts of the Fund for the fiscal year beginning July 1 or a total sum of one million dollars ($1,000,000), whichever is less,~~ three hundred fifty thousand dollars ($350,000) may be used each fiscal year for administrative and operating expenses of the Commission and its ~~staff. All administrative expenses of the Commission shall be paid from the Fund.~~staff, provided that the Commission may annually adjust the administrative expense cap imposed by this subsection, so long as that any cap increase does not exceed the amount necessary to provide for statewide salary and benefit adjustments enacted by the General Assembly."

PART XIV. DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

PROSPERITY ZONE DENR LIASONS

SECTION 14.1. Section 4.1 of S.L. 2014-18 reads as rewritten:

"**SECTION 4.1.** No later than January 1, 2015, the Departments of Commerce, Environment and Natural Resources, and Transportation shall have at least one employee physically located in the same office in each of the Collaboration for Prosperity Zones set out in G.S. 143B-28.1 to serve as that department's liaison with the other departments and with local governments, schools and colleges, planning and development bodies, and businesses in that zone. The departments shall jointly select the office. For purposes of this Part, the Department of Commerce may contract with a North Carolina nonprofit corporation pursuant to G.S. 143B-431A, as enacted by this act, to fulfill the departmental liaison requirements for

each office in each of the Collaboration for Prosperity ~~Zones.~~Zones, and the Department of Environment and Natural Resources shall fulfill the departmental liaison requirements from existing and funded positions.

No later than January 1, 2015, the Community Colleges System Office shall designate at least one representative from a community college or from the Community Colleges System Office to serve as a liaison in each Collaboration for Prosperity Zone for the community college system, the community colleges in the zone, and other educational agencies and schools within the zone. A liaison may be from a business center located in a community college. These liaisons are not required to be collocated with the liaisons from the Departments of Commerce, Environment and Natural Resources, and Transportation.

No later than January 1, 2015, the State Board of Education shall designate at least one representative from a local school administrative unit or from the Department of Public Instruction to serve as a liaison in each Collaboration for Prosperity Zone for the local school administrative units and other public schools within the zone. These liaisons are not required to be collocated with the liaisons from the Departments of Commerce, Environment and Natural Resources, and Transportation."

IMPROVE FINANCIAL MANAGEMENT OF ENVIRONMENTAL STEWARDSHIP FUNDS THROUGH CONSERVATION GRANT FUND

SECTION 14.2. G.S. 147-69.2(d) reads as rewritten:

"(d) The State Treasurer may invest funds deposited pursuant to ~~subdivision (a)(17i)~~subdivisions (a)(17i) or (a)(17j) of this section in any of the investments authorized under subdivisions (1) through (6) and subdivision (8) of subsection (b) of this section. The State Treasurer may require a minimum deposit, up to one hundred thousand dollars ($100,000), and may assess a reasonable fee, not to exceed 15 basis points, as a condition of participation pursuant to this subsection. Funds deposited pursuant to this subsection shall remain the funds of the North Carolina Conservation Easement Endowment ~~Fund,~~ Fund or the Conservation Grant Fund, as applicable, and interest or other investment income earned thereon shall be prorated and credited to the North Carolina Conservation Easement Endowment ~~Fund~~ Fund or the Conservation Grant Fund on the basis of the amounts ~~thereof contributed,~~contributed to the respective Funds, figured according to sound accounting principles."

ALLOW REVENUE GENERATED FROM TIMBER SALE TO BE RETAINED IN A NONREVERTING ACCOUNT FOR A PERIOD OF FOUR YEARS

SECTION 14.3. The Department of Environment and Natural Resources' Stewardship Program may retain revenue generated from timber harvesting on the Great Coharie property in the Conservation Grant Endowment Interest Fund (6705) for the purpose of restoration and stewardship of that property and these funds are hereby appropriated for that purpose. Any unused portion of this revenue remaining in the Fund on June 30, 2019, shall revert to the General Fund.

SEPARATE NATURAL HERITAGE PROGRAM FROM CLEAN WATER MANAGEMENT TRUST FUND AND REVISE TRUST FUND ADMINISTRATIVE EXPENSE PROVISIONS

SECTION 14.4. Subdivisions (8e) and (9) of subsection (c) and subsection (d) of G.S. 113A-253 are repealed.

ENVIRONMENTAL MANAGEMENT OF IMPAIRED WATER BODIES

SECTION 14.5.(a) Of the funds appropriated in this act to the Clean Water Management Trust Fund for the 2015-2017 biennium, the Department of Environment and Natural Resources shall use up to one million five hundred thousand dollars ($1,500,000) to continue the demonstration project authorized by Section 14.3A of S.L. 2013-360. No later than December 1, 2015, the Department shall extend or modify existing contracts related to in situ water quality remediation strategies for a term ending on or after October 15, 2018, and

also may enter into new purchase or lease agreements for equipment, goods, or contractor services needed to continue the demonstration project as set forth in this subsection.

SECTION 14.5.(b) The General Assembly finds that there is a need for timely initiation of projects authorized by this section during the biennium to expedite mitigation of impaired waters of the State. Therefore, any contract, contract extension, lease, purchase, or other agreement entered into under this section shall not be subject to the requirements of Article 3, 3D, or 8 of Chapter 143 of the General Statutes in order to expedite deployment.

SECTION 14.5.(c) The General Assembly further finds that existing rules or proposed rules intended to address water quality of impaired water bodies may need to be modified based on the completion and analysis of projects authorized or extended by this section and that there is a need to better understand the impact of in situ mitigation on overall water quality of impaired water bodies. Therefore, any rules issued by the Commission or directed by the General Assembly that pertain to basinwide nutrient management and mitigation of water quality for impaired water bodies, as defined by the federal government, and that have been temporarily delayed by a prior act of the General Assembly or Commission, shall have an effective date delay of three additional years or one year after the completion of the project described in this subsection, whichever is later.

SECTION 14.5.(d) The Department and Commission shall study in situ strategies beyond traditional watershed controls that have the potential to mitigate water quality impairments resulting from aquatic flora, sediment, nutrients, or other water quality variables that impair or have the potential to impair water bodies of the State. In addition to a survey and evaluation of currently available in situ strategies, the Department and Commission shall assess the potential efficacy of in situ strategies in other water bodies of the State, and consider the utilization of in situ strategies in their development, review, and modifications of basinwide water quality management plans or related water quality mitigation modeling. The Department and Commission shall provide a report on their study to the Environmental Review Commission, the Fiscal Research Division, and the chairs of the Senate Appropriations Committee on Natural and Economic Resources and the House Appropriations Committee on Agriculture and Natural and Economic Resources no later than April 1, 2016.

INLET AND PORT ACCESS MANAGEMENT

SHALLOW DRAFT FUND REVISIONS

SECTION 14.6.(a) G.S. 143-215.73F reads as rewritten:

"§ **143-215.73F. Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund.**

(a) Fund Established. – The Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund is established as a special revenue fund. The Fund consists of fees credited to it under ~~G.S. 75A-3, 75A-38, and 105-449.126.~~G.S. 75A-3 and G.S. 75A-38, taxes credited to it under G.S. 105-449.126, and funds contributed by non-State entities.

(b) Uses of Fund. – Revenue in the Fund may only be used ~~to~~ for the following purposes:

(1) To provide the State's share of the costs associated with any dredging project designed to keep shallow draft navigation channels located in State waters or waters of the state located within lakes navigable and ~~safe, or for~~ safe.

(2) For aquatic weed control projects in waters of the State located within lakes under Article 15 of Chapter 113A of the General Statutes. Funding for aquatic weed control projects is limited to five hundred thousand dollars ($500,000) in each fiscal year.

(c) Cost-Share. – Any project funded by revenue from the Fund must be cost-shared with non-State dollars ~~on a one-to-one basis, provided that the~~ as follows:

(1) The cost-share for dredging projects located, in whole or part, in a development tier one area, as defined in G.S. 143B-437.08, shall be at least one non-State dollar for every three dollars from the Fund.

(2) The cost-share for dredging projects not located, in whole or part, in a development tier one area shall be at least one non-State dollar for every two dollars from the Fund.

(3) The cost-share for a lake maintenance project shall be at least one non-State dollar for every dollar from the Fund. The cost-share for a lake located within a component of the State Parks System shall be provided by the Division of Parks and Recreation of the Department of Environment and Natural Resources. The Division of Parks and Recreation may use funds allocated to the State Parks System for capital projects under G.S. 113-44.15 for the cost-share.

(d) Return of Non-State Entity Funds. – Non-State entities that contribute to the Fund for a particular project or group of projects may make a written request to the Secretary that the contribution be returned if the contribution has not been spent or encumbered within two years of receipt of the contribution by the Fund. If the written request is made prior to the funds being spent or encumbered, the Secretary shall return the funds to the entity within 30 days after the later of (i) receiving the request or (ii) the expiration of the two-year period described by this subsection.

(e) Definitions. – For purposes of this section, "shallow draft navigation channel" means (i) a waterway connection with a maximum depth of 16 feet between the Atlantic Ocean and a bay or the Atlantic Intracoastal Waterway, (ii) a river entrance to the Atlantic Ocean through which tidal and other currents flow, or (iii) other interior coastal waterways. ~~"Shallow draft navigation channel"~~ The term includes the Atlantic Intracoastal Waterway and its side channels, Beaufort Harbor, Bogue Inlet, Carolina Beach Inlet, the channel from Back Sound to Lookout Back, channels connected to federal navigation channels, Lockwoods Folly River, Manteo/Shallowbag Bay, including Oregon Inlet, Masonboro Inlet, New River, New Topsail Inlet, Rodanthe, Hatteras Inlet, Rollinson, Shallotte River, Silver Lake Harbor, and the waterway connecting Pamlico Sound and Beaufort Harbor."

SECTION 14.6.(b) Notwithstanding G.S. 143-215.73F, the funds available in the Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund shall be reserved for all of the following purposes:

(1) The sum of three million dollars ($3,000,000) in each fiscal year of the 2015-2017 biennium shall be reserved for Oregon Inlet dredging needs.

(2) The sum of one hundred fifty thousand dollars ($150,000) shall be reserved to reimburse the Department of Administration for its costs associated with exploring options for acquiring Oregon Inlet and the adjacent real property, including, but not limited to, surveys and appraisals, legal research, and studies related to sand management, engineering proposals, and larval transport.

(3) The sum of five hundred thousand dollars ($500,000) shall be reserved to reimburse the Department of Administration for its costs associated with ongoing negotiations pertaining to the implementation of Section 14.7(g) of S.L. 2014-100. Upon completion of the actions defined in Sections 14.7(a) through (f) of S.L. 2014-100 by the Secretary of Administration and the federal government, Section 14.7(g) of S.L. 2014-100 is repealed. The Department of Administration shall use the report submitted by the Department of Transportation pursuant to Section 14.7(h) of S.L. 2014-100 and consult with the Department of Transportation when prioritizing condemnation of all existing and future transportation corridors on the Outer Banks, a right retained by the State and recorded in a deed executed on August 7, 1958, when these lands were conveyed to the federal government.

(4) The sum of two hundred fifty thousand dollars ($250,000) shall be reserved for use by the Department of Environment and Natural Resources to update the Beach and Inlet Management Plan (Plan). The Department may enter

into a sole-source contract of up to two hundred fifty thousand dollars ($250,000) with the firm that developed the initial Plan to have the firm update the Plan. The updated Plan shall include a recommended schedule for ongoing inlet maintenance. No later than December 1, 2016, the Department shall report to the Environmental Review Commission on the updated Plan, including a four-year cycle of regularly scheduled maintenance projects for beaches and inlets that currently undergo (or are expected to undergo) beach fill or dredging work.

If State funds reserved for the purposes listed above in a fiscal year are not spent or encumbered by June 30 of that fiscal year, the State funds shall be unreserved and made available for any of the uses set out in G.S. 143-215.73F.

DEEP DRAFT NAVIGATION CHANNEL DREDGING AND MAINTENANCE

SECTION 14.6.(c) Article 21 of Chapter 143 of the General Statutes is amended by adding a new Part to read:

"Part 8C. Deep Draft Navigation Channel Dredging and Maintenance Fund.

"§ **143-215.73G. Deep Draft Navigation Channel Dredging and Maintenance Fund.**

(a) Fund Established. – The Deep Draft Navigation Channel Dredging and Maintenance Fund is established as a special revenue fund. The Fund consists of General Fund appropriations, gifts, or grants, including monies contributed by a non-State entity for a particular dredging project or group of projects and any other revenues specifically allocated to the Fund by an act of the General Assembly.

(b) Uses of the Fund. – Revenue credited to the Fund may only be used for costs associated with projects providing safe and efficient navigational access to a State Port, including the design, construction, expansion, modification, or maintenance of deep draft navigation channels, turning basins, berths, and related structures, as well as surveys or studies related to any of the foregoing and the costs of disposal of dredged material.

(c) Conditions on Funding. – State funds credited to the Fund from the sources described in subsection (a) of this section must be cost-shared on a one-to-one basis with funds provided by the State Ports Authority, provided that:

(1) Funds contributed to the Fund by a non-State entity are not considered State funds and may be used to provide the cost-share required by this subsection.

(2) The Secretary may waive or modify the cost-share requirement for any project that supplements Corps funding for a study authorized by the Corps related to navigational access to a State Port, based on availability of alternate funding sources.

(d) Return of Non-State Entity Funds. – Non-State entities that contribute to the Fund for a particular project or group of projects may make a written request to the Secretary that the contribution be returned if the contribution has not been spent or encumbered within two years of receipt of the contribution by the Fund. If the written request is made prior to the funds being spent or encumbered, the Secretary shall return the funds to the entity within 30 days after the later of (i) receiving the request or (ii) the expiration of the two-year period described by this subsection.

(e) Definitions. – The following definitions apply in this Part:

(1) Corps. – The United States Army Corps of Engineers.

(2) State Port. – Facilities at Wilmington or Morehead City managed or operated by the State Ports Authority."

SECTION 14.6.(d) SPA Memorandum of Agreement. – The State Ports Authority shall negotiate with the United States Army Corps of Engineers (hereafter, "Corps") a memorandum of agreement allowing for nonfederal funding of dredging and related studies or maintenance at the State Ports located at Wilmington and Morehead City. The memorandum required by this subsection shall be for as long a term as possible.

SECTION 14.6.(e) DENR Memorandum of Agreement. – The Division of Water Resources of the Department of Environment and Natural Resources shall negotiate with the Corps a memorandum of agreement allowing for nonfederal funding of dredging of Oregon Inlet. The memorandum required by this subsection shall be for as long a term as possible.

SECTION 14.6.(f) Port Access Lands Acquisition Agreement. – Notwithstanding Chapter 146 of the General Statutes or any other provision of law, the Department of Administration, on behalf of the State, shall seek to initiate negotiations with the appropriate agency of the federal government for an agreement to acquire the federally owned property necessary for management of deep draft navigation channels providing access to State Port facilities at Morehead City from the federal government in exchange for State-owned real property.

(1) Interagency cooperation. – The North Carolina Ports Authority and the Department of Transportation shall be included in the planning and carrying out of these negotiations, but the ultimate approval authority remains solely with the Secretary of the Department of Administration.

(2) Terms of agreement. – The Secretary of the Department of Administration shall have the authority to negotiate the terms of the acquisition agreement. The agreement (i) shall provide for the acquisition of interests in real property described in this subsection and no other; (ii) shall provide that the conveyances described in the agreement become effective as soon as practicable; and (iii) shall incorporate the relevant terms of this subsection.

(3) Execution of deeds. – Within 30 days of the acquisition becoming effective, the Attorney General shall execute any documents or deeds necessary to effectuate the acquisition under the exact terms set forth in the acquisition agreement. All State agencies and officials shall cooperate to the fullest extent possible in effectuating the acquisition agreement.

(4) Reporting. – Within 30 days after an agreement is entered into pursuant to this section, the Secretary of the Department of Administration shall report to the Joint Legislative Commission on Governmental Operations on the terms of the agreement.

SECTION 14.6.(g) Contested Case Exemption. – G.S. 150B-1(e) is amended by adding a new subdivision to read:

"(e) Exemptions From Contested Case Provisions. – The contested case provisions of this Chapter apply to all agencies and all proceedings not expressly exempted from the Chapter. The contested case provisions of this Chapter do not apply to the following:

…

(22) The Secretary of Environment and Natural Resources for the waiver or modification of non-State cost-share requirements under G.S. 143-215.73G."

CAPE FEAR ESTUARINE RESOURCE RESTORATION

SECTION 14.6.(h) The General Assembly finds that the New Inlet Dam or "The Rocks" was constructed by the United States Army Corps of Engineers in the late 19th century. The New Inlet Dam is composed of two components, a Northern Component that extends from Federal Point to Zeke's Island and a Southern Component that extends southwestward from Zeke's Island and separates the New Inlet from the main channel of the Cape Fear River. The General Assembly further finds that the Southern Component of the New Inlet Dam impedes the natural flow of water between the Cape Fear River and the Atlantic Ocean that occurred prior to emplacement of the dam. The General Assembly further finds that it is necessary to consider removal of the Southern Component of the New Inlet Dam in order to reestablish the natural hydrodynamic flow between the Cape Fear River and the Atlantic Ocean. To this end, the Department of Environment and Natural Resources shall do all of the following:

(1) Notify the United States Army Corps of Engineers of the State's intent to study the removal of the Southern Component of the New Inlet Dam.

(2) Issue a Request for Information for a firm capable of conducting an analysis of the costs and benefits of removal of the Southern Component of the New Inlet Dam, including an inventory of all necessary State and federal permits and approvals needed to develop and implement a removal plan. Identification of a capable firm pursuant to this section shall be done in accordance with Article 8 of Chapter 143 of the General Statutes.

(3) Request approval from the National Oceanic and Atmospheric Administration to adjust the boundary established for Zeke's Island for both of the following changes:

a. Moving the current western boundary 200 feet seaward and removing the area that lies between the current boundary and the new boundary from the North Carolina National Estuarine Research Reserve.

b. Compensating for any loss of acreage pursuant to sub-subdivision a. of this subdivision by adding a corresponding amount of acreage to the northern boundary of Zeke's Island from adjacent acreage at Fort Fisher State Recreation Area.

(4) If the Department obtains approval from the National Oceanic and Atmospheric Administration to adjust the boundary established for Zeke's Island as described in subdivision (3) of this subsection, the Coastal Resources Commission shall amend 15A NCAC 070 .0105 (North Carolina Coastal Reserve: Reserve Components) as follows:

a. Definitions. – "Reserve Components Rule" means 15A NCAC 070 .0105 (North Carolina Coastal Reserve: Reserve Components) for purposes of this section and its implementation.

b. Reserve Components Rule. – Until the effective date of the revised permanent rule that the Coastal Resources Commission is required to adopt pursuant to sub-subdivision d. of this subdivision, the Commission and the Department of Environment and Natural Resources shall implement the Reserve Components Rule, as provided in sub-subdivision c. of this subdivision.

c. Implementation. – Notwithstanding the Reserve Components Rule, the Commission shall adjust the boundary established for Zeke's Island in conformance with any boundary change that is approved by the National Oceanic and Atmospheric Administration pursuant to subdivision (3) of this subsection.

d. Additional rule-making authority. – The Commission shall adopt a rule to replace the Reserve Components Rule. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this subdivision shall be substantively identical to the provisions of sub-subdivision c. of this subdivision. Rules adopted pursuant to this subdivision are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this subdivision shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

e. Effective date. – Sub-subdivision c. of this subdivision expires when permanent rules to replace sub-subdivision c. of this subdivision have become effective, as provided by sub-subdivision d. of this subdivision.

Notwithstanding any other provision of law, the Department of Environment and Natural Resources may use funds from the Deep Draft Navigation Channel Dredging and Maintenance Fund, established pursuant to G.S. 143-215.73G, as enacted by subsection (c) of

this section, to implement this subsection. No later than April 1, 2016, the Department shall report to the Environmental Review Commission, the chairs of the Senate Appropriations Committee on Natural and Economic Resources and the House Appropriations Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division regarding its implementation of this subsection, including a copy of the Request for Information required by subdivision (2) of this subsection and any responses received to the Request. Neither the Department nor any State agency may proceed with the removal of the New Inlet Dam until (i) the Environmental Review Commission has reviewed the report required by this section and (ii) a bill expressly providing authorization for the removal becomes law.

CLARIFY COASTAL COUNTY AUTHORITY OVER ABANDONED VESSELS

SECTION 14.6.(n) Section 1 of S.L. 2013-182 is repealed.

SECTION 14.6.(o) G.S. 153A-132(i), as rewritten by S.L. 2013-182, reads as rewritten:

"(i) A county may by ordinance prohibit the abandonment of vessels in navigable waters within the county's ordinance-making jurisdiction, subject to the provisions of this subsection. The provisions of this section shall apply to abandoned vessels in the same manner that they apply to abandoned or junked motor vehicles to the extent that the provisions may apply to abandoned vessels. For purposes of this subsection, an "abandoned vessel" is one that meets any of the following:

(1) A vessel that is moored, anchored, or otherwise located for more than 30 consecutive days in any 180 consecutive-day period without permission of the dock owner.

(2) A vessel that is in danger of sinking, has sunk, is resting on the bottom, or is located such that it is a hazard to navigation or is an immediate danger to other vessels.

Shipwrecks, vessels, cargoes, tackle, and other underwater archeological remains that have been in place for more than 10 years shall not be considered abandoned vessels and shall not be removed under the provisions of this section without the approval of the Department of Cultural Resources, which is the legal custodian of these properties pursuant to G.S. 121-22 and G.S. 121-23. This subsection applies only to the counties set out in G.S. 113A-103(2)."

EROSION CONTROL STRUCTURES

SECTION 14.6.(p) The Coastal Resources Commission shall amend its rules for the use of temporary erosion control structures to provide for all of the following:

(1) Allow the placement of temporary erosion control structures on a property that is experiencing coastal erosion even if there are no imminently threatened structures on the property if the property is adjacent to a property where temporary erosion control structures have been placed.

(2) Allow the placement of contiguous temporary erosion control structures from one shoreline boundary of a property to the other shoreline boundary, regardless of proximity to an imminently threatened structure.

(3) The termination date of all permits for contiguous temporary erosion control structures on the same property shall be the same and shall be the latest termination date for any of the permits.

(4) The replacement, repair, or modification of damaged temporary erosion control structures that are either legally placed with a current permit or legally placed with an expired permit, but the status of the permit is being litigated by the property owner.

SECTION 14.6.(q) The Coastal Resources Commission shall adopt temporary rules to implement subsection (p) of this section no later than December 31, 2015. The Commission shall also adopt permanent rules to implement this section.

SECTION 14.6.(r) G.S. 113A-115.1(g) reads as rewritten:

"(g) The Commission may issue no more than ~~four~~ six permits for the construction of a terminal groin pursuant to this ~~section.~~section, provided that two of the six permits may be issued only for the construction of terminal groins on the sides of New River Inlet in Onslow County and Bogue Inlet between Carteret and Onslow Counties."

USE OF OYSTER SHELLS PROHIBITED IN COMMERCIAL LANDSCAPING

SECTION 14.7.(a) Article 20 of Chapter 113 of the General Statutes is amended by adding a new section to read:

"**§ 113-270. Use of oyster shells by landscape contractors prohibited.**

(a) No landscape contractor shall use oyster shells as a ground cover.

(b) Enforcement of the prohibition set forth in this section shall be under the jurisdiction of the Marine Fisheries Commission.

(c) For purposes of this section, landscape contractor shall have the definition set forth in G.S. 89D-11."

SECTION 14.7.(b) This section is effective October 1, 2015.

CORE SOUND OYSTER LEASING

SECTION 14.8. The Division of Marine Fisheries of the Department of Environment and Natural Resources shall, in consultation with representatives of the commercial fishing industry, representatives of the shellfish aquaculture industry, and relevant federal agencies, create a proposal to open to shellfish cultivation leasing certain areas of Core Sound that are currently subject to a moratorium on shellfish leasing. The Division shall submit a report regarding the plan no later than April 1, 2016, to the Joint Legislative Commission on Governmental Operations.

AMEND SENATOR JEAN PRESTON MARINE SHELLFISH SANCTUARY LEGISLATION

SECTION 14.9. Section 44 of S.L. 2014-120 reads as rewritten:

"**SENATOR JEAN PRESTON MARINE ~~SHELLFISH~~ OYSTER SANCTUARY PROGRAM**

"**SECTION 44.(a)** It is the intent of the General Assembly ~~to establish a marine shellfish sanctuary in the Pamlico Sound to be named in honor of former Senator Jean Preston, to be called the "Senator Jean Preston Marine Shellfish Sanctuary."~~to enhance shellfish habitats within the Albemarle and Pamlico Sounds and their tributaries to benefit fisheries, water quality, and the economy. This will be achieved through the establishment of a network of oyster sanctuaries, harvestable enhancement sites, and coordinated support for the development of shellfish aquaculture. The network of oyster sanctuaries is to be named in honor of Senator Jean Preston and shall be called the "Senator Jean Preston Oyster Sanctuary Network".

"**SECTION 44.(b)** The Division of Marine Fisheries of the Department of Environment and Natural Resources shall ~~designate an area of appropriate acreage within the Pamlico Sound as a recommendation to the Environmental Review Commission for establishment of the "Senator Jean Preston Marine Shellfish Sanctuary" and create a plan for managing the sanctuary that includes~~ develop a plan to construct and manage additional oyster habitats. The new sanctuaries, along with selected existing oyster sanctuaries, shall be included in the Senator Jean Preston Oyster Sanctuary Network. The plan shall include the following components:

(1) Location and delineation of ~~the sanctuary. —~~oyster sanctuaries. – The plan should include ~~a location~~locations for ~~the sanctuary~~sanctuary network components that ~~minimizes~~ minimize the impact on commercial trawling. ~~In addition, the sanctuary should be gridded into areas leased to private parties for restoration and harvest and areas operated and maintained by the State for restoration that are not open for harvest. The leased and unleased areas should be arranged in a pattern where leased squares are surrounded on four~~

~~sides by unleased squares.~~The location of sanctuaries shall take into account connectivity to existing oyster sanctuaries and proposed oyster enhancement sites. New oyster sanctuaries shall be designed to provide hook-and-line fishing while allowing the development of complex fish habitats and brood-stock oysters that will enhance recruitment in the surrounding reefs. The plan should outline a 10-year development project to accomplish the expansion.

~~(2)~~ ~~Administration. – The plan should include the prices to be charged for the leased portions of the sanctuary, including an administration fee to be retained by the Division to support the leasing and monitoring program. The plan shall also provide that the balance of lease payments collected by the Division be transferred to the General Fund with a recommendation that some or all of the proceeds be used for the support of the State's special education programs in memory of Senator Jean Preston.~~

(3) Enhancement of oyster habitat restoration. – The General Assembly finds that the lack of a reliable State-based supply of oyster seed and inadequate funding for cultch planting are limitations to the expansion of oyster harvesting and the restoration of wild oyster habitat in North Carolina. Therefore, the plan should include the following:

a. Provisions and recommendations to facilitate the availability of oyster seed produced in North Carolina for wild oyster habitat restoration projects as well as oyster aquaculture and to reduce potential negative impacts from importation of non-native oyster seed.

b. Plans, where feasible, for public-private partnerships for State-based production of viable oyster seed through the creation of one or more production hatcheries and recommendations for increased support of the existing research hatchery at UNC-Wilmington.

c. Plans and cost estimates for an expansion of cultch planting in suitable areas of the State's coastal waters in order to expand areas suitable for development of wild oyster habitat.

(4) Economic relief. – The plan should consider a waiver of application fees and yearly rental fees for new shellfish leases for an established period of time to further promote and support shellfish aquaculture in North Carolina. The new leasing fee waiver program should include measures to discourage speculation and target persons with a genuine interest in starting a shellfish aquaculture business, such as a requirement that the lease be nontransferable for a five-year period.

(5) Outreach. – The plan should include outreach and education that promotes, whenever possible, public-private partnerships utilizing the Sea Grant College Program, local colleges, and other nongovernmental organizations to (i) encourage shellfish aquaculture and provide technical assistance to broaden cost-effective technologies available to leaseholders; (ii) encourage best management practices to leaseholders; and (iii) inform fishermen and the public on the benefits provided by the Senator Jean Preston Oyster Sanctuary Network.

(6) Monitoring. – The plan should include a monitoring plan designed to (i) determine the success of oyster reef construction and (ii) evaluate the cost benefit of the oyster sanctuary network and harvestable enhancement sites.

~~(3)~~(7) Funding. – The plan should include a request for appropriations sufficient ~~to provide funds for the construction of appropriate bottom habitat and shellfish seeding and for Division staff necessary to conduct oyster restoration and monitoring activities. The plan should provide that, whenever possible,~~

~~construction and shellfish seeding be carried out by contract with private entities.~~for Division staff to expand oyster restoration and monitoring activities for 10 years. The plan should provide that, whenever possible, public-private partnerships are employed to meet the construction, seeding, and outreach requirements of the plan.

~~(4) Commercial fisherman relief. To promote the diversification of commercial fishing opportunities, the plan should include a program to award free or discounted leases under this section to commercial fishermen who (i) have held one or more commercial fishing licenses continually for a period of 10 or more years and (ii) receive at least fifty percent (50%) of their income from commercial fishing with those licenses.~~

~~(5)~~(8) Recommendations. – The plan ~~should~~ shall include recommendations for statutory or regulatory changes needed to expedite the expansion of shellfish restoration and harvesting in order to improve water quality, restore ecological habitats, provide enhanced recreational and commercial fishing opportunities, and expand the coastal economy.

(9) No funding for sanctuaries in closed areas. – The plan shall provide that no funding or other resources shall be available in water bodies where a moratorium or other legal prohibition on shellfish leasing under Article 16 of Chapter 113 of the General Statutes is currently in effect. This subdivision does not apply to leasing moratoria imposed because the area is closed to shellfish harvesting or recommended for closure by the State Health Director due to pollution.

"**SECTION 44.(c)** No later than ~~December 1, 2014, and quarterly thereafter until submission of a final plan to the Environmental Review Commission,~~ March 1, 2016, the Department of Environment and Natural Resources shall report to the ~~Environmental Review Commission~~Chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division regarding its implementation of this section and its recommended plan."

SHELLFISH CULTIVATION LEASING REFORM

SECTION 14.10.(a) G.S. 113-202(i) reads as rewritten:

"§ **113-202. New and renewal leases for shellfish cultivation; termination of leases issued prior to January 1, 1966.**

…

(i) After a lease application is approved by the Secretary, the applicant shall submit to the Secretary ~~a survey of the area approved for leasing and~~ information sufficient to define the bounds of the area approved for leasing with markers in accordance with the rules of the Commission. The ~~survey~~ information shall conform to standards prescribed by the Secretary concerning accuracy ~~of survey~~ and the amount of detail to be shown. When ~~an acceptable survey~~ information is submitted, the boundaries are marked and all fees and rents due in advance are paid, the Secretary shall execute the lease on forms approved by the Attorney General. The Secretary is authorized, with the approval of the lessee, to amend an existing lease by reducing the area under lease or by combining contiguous leases without increasing the total area leased. The information required by this subsection may be based on coordinate information produced using a device equipped to receive global positioning system data."

SECTION 14.10.(b) G.S. 113-202(j) reads as rewritten:

"(j) Initial leases begin upon the issuance of the lease by the Secretary and expire at noon on the first day of July following the ~~fifth~~ tenth anniversary of the granting of the lease. Renewal leases are issued for a period of ~~five~~ 10 years from the time of expiration of the previous lease. At the time of making application for renewal of a lease, the applicant must pay a filing fee of one hundred dollars ($100.00). The rental for initial leases is one dollar ($1.00)

per acre ~~for all leases entered into before July 1, 1965, and for all other leases~~ until noon on the first day of July following the first anniversary of the lease. Thereafter, for initial ~~leases entered into after July 1, 1965,~~leases and from the beginning for renewals of leases entered into after that date, the rental is ten dollars ($10.00) per acre per year. Rental must be paid annually in advance prior to the first day of April each year. Upon initial granting of a lease, the pro rata amount for the portion of the year left until the first day of July must be paid in advance at the rate of one dollar ($1.00) per acre per year; then, on or before the first day of April next, the lessee must pay the rental for the next full year."

SECTION 14.10.(c) This section applies to shellfish lease applications received by the Department of Environment and Natural Resources on or after the date this act becomes law.

SIMPLIFY OYSTER RESTORATION PROJECT PERMITTING

SECTION 14.10A.(a) The Division of Marine Fisheries and Division of Coastal Management of the Department of Environment and Natural Resources shall, in consultation with representatives of nongovernmental conservation organizations working on oyster restoration, create a new permitting process specifically designed for oyster restoration projects that apply to oyster restoration projects instead of a major development permit under G.S. 113A-118. The Department shall submit its report, including recommended legislation, to the Environmental Review Commission no later than May 1, 2016.

SECTION 14.10A.(b) Until the effective date of the revised permanent rule that the Coastal Resources Commission is required to adopt pursuant to subsection (d) of this section, the Commission and the Department of Environment and Natural Resources shall implement 15A NCAC 03O .0503(g) (Scientific or Educational Activity Permit) as provided in subsection (c) of this section.

SECTION 14.10A.(c) Notwithstanding 15A NCAC 03O .0503(g) (Scientific or Educational Activity Permit), the Division of Marine Fisheries may issue a scientific or educational activity permit for approved activities conducted by or under the direction of a nongovernmental conservation organization in addition to a scientific or educational institution. For purposes of this section, a nongovernmental conservation organization is defined as an organization whose primary mission is the conservation of natural resources.

SECTION 14.10A.(d) The Environmental Management Commission shall adopt rules to amend 15A NCAC 03O .0503(g) and any other cross-referenced rules consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this subsection shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this subsection are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this subsection shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 14.10A.(e) This section is effective when this act becomes law. Subsection (c) of this section expires on the date that rules adopted pursuant to subsection (d) of this section become effective.

SCFL EXEMPTION FOR EMPLOYEES OF LEASEHOLDER

SECTION 14.10B. G.S. 113-169.2 reads as rewritten:

"§ **113-169.2. Shellfish license for North Carolina residents without a SCFL.**

(a) License or Endorsement Necessary to Take or Sell Shellfish Taken by Hand Methods. – It is unlawful for an individual to take shellfish from the public or private grounds of the State as part of a commercial fishing operation by hand methods without holding either a shellfish license or a shellfish endorsement of a SCFL. A North Carolina resident who seeks only to take shellfish by hand methods and sell such shellfish shall be eligible to obtain a shellfish license without holding a SCFL. The shellfish license authorizes the licensee to sell shellfish.

(a1) License Necessary to Take or Sell Shellfish Taken by Mechanical Means. – ~~Subject to~~ Except as provided in subsection (i) of this section, an individual who takes shellfish from the public or private grounds of the State by mechanical means must obtain an SCFL under the provisions of G.S. 113-168.2.

…

(i) Taking Shellfish Without a License for Personal ~~Use.~~Use or as Employee of Certain License Holders. – Shellfish may be taken without a license ~~for~~ under the following circumstances:

(1) For personal use in quantities established by rules of the Marine Fisheries Commission.

(2) When the taking is from an area leased for the cultivation of shellfish under Article 16 of this Chapter by a person who is an employee of a leaseholder holding a valid SCFL issued under the provisions of G.S. 113-168.2, and the person provides an authorization letter with the leaseholder's SCFL number and signature."

WATER COLUMN LEASING CLARIFICATION

SECTION 14.10C.(a) G.S. 113-201.1(5) reads as rewritten:

"(5) "Water column" means the vertical extent of water, including the ~~surface thereof,~~ surface, above a designated area of submerged bottom land."

SECTION 14.10C.(b) G.S. 113-202 is amended by adding a new subsection to read:

"(r) A lease under this section shall include the right to place devices or equipment related to the cultivation or harvesting of marine resources on or within 18 inches of the leased bottom. Devices or equipment not resting on the bottom or extending more than 18 inches above the bottom will require a water column lease under G.S. 113-202.1."

SECTION 14.10C.(c) G.S. 113-202.1 reads as rewritten:

"§ **113-202.1. Water column leases for aquaculture.**

…

(c) The Secretary shall not amend shellfish cultivation leases to authorize ~~use~~ uses of the water column involving devices or equipment not resting on the bottom or that extend more than 18 inches above the bottom unless:

(1) The leaseholder submits an application, accompanied by a nonrefundable application fee of one hundred dollars ($100.00), which conforms to the standards for lease applications in G.S. 113-202(d) and the duly adopted rules of the Commission;

(2) The proposed amendment has been noticed consistent with G.S. 113-202(f);

(3) Public hearings have been conducted consistent with G.S. 113-202(g);

(4) The aspects of the proposals which require use and dedication of the water column have been documented and are recognized by the Secretary as commercially feasible forms of aquaculture which will enhance shellfish production on the leased area;

(5) It is not feasible to undertake the aquaculture activity outside of coastal fishing waters; and

(6) The authorized water column use has the least disruptive effect on other public trust uses of the waters of any available technology to produce the shellfish identified in the proposal.

…."

DIVISION OF MARINE FISHERIES RECOMMENDATIONS FOR SHELLFISH AQUACULTURE

SECTION 14.10D. No later than March 1, 2016, the Division of Marine Fisheries shall report to the Environmental Review Commission, the chairs of the House and Senate appropriations committees with responsibility for natural and economic resources, and the

Fiscal Research Division regarding the Division's recommendations for policy and statutory changes needed to support and encourage the ecological restoration and economic stability of the shellfish aquaculture industry. The Division's recommendations shall include (i) how best to spend financial resources to counter declining oyster populations and habitats; (ii) the most ecologically sound and cost-effective use of nonnative oyster species to accomplish oyster restoration; (iii) further measures to combat oyster disease and manage harvesting practices to balance the needs of the industry and promote long-term viability and health of oyster habitat and substrate; (iv) how the State can promote and encourage economic aquaculture methods to improve oyster stock and populations; (v) long-term, dedicated options for funding sources and water quality improvements; (vi) measures the State can undertake to increase oyster production for both population growth and harvest; (vii) options that expand the use of private hatchery capacity in the State; (viii) options for promoting the use of cultch planting to enhance and increase oyster habitat and population; and (ix) other resources that might be leveraged to enhance reform efforts. Prior to making its report, the Division shall provide an opportunity for review and comment from environmental conservation entities, commercial and recreational oyster harvesting industries, and experts in the fields of marine biology and marine ecology.

BEACH EROSION STUDY

SECTION 14.10I.(a) The Division of Coastal Management shall study and develop a proposed strategy for preventing, mitigating, and remediating the effects of beach erosion. The study shall consider efforts by other states and countries to prevent beach erosion and ocean overwash and to renourish and sustain beaches and coastlines and incorporate best practices into the strategy.

SECTION 14.10I.(b) By February 15, 2016, the Division of Coastal Management shall report to the Environmental Review Commission, the chairs of the Senate Appropriations Committee on Natural and Economic Resources and the House Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division on the results of the study and its proposed strategy as required by subsection (a) of this section, including any legislative recommendations.

DYNAMIC PRICING FOR STATE PARKS AND ATTRACTIONS

SECTION 14.11.(a) G.S. 150B-1(d) reads as rewritten:

"§ **150B-1. Policy and scope.**

…

(d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to the following:

…

(26) The Board of Agriculture in the Department of Agriculture and Consumer Services with respect to ~~annual~~ the following:

a. Annual admission fees for the State Fair.

b. Operating hours, admission fees, or related activity fees at State forests.

The Board shall annually post the admission fee and operating hours schedule on its Web site and provide notice of the ~~fee~~ schedule, along with a citation to this section, to all persons named on the mailing list maintained pursuant to G.S. 150B-21.2(d).

(27) The Department of Environment and Natural Resources with respect to operating hours, admission fees, or related activity fees at:

a. The North Carolina Zoological Park pursuant to G.S. 143B-335.

b. State parks pursuant to G.S. 113-35.

c. The North Carolina Aquariums pursuant to G.S. 143B-289.44.

d. The North Carolina Museum of Natural Sciences.

The exclusion from rule making for the setting of operating hours set forth in this subdivision (i) shall not apply to a decision to eliminate all public

operating hours for the sites and facilities listed and (ii) does not authorize any of the sites and facilities listed in this subdivision that do not currently charge an admission fee to charge an admission fee until authorized by an act of the General Assembly."

SECTION 14.11.(b) The Department of Environment and Natural Resources, or any other department given responsibilities for the North Carolina Zoological Park, State parks, and the North Carolina Aquariums, may establish admission fees and related activity fees for those sites and facilities. In setting these fees, the Department of Environment and Natural Resources shall use a dynamic pricing strategy as defined in subsection (e) of this section. Any rule currently in the Administrative Code related to fees covered by subsection (a) of this section is ineffective and repealed upon the effective date of new admission fees and related activity fees adopted by the Department under the authority set out in that subsection. Notice of the initial adoption of new admission fees and related activity fees under subsection (a) of this section shall be given by the Department to the Codifier of Rules, who, upon receipt of notice of the initial adoption of new admission fees and related activity fees by the Department, shall note the repeal of these rules in the Administrative Code. Nothing in this subsection is intended to authorize the Department or any other department to charge new parking fees at the North Carolina Zoological Park, State parks, or the North Carolina Aquariums or to charge an admission fee at any other site or facility that does not currently charge an admission fee.

SECTION 14.11.(c) The Department of Cultural Resources may establish admission fees and related activity fees authorized by G.S. 121-7.3 for historic sites and museums. In setting these fees, the Department shall use a dynamic pricing strategy as defined in subsection (e) of this section.

SECTION 14.11.(d) The Department of Agriculture and Consumer Services may establish admission fees and related activity fees authorized by G.S. 106-877 for State forests. In setting these fees, the Department shall use a dynamic pricing strategy as defined in subsection (e) of this section. Nothing in this subsection is intended to authorize the Department to charge new parking fees at State forests.

SECTION 14.11.(e) For purposes of this section, "dynamic pricing" is the adjustment of fees for admission and related activities from time to time to reflect market forces, including seasonal variations and special event interests, with the intent and effect to maximize revenues from use of these State resources to the extent practicable to offset appropriations from the General Assembly.

SECTION 14.11.(f) No later than March 1, 2016, the Department of Environment and Natural Resources, the Department of Cultural Resources, and the Department of Agriculture and Consumer Services shall submit a report on implementation of the new pricing strategy to the Environmental Review Commission, including an evaluation of the feasibility and obstacles to charging new entrance or admission fees at other attractions not subject to this section.

SECTION 14.11.(g) The Department of Environment and Natural Resources, or any other department given responsibilities for the North Carolina Zoological Park, State parks, and the North Carolina Aquariums may not impose fees on school groups visiting those attractions. For purposes of this section, "fees" refers to the regular admission charge, and does not include a separate admission charge for a special temporary exhibition.

SECTION 14.11.(h) The Department of Cultural Resources, as reorganized and renamed by Section 14.30 of this act, shall study issues related to charging admission fees at the North Carolina Museum of History and the North Carolina Museum of Natural Sciences (collectively, the Museums). The study shall address the following issues:

(1) The impact on receipts and attendance if the Museums charged an admission fee.

(2) Admission fee policies for state-supported museums in other states and the impacts and receipts from those fees.

(3) The costs of new or modified infrastructure and other implementation costs necessary for the Museums to charge fees.

(4) Any synergies or cost savings in the charging and collection of fees due to the geographic proximity of the primary facilities for each of the Museums.

The Department shall report no later than April 1, 2016, to the chairs of the Senate and the House of Representatives appropriations committees with jurisdiction over the Museums and the Fiscal Research Division.

SECTION 14.11.(i) This section applies to admission fees or related activity fees charged on or after the effective date of this act.

WATER INFRASTRUCTURE AUTHORITY REVISIONS

SECTION 14.13.(a) G.S. 159G-20(1) is recodified as G.S. 159G-20(1a), and G.S. 159G-20(1a) is recodified as G.S. 159G-20(1c).

SECTION 14.13.(b) G.S. 159G-20, as amended by subsection (a) of this section, reads as rewritten:

"§ **159G-20. Definitions.**

The following definitions apply in this Chapter:

(1) Affordability. – The relative affordability of a project for a community compared to other communities in North Carolina based on factors that shall include, at a minimum, water and sewer service rates, median household income, poverty rates, employment rates, the population of the served community, and past expenditures by the community on water infrastructure compared to that community's capacity for financing of water infrastructure improvements.

(1a) Asset management plan. – The strategic and systematic application of management practices applied to the infrastructure assets of a local government unit in order to minimize the total costs of acquiring, operating, maintaining, improving, and replacing the assets while at the same time maximizing the efficiency, reliability, and value of the assets.

(1b) Authority. – The State Water Infrastructure Authority created and established pursuant to Article 5 of this Chapter.

…

~~(9) High-unit-cost project. – A project that results in an estimated average household user fee for water and sewer service in the area served by the project in excess of the high-unit-cost threshold. The average household user fee is calculated for a continuous 12-month period.~~

~~(10) High-unit-cost threshold. – Either of the following amounts determined on the basis of data from the most recent federal decennial census and updated by the U.S. Department of Housing and Urban Development's annual estimated income adjustment factors:~~

~~a. One and one-half percent (1.5%) of the median household income in an area that receives both water and sewer service.~~

~~b. Three-fourths of one percent (3/4%) of the median household income in an area that receives only water service or only sewer service.~~

…

(13) Local government unit. – Any of the following:

a. A city as defined in G.S. 160A-1.

b. A county.

c. A consolidated city-county as defined in G.S. 160B-2.

d. A county water and sewer district created pursuant to Article 6 of Chapter 162A of the General Statutes.

e. A metropolitan sewerage district or a metropolitan water district created pursuant to Article 4 of Chapter 162A of the General Statutes.
f. A water and sewer authority created under Article 1 of Chapter 162A of the General Statutes.
g. A sanitary district created pursuant to Part 2 of Article 2 of Chapter 130A of the General Statutes.
h. A joint agency created pursuant to Part 1 of Article 20 of Chapter 160A of the General Statutes.
i. A joint agency that was created by agreement between two cities and towns to operate an airport pursuant to G.S. 63-56 and that provided drinking water and wastewater services off the airport premises before 1 January 1995.

(13a) Merger. – The consolidation of two or more water and/or sewer systems into one system with common ownership, management, and operation.

(14) Nonprofit water corporation. – A nonprofit corporation that is incorporated under Chapter 55A of the General Statutes solely for the purpose of providing drinking water or wastewater services and is an eligible applicant for a federal loan or grant from the Rural Utility Services Division, U.S. Department of Agriculture.

(15) Public water system. – Defined in G.S. 130A-313.

(16) Regionalization. – The physical interconnecting of an eligible entity's wastewater system to another entity's wastewater system for the purposes of providing regional treatment or the physical interconnecting of an eligible entity's public water system to another entity's water system for the purposes of providing regional water supply.

…

(21) Targeted interest rate project. – Either of the following types of projects:
a. ~~A high-unit-cost project that is awarded a loan.~~A project that is awarded a loan from the Drinking Water Reserve or the Wastewater Reserve based on affordability.
b. A project that is awarded a loan from the CWSRF or the DWSRF and is in a category for which federal law encourages a special focus.

…."

SECTION 14.13.(c) G.S. 159G-23 reads as rewritten:

"§ **159G-23. ~~Common criteria~~Priority consideration for loan or grant from Wastewater Reserve or Drinking Water Reserve.**

The ~~criteria~~ considerations for priority in this section apply to a loan or grant from the Wastewater Reserve or the Drinking Water Reserve. The Division of Water Infrastructure must ~~establish a system of assigning points to applications based on the following criteria:~~consider the following items when evaluating applications:

(1) Public necessity. – ~~An applicant must explain how the project~~A project that promotes public health and protects the ~~environment. A project that~~environment, improves a system that is not in compliance with permit requirements or is under orders from the Department, enables a moratorium to be lifted, or replaces failing septic tanks with a wastewater collection ~~system has priority.~~system.

(2) Effect on impaired waters. – A project that improves designated impaired waters of the ~~State has priority.~~State.

(3) Efficiency. – A project that achieves efficiencies in meeting the State's water infrastructure needs or reduces vulnerability to drought consistent with Part 2A of Article 21 and Article 38 of Chapter 143 of the General Statutes by one of the following ~~methods has priority:~~methods:

a. The combination of two or more wastewater or public water systems into a regional wastewater or public water system by merger, consolidation, or another means.
b. Conservation or reuse of water, including bulk water reuse facilities and waterlines to supply reuse water for irrigation and other approved uses.
c. Construction of an interconnection between water systems intended for use in drought or other water shortage emergency.
d. Repair or replacement of leaking waterlines to improve water conservation and efficiency or to prevent contamination.
e. Replacement of meters and installation of new metering systems.

(4) Comprehensive land-use plan. – A project that is located in a city or county that has adopted or has taken significant steps to adopt a comprehensive land-use plan under Article 18 of Chapter 153A of the General Statutes or Article 19 of Chapter 160A of the General ~~Statutes has priority over a project located in a city or county that has not adopted a plan or has not taken steps to do so.~~Statutes. The existence of a plan has more priority than steps taken to adopt a plan, such as adoption of a zoning ordinance. A plan that exceeds the minimum State standards for protection of water resources has ~~more~~ higher priority than one that does not. A project is considered to be located in a city or county if it is located in whole or in part in that unit. A land-use plan is not considered a comprehensive land-use plan unless it has provisions that protect existing water uses and ensure compliance with water quality standards and classifications in all waters of the State affected by the plan.

(5) Flood hazard ordinance. – A project that is located in a city or county that has adopted a flood hazard prevention ordinance under ~~G.S. 143-215.54A has priority over a project located in a city or county that has not adopted an ordinance.~~G.S. 143–215.54A. A plan that exceeds the minimum standards under G.S. 143-215.54A for a flood hazard prevention ordinance has ~~more~~ higher priority than one that does not. A project is considered to be located in a city or county if it is located in whole or in part in that unit. If no part of the service area of a project is located within the 100-year floodplain, the project has ~~the same priority~~equal consideration under this subdivision as if it were located in a city or county that has adopted a flood hazard prevention ordinance. The most recent maps prepared pursuant to the National Flood Insurance Program or approved by the Department determine whether an area is within the 100-year floodplain.

(6) Sound management. – A project submitted by a local government unit that has demonstrated a willingness and ability to meet its responsibilities through sound fiscal policies and efficient operation and ~~management has priority.~~management.

(6a) Asset management plan. – A project submitted by a local government unit with more than 1,000 service connections that has developed and is implementing an asset management ~~plan has priority over a project submitted by a local government unit with more than 1,000 service connections that has not developed or is not implementing an asset management plan.~~plan.

(7) Capital improvement plan. – A project that implements the applicant's capital improvement plan for the wastewater system or public water system it ~~manages has priority over a project that does not implement a capital improvement plan. To receive priority, a~~manages, so long as the capital

improvement plan ~~must set~~sets out the applicant's expected water infrastructure needs for at least 10 years.

(8) Coastal habitat protection. – A project that implements a recommendation of a Coastal Habitat Protection Plan adopted by the Environmental Management Commission, the Coastal Resources Commission, and the Marine Fisheries Commission pursuant to ~~G.S. 143B-279.8 has priority over other projects that affect counties subject to that Plan.~~G.S. 143B-279.8. If no part of the service area of a project is located within a county subject to that Plan, the project has equal priority under this subdivision with a project that receives priority under this subdivision.

(9) ~~High-unit-cost threshold. A high-unit-cost project has priority over projects that are not high-unit-cost projects. The priority given to a high-unit-cost project shall be set using a sliding scale based on the amount by which the applicant exceeds the high-unit-cost threshold.~~Affordability. – The relative affordability of a project for a community compared to other communities in North Carolina.

(10) Merger and Regionalization. – A project to provide for the planning of regional public water and wastewater systems, to provide for the orderly coordination of local actions relating to public water and wastewater systems, or to help realize economies of scale in regional public water and wastewater systems through consolidation, management, merger, or interconnection of public water and wastewater ~~systems has priority.~~systems. If an applicant demonstrates that it is not feasible for the project to include regionalization, the funding agency shall assign the project the same priority under this subdivision as a project that includes regionalization.

(11) State water supply plan. – A project that addresses a potential conflict between local plans or implements a measure in which local water supply plans could be better coordinated, as identified in the State water supply plan pursuant to ~~G.S. 143-355(m), has priority.~~G.S. 143-355(m).

(12) Water conservation measures for drought. – A project that includes adoption of water conservation measures by a local government unit that are more stringent than the minimum water conservation measures required pursuant to ~~G.S. 143-355.2 has priority.~~G.S. 143–355.2.

(13) Low-income residents. – A project that is located in an area annexed by a municipality under Article 4A of Chapter 160A of the General Statutes in order to provide water or sewer services to low-income ~~residents has priority. For purposes of this section, low-income residents are those with a family income that is eighty percent (80%) or less of median family income.~~residents."

SECTION 14.13.(c1) G.S. 159G-30 reads as rewritten:

"§ **159G-30. Department's responsibility.**

The Department, through the Division of Water Infrastructure, administers loans and grants made from the CWSRF, the DWSRF, the Wastewater Reserve, and the Drinking Water ~~Reserve.~~Reserve and shall administer the award of funds by the State Water Infrastructure Authority from the Community Development Block Grant program to local government units for infrastructure projects."

SECTION 14.13.(c2) G.S. 159G-31 reads as rewritten:

"§ **159G-31. Entities eligible to apply for loan or grant.**

(a) A local government unit or a nonprofit water corporation is eligible to apply for a loan or grant from the CWSRF, the DWSRF, the Wastewater Reserve, or the Drinking Water Reserve. An investor-owned drinking water corporation is also eligible to apply for a loan or grant from the DWSRF. Other entities are not eligible for a loan or grant from these accounts.

(b) Entities eligible in subsection (a) of this section for grants from the Wastewater Reserve and the Drinking Water Reserve may be limited, based on affordability, to a portion of the total construction costs for the project types defined in G.S. 159G-33(a)(2) and G.S. 159G-34(a)(2).

(c) To the extent that funds are available, loans shall be considered for the portion of construction costs not eligible for grant funding."

SECTION 14.13.(d) G.S. 159G-33(a)(4) is recodified as G.S. 159G-33(a)(5).

SECTION 14.13.(e) G.S. 159G-33(a), as amended by subsection (d) of this section, reads as rewritten:

"(a) Types. – The Department is authorized to make the types of loans and grants listed in this subsection from the Wastewater Reserve. Each type of loan or grant must be administered through a separate account within the Wastewater Reserve.

(1) ~~General. –~~ Loan. – A loan ~~or grant~~ is available for a project authorized in G.S. 159G-32(b).

(2) ~~High-unit-cost~~Project grant. – A ~~high-unit-cost~~project grant is available for a portion of the ~~portion of the~~ construction costs of a wastewater collection system ~~project or~~project, a wastewater treatment works ~~project that results in an estimated average household user fee for water and sewer service in the area served by the project that exceeds the high-unit-cost threshold.~~project, or a stormwater quality project as authorized in G.S. 159G-32(b).

(3) ~~Technical assistance~~Merger/regionalization feasibility grant. – A ~~technical assistance~~merger/regionalization feasibility grant is available to determine the ~~best way to correct the deficiencies in a wastewater collection system or wastewater treatment works that either is not in compliance with its permit limits or, as identified in the most recent inspection report by the Department under G.S. 143-215.3, is experiencing operational problems and is at risk of violating its permit limits.~~feasibility of consolidating the management of multiple utilities into a single utility operation or to provide regional treatment and the best way of carrying out the consolidation or regionalization. The Department shall not make a loan or grant under this subdivision for a merger or regionalization proposal that would result in a new surface water transfer regulated under G.S. 143-215.22L.

(4) Asset inventory and assessment grant. – An asset inventory and assessment grant is available to inventory the existing water and/or sewer system and document the condition of the inventoried infrastructure.

(5) Emergency loan. – An emergency loan is available in the event the Secretary certifies that a serious public health hazard related to the inadequacy of an existing wastewater collection system or wastewater treatment works is present or imminent in a community."

SECTION 14.13.(f) G.S. 159G-34(a)(4) is recodified as G.S. 159G-34(a)(5).

SECTION 14.13.(g) G.S. 159G-34(a), as amended by subsection (f) of this section, reads as rewritten:

"(a) Types. – The Department is authorized to make the types of loans and grants listed in this section from the Drinking Water Reserve. Each type of loan or grant must be administered through a separate account within the Drinking Water Reserve.

(1) ~~General. –~~ Loan. – A loan ~~or grant~~ is available for a project for a public water system.

(2) ~~High-unit-cost~~Project grant. – A project grant is available for ~~the~~ a portion of the construction costs of a public water system project ~~that results in an estimated average household user fee for water and sewer service in the area served by the project that exceeds the high-unit-cost threshold.~~as defined in G.S. 159G-32(c).

(3) ~~Technical assistance~~Merger/regionalization feasibility grant. – A ~~technical assistance~~merger/regionalization grant is available to determine the ~~best way to correct the deficiencies in a public water system that does not comply with State law or the rules adopted to implement that law.~~feasibility of consolidating the management of multiple utilities into a single utility operation or to provide regional water supply and the best way of carrying out the consolidation or regionalization. The Department shall not make a loan or grant under this subdivision for a merger or regionalization proposal that would result in a new surface water transfer regulated under G.S. 143-215.22L.

(4) Asset inventory and assessment grant. – An asset inventory and assessment grant is available to inventory the existing water and/or sewer system and document the condition of the inventoried infrastructure.

(5) Emergency loan. – An emergency loan is available to an applicant in the event the Secretary certifies that either a serious public health hazard or a drought emergency related to the water supply system is present or imminent in a community."

SECTION 14.13.(h) G.S. 159G-35 reads as rewritten:

"§ **159G-35. Criteria for loans and grants.**

(a) CWSRF and DWSRF. – Federal law determines the criteria for awarding a loan or grant from the CWSRF or the DWSRF. An award of a loan or grant from one of these accounts must meet the criteria set under federal law. The Department is directed to establish through negotiation with the United States Environmental Protection Agency the criteria for evaluating applications for loans and grants from the CWSRF and the DWSRF and the priority assigned to the criteria. The Department must incorporate the negotiated criteria and priorities in the Capitalization Grant Operating Agreement between the Department and the United States Environmental Protection Agency. The criteria and priorities incorporated in the Agreement apply to a loan or grant from the CWSRF or the DWSRF. The ~~common criteria~~priority considerations in G.S. 159G-23 do not apply to a loan or grant from the CWSRF or the DWSRF.

(b) Reserves. – The ~~common criteria~~priority considerations in G.S. 159G-23 apply to a loan or grant from the Wastewater Reserve or the Drinking Water Reserve. The Department may establish by rule other criteria that apply to a loan or grant from the Wastewater Reserve or the Drinking Water Reserve."

SECTION 14.13.(i) G.S. 159G-36(c) reads as rewritten:

"(c) Reserve Recipient Limit. – The following limits apply to ~~a~~ the loan or grant types made from the Wastewater Reserve or the Drinking Water Reserve to the same local government unit or nonprofit water corporation:

(1) The amount of loans awarded for a fiscal year may not exceed three million dollars ($3,000,000).

(2) The amount of loans awarded for three consecutive fiscal years for targeted interest rate projects may not exceed three million dollars ($3,000,000).

(3) The amount of ~~high unit cost~~project grants awarded for three consecutive fiscal years may not exceed three million dollars ($3,000,000).

(4) The amount of ~~technical assistance~~merger/regionalization feasibility grants awarded for three consecutive fiscal years may not exceed fifty thousand dollars ($50,000).

(5) The amount of asset inventory and assessment grants awarded for three consecutive fiscal years may not exceed one hundred fifty thousand dollars ($150,000)."

SECTION 14.13.(j) The Division of Water Infrastructure of the Department of Environment and Natural Resources shall report to the Environmental Review Commission and the Fiscal Research Division regarding its implementation of the relative affordability of

projects criteria for grants from the Wastewater Reserve or Drinking Water Reserve set forth in G.S. 159G-23(9), as amended by subsection (c) of this section, within 30 days of the adoption of the affordability criteria.

WATER INFRASTRUCTURE STATE MATCH SURPLUS FUNDS

SECTION 14.14. Notwithstanding G.S. 159G-22, funds appropriated in this act to the Division of Water Infrastructure for the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund to provide State matching funds that are in excess of the amount required to draw down the maximum amount of federal capitalization grant funds may be used for State water and wastewater infrastructure grants awarded from the Wastewater Reserve and the Drinking Water Reserve that benefit rural and economically distressed areas of the State.

ENCOURAGE INTERCONNECTION OF PUBLIC WATER SYSTEMS

SECTION 14.14A.(a) G.S. 130A-317 is amended by adding a new subsection to read:

"(g) The Department shall identify systems meeting all of the following criteria:

(1) As constructed or altered, the system appears capable of interconnectivity with another system or systems located within the same river basin, as set out in G.S. 143-215.22.

(2) The system appears to have adequate unallocated capacity to expand.

(3) Interconnectivity would promote public health, protect the environment, or ensure compliance with established drinking water rules.

The Department shall notify the identified systems of the potential for interconnectivity in the future. The systems so notified may discuss options for potential interconnectivity, including joint operations, regionalization, or merger. The Local Government Commission shall be copied on the notice from the Department and shall assist the systems with any questions regarding liabilities of the systems and alterations to the operational structure of the systems."

SECTION 14.14A.(b) The Commission for Public Health may adopt rules to implement G.S. 130A-317, as amended by this section.

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES/CLOSE CERTAIN SPECIAL FUNDS

SECTION 14.16.(a) The Office of State Budget and Management, in conjunction with the Office of the State Controller and the Department of Environment and Natural Resources, shall transfer the unencumbered cash balances in the following funds as of the effective date of this act to the Department's General Fund budget and then close each of these special funds:

(1) Mining Fees (Special Fund Code 24300-2745).

(2) Mining Interest (Special Fund Code 24300-2610).

(3) Storm Water Permits (Special Fund Code 24300-2750).

(4) UST Soil Permitting (Special Fund Code 24300-2391).

SECTION 14.16.(b) G.S. 74-54.1(b) reads as rewritten:

"(b) ~~The Mining Account is established as a nonreverting account within the Department.~~ Fees collected under this section shall be credited to the ~~Mining Account~~ General Fund and shall be applied to the costs of administering this Article."

SECTION 14.16.(c) G.S. 130A-309.17(i) is repealed.

SECTION 14.16.(d) G.S. 143-215.3A(a) reads as rewritten:

"(a) The Water and Air Quality Account is established as an account within the Department. Revenue in the Account shall be applied to the costs of administering the programs for which the fees were collected. Revenue credited to the Account pursuant to G.S. 105-449.43, G.S. 105-449.125, and G.S. 105-449.136 shall be used to administer the air quality program. Any funds credited to the Account from fees collected for laboratory facility

certifications under G.S. 143-215.3(a)(10) that are not expended at the end of each fiscal year for the purposes for which these fees may be used under G.S. 143-215.3(a)(10) shall revert. Any other funds credited to the Account that are not expended at the end of each fiscal year shall not revert. Except for the following fees, all application fees and permit administration fees collected by the State for permits issued under Articles 21, 21A, 21B, and 38 of this Chapter shall be credited to the Account:

(1) Fees collected under Part 2 of Article 21A and credited to the Oil or Other Hazardous Substances Pollution Protection Fund.

(2) Fees credited to the Title V Account.

(3) Repealed by Session Laws 2005-454, s. 7, effective January 1, 2006.

(4) Fees collected under G.S. 143-215.28A.

(5) Fees collected under G.S. 143-215.94C shall be credited to the Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund.

(6) Fees collected under G.S. 143-215.3D for the following permits and certificates shall be credited to the General Fund for use by the Department to administer the program for which the fees were collected:

a. Stormwater permits and certificates of general permit coverage authorized under G.S. 143-214.7.

b. Permits to apply petroleum contaminated soil to land authorized under G.S. 143-215.1."

SECTION 14.16.(e) The transfers in subsection (a) of this section are to offset reductions in General Fund appropriations to the Department of Environment and Natural Resources for the 2015-2016 fiscal year. Fee receipts previously deposited to the funds listed in subsection (a) of this section shall be budgeted to support the programs and functions previously supported by those funds.

PHASEOUT OF NONCOMMERCIAL LEAKING UST FUND

SECTION 14.16A.(a) G.S. 143-215.94B(b) reads as rewritten:

"(b) The Commercial Fund shall be used for the payment of the following costs up to an aggregate maximum of one million dollars ($1,000,000) per occurrence resulting from a discharge or release of a petroleum product from a commercial underground storage tank:

…

(9) If the owner or operator cannot be identified or fails to proceed with the cleanup.

(10) That was taken out of operation prior to 1 January 1974 if, at the time the discharge or release is discovered, neither the owner nor operator owns or leases the lands on which the tank is located.

(11) Where the owner of the commercial underground storage tank is the owner only as a result of owning the land on which the commercial underground storage tank is located, the owner did not know or have reason to know that the underground storage tank was located on the property, and the land was not transferred to the owner to avoid liability for the commercial underground storage tank.

(12) Compensation to third parties for bodily injury and property damage in excess of one hundred thousand dollars ($100,000) per occurrence caused by releases from noncommercial underground storage tanks reported to the Department prior to October 1, 2015, if the claim for compensation is made prior to July 1, 2016."

SECTION 14.16A.(b) G.S. 143-215.94D reads as rewritten:

"§ **143-215.94D. Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund.**

(a) There is established under the control and direction of the Department the Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund. This

Noncommercial Fund shall be a nonreverting revolving fund consisting of any monies appropriated for such purpose by the General Assembly or available to it from grants, or other monies paid to it or recovered on behalf of the Noncommercial Fund.

(b) The Noncommercial Fund shall be used for the payment of the costs set out in subsection (b1) of this section, up to an aggregate maximum of one million dollars ($1,000,000) per occurrence resulting from a discharge or release of a petroleum product reported to the Department prior to October 1, 2015, from:

(1) Noncommercial underground storage tanks if the discharge or release meets the minimum priority criteria for corrective action established by the Department.

~~(2) Commercial underground storage tanks if the owner or operator cannot be identified or fails to proceed with the cleanup.~~

~~(3) Commercial underground storage tanks that were taken out of operation prior to 1 January 1974 if, at the time the discharge or release is discovered, neither the owner or operator owns or leases the lands on which the tank is located.~~

~~(4) Commercial underground storage tanks if the owner of the commercial underground storage tank is the owner only as a result of owning the land on which the commercial underground storage tank is located, the owner did not know or have reason to know that the underground storage tank was located on the property, and the land was not transferred to the owner to avoid liability for the commercial underground storage tank.~~

(b1) The Noncommercial Fund shall be used for the payment of the ~~costs of:~~following costs, provided a claim for compensation is made prior to July 1, 2016:

(1) For releases discovered or reported to the Department prior to August 1, 2013, the cleanup of environmental damage as required by G.S. 143-215.94E(a).

(1a) For releases ~~discovered or~~ reported to the Department on or after ~~August 1, 2013,~~ August 1, 2013, and prior to October 1, 2015, the cleanup of environmental damage as required by G.S.143-215.94E(a) in excess of two thousand dollars ($2,000) or the sum of the following amounts, whichever is less:

a. A deductible of one thousand dollars ($1,000) per occurrence.

b. A co-payment equal to ten percent (10%) of the costs of the cleanup of environmental damage, per occurrence.

~~(2) Compensation to third parties for bodily injury and property damage in excess of one hundred thousand dollars ($100,000) per occurrence.~~

(3) Reimbursing the State for damages or other costs incurred as a result of a loan from the Loan Fund. The per occurrence limit does not apply to reimbursements to the State under this subdivision.

(4) Recordation of residual petroleum as required by G.S. 143B-279.11 if the Noncommercial Fund is responsible for the payment of costs under subdivisions (1) through (3) of this subsection and subsection (b) of this section.

…."

SECTION 14.16A.(c) G.S. 143-215.94N(b) reads as rewritten:

"(b) ~~The~~ Except as otherwise specified in this Part, the provisions of this Part as they relate to costs paid from the Noncommercial Fund apply to discharges or releases without regard to the date discovered or reported; however, reimbursement of costs under G.S. 143-215.94G(d)(1), (2), (3), (3a), and (4) shall be for the full amount of the costs paid for from the Noncommercial Fund and shall not be limited pursuant to G.S. 143-215.94E(b) for discharges or releases from commercial underground storage tanks discovered or reported on or before 30 June 1988."

SECTION 14.16A.(d) G.S. 143-215.94A(6), 143-215.94B(d)(4), 143-215.94D, and 143-215.94N(b) are repealed.

SECTION 14.16A.(e) G.S. 143-215.94E reads as rewritten:

"§ **143-215.94E. Rights and obligations of the owner or operator.**

…

(b1) In the case of a discharge or release from a commercial underground storage tank where the owner and operator cannot be identified or located, or where the owner and operator fail to proceed as required by subsection (a) of this section, the following requirements apply:

(1) ~~if~~ If the current landowner of the land in which the commercial underground storage tank is located notifies the Department in accordance with G.S. 143-215.85 and undertakes to collect and remove the discharge or release and to restore the area affected in accordance with the requirements of this Article and applicable federal and State laws, regulations, and rules, the current landowner may elect to have the Commercial Fund pay or reimburse the current landowner for any costs described in subdivisions (1), (2), (2a), (3), and (4) of G.S. 143-215.94B(b) or G.S. 143-215.94B(b1) that exceed the amounts for which the owner or operator is responsible under that subsection.

a. The current landowner is not eligible for payment or reimbursement until the current landowner has paid the costs described in subdivisions (1), (2), (2a), (3), and (4) of G.S. 143-215.94B(b) or G.S. 143-215.94B(b1) for which the owner or operator is responsible.

b. Eligibility for reimbursement under this subsection may be transferred from a current landowner who has paid the costs described in subdivisions (1), (2), (2a), (3), and (4) of G.S. 143-215.94B(b) or G.S. 143-215.94B(b1) to a subsequent landowner.

The current landowner shall submit documentation of all expenditures as required by G.S. 143-215.94G(b).

(2) The sum of payments from the Commercial Fund and from all other sources shall not exceed one million dollars ($1,000,000) per discharge or release except as provided in G.S. 143-215.94B(b2).

(3) This subsection shall not be construed to require a current landowner to cleanup a discharge or release of petroleum from an underground storage tank for which the current landowner is not otherwise responsible. This subsection does not alter any right, duty, obligation, or liability of a current landowner, former landowner, subsequent landowner, owner, or operator under other provisions of law.

(4) This subsection shall not be construed to limit the authority of the Department to engage in a cleanup under this Article or any other provision of law. In the event that an owner or operator is subsequently identified or located, the Secretary shall seek reimbursement as provided in G.S. 143-215.94G(d). ~~The current landowner shall submit documentation of all expenditures as required by G.S. 143-215.94G(b).~~

~~(c) In the case of a discharge or release from a noncommercial underground storage tank or a commercial underground storage tank eligible for the Noncommercial Fund in accordance with G.S. 143-215.94D(b), where the owner or operator has been identified and has proceeded with the cleanup, the owner or operator may elect to have the Noncommercial Fund pay or reimburse the owner or operator for any costs described in G.S. 143-215.94D(b1) up to a maximum of one million dollars ($1,000,000) per discharge or release.~~

~~(c1) In the case of a discharge or release from a noncommercial underground storage tank where the owner and operator cannot be identified or located, or where the owner and~~

~~operator fail to proceed as required by subsection (a) of this section, if the current landowner of the land in which the noncommercial underground storage tank is located notifies the Department in accordance with G.S. 143-215.85 and undertakes to collect and remove the discharge or release and to restore the area affected in accordance with the requirements of this Article and applicable federal and State laws, regulations, and rules, the current landowner may elect to have the Noncommercial Fund pay or reimburse the current landowner for any costs described in G.S. 143-215.94D(b1). Eligibility for reimbursement under this subsection may be transferred to a subsequent landowner from a current landowner. The sum of payments from the Noncommercial Fund and from all other sources shall not exceed one million dollars ($1,000,000) per discharge or release. This subsection shall not be construed to require a current landowner to clean up a discharge or release of petroleum from an underground storage tank for which the current landowner is not otherwise responsible. This subsection does not alter any right, duty, obligation, or liability of a current landowner, former landowner, subsequent landowner, owner, or operator under other provisions of law. This subsection shall not be construed to limit the authority of the Department to engage in a cleanup under this Article or any other provision of law. The current landowner shall submit documentation of all expenditures as required by G.S. 143-215.94G(b).~~

…

(e1) The Department may contract for any services necessary to evaluate any claim for reimbursement or compensation from ~~either~~ the Commercial ~~Fund or the Noncommercial~~ Fund, may contract for any expert witness or consultant services necessary to defend any decision to pay or deny any claim for reimbursement, and may pay the cost of these services from the fund against which the claim is made; provided that in any fiscal year the Department shall not expend from either fund more than one percent (1%) of the unobligated balance of the fund on 30 June of the previous fiscal year. The cost of contractual services to evaluate a claim or for expert witness or consultant services to defend a decision with respect to a claim shall be included as costs under ~~G.S. 143-215.94B(b), 143-215.94B(b1), and 143-215.94D(b1).~~ G.S. 143-215.94B(b) and G.S. 143-215.94B(b1).

…

(e4) (1) If the owner or operator takes initial steps to collect and remove the discharge or release as required by the Department and completes the initial assessment required to determine degree of risk, the owner or operator shall not be subject to any violation or penalty for any failure to proceed with further assessment or cleanup under G.S. 143-215.84 or this section before the owner or operator is authorized to proceed with further assessment or cleanup as provided in subsection (e5) of this section. The lack of availability of funds in the Commercial Fund ~~or the Noncommercial Fund~~ shall not relieve an owner or operator of responsibility to immediately undertake to collect and remove the discharge or release or to conduct any assessment or cleanup ordered by the Department or be a defense against any violations and penalties issued to the owner or operator for failure to conduct required assessment or cleanup.

(2) The Department shall establish the degree of risk to human health and the environment posed by a discharge or release of petroleum from a commercial underground storage tank and shall determine a schedule for further assessment and cleanup that is based on the degree of risk to human health and the environment posed by the discharge or release and that gives priority to the assessment and cleanup of discharges and releases that pose the greatest risk. If any of the costs of assessment and cleanup of the discharge or release from a commercial underground storage tank are eligible to be paid or reimbursed from the Commercial Fund, the Department shall also consider the availability of funds in the Commercial Fund and the

order in which the discharge or release was reported in determining the schedule.

~~(3) The Department shall establish the degree of risk to human health and the environment posed by a discharge or release of petroleum from a noncommercial underground storage tank and shall determine a schedule for further assessment and cleanup that is based on the degree of risk to human health and the environment posed by the discharge or release and that gives priority to the assessment and cleanup of discharges and releases that pose the greatest risk. If any of the costs of assessment or cleanup of the discharge or release from a noncommercial underground storage tank are eligible to be paid or reimbursed from the Noncommercial Fund, the Department shall also consider the availability of funds in the Noncommercial Fund and the order in which the discharge or release was reported in determining the schedule.~~

(4) The Department may revise the schedules that apply to the assessment and cleanup of any discharge or release at any time based on its reassessment of any of the foregoing factors.

…

(f1) Any person seeking payment or reimbursement from ~~either~~ the Commercial Fund ~~or the Noncommercial Fund~~ shall certify to the Department that the costs to be paid or reimbursed by the Commercial Fund ~~or the Noncommercial Fund~~ are not eligible to be paid or reimbursed by or from any other source, including any contract of insurance. If any cost paid or reimbursed by the Commercial Fund ~~or the Noncommercial Fund~~ is eligible to be paid or reimbursed by or from another source, that cost shall not be paid from, or if paid shall be repaid to, the Commercial ~~Fund or the Noncommercial~~ Fund. As used in this Part, the phrase "any other source including any contract of insurance" does not include self-insurance.

…

(j) An owner, operator, or landowner shall request that the Department determine whether any of the costs of assessment and cleanup of a discharge or release from a petroleum underground storage tank are eligible to be paid or reimbursed from either the Commercial Fund ~~or the Noncommercial Fund~~ within one year after completion of any task that is eligible to be paid or reimbursed under G.S. 143-215.94B(b), 143-215.94B(b1), or 143-215.94D(b1).

(k) An owner, operator, or landowner shall request payment or reimbursement from the Commercial Fund ~~or the Noncommercial Fund~~ for the cost of a task within one year after the completion of the task. The Department shall deny any request for payment or reimbursement of the cost of any task that would otherwise be eligible to be paid or reimbursed if the request is not received within 12 months after the later of the date on which the:

(1) Department determines that the cost is eligible to be paid or reimbursed.

(2) Task is completed."

SECTION 14.16A.(f) G.S. 143-215.94G reads as rewritten:

"§ **143-215.94G. Authority of the Department to engage in cleanups; actions for fund reimbursement.**

(a) The Department may use staff, equipment, or materials under its control or provided by other cooperating federal, State, or local agencies and may contract with any agent or contractor it deems appropriate to investigate a release, to develop and implement a cleanup plan, to provide interim alternative sources of drinking water to third parties, and to pay the initial costs for providing permanent alternative sources of drinking water to third parties, and shall pay the costs resulting ~~from commercial underground storage tanks~~ from the Commercial ~~Fund and shall pay the costs resulting from noncommercial underground storage tanks from the Noncommercial Fund,~~Fund whenever there is a discharge or release of petroleum from any of the following:

(1) A noncommercial underground storage tank.

(2) An underground storage tank whose owner or operator cannot be identified or located.

(3) An underground storage tank whose owner or operator fails to proceed as required by G.S. 143-215.94E(a).

(4) A commercial underground storage tank taken out of operation prior to 1 January 1974 if, when the discharge or release is discovered, neither the owner nor operator owns or leases the land on which the underground storage tank is located.

(a1) Every State agency shall provide to the Department to the maximum extent feasible such staff, equipment, and materials as may be available and useful to the development and implementation of a cleanup program.

(a2) The cost of any action authorized under subsection (a) of this section shall be paid, to the extent funds are available, from the following sources in the order listed:

(1) Any funds to which the State is entitled under any federal program providing for the cleanup of petroleum discharges or releases from underground storage tanks, including, but not limited to, the Leaking Underground Storage Tank Trust Fund established pursuant to 26 U.S.C. § 4081 and 42 U.S.C. § 6991b(h).

(2) The Commercial ~~Fund or the Noncommercial~~ Fund.

(a3) Expired October 1, 2011, pursuant to Session Laws 2001-442, s. 8, as amended by Session Laws 2008-195, s. 11.

(b) Whenever the discharge or release of a petroleum product is from a commercial underground storage tank, the Department may supervise the cleanup of environmental damage required by G.S. 143-215.94E(a). If the owner or operator elects to have the Commercial Fund reimburse or pay for any costs allowed under subsection (b) or (b1) of G.S. 143-215.94B, the Department shall require the owner or operator to submit documentation of all expenditures claimed for the purposes of establishing that the owner or operator has spent the amounts required to be paid by the owner or operator pursuant to and in accordance with G.S. 143-215.94E(b). The Department shall allow credit for all expenditures that the Department determines to be reasonable and necessary. The Department may not pay for any costs for which the Commercial Fund was established until the owner or operator has paid the amounts specified in G.S. 143-215.94E(b).

(c) The Secretary shall keep a record of all expenses incurred for the services of State personnel and for the use of the State's equipment and material.

(d) The Secretary shall seek reimbursement through any legal means available, for:

(1) Any costs not authorized to be paid from ~~either~~ the Commercial ~~or the Noncommercial~~ Fund;

(2) The amounts provided for in G.S. 143-215.94B(b) or G.S. 143-215.94B(b1) required to be paid for by the owner or operator pursuant to G.S. 143-215.94E(b) where the owner or operator of a commercial underground storage tank is later identified or located;

(3) The amounts provided for in G.S. 143-215.94B(b) or G.S. 143-215.94B(b1) required to be paid for by the owner or operator pursuant to G.S. 143-215.94E(b) where the owner or operator of a commercial underground storage tank failed to proceed as required by G.S. 143-215.94E(a);

(3a) The amounts provided for by G.S. 143-215.94B(b)(5) required to be paid by the owner or operator to third parties for the cost of providing interim alternative sources of drinking water to third parties and the initial cost of providing permanent alternative sources of drinking water to third parties;

(4) Any funds due under G.S. 143-215.94E(g); and

(5) Any funds to which the State is entitled under any federal program providing for the cleanup of petroleum discharges or releases from underground storage tanks; [and]

(6) The amounts provided for in G.S. 143-215.94B(b5) and G.S. 143-215.94D(b2).

(e) In the event that a civil action is commenced to secure reimbursement pursuant to subdivisions (1) through (4) of subsection (d) of this section, the Secretary may recover, in addition to any amount due, the costs of the action, including but not limited to reasonable attorney's fees and investigation expenses. Any monies received or recovered as reimbursement shall be paid into the appropriate fund or other source from which the expenditures were made.

~~(f) In the event that a recovery equal to or in excess of the amounts required to be paid for by the owner or operator pursuant to G.S. 143-215.94E(b) is recovered pursuant to subdivisions (2) and (3) of subsection (d) of this section for the costs described in G.S. 143-215.94B(b) or G.S. 143-215.94B(b1), the Department shall transfer funds from the Commercial Fund that would have been paid from the Commercial Fund pursuant to subsection (b) or (b2) of G.S. 143-215.94B if the owner or operator had proceeded with the cleanup, but which were paid from the Noncommercial Fund, into the Noncommercial Fund.~~

(g) If the Department paid or reimbursed costs that are not authorized to be paid or reimbursed under G.S. 143-215.94B or G.S. 143-215.94D as a result of a misrepresentation by an agent who acted on behalf of an owner, operator, or landowner, the Department shall first seek reimbursement, pursuant to subdivision (1) of subsection (d) of this section, from the agent of monies paid to or retained by the agent.

(h) The Department shall take administrative action to recover costs or bring a civil action pursuant to subdivision (1) of subsection (d) of this section to seek reimbursement of costs in accordance with the time limits set out in this subsection.

(1) The Department shall take administrative action to recover costs or bring a civil action to seek reimbursement of costs that are not authorized to be paid from the Commercial Fund under subdivision (1), (2), or (3) of G.S. 143-215.94B(d) ~~or from the Noncommercial Fund under subdivision (1), (2), or (3) of G.S. 143-215.94D(d)~~ within five years after payment.

(2) The Department shall take administrative action to recover costs or bring a civil action to seek reimbursement of costs other than those described in subdivision (1) of this subsection within three years after payment.

(3) Notwithstanding the time limits set out in subdivisions (1) and (2) of this subsection, the Department may take administrative action to recover costs or bring a civil action to seek reimbursement of costs paid as a result of fraud or misrepresentation at any time.

(i) An administrative action or civil action that is not commenced within the time allowed by subsection (h) of this section is barred.

(j) Except with the consent of the claimant, the Department may not withhold payment or reimbursement of costs that are authorized to be paid from the Commercial Fund ~~or the Noncommercial Fund~~ in order to recover any other costs that are in dispute unless the Department is authorized to withhold payment by a final decision of the Commission pursuant to G.S. 150B-36 or an order or final decision of a court."

SECTION 14.16A.(g) G.S. 143-215.94J reads as rewritten:

"§ **143-215.94J. Limitation of liability of the State of North Carolina.**

(a) No claim filed against ~~either~~ the Commercial Fund ~~or the Noncommercial Fund~~ shall be paid except from assets of the respective fund as provided for in this Part or as may otherwise be authorized by law.

(b) This Part shall not be construed to obligate the General Assembly to make any appropriation to implement the provisions of this Part; nor shall it be construed to obligate the Secretary to take any action pursuant to this Part for which funds are not available from appropriations or otherwise.

(c) The Secretary may budget anticipated receipts as needed to implement this Part.

~~(d) Should the Secretary find that the Noncommercial Fund balance is insufficient to satisfy all claims and other obligations of the Noncommercial Fund incurred pursuant to this Part, the Secretary may transfer funds which would otherwise revert to the General Fund to the Noncommercial Fund in order to meet such claims and obligations.~~

(e) If at any time ~~either~~ the fund balance is insufficient to pay all valid claims against it, the claims shall be paid in full in the order in which they are finally determined. The Secretary may retain not more than five hundred thousand dollars ($500,000) in the ~~Noncommercial~~ Commercial Fund as a contingency reserve and not apply the reserve to the claims. The Department may use the contingency reserve to conduct cleanups in accordance with G.S. 143-215.94G when an imminent hazard poses a threat to human health or to significant natural resources."

SECTION 14.16A.(h) G.S. 143-215.94M reads as rewritten:

"§ **143-215.94M. Reports.**

(a) The Secretary shall present an annual report to the Environmental Review Commission, the Fiscal Research Division, the Senate Appropriations Subcommittee on Natural and Economic Resources, and the House Appropriations Subcommittee on Natural and Economic Resources which shall include at least the following:

(1) A list of all discharges or releases of petroleum from underground storage tanks.

~~(2) A list of all cleanups requiring State funding through the Noncommercial Fund and a comprehensive budget to complete such cleanups.~~

(3) A list of all cleanups undertaken by tank owners or operators and the status of these cleanups.

(4) A statement of receipts and disbursements for ~~both~~ the Commercial ~~Fund and the Noncommercial~~ Fund.

(5) A statement of all claims against ~~both~~ the Commercial ~~Fund and the Noncommercial~~ Fund, including claims paid, claims denied, pending claims, anticipated claims, and any other obligations.

(6) The adequacy of ~~both~~ the Commercial Fund ~~and the Noncommercial Fund~~ to carry out the purposes of this Part together with any recommendations as to measures that may be necessary to assure the continued solvency of the Commercial ~~Fund and the Noncommercial~~ Fund.

(7) Repealed by Session Laws 2012-200, s. 23, effective August 1, 2012.

(b) The report required by this section shall be made by the Secretary on or before November 1 of each year."

SECTION 14.16A.(i) Subsections (d) through (h) of this section become effective December 31, 2016. The balance remaining in the Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund and any outstanding requests for payment or reimbursement that have been deemed eligible by the Department prior to that date are transferred to the Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund. The Revisor of Statutes may conform names and titles changed by this section, and may correct statutory references as required by this section, throughout the General Statutes. In making the changes authorized by this section, the Revisor may also adjust subject and verb agreement and the placement of conjunctions. The Revisor is also authorized to change references to both the Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund and the NonCommercial Leaking Petroleum Underground Storage Tank Cleanup Fund to refer only to the Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund.

NONCOMMERCIAL TANKS – ELIMINATE INITIAL ABATEMENT REQUIREMENTS

SECTION 14.16B.(a) Rules. – 15A NCAC 02L .0403 (Rule Application), 15A NCAC 02L .0407 (Reclassification of Risk Levels), and Section .0400 of 15A NCAC 02L

(Risk-Based Assessment and Corrective Action for Petroleum Underground Storage Tanks). – Until the effective date of the revised permanent rules that the Department of Environment and Natural Resources is required to adopt pursuant to subsection (c) of this section, the Department shall implement 15A NCAC 02L .0403 (Rule Application), 15A NCAC 02L .0407 (Reclassification of Risk Levels), and Section .0400 of 15A NCAC 02L (Risk-Based Assessment and Corrective Action for Petroleum Underground Storage Tanks) as provided in subsections (b) and (c) of this section.

SECTION 14.16B.(b) Implementation. – Notwithstanding 15A NCAC 02L .0403 (Rule Application), subsection (d) of 15A NCAC 02L .0407 (Reclassification of Risk Levels), and any other provision of Section .0400 of 15A NCAC 02L (Risk-Based Assessment and Corrective Action for Petroleum Underground Storage Tanks), the Department shall:

(1) Not require a responsible party to take immediate action or initial abatement actions with respect to a discharge or release from a noncommercial underground storage tank until such time as the Department has classified the risk posed by the discharge or release, except for those actions determined by the Department to be necessary to protect public health, safety, and welfare and the environment, and to mitigate any fire, explosion, or vapor hazard.

(2) Notify the responsible party that no cleanup, no further cleanup, or no further action will be required by the Department if the risk posed by a discharge or release from a noncommercial underground storage tank is determined by the Department to be low risk, without requiring soil remediation pursuant to 15A NCAC 02L .0408. The Department may, however, reclassify the risk if it later determines that the discharge or release poses an unacceptable risk or a potentially unacceptable risk to human health or the environment.

SECTION 14.16B.(c) Additional Rule-Making Authority. – The Department of Environment and Natural Resources shall adopt rules to amend 15A NCAC 02L .0403 (Rule Application), subsection (d) of 15A NCAC 02L .0407 (Reclassification of Risk Levels), and any other provision of Section .0400 of 15A NCAC 02L (Risk-Based Assessment and Corrective Action for Petroleum Underground Storage Tanks), consistent with subsection (b) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Department pursuant to this section shall be substantively identical to the provisions of subsection (b) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 14.16B.(d) Effective Date. – Subsection (b) of this section expires on the date that rules adopted pursuant to subsection (c) of this section become effective.

WATER AND WASTEWATER INFRASTRUCTURE GRANTS

SECTION 14.17. Of the funds appropriated in this act to the Department of Environment and Natural Resources for State water and wastewater grants, the sum of five million dollars ($5,000,000) for the 2015-2016 fiscal year shall be used to provide a grant to a municipality located in a development tier two county where the municipality (i) has a population less than 12,000 and (ii) has previously received a loan during the 2013 calendar year under the Drinking Water State Revolving Fund to replace water distribution lines serving 5,000 or fewer customers that have exceeded their useful life as evidenced by tuberculation, breaks, and leaks. These funds supplement funding in the base budget for water and wastewater infrastructure grants.

MILITARY BUFFERS

SECTION 14.18.(a) The funds appropriated in this act to the Clean Water Management Trust Fund for the purpose of military buffers shall only be expended on land that buffers a military facility from incompatible use encroachment.

SECTION 14.18.(b) For purposes of this section, "military facility" means a major military installation or training area identified in the report prepared by the Office of Land & Water Stewardship entitled "North Carolina Military Installation, Training Area, and Mission Protection Land Use Framework: Phase I" (December 2014 version).

ENVIRONMENTAL ASSESSMENT METHODOLOGY

SECTION 14.19. The Department of Environment and Natural Resources shall review and revise its procedures and rate tables for reimbursement of soil assessment activities. These revisions shall permit the use of Ultra Violet Fluorescence (UVF) and other appropriate test methods as alternatives to US EPA Method 8015 for soil assessment and petroleum contamination delineation activities, where the alternative would (i) not violate federal law or regulations, (ii) provide equivalent accuracy and quality of results, and (iii) result in appreciable cost savings. Nothing in this section is intended to forbid the use of US EPA Method 8015 where other methods would not be appropriate under the criteria set forth in this section.

LANDFILL CHANGES

SECTION 14.20.(a) G.S. 130A-294 reads as rewritten:

"§ **130A-294. Solid waste management program.**

(a) The Department is authorized and directed to engage in research, conduct investigations and surveys, make inspections and establish a statewide solid waste management program. In establishing a program, the Department shall have authority to:

…

(4) a. Develop a permit system governing the establishment and operation of solid waste management facilities. A landfill with a disposal area of 1/2 acre or less for the on-site disposal of land clearing and inert debris is exempt from the permit requirement of this section and shall be governed by G.S. 130A-301.1. Demolition debris from the decommissioning of manufacturing buildings, including electric generating stations, that is disposed of on the same site as the decommissioned buildings, is exempt from the permit requirement of this section and rules adopted pursuant to this section and shall be governed by G.S. 130A-301.3. The Department shall not approve an application for a new permit, ~~the renewal of a permit,~~ major permit modification, or a substantial amendment to a permit for a sanitary landfill, excluding demolition landfills as defined in the rules of the Commission, except as provided in subdivisions (3) and (4) of subsection (b1) of this section. No permit shall be granted for a solid waste management facility having discharges that are point sources until the Department has referred the complete plans and specifications to the Commission and has received advice in writing that the plans and specifications are approved in accordance with the provisions of G.S. 143-215.1. In any case where the Department denies a permit for a solid waste management facility, it shall state in writing the reason for denial and shall also state its estimate of the changes in the applicant's proposed activities or plans that will be required for the applicant to obtain a permit.

…

(a2) Permits for sanitary landfills and transfer stations shall be issued for ~~(i) a design and operation phase of five years or (ii) a design and operation phase of 10 years. A permit issued~~

~~for a design and operation phase of 10 years shall be subject to a limited review within five years of the issuance date.~~the life-of-site of the facility unless revoked as otherwise provided under this Article or upon the expiration of any local government franchise required for the facility pursuant to subsection (b1) of this section. For purposes of this section, "life-of-site" means the period from the initial receipt of solid waste at the facility until the Department approves final closure of the facility. Permits issued pursuant to this subsection shall take into account the duration of any permits previously issued for the facility and the remaining capacity at the facility.

(b) The Commission shall adopt and the Department shall enforce rules to implement a comprehensive statewide solid waste management program. The rules shall be consistent with applicable State and federal law; and shall be designed to protect the public health, safety, and welfare; preserve the environment; and provide for the greatest possible conservation of cultural and natural resources. Rules for the establishment, location, operation, maintenance, use, discontinuance, recordation, post-closure care of solid waste management facilities also shall be based upon recognized public health practices and procedures, including applicable epidemiological research and studies; hydrogeological research and studies; sanitary engineering research and studies; and current technological development in equipment and methods. The rules shall not apply to the management of solid waste that is generated by an individual or individual family or household unit on the individual's property and is disposed of on the individual's property.

(b1) (1) For purposes of this subsection and subdivision (4) of subsection (a) of this section, a "substantial amendment" means either:

a. An increase of ten percent (10%) or more in:

1. The population of the geographic area to be served by the sanitary landfill;
2. The quantity of solid waste to be disposed of in the sanitary landfill; or
3. The geographic area to be served by the sanitary landfill.

b. A change in the categories of solid waste to be disposed of in the sanitary landfill or any other change to the application for a permit or to the permit for a sanitary landfill that the Commission or the Department determines to be substantial.

(2) A person who intends to apply for a new permit, ~~the renewal of a permit,~~ major permit modification, or a substantial amendment to a permit for a sanitary landfill shall obtain, prior to applying for a permit, a franchise for the operation of the sanitary landfill from each local government having jurisdiction over any part of the land on which the sanitary landfill and its appurtenances are located or to be located. A local government may adopt a franchise ordinance under G.S. 153A-136 or G.S. 160A-319. A franchise granted for a sanitary landfill shall be granted for the life-of-site of the landfill and shall include all of the following:

a. A statement of the population to be served, including a description of the geographic area.
b. A description of the volume and characteristics of the waste stream.
c. A projection of the useful life of the sanitary landfill.
d. Repealed by Session Laws 2013-409, s. 8, effective August 23, 2013.
e. The procedures to be followed for governmental oversight and regulation of the fees and rates to be charged by facilities subject to the franchise for waste generated in the jurisdiction of the franchising entity.
f. A facility plan for the sanitary landfill that shall include the boundaries of the proposed facility, proposed development of the facility ~~site in five-year operational phases,~~ site, the boundaries of all

waste disposal units, final elevations and capacity of all waste disposal units, the amount of waste to be received per day in tons, the total waste disposal capacity of the sanitary landfill in tons, a description of environmental controls, and a description of any other waste management activities to be conducted at the facility. In addition, the facility plan shall show the proposed location of soil borrow areas, leachate facilities, and all other facilities and infrastructure, including ingress and egress to the facility.

…

(4) An applicant for a new permit, ~~the renewal of a permit,~~ major permit modification, or a substantial amendment to a permit for a sanitary landfill shall request each local government having jurisdiction over any part of the land on which the sanitary landfill and its appurtenances are located or to be located to issue a determination as to whether the local government has in effect a franchise, zoning, subdivision, or land-use planning ordinance applicable to the sanitary landfill and whether the proposed sanitary landfill, or the existing sanitary landfill as it would be operated under the ~~renewed or~~ major permit modification or substantially amended permit, would be consistent with the applicable ordinances. The request to the local government shall be accompanied by a copy of the permit application and shall be delivered to the clerk of the local government personally or by certified mail. In order to serve as a basis for a determination that an application for a new permit, ~~the renewal of a permit,~~ major permit modification, or a substantial amendment to a permit for a sanitary landfill is consistent with a zoning, subdivision, or land-use planning ordinance, an ordinance or zoning classification applicable to the real property designated in the permit application shall have been in effect not less than 90 days prior to the date the request for a determination of consistency is delivered to the clerk of the local government. The determination shall be verified or supported by affidavit signed by the chief administrative officer, the chief administrative officer's designee, clerk, or other official designated by the local government to make the determination and, if the local government states that the sanitary landfill as it would be operated under the ~~new, renewed,~~ new permit, major permit modification, or substantially amended permit is inconsistent with a franchise, zoning, subdivision, or land-use planning ordinance, shall include a copy of the ordinance and the specific reasons for the determination of inconsistency. A copy of the determination shall be provided to the applicant when the determination is submitted to the Department. The Department shall not act upon an application for a permit under this section until it has received a determination from each local government requested to make a determination by the applicant; provided that if a local government fails to submit a determination to the Department as provided by this subsection within 15 days after receipt of the request, the Department shall proceed to consider the permit application without regard to a franchise, local zoning, subdivision, and land-use planning ordinances. Unless the local government makes a subsequent determination of consistency with all ordinances cited in the determination or the sanitary landfill as it would be operated under the ~~new, renewed,~~ new permit, major permit modification, or substantially amended permit is determined by a court of competent jurisdiction to be consistent with the cited ordinances, the Department shall attach as a condition of the permit a requirement that the applicant, prior to construction or operation of the sanitary landfill under the permit, comply with all lawfully adopted local ordinances cited in the

determination that apply to the sanitary landfill. This subsection shall not be construed to affect the validity of any lawfully adopted franchise, local zoning, subdivision, or land-use planning ordinance or to affect the responsibility of any person to comply with any lawfully adopted franchise, local zoning, subdivision, or land-use planning ordinance. This subsection shall not be construed to limit any opportunity a local government may have to comment on a permit application under any other law or rule. This subsection shall not apply to any facility with respect to which local ordinances are subject to review under either G.S. 104E-6.2 or G.S. 130A-293.

(5) As used in this subdivision, "coal-fired generating unit" and "investor-owned public utility" have the same meaning as in G.S. 143-215.107D(a). Notwithstanding subdivisions (a)(4), (b1)(3), or (b1)(4) of this section, no franchise shall be required for a sanitary landfill used only to dispose of waste generated by a coal-fired generating unit that is owned or operated by an investor-owned utility subject to the requirements of G.S. 143-215.107D.

…."

SECTION 14.20.(b) No later than July 1, 2016, the Environmental Management Commission shall adopt rules to allow applicants for permits for sanitary landfills to apply for a permit for the life-of-site of the facility. No later than July 1, 2016, the Commission shall also adopt rules to allow applicants for permits for transfer stations to apply for a permit to construct and operate a transfer station for the life-of-site of the station.

SECTION 14.20.(b1) Nothing in subsections (a) and (b) of this section is intended to diminish or otherwise weaken the authority of the Department of Environment and Natural Resources to inspect, review, fine, or otherwise enforce permit conditions, statutes, or rules applicable to a sanitary landfill or transfer station.

SECTION 14.20.(c) G.S. 130A-295.8 reads as rewritten:

"§ **130A-295.8. Fees applicable to permits for solid waste management facilities.**

(a) The Solid Waste Management Account is established as a nonreverting account within the Department. All fees collected under this section shall be credited to the Account and shall be used to support the solid waste management program established pursuant to G.S. 130A-294.

(b) As used in this section:

(1) "Major permit modification" means an application for any change to the approved engineering plans for a sanitary landfill or transfer station permitted for a 10-year design capacity or for life-of-site under G.S. 130A-294(a2) that does not constitute a "permit amendment," "new permit," or "permit modification."

(1a) "New permit" means any of the following:

a. An application for a permit for a solid waste management facility that has not been previously permitted by the Department. The term includes one site suitability review, the initial permit to construct, and one permit to ~~operate the constructed portion of a phase included in the permit to construct.~~operate.

b. An application that proposes to expand the boundary of a permitted waste management facility for the purpose of expanding the permitted activity.

c. An application that includes a proposed expansion to the boundary of a waste disposal unit within a permitted solid waste management facility.

d. An application for a substantial amendment to a solid waste permit, as defined in G.S. 130A-294.

e. An application for a permit to be issued pursuant to G.S. 130A-294(a2), which is issued for a duration of less than a facility's life-of-site based upon permits previously issued to a facility.

(2) "Permit amendment" means any of the following:

~~a. An application for a permit to construct and one permit to operate for the second and subsequent phases of landfill development described in the approved facility plan for a permitted solid waste management facility.~~

b. An application for the five-year renewal of a permit for a permitted solid waste management facility or for a permit review of a permitted solid waste management facility. This sub-subdivision shall not apply to sanitary landfills or transfer stations.

c. Any application that proposes a change in ownership or corporate structure of a permitted solid waste management facility. This sub-subdivision shall not apply to sanitary landfills or transfer stations.

(3) "Permit modification" means any of the following:

a. An application for any change to the plans approved in a permit for a solid waste management facility that does not constitute a "permit amendment" or a "new permit". This sub-subdivision shall not apply to sanitary landfills or transfer stations.

~~b. A second or subsequent permit to operate for a constructed portion of a phase included in the permit to construct.~~

c. An application for a five-year limited review of a 10-year permit, including review of the operations plan, closure plan, post-closure plan, financial assurance cost estimates, environmental monitoring plans, and any other applicable plans for the facility.

(4) "Ownership modification" means any application that proposes a change in ownership or corporate structure of a permitted sanitary landfill or transfer station.

~~(c) An applicant for a permit shall pay an application fee upon submission of an application according to the following schedule:~~

~~(1) Municipal Solid Waste Landfill accepting less than 100,000 tons/year of solid waste, New Permit (Five-Year) – $25,000.~~

~~(1a) Municipal Solid Waste Landfill accepting less than 100,000 tons/year of solid waste, New Permit (Ten-Year) – $38,500.~~

~~(2) Municipal Solid Waste Landfill accepting less than 100,000 tons/year of solid waste, Amendment (Five-Year) – $15,000.~~

~~(2a) Municipal Solid Waste Landfill accepting less than 100,000 tons/year of solid waste, Amendment (Ten-Year) – $28,500.~~

~~(3) Municipal Solid Waste Landfill accepting less than 100,000 tons/year of solid waste, Modification (Five-Year) – $1,500.~~

~~(3a) Municipal Solid Waste Landfill accepting less than 100,000 tons/year of solid waste, Major Modification (Ten-Year) – $7,500.~~

~~(4) Municipal Solid Waste Landfill accepting 100,000 tons/year or more of solid waste, New Permit (Five-Year) – $50,000.~~

~~(4a) Municipal Solid Waste Landfill accepting 100,000 tons/year or more of solid waste, New Permit (Ten-Year) – $77,000.~~

~~(5) Municipal Solid Waste Landfill accepting 100,000 tons/year or more of solid waste, Amendment (Five-Year) – $30,000.~~

~~(5a) Municipal Solid Waste Landfill accepting 100,000 tons/year or more of solid waste, Amendment (Ten-Year) – $57,000.~~

~~(6) Municipal Solid Waste Landfill accepting 100,000 tons/year or more of solid waste, Modification (Five-Year) – $3,000.~~

~~(6a) Municipal Solid Waste Landfill accepting 100,000 tons/year or more of solid waste, Major Modification (Ten-Year) – $15,000.~~

~~(7) Construction and Demolition Landfill accepting less than 100,000 tons/year of solid waste, New Permit (Five-Year) – $15,000.~~

~~(7a) Construction and Demolition Landfill accepting less than 100,000 tons/year of solid waste, New Permit (Ten-Year) – $22,500.~~

~~(8) Construction and Demolition Landfill accepting less than 100,000 tons/year of solid waste, Amendment (Five-Year) – $9,000.~~

~~(8a) Construction and Demolition Landfill accepting less than 100,000 tons/year of solid waste, Amendment (Ten-Year) – $16,500.~~

~~(9) Construction and Demolition Landfill accepting less than 100,000 tons/year of solid waste, Modification (Five-Year) – $1,500.~~

~~(9a) Construction and Demolition Landfill accepting less than 100,000 tons/year of solid waste, Major Modification (Ten-Year) – $4,500.~~

~~(10) Construction and Demolition Landfill accepting 100,000 tons/year or more of solid waste, New Permit (Five-Year) – $30,000.~~

~~(10a) Construction and Demolition Landfill accepting 100,000 tons/year or more of solid waste, New Permit (Ten-Year) – $46,000.~~

~~(11) Construction and Demolition Landfill accepting 100,000 tons/year or more of solid waste, Amendment (Five-Year) – $18,500.~~

~~(11a) Construction and Demolition Landfill accepting 100,000 tons/year or more of solid waste, Amendment (Ten-Year) – $34,500.~~

~~(12) Construction and Demolition Landfill accepting 100,000 tons/year or more of solid waste, Modification (Five-Year) – $2,500.~~

~~(12a) Construction and Demolition Landfill accepting 100,000 tons/year or more of solid waste, Major Modification (Ten-Year) – $9,250.~~

~~(13) Industrial Landfill accepting less than 100,000 tons/year of solid waste, New Permit (Five-Year) – $15,000.~~

~~(13a) Industrial Landfill accepting less than 100,000 tons/year of solid waste, New Permit (Ten-Year) – $22,500.~~

~~(14) Industrial Landfill accepting less than 100,000 tons/year of solid waste, Amendment (Five-Year) – $9,000.~~

~~(14a) Industrial Landfill accepting less than 100,000 tons/year of solid waste, Amendment (Ten-Year) – $16,500.~~

~~(15) Industrial Landfill accepting less than 100,000 tons/year of solid waste, Modification (Five-Year) – $1,500.~~

~~(15a) Industrial Landfill accepting less than 100,000 tons/year of solid waste, Major Modification (Ten-Year) – $4,500.~~

~~(16) Industrial Landfill accepting 100,000 tons/year or more of solid waste, New Permit (Five-Year) – $30,000.~~

~~(16a) Industrial Landfill accepting 100,000 tons/year or more of solid waste, New Permit (Ten-Year) – $46,000.~~

~~(17) Industrial Landfill accepting 100,000 tons/year or more of solid waste, Amendment (Five-Year) – $18,500.~~

~~(17a) Industrial Landfill accepting 100,000 tons/year or more of solid waste, Amendment (Ten-Year) – $34,500.~~

~~(18) Industrial Landfill accepting 100,000 tons/year or more of solid waste, Modification (Five-Year) – $2,500.~~

~~(18a) Industrial Landfill accepting 100,000 tons/year or more of solid waste, Major Modification (Ten-Year) – $9,250.~~

~~(19) Tire Monofill, New Permit – $1,750.~~

~~(19a) Tire Monofill, New Permit (Ten-Year) – $2,500.~~
~~(20) Tire Monofill, Amendment – $1,250.~~
~~(20A) Tire Monofill, Amendment (Ten-Year) – $2,000.~~
~~(21) Tire Monofill, Modification – $500.~~
~~(21A) Tire Monofill, Major Modification – $625.~~
~~(22) Treatment and Processing, New Permit – $1,750.~~
~~(23) Treatment and Processing, Amendment – $1,250.~~
~~(24) Treatment and Processing, Modification – $500.~~
~~(25) Transfer Station, New Permit (Five-Year) – $5,000.~~
~~(25a) Transfer Station, New Permit (Ten-Year) – $7,500.~~
~~(26) Transfer Station, Amendment (Five-Year) – $3,000.~~
~~(26a) Transfer Station, Amendment (Ten-Year) – $5,500.~~
~~(27) Transfer Station, Modification (Five-Year) – $500.~~
~~(27a) Transfer Station, Major Modification (Ten-Year) – $1,500.~~
~~(28) Incinerator, New Permit – $1,750.~~
~~(29) Incinerator, Amendment – $1,250.~~
~~(30) Incinerator, Modification – $500.~~
~~(31) Large Compost Facility, New Permit – $1,750.~~
~~(32) Large Compost Facility, Amendment – $1,250.~~
~~(33) Large Compost Facility, Modification – $500.~~
~~(34) Land Clearing and Inert, New Permit – $1,000.~~
~~(35) Land Clearing and Inert, Amendment – $500.~~
~~(36) Land Clearing and Inert, Modification – $250.~~

~~(d) A permitted solid waste management facility shall pay an annual permit fee on or before 1 August of each year according to the following schedule:~~

~~(1) Municipal Solid Waste Landfill – $3,500.~~
~~(2) Post-Closure Municipal Solid Waste Landfill – $1,000.~~
~~(3) Construction and Demolition Landfill – $2,750.~~
~~(4) Post-Closure Construction and Demolition Landfill – $500.~~
~~(5) Industrial Landfill – $2,750.~~
~~(6) Post-Closure Industrial Landfill – $500.~~
~~(7) Transfer Station – $750.~~
~~(8) Treatment and Processing Facility – $500.~~
~~(9) Tire Monofill – $500.~~
~~(10) Incinerator – $500.~~
~~(11) Large Compost Facility – $500.~~
~~(12) Land Clearing and Inert Debris Landfill – $500.~~

(d1) A permitted solid waste management facility shall pay an annual permit fee on or before August 1 of each year according to the following schedule:

(1) Municipal Solid Waste Landfill accepting less than 100,000 tons/year of solid waste – $6,125.
(2) Municipal Solid Waste Landfill accepting 100,000 tons/year or more but less than 250,000 tons/year of solid waste – $7,000.
(3) Municipal Solid Waste Landfill accepting 250,000 tons/year or more of solid waste – $8,750.
(4) Post-Closure Municipal Solid Waste Landfill – $1,000.
(5) Construction and Demolition Landfill accepting less than 25,000 tons/year of solid waste – $4,813.
(6) Construction and Demolition Landfill accepting 25,000 tons/year or more of solid waste – $5,500.
(7) Post-Closure Construction and Demolition Landfill – $500.
(8) Industrial Landfill accepting less than 100,000 tons/year of solid waste – $5,500.

(9) Industrial Landfill accepting 100,000 tons/year or more of solid waste – $6,875.
(10) Post-Closure Industrial Landfill – $500.
(11) Transfer Station accepting less than 25,000 tons/year of solid waste – $1,500.
(12) Transfer Station accepting 25,000 tons/year or more of solid waste – $1,875.
(13) Treatment and Processing Facility – $500.
(14) Tire Monofill – $1,000.
(15) Incinerator – $500.
(16) Large Compost Facility – $500.
(17) Land Clearing and Inert Debris Landfill – $500.

(d2) Upon submission of an application for a new permit, an applicant shall pay an application fee in the amount of ten percent (10%) of the annual permit fee imposed for that type of solid waste management facility as identified in subdivisions (1) through (17) of subsection (d1) of this section.

…."

SECTION 14.20.(d) G.S. 130A-295.3 reads as rewritten:

"§ **130A-295.3. Environmental compliance review requirements for applicants and permit holders.**

…

(b) The Department shall conduct an environmental compliance review of each applicant for a new ~~permit, permit renewal,~~ permit and permit amendment under this Article. The environmental compliance review shall evaluate the environmental compliance history of the applicant for a period of five years prior to the date of the application and may cover a longer period at the discretion of the Department. The environmental compliance review of an applicant may include consideration of the environmental compliance history of the parents, subsidiaries, or other affiliates of an applicant or parent that is a business entity, including any business entity or joint venturer with a direct or indirect interest in the applicant, and other facilities owned or operated by any of them. The Department shall determine the scope of the review of the environmental compliance history of the applicant, parents, subsidiaries, or other affiliates of the applicant or parent, including any business entity or joint venturer with a direct or indirect interest in the applicant, and of other facilities owned or operated by any of them. An applicant for a permit shall provide environmental compliance history information for each facility, business entity, joint venture, or other undertaking in which any of the persons listed in this subsection is or has been an owner, operator, officer, director, manager, member, or partner, or in which any of the persons listed in this subsection has had a direct or indirect interest as requested by the Department.

…."

SECTION 14.20.(e) After July 1, 2016, the annual fee due pursuant to G.S. 130A-295.8A(d1), as enacted by Section 14.20(c) of this act, for existing sanitary landfills and transfer stations with a valid permit issued before the date this act becomes effective is equal to the applicable annual fee for the facility as set forth in G.S. 130A-295.8A(d1), as enacted by Section 14.20(c) of this act, less a permittee fee credit. A permittee fee credit exists when the life-of-site permit fee amount is greater than the time-limited permit fee amount. The amount of the permittee fee credit shall be calculated by (i) subtracting the time-limited permit fee amount from the life-of-site permit fee amount due for the same period of time and (ii) multiplying the difference by a fraction, the numerator of which is the number of years remaining in the facility's time-limited permit and the denominator of which is the total number of years covered by the facility's time-limited permit. The amount of the permittee fee credit shall be allocated in equal annual installments over the number of years that constitute the facility's remaining life-of-site, as determined by the Department, unless the Department accelerates, in its sole discretion, the use of the credit over a shorter period of time. For purposes of this subsection, the following definitions apply:

(1) Life-of-site permit fee amount. – The amount equal to the sum of all annual fees that would be due under the fee structure set forth in G.S. 130A-295.8A(d1), as enacted by Section 14.20(c) of this act, during the cycle of the facility's permit in effect on July 1, 2016.

(2) Time-limited permit fee amount. – The amount equal to the sum of the application fee or renewal fee, whichever is applicable, and all annual fees paid or to be paid pursuant to subsections (c) and (d) of G.S. 130A-295.8A, as repealed by Section 14.20(c) of this act, during the cycle of the facility's permit in effect on July 1, 2016.

The Department shall adopt rules to implement this subsection.

SECTION 14.20.(f) This section becomes effective October 1, 2015. G.S. 130A-294(b1)(2), as amended by subsection (a) of this section, applies to franchise agreements executed on or after October 1, 2015. The remainder of G.S. 130A-294, as amended by subsection (a) of this section, and G.S. 130A-295.8, as amended by subsection (c) of this section, apply to (i) existing sanitary landfills and transfer stations, with a valid permit issued before the date this act becomes effective, when that permit is next subject to renewal after July 1, 2016, (ii) new sanitary landfills and transfer stations, for applications submitted on or after July 1, 2016, and (iii) applications for sanitary landfills or transfer stations submitted before July 1, 2015, and pending on the date this act becomes law shall be evaluated by the Department based on the applicable laws that were in effect on July 1, 2015, and the Department shall not delay in processing such permit applications in consideration of changes made by this act, but such landfills and transfer stations shall be eligible for issuance of life-of-site permits pursuant to G.S. 130A-294(a2), as amended by Section 14.20(b) of this act, when that permit is next subject to renewal after July 1, 2016.

ENVIRONMENTAL REVIEW COMMISSION STUDIES

SECTION 14.21.(a) The Environmental Review Commission shall convene a stakeholder working group to study local government authority over solid waste management matters, including (i) the authority to enact ordinances concerning collection and processing of solid waste generated within their jurisdictions, as well as their authority to charge fees for such services; (ii) an examination of costs to local governments for providing solid waste collection and processing services to citizens; (iii) whether efficiencies and cost reductions could be realized through privatization of such services, and what impacts might result from privatization, including any bearing on local government financing of currently sited solid waste management facilities; and (iv) any other issue the Commission deems relevant. In the conduct of this study, the Commission shall consult with representatives of the League of Municipalities, the Association of County Commissioners, the Local Government Commission, faculty from the School of Government at the University of North Carolina at Chapel Hill, as well as private waste management interests, at a minimum. The Division of Waste Management and the Division of Environmental Assistance and Customer Service of the Department of Environment and Natural Resources shall provide any information and personnel requested by the Commission in the conduct of a study required by this section.

SECTION 14.21.(b) The Environmental Review Commission shall study the use of new technologies and strategies, including the use of integrated and mobile aerosolization systems, to dewater leachate and other forms of wastewater for the purpose of reducing the burden and cost of disposal at the site where it is generated. The Commission shall determine the efficiency, cost-effectiveness, and environmental impact of each studied technology and strategy. The Division of Waste Management and the Division of Water Resources of the Department of Environment and Natural Resources shall provide any information and personnel requested by the Commission in the conduct of a study required by this section.

PETITION FOR WETLANDS MITIGATION FLEXIBILITY

SECTION 14.24.(a) No later than January 1, 2016, the Department of Environment and Natural Resources shall petition the Wilmington District, the South Atlantic

Division, and the Headquarters of the United States Army Corps of Engineers (the Corps Offices) to allow for greater flexibility and opportunity to perform wetlands mitigation outside of the eight-digit Hydrologic Unit Code (HUC) where development will occur. The Department shall seek this greater flexibility and opportunity for mitigation for both public and private development. The Department shall request that the Corps Offices review the flexibility and opportunities for mitigation allowed by other Districts of the United States Army Corps of Engineers, both within the South Atlantic District and nationwide.

SECTION 14.24.(b) The Department shall report on its progress in petitioning the Corps Offices as required by subsection (a) of this section to the Environmental Review Commission, the chairs of the Senate Appropriations Committee on Natural and Economic Resources and the House Appropriations Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division no later than March 1, 2016.

REFORM CIVIL PENALTIES UNDER THE SEDIMENTATION POLLUTION CONTROL ACT

SECTION 14.26.(a) G.S. 113A-54 is amended by adding a new subsection to read:

"(g) The Commission is authorized to make the final decision on a request for the remission of a civil penalty under G.S. 113A-64.2."

SECTION 14.26.(b) G.S. 113A-64(a) reads as rewritten:

"(a) Civil Penalties. –

(1) Any person who violates any of the provisions of this Article or any ordinance, rule, or order adopted or issued pursuant to this Article by the Commission or by a local government, or who initiates or continues a land-disturbing activity for which an erosion and sedimentation control plan is required except in accordance with the terms, conditions, and provisions of an approved plan, is subject to a civil penalty. The maximum civil penalty for a violation is five thousand dollars ($5,000). A civil penalty may be assessed from the date of the violation. Each day of a continuing violation shall constitute a separate violation. When the person has not been assessed any civil penalty under this subsection for any previous violation and that person abated continuing environmental damage resulting from the violation within 180 days from the date of the notice of violation, the maximum cumulative total civil penalty assessed under this subsection for all violations associated with the land-disturbing activity for which the erosion and sedimentation control plan is required is twenty-five thousand dollars ($25,000).

(2) The Secretary or a local government that administers an erosion and sedimentation control program approved under G.S. 113A-60 shall determine the amount of the civil penalty and shall notify the person who is assessed the civil penalty of the amount of the ~~penalty and~~penalty, the reason for assessing the ~~penalty.~~penalty, the option available to that person to request a remission of the civil penalty under G.S. 113A-64.2, the date of the deadline for that person to make the remission request regarding this particular penalty, and, when that person has not been assessed any civil penalty under this section for any previous violation, the date of the deadline for that person to abate continuing environmental damage resulting from the violation in order to be subject to the maximum cumulative total civil penalty under subdivision (1) of this subsection. The notice of assessment shall be served by any means authorized under G.S. 1A-1, Rule 4, and shall direct the violator to either pay the assessment or contest the assessment within 30 days by filing a petition for a contested case under Article 3 of Chapter 150B of the General Statutes. If a violator does not pay a civil penalty assessed by the Secretary within 30 days after it is due, the

Department shall request the Attorney General to institute a civil action to recover the amount of the assessment. If a violator does not pay a civil penalty assessed by a local government within 30 days after it is due, the local government may institute a civil action to recover the amount of the assessment. The civil action may be brought in the superior court of any county where the violation occurred or the violator's residence or principal place of business is located. A civil action must be filed within three years of the date the assessment was due. An assessment that is not contested is due when the violator is served with a notice of assessment. An assessment that is contested is due at the conclusion of the administrative and judicial review of the assessment.

…."

SECTION 14.26.(c) Article 4 of Chapter 113A of the General Statutes is amended by adding a new section to read:

"**§ 113A-64.2. Remission of civil penalties.**

(a) A request for remission of a civil penalty imposed under G.S. 113A-64 may be filed with the Commission within 60 days of receipt of the notice of assessment. A remission request must be accompanied by a waiver of the right to a contested case hearing pursuant to Chapter 150B of the General Statutes and a stipulation of the facts on which the assessment was based.

(b) The following factors shall be considered in determining whether a civil penalty remission request will be approved:

(1) Whether one or more of the civil penalty assessment factors in G.S. 113A-64(a)(3) were wrongly applied to the detriment of the petitioner.

(2) Whether the petitioner promptly abated continuing environmental damage resulting from the violation.

(3) Whether the violation was inadvertent or a result of an accident.

(4) Whether the petitioner had been assessed civil penalties for any previous violations.

(5) Whether payment of the civil penalty will prevent payment for necessary remedial actions or would otherwise create a significant financial hardship.

(6) The assessed property tax valuation of the petitioner's property upon which the violation occurred, excluding the value of any structures located on the property.

(c) The petitioner has the burden of providing information concerning the financial impact of a civil penalty on the petitioner and the burden of showing the petitioner's financial hardship.

(d) The Commission may remit the entire amount of the penalty only when the petitioner has not been assessed civil penalties for previous violations and payment of the civil penalty will prevent payment for necessary remedial actions.

(e) The Commission may not impose a penalty under this section that is in excess of the civil penalty imposed by the Department."

SECTION 14.26.(d) G.S. 113A-61.1(c) reads as rewritten:

"(c) If the Secretary, a local government that administers an erosion and sedimentation control program approved under G.S. 113A-60, or other approving authority determines that the person engaged in the land-disturbing activity has failed to comply with this Article, the Secretary, local government, or other approving authority shall immediately serve a notice of violation upon that person. The notice may be served by any means authorized under G.S. 1A-1, Rule 4. A notice of violation shall specify a date by which the person must comply with this Article and inform the person of the actions that need to be taken to comply with this Article. Any person who fails to comply within the time specified is subject to additional civil and criminal penalties for a continuing violation as provided in G.S. 113A-64. If the person engaged in the land-disturbing activity has not received a previous notice of violation under this section, the Department, local government, or other approving authority shall deliver the notice

of violation in person and shall offer assistance in developing corrective measures. Assistance may be provided by referral to a technical assistance program in the Department, referral to a cooperative extension program, or by the provision of written materials such as Department guidance documents. If the Department, local government, or other approving authority is unable to deliver the notice of violation in person within 15 days following discovery of the violation, the notice of violation may be served in the manner prescribed for service of process by G.S. 1A-1, Rule 4, and shall include information on how to obtain assistance in developing corrective measures."

SECTION 14.26.(e) This section is effective when this act becomes law and applies to civil penalties assessed and notices of violation issued on or after that date.

ENERGY CENTERS

SECTION 14.27. Of the funds appropriated in this act for University energy centers, the sum of two hundred fifty-three thousand four hundred sixty-five dollars ($253,465) shall be allocated to the energy center at Appalachian State University, the sum of four hundred three thousand four hundred sixty-eight dollars ($403,468) shall be allocated to the energy center at North Carolina Agricultural and Technical University, and the sum of four hundred thousand dollars ($400,000) shall be allocated to the energy center at North Carolina State University. The center at North Carolina Agricultural and Technical University shall prioritize the use of these funds for (i) study of the beneficial reuse of coal combustion residuals and (ii) the preparation and prosecution of a patent application covering any reuse technology developed at the center.

ENERGY EXPLORATION FUNDS

SECTION 14.28. The funds appropriated by this act to the Department of Environment and Natural Resources for energy exploration shall be used at the discretion of the Secretary, in consultation with the State Geologist, for any of the following purposes:

(1) The leveraging of private funds as part of an energy exploration consortium.
(2) The drilling of vertical geological test holes in any shale-bearing basin with the potential for commercial natural gas production and for support of any relevant geological analyses required to examine the basins, cores, or boreholes or in order to evaluate natural gas potential.
(3) The analysis of preexisting cores and assessment of existing or necessary infrastructure for natural gas production and development.

OYSTER RESEARCH REPORTING

SECTION 14.29A. The Division of Marine Fisheries and the University of North Carolina at Wilmington shall annually report no later than March 1 to the chairs of the Senate and the House of Representatives appropriations committees with jurisdiction over natural and economic resources and the Fiscal Research Division regarding the funding for oyster research and restoration activities provided by this act. The report shall include detail regarding the use of the funds, including activities completed and additional personnel supported by the funds.

CONSOLIDATE ALL STATE ATTRACTIONS WITHIN DEPARTMENT OF CULTURAL RESOURCES TO CREATE THE DEPARTMENT OF NATURAL AND CULTURAL RESOURCES

SECTION 14.30.(a) The Department of Cultural Resources is renamed the Department of Natural and Cultural Resources, and all functions, powers, duties, and obligations vested in the following programs, divisions, and entities within the Department of Environment and Natural Resources are transferred to, vested in, and consolidated within the Department of Natural and Cultural Resources by a Type I transfer, as defined in G.S. 143A-6:

(1) The Division of Parks and Recreation.
(2) The State Parks System, including Mount Mitchell State Park.
(3) The North Carolina Aquariums Division.
(4) The North Carolina Zoological Park.

(5) The Museum of Natural Sciences.
(6) Clean Water Management Trust Fund.
(7) The Natural Heritage Program, within the Office of Land and Water Stewardship.

SECTION 14.30.(b) All functions, powers, duties, and obligations vested in the following commissions, boards, councils, and committees within the Department of Environment and Natural Resources are transferred to, vested in, and consolidated within the Department of Natural and Cultural Resources by a Type II transfer, as defined in G.S. 143A-6:

(1) North Carolina Parks and Recreation Authority.
(2) North Carolina Trails Committee.
(3) North Carolina Zoological Park Council.
(4) Advisory Commission for North Carolina State Museum of Natural Sciences.
(5) Clean Water Management Trust Fund Board of Trustees.

SECTION 14.30.(c) The Department of Environment and Natural Resources is renamed the Department of Environmental Quality. All references to the Department of Environment and Natural Resources or the Department of Cultural Resources in acts of the 2015 General Assembly taking effect on or after the effective date of this section and in the Committee Report described in Section 33.2 of this act shall be construed to refer to the Department of Environmental Quality or the Department of Natural and Cultural Resources, respectively. References to duties or requirements of the Department of Environment and Natural Resources with respect to entities transferred under subsections (a) and (b) of this section shall be construed as duties or requirements of the Department of Natural and Cultural Resources as reorganized by this section.

RECODIFICATION OF AFFECTED STATUTES

SECTION 14.30.(d) The following apply to any recodification pursuant to subsections (e) through (k) of this section:

(1) The recodifications are of the affected statutes as rewritten by subsections (l) through (r) of this section, as applicable.
(2) Prior session laws that required the Revisor of Statutes to set out certain provisions as notes to the former statutes shall be set out as notes to the recodified statutes.

SECTION 14.30.(e) Subchapter II of Chapter 113 of the General Statutes, consisting of Article 2 and Article 2C, and G.S. 113-23 are recodified as Parts 31 and 32 of Article 2 of Chapter 143B of the General Statutes as set forth in the table below:

Former Citation	Recodified Citation
Article 2:	Part 31:
G.S. 113-29	G.S. 143B-135.10
G.S. 113-34	G.S. 143B-135.12
G.S. 113-34.1	G.S. 143B-135.14
G.S. 113-35	G.S. 143B-135.16
G.S. 113-37	G.S. 143B-135.18
G.S. 113-39	G.S. 143B-135.20
G.S. 113-40	G.S. 143B-135.22
G.S. 113-41	G.S. 143B-135.24
G.S. 113-42	G.S. 143B-135.26
G.S. 113-43	G.S. 143B-135.28
G.S. 113-44	G.S. 143B-135.30
Article 2C:	Part 32:
G.S. 113-44.7	G.S. 143B-135.40
G.S. 113-44.8	G.S. 143B-135.42
G.S. 113-23	G.S. 143B-135.43

G.S. 113-44.9	G.S. 143B-135.44
G.S. 113-44.10	G.S. 143B-135.46
G.S. 113-44.11	G.S. 143B-135.48
G.S. 113-44.12	G.S. 143B-135.50
G.S. 113-44.13	G.S. 143B-135.52
G.S. 113-44.14	G.S. 143B-135.54
G.S. 113-44.15	G.S. 143B-135.56

SECTION 14.30.(f) Articles 5 and 6 of Chapter 113A of the General Statutes and Part 21 of Article 7 of Chapter 143B of the General Statutes and Article 3 of Chapter 113A of the General Statutes are recodified as Parts 33, 34, 35, and 36 of Article 2 of Chapter 143B of the General Statutes as set forth in the table below:

Former Citation	Recodified Citation
Article 5:	Part 33:
G.S. 113A-72	G.S. 143B-135.70
G.S. 113A-73	G.S. 143B-135.72
G.S. 113A-74	G.S. 143B-135.74
G.S. 113A-75	G.S. 143B-135.76
G.S. 113A-76	G.S. 143B-135.78
G.S. 113A-77	G.S. 143B-135.80
Article 6:	Part 34:
G.S. 113A-83	G.S. 143B-135.90
G.S. 113A-84	G.S. 143B-135.92
G.S. 113A-85	G.S. 143B-135.94
G.S. 113A-86	G.S. 143B-135.96
G.S. 113A-87	G.S. 143B-135.98
G.S. 113A-87.1	G.S. 143B-135.100
G.S. 113A-88	G.S. 143B-135.102
G.S. 113A-89	G.S. 143B-135.104
G.S. 113A-90	G.S. 143B-135.106
G.S. 113A-91	G.S. 143B-135.108
G.S. 113A-92	G.S. 143B-135.110
G.S. 113A-92.1	G.S. 143B-135.112
G.S. 113A-93	G.S. 143B-135.114
G.S. 113A-94	G.S. 143B-135.116
G.S. 113A-95	G.S. 143B-135.118
Part 21:	Part 35:
G.S. 143B-333	G.S. 143B-135.130
G.S. 143B-334	G.S. 143B-135.132
Article 3:	Part 36:
G.S. 113A-30	G.S. 143B-135.140
G.S. 113A-31	G.S. 143B-135.142
G.S. 113A-32	G.S. 143B-135.144
G.S. 113A-33	G.S. 143B-135.146
G.S. 113A-34	G.S. 143B-135.148
G.S. 113A-35	G.S. 143B-135.150
G.S. 113A-35.1	G.S. 143B-135.152
G.S. 113A-35.2	G.S. 143B-135.154
G.S. 113A-36	G.S. 143B-135.156
G.S. 113A-37	G.S. 143B-135.158
G.S. 113A-38	G.S. 143B-135.160
G.S. 113A-39	G.S. 143B-135.162
G.S. 113A-40	G.S. 143B-135.164
G.S. 113A-41	G.S. 143B-135.166

G.S. 113A-42	G.S. 143B-135.168
G.S. 113A-43	G.S. 143B-135.170
G.S. 113A-44	G.S. 143B-135.172

SECTION 14.30.(g) Part 5C of Article 7 of Chapter 143B of the General Statutes is recodified as Part 37 of Article 2 of Chapter 143B of the General Statutes as set forth in the table below:

Former Citation	Recodified Citation
Part 5C:	Part 37:
G.S. 143B-289.40	G.S. 143B-135.180
G.S. 143B-289.41	G.S. 143B-135.182
G.S. 143B-289.42	G.S. 143B-135.184
G.S. 143B-289.43	G.S. 143B-135.186
G.S. 143B-289.44	G.S. 143B-135.188
G.S. 143B-289.45	G.S. 143B-135.190

SECTION 14.30.(h) Part 13A of Article 7 of Chapter 143B of the General Statutes is recodified as Part 38 of Article 2 of Chapter 143B of the General Statutes as set forth in the table below:

Former Citation	Recodified Citation
Part 13A:	Part 38:
G.S. 143B-313.1	G.S. 143B-135.200
G.S. 143B-313.2	G.S. 143B-135.202

SECTION 14.30.(i) Part 22 of Article 7 of Chapter 143B of the General Statutes is recodified as Part 39 of Article 2 of Chapter 143B of the General Statutes as set forth in the table below:

Former Citation	Recodified Citation
Part 22:	Part 39:
G.S. 143B-335	G.S. 143B-135.205
G.S. 143B-336	G.S. 143B-135.207
G.S. 143B-336.1	G.S. 143B-135.209

SECTION 14.30.(j) Article 14 of Chapter 143 of the General Statutes, consisting of G.S. 143-177 through G.S. 143-177.3, is recodified into Part 39 of Article 2 of Chapter 143B as set forth in the table below:

Former Citation	Recodified Citation
G.S. 143-177	G.S. 143B-135.210
G.S. 143-177.1	G.S. 143B-135.211
G.S. 143-177.2	G.S. 143B-135.212
G.S. 143-177.3	G.S. 143B-135.213

SECTION 14.30.(k) Part 29 of Article 7 of Chapter 143B of the General Statutes is recodified as Part 40 of Article 2 of Chapter 143B of the General Statutes as set forth in the table below:

Former Citation	Recodified Citation
Part 29:	Part 40:
G.S. 143B-344.18	G.S. 143B-135.215
G.S. 143B-344.19	G.S. 143B-135.217
G.S. 143B-344.20	G.S. 143B-135.219
G.S. 143B-344.21	G.S. 143B-135.221
G.S. 143B-344.22	G.S. 143B-135.223
G.S. 143B-344.23	G.S. 143B-135.229

SECTION 14.30.(k1) Article 18 of Chapter 113A of the General Statutes is recodified as Part 41 of Article 2 of Chapter 143B of the General Statutes as set forth in the table below:

Former Citation	Recodified Citation
Article 18:	Part 41:

G.S. 113A-251	G.S. 143B-135.230
G.S. 113A-252	G.S. 143B-135.232
G.S. 113A-253	G.S. 143B-135.234
G.S. 113A-253.2	G.S. 143B-135.236
G.S. 113A-254	G.S. 143B-135.238
G.S. 113A-255	G.S. 143B-135.240
G.S. 113A-256	G.S. 143B-135.242
G.S. 113A-257	G.S. 143B-135.244
G.S. 113A-258	G.S. 143B-135.246
G.S. 113A-259	G.S. 143B-135.248

SECTION 14.30.(k2) Article 9A of Chapter 113A of the General Statutes is recodified as Part 42 of Article 2 of Chapter 143B of the General Statutes as set forth in the table below:

Former Citation	Recodified Citation
Article 9A:	Part 42:
G.S. 113A-164.1	G.S. 143B-135.250
G.S. 113A-164.2	G.S. 143B-135.252
G.S. 113A-164.3	G.S. 143B-135.254
G.S. 113A-164.4	G.S. 143B-135.256
G.S. 113A-164.5	G.S. 143B-135.258
G.S. 113A-164.6	G.S. 143B-135.260
G.S. 113A-164.7	G.S. 143B-135.262
G.S. 113A-164.8	G.S. 143B-135.264
G.S. 113A-164.9	G.S. 143B-135.266
G.S. 113A-164.10	G.S. 143B-135.268
G.S. 113A-164.11	G.S. 143B-135.270
G.S. 113A-164.12	G.S. 143B-135.272

REVISIONS OF RECODIFIED STATUTES

SECTION 14.30.(l) Parts 31 and 32 of Article 2 of Chapter 143B of the General Statutes, as recodified by subsection (e) of this section, reads as rewritten:

"Part 31. Acquisition and Control of State Parks.

"§ **143B-135.10. Definitions.**

~~(a)~~ In this ~~Article,~~ Part, unless the context requires otherwise, "Department" means the Department of ~~Environment and Natural Resources;~~ Natural and Cultural Resources, and "Secretary" means the Secretary of ~~Environment and Natural Resources.~~Natural and Cultural Resources.

~~(b) Repealed by Session Laws 2011-145, s. 13.25(n), effective July 1, 2011.~~"

…

"§ **143B-135.14. Power to acquire conservation lands not included in the State Parks System.**

The Department of Administration may acquire and allocate to the Department of ~~Environment and Natural Resources~~ Natural and Cultural Resources for management by the Division of Parks and Recreation lands that the Department of ~~Environment and Natural Resources~~ Natural and Cultural Resources finds are important for conservation purposes but which are not included in the State Parks System. Lands acquired pursuant to this section are not subject to ~~Article 2C of Chapter 113~~ Part 32 of Article 2 of Chapter 143B of the General Statutes and may be traded or transferred as necessary to protect, develop, and manage the Mountains to Sea State Park Trail, other State parks, or other conservation lands. This section does not expand the power granted to the Department of ~~Environment and Natural Resources~~ Natural and Cultural Resources under ~~G.S. 113-34(a)~~ G.S. 143B-135.12(a) to acquire land by condemnation.

"§ **143B-135.16. Control over State parks; operation of public service facilities; concessions to private concerns; authority to charge fees and adopt rules.**

(a) The Department shall make reasonable rules governing the use by the public of State parks and State lakes under its charge. These rules shall be posted in conspicuous places on and adjacent to the properties of the State and at the courthouse of the county or counties in which the properties are located. A violation of these rules is punishable as a Class 3 misdemeanor.

~~(a1)~~(b) The Department may adopt rules under which the Secretary may issue a special-use permit authorizing the use of pyrotechnics in State parks in connection with public exhibitions. The rules shall require that experts supervise the use of pyrotechnics and that written authorization for the use of pyrotechnics be obtained from the board of commissioners of the county in which the pyrotechnics are to be used, as provided in G.S. 14-410. The Secretary may impose any conditions on a permit that the Secretary determines to be necessary to protect public health, safety, and welfare. These conditions shall include a requirement that the permittee execute an indemnification agreement with the Department and obtain general liability insurance covering personal injury and property damage that may result from the use of pyrotechnics with policy limits determined by the Secretary.

~~(b)~~(c) The Department may construct, operate, and maintain within the State parks, State lakes, and other areas under its charge suitable public service facilities and conveniences, and may charge and collect reasonable fees for the use of these facilities and conveniences. The Department may also charge and collect reasonable fees for each of the following:

(1) The erection, maintenance, and use of docks, piers, and any other structures permitted in or on State lakes under rules adopted by the Department.

(2) Fishing privileges in State parks and State lakes, provided that these privileges shall be extended only to holders of State hunting and fishing licenses who comply with all State game and fish laws.

(3) Vehicle access for off-road driving at the beach at Fort Fisher State Recreation Area.

(4) The erection, maintenance, and use of a marina at Carolina Beach.

~~(b1)~~(d) Members of the public who pay a fee under subsection ~~(b)~~ (c) of this section for access to Fort Fisher State Recreation Area may have 24-hour access to Fort Fisher State Recreation Area from September 15 through March 15 of each year.

~~(c)~~(e) The Department may make reasonable rules for the operation and use of boats or other craft on the surface of the waters under its charge. The Department may charge and collect reasonable fees for the use of boats and other watercraft that are purchased and maintained by the Department; however, the Department shall not charge a fee for the use or operation of any other boat or watercraft on these waters.

~~(d)~~(f) The Department may grant to private individuals or companies concessions for operation of public service facilities for such periods and upon such conditions as the Department deems to be in the public interest. The Department may adopt reasonable rules for the regulation of the use by the public of the lands and waters under its charge and of the public service facilities and conveniences authorized under this section. A violation of these rules is punishable as a Class 3 misdemeanor.

~~(d1)~~(g) The Department shall ~~implement the following recommendations:~~ validate no less frequently than every five years the number of visitors per car used in the calculation of visitor counts at State Parks.

~~(e)~~(h) The authority granted to the Department under this section is in addition to any authority granted to the Department under any other provision of law.

"§ **143B-135.18. Legislative authority necessary for payment.**

Nothing in this ~~Article~~ Part shall operate or be construed as authority for the payment of any money out of the State treasury for the purchase of lands or for other purposes unless by appropriation for said purpose by the General Assembly.

…

"Part 32. State Parks Act.

"§ **143B-135.40. Short title.**

This ~~Article~~ Part shall be known as the State Parks Act.

"§ **143B-135.42. Declaration of policy and purpose.**

(a) The State of North Carolina offers unique archaeologic, geologic, biological, scenic, and recreational resources. These resources are part of the heritage of the people of this State. The heritage of a people should be preserved and managed by the people for their use and for the use of their visitors and descendants.

(b) The General Assembly finds it appropriate to establish the State Parks System. This system shall consist of parks which include representative examples of the resources sought to be preserved by this ~~Article,~~ Part, together with such surrounding lands as may be appropriate. Park lands are to be used by the people of this State and their visitors in order to promote understanding of and pride in the natural heritage of this State.

(c) The tax dollars of the people of the State should be expended in an efficient and effective manner for the purpose of assuring that the State Parks System is adequate to accomplish the goals as defined in this ~~Article.~~Part.

(d) The purpose of this ~~Article~~ Part is to establish methods and principles for the planned acquisition, development, and operation of State parks.

…

"§ **143B-135.44. Definitions.**

As used in this ~~Article,~~ Part, unless the context requires otherwise:

(1) "Department" means the Department of ~~Environment and~~ Natural and Cultural Resources.

(2) "Park" means any tract of land or body of water comprising part of the State Parks System under this ~~Article,~~ Part, including existing State parks, State natural areas, State recreation areas, State trails, State rivers, and State lakes.

(3) "Plan" means State Parks System Plan.

(4) "Secretary" means the Secretary of ~~Environment and~~ Natural and Cultural Resources.

(5) "State Parks System" or "system" mean all those lands and waters which comprise the parks system of the State as established under this ~~Article.~~Part.

"§ **143B-135.46. Powers of the Secretary.**

The Secretary shall implement the provisions of this ~~Article~~ Part and shall be responsible for the administration of the State Parks System.

"§ **143B-135.48. Preparation of a System Plan.**

(a) The Secretary shall prepare and adopt a State Parks System Plan by December 31, 1988. The Plan, at a minimum, shall:

(1) Outline a method whereby the mission and purposes of the State Parks System as defined in ~~G.S. 113-44.8~~ G.S. 143B-135.42 can be achieved in a reasonable, timely, and cost-effective manner;

(2) Evaluate existing parks against these standards to determine their statewide significance;

(3) Identify duplications and deficiencies in the current State Parks System and make recommendations for correction;

(4) Describe the resources of the existing State Parks System and their current uses, identify conflicts created by those uses, and propose solutions to them; and

(5) Describe anticipated trends in usage of the State Parks System, detail what impacts these trends may have on the State Parks System, and recommend means and methods to accommodate those trends successfully.

(b) The Plan shall be developed with full public participation, including a series of public meetings held on adequate notice under rules which shall be adopted by the Secretary.

The purpose of the public meetings and other public participation shall be to obtain from the public:

(1) Views and information on the needs of the public for recreational resources in the State Parks System;

(2) Views and information on the manner in which these needs should be addressed;

(3) Review of the draft plan prepared by the Secretary before he adopts the Plan.

(c) The Secretary shall revise the Plan at intervals not exceeding five years. Revisions to the Plan shall be made consistent with and under the rules providing public participation in adoption of the Plan.

(d) No later than October 1 of each year, the Department shall submit electronically the State Parks System Plan to the Environmental Review Commission, the Senate and the House of Representatives ~~Appropriations Subcommittees on Natural and Economic Resources,~~ appropriations committees with jurisdiction over natural and cultural resources, and the Fiscal Research Division. Concurrently, the Department shall submit a summary of each change to the Plan that was made during the previous fiscal year.

"§ **143B-135.50. Classification of parks resources.**

After adopting the Plan, the Secretary shall identify and classify the major resources of each of the parks in the State Parks System, in order to establish the major purpose or purposes of each of the parks, consistent with the Plan and the purposes of this ~~Article.~~Part.

"§ **143B-135.52. General management plans.**

Every park classified pursuant to ~~G.S. 113-44.12~~ G.S. 143B-135.50 shall have a general management plan. The plan shall include a statement of purpose for the park based upon its relationship to the System Plan and its classification. An analysis of the major resources and facilities on hand to achieve those purposes shall be completed along with a statement of management direction. The general management plan shall be revised as necessary to comply with the System Plan and to achieve the purposes of this ~~Article.~~Part.

"§ **143B-135.54. Additions to and deletions from the State Parks System.**

(a) If, in the course of implementing ~~G.S. 113-44.12~~ G.S. 143B-135.50 the Secretary determines that the major purposes of a park are not consistent with the purposes of this ~~Article~~ Part and the Plan, the Secretary may propose to the General Assembly the deletion of that park from the State Parks System. On a majority vote of each house of the General Assembly, the General Assembly may remove the park from the State Parks System. No other agency or governmental body of the State shall have the power to remove a park or any part from the State Parks System.

(b) New parks shall be added to the State Parks System by the Department after authorization by the General Assembly. Each additional park shall be authorized only by an act of the General Assembly. Additions shall be consistent with and shall address the needs of the State Parks System as described in the Plan. All additions shall be accompanied by adequate authorization and appropriations for land acquisition, development, and operations.

"§ **143B-135.56. Parks and Recreation Trust Fund.**

…

(c) Reports. – The North Carolina Parks and Recreation Authority shall report no later than October 1 of each year to the Joint Legislative Commission on Governmental Operations, the House and Senate Appropriations Subcommittees on Natural and Economic Resources, the Fiscal Research Division, and the Environmental Review Commission on allocations from the Trust Fund from the prior fiscal year. For funds allocated from the Trust Fund under ~~subdivision~~ subsection (b1) of this section, this report shall include the operating expenses determined under subdivisions (1) and (2) of subsection (b3) of this section.

…."

SECTION 14.30.(m) Parts 33 through 36 of Article 2 of Chapter 143B of the General Statutes, as recodified by subsection (f) of this section, read as rewritten:

"Part 33. North Carolina Appalachian Trails System Act.

"§ **143B-135.70. Short title.**

This ~~Article~~ Part may be cited as the North Carolina Appalachian Trails System Act.

"§ **143B-135.72. Policy and purpose.**

(a) In order to provide for the ever-increasing outdoor recreation needs of an expanded population and in order to promote public access to, travel within, and enjoyment and appreciation of the open-air, outdoor areas of the State, the Appalachian Trail should be protected in North Carolina as a segment of the National Scenic Trails System.

(b) The purpose of this ~~Article~~ Part is to provide the means for attaining these objectives by instituting a North Carolina Appalachian Trail System, designating the Appalachian Trail lying or located in the North Carolina Counties of Avery, Mitchell, Yancey, Madison, Haywood, Swain, Graham, Macon, and Clay, as defined in the Federal Register of the National Trails Act as the basic component of that System, and by prescribing the methods by which, and standards according to which, additional connecting trails may be added to the System.

"§ **143B-135.74. Appalachian Trails System; connecting or side trails; coordination with the National Trails System Act.**

Connecting or side trails may be established, designated and marked as components of the Appalachian Trail System by the Department of ~~Environment and~~ Natural and Cultural Resources in consultation with the federal agencies charged with the responsibility for the administration and management of the Appalachian Trail in North Carolina. Criteria and standards of establishment will coincide with those set forth in the National Trails System Act (PL 90-543).

"§ **143B-135.76. Assistance under this ~~Article~~ Part with the National Trails System Act (PL 90-543).**

(a) The Department of Administration in cooperation with other appropriate State departments shall consult with the federal agencies charged with the administration of the Appalachian Trail in North Carolina and develop a mutually agreeable plan for the orderly and coordinated acquisition of Appalachian Trail right-of-way and the associated tracts, as needed, to provide a suitable environment for the Appalachian Trail in North Carolina.

(b) The Department of ~~Environment and~~ Natural and Cultural Resources and the federal agencies charged with the responsibility of the administration of the Appalachian Trail in North Carolina shall give due consideration to the conservation of the environment of the Appalachian Trail and, in accordance with the National Trails System Act, may obtain advice and assistance from local governments, Carolina Mountain Club, Nantahala Hiking Club, Piedmont Appalachian Trail Hikers, Appalachian Trail Conference, other interested organizations and individuals, landowners and land users concerned.

(c) The Board of Transportation shall cooperate and assist in carrying out the purposes of this ~~Article~~ Part and the National Trails System Act where their highway projects cross or may be adjacent to any component of the Appalachian Trail System.

(d) Lands acquired by the State of North Carolina within the 200-feet right-of-way of the Appalachian Trail and within the exterior boundaries of the Pisgah or Nantahala National Forests, will be conveyed to the United States Forest Service as the federal agency charged with the responsibility for the administration and management of the Appalachian Trail within these specific areas.

(e) Lands acquired by the State of North Carolina outside of the boundaries of the Appalachian Trail right-of-way will be administered by the appropriate State department in such a manner as to preserve and enhance the environment of the Appalachian Trail.

(f) In consultation with the Department of ~~Environment and~~ Natural and Cultural Resources, the federal agency charged with the responsibility of the administration of the Appalachian Trail in North Carolina shall establish use regulations in accordance with the National Trails System Act.

(g) The use of motor vehicles on the trails of the North Carolina Appalachian Trail System may be authorized when such use is necessary to meet emergencies or to enable

adjacent landowners to have reasonable access to their lands and timber rights provided that the granting of this access is in accordance with limitations and conditions of such use set forth in the National Trails System Act.

"§ **143B-135.78. Acquisition of rights-of-way and lands; manner of acquiring.**

The State of North Carolina may use lands for trail purposes within the boundaries of areas under its administration that are included in the rights-of-way selected for the Appalachian Trail System. The Department of Administration may acquire lands or easements by donation or purchase with funds donated or appropriated for such purpose.

"§ **143B-135.80. Expenditures authorized.**

The Department is authorized to spend any federal, State, local or private funds available for this purpose to the Department for acquisition and development of the Appalachian Trail System.

"Part 34. North Carolina Trails System.

"§ **143B-135.90. Short title.**

This ~~Article~~ Part shall be known and may be cited as the "North Carolina Trails System Act."

"§ **143B-135.92. Declaration of policy and purpose.**

(a) In order to provide for the ever-increasing outdoor recreation needs of an expanded population and in order to promote public access to, travel within, and enjoyment and appreciation of the outdoor, natural and remote areas of the State, trails should be established in natural, scenic areas of the State, and in and near urban areas.

(b) The purpose of this ~~Article~~ Part is to provide the means for attaining these objectives by instituting a State system of scenic and recreation trails, coordinated with and complemented by existing and future local trail segments or systems, and by prescribing the methods by which, and standards according to which, components may be added to the State trails system.

"§ **143B-135.94. Definitions.**

Except as otherwise required by context, the following terms when used in this ~~Article~~ Part shall be construed respectively to mean:

(1) "Department" means the North Carolina Department of ~~Environment and~~ Natural and Cultural Resources.

(2) "Political subdivision" means any county, any incorporated city or town, or other political subdivision.

(3) "Scenic easement" means a perpetual easement in land which
   a. Is held for the benefit of the people of North Carolina,
   b. Is specifically enforceable by its holder or beneficiary, and
   c. Limits or obligates the holder of the servient estate, his heirs, and assigns with respect to their use and management of land and activities conducted thereon, the object of such limitations and obligations being the maintenance or enhancement of the natural beauty of the land in question or of areas affected by it.

(4) "Secretary" means the Secretary of ~~Environment and~~ Natural and Cultural Resources, except as otherwise specified in this ~~Article.~~Part.

(5) "State trails system" means the trails system established in this ~~Article~~ Part or pursuant to the State Parks Act, ~~Article 2C of Chapter 113 of the General Statutes,~~ Part 32 of this Article, and including all trails and trail segments, together with their rights-of-way, added by any of the procedures described in this ~~Article or Article 2C of Chapter 113 of the General Statutes.~~Part or Part 32 of this Article.

(6) "Trail" means:
   a. Park trail. – A trail designated and managed as a unit of the North Carolina State Parks System under ~~Article 2C of Chapter 113 of the General Statutes.~~Part 32 of this Article.

b. Designated trail. – A trail designated by the Secretary pursuant to this ~~Article~~ Part as a component of the State trails system and that is managed by another governmental agency or by a corporation listed with the Secretary of State.

c. A State scenic trail, State recreation trail, or State connecting trail under ~~G.S. 113A-86~~ G.S. 143B-135.96 when the intended primary use of the trail is to serve as a park trail or designated trail.

d. Any other trail that is open to the public and that the owner, lessee, occupant, or person otherwise in control of the land on which the trail is located allows to be used as a trail without compensation, including a trail that is not designated by the Secretary as a component of the State trails system.

(7) "Trails Committee" means the North Carolina Trails Committee established by Part 35 of this Article.

"§ **143B-135.96. Composition of State trails system.**

The State trails system shall be composed of designated:

(1) State scenic trails, which are defined as extended trails so located as to provide maximum potential for the appreciation of natural areas and for the conservation and enjoyment of the significant scenic, historic, natural, ecological, geological or cultural qualities of the areas through which such trails may pass.

(2) State recreation trails, which are defined as trails planned principally for recreational value and may include trails for foot travel, horseback, nonmotorized bicycles, nonmotorized water vehicles, and two-wheel-and four-wheel-drive motorized vehicles. More than one of the aforesaid types of travel may be permitted on a single trail in the discretion of the Secretary.

(3) Connecting or side trails, which will provide additional points of public access to State recreation or State scenic trails or which will provide connections between such trails.

"§ **143B-135.98. Authority to designate trails.**

The Department may establish and designate trails on:

(1) Lands administered by the Department,

(2) Lands under the jurisdiction of a State department, political subdivision, or federal agency, or

(3) Private lands provided, fee-simple title, lesser estates, scenic easements, easements of surface ingress and egress running with the land, leases, or other written agreements are obtained from landowners through which a State trail may pass.

"§ **143B-135.100. Use of State land for bicycling; creation of trails by volunteers.**

(a) Any land held in fee simple by this State, any agency of this State, or any land purchased or leased with funds provided by this State may be open and available for use by bicyclists upon establishment of a usage agreement. The usage agreement shall be established between the land manager and any local cycling group or organization intending to use the land and shall specify the terms and conditions for use of the land. The land manager shall designate a representative with knowledge of off-road bicycle trail building to negotiate the agreement. Upon establishment of the usage agreement, any bicyclist may use the land pursuant to the agreement.

The land manager shall not be required to create, maintain, or make available any special trails, paths, or other accommodations to any user of the land for cycling purposes. However, once a usage agreement has been established, any local cycling group or organization may create and maintain special trails for cycling purposes. Any trails created for the purpose of off-road cycling shall be created and maintained using commonly accepted best practices.

(b) Notwithstanding the provisions of subsection (a) of this section, any land may be restricted or removed from use by bicyclists if it is determined by the State, an agency of the State, or the holder of land purchased or leased with State funds that the use would cause substantial harm to the land or the environment or that the use would violate another State or federal law. Before restricting or removing land from use by bicyclists, the State, the agency of the State, or the holder of the land purchased or leased with State funds must show why the lands should not be open for use by bicyclists. Local cycling groups or organizations shall be notified of the intent to restrict or remove the land from use by bicyclists and provided an opportunity to show why cycling should be allowed on the land. Notice of any land restricted or removed from use by bicyclists pursuant to this subsection shall be filed with the Division of Bicycle and Pedestrian Transportation of the Department of Transportation.

(c) The Division of Bicycle and Pedestrian Transportation of the Department of Transportation shall keep a record of all lands made open and available for use by bicyclists pursuant to this section and shall make the information available to the public upon request.

(d) Any land open and available for use by bicyclists, pursuant to subsection (a) of this section, shall also be available to members of the public for hiking and walking. Persons using the land pursuant to this subsection shall yield the right-of-way to bicyclists when hiking or walking on any trails created and maintained for the purpose of off-road cycling and so designated along that trail.

(e) Notwithstanding any other provision of this section, any hiking, walking, or use of bicycles on game lands administered by the Wildlife Resources Commission shall be restricted to roads and trails designated for vehicular use. Hiking, walking, or bicycle use by persons not hunting shall be restricted to days closed to hunting. The Wildlife Resources Commission may restrict the use of bicycles on game lands where necessary to protect sensitive wildlife habitat or species and shall file notice of any restrictions with the Division of Bicycle and Pedestrian Transportation of the Department of Transportation.

"§ **143B-135.102. ~~North Carolina Trails Committee; composition; meetings and functions.~~Trails Committee duties.**

~~(a) Repealed by Session Laws 1973, c. 1262, s. 82.~~

~~(b)~~(a) The Committee shall meet in various sections of the State not less than two times annually to advise the Department on all matters directly or indirectly pertaining to trails, their use, extent, location, and the other objectives and purposes of this ~~Article.~~Part.

~~(c)~~(b) The Committee shall coordinate trail development among local governments, and shall assist local governments in the formation of their trail plans and advise the Department quarterly of its findings.

~~(d)~~(c) The Secretary, with advice of the Committee, shall study trail needs and potentials, and make additions to the State Trails System as needed. He shall submit an annual report to the Governor and General Assembly on trail activities by the Department, including rights-of-way that have been established and on the program for implementing this ~~Article.~~ Part. Each report shall include a short statement on the significance of the various trails to the System. The Secretary shall make such rules as to trail development, management, and use that are necessary for the proper implementation of this ~~Article.~~Part.

"§ **143B-135.104. Location of trails.**

The process of locating routes of designated trails to be added to the system shall be as follows:

For State scenic trails, the Secretary or a designee, after consulting with the Committee, shall recommend a route. For State recreation trails and for connecting or side trails, the Secretary or a designee, after consulting with the Committee, shall select the route. The Secretary may provide technical assistance to political subdivisions or private, nonprofit organizations that develop, construct, or maintain designated trails or other public trails that complement the State trails system. When a route shall traverse land within the jurisdiction of a governmental unit or political subdivision, the Department shall consult with such unit or such subdivision prior to its final determination of the location of the route. The selected route shall

be compatible with preservation or enhancement of the environment it traverses. Reasonable effort shall be made to minimize any adverse effects upon adjacent landowners and users. Notice of the selected route shall be published by the Department in a newspaper of general circulation in the area in which the trail is located, together with appropriate maps and descriptions to be conspicuously posted at the appropriate courthouse. Such publication shall be prior to the designation of the trail by the Secretary.

"§ **143B-135.106. Scenic easements within right-of-way.**

Within the boundaries of the right-of-way, the Secretary of the North Carolina Department of Administration may acquire, on behalf of the State of North Carolina, lands in fee title, or interest in land in the form of scenic easements, cooperative agreements, easements of surface ingress and egress running with the land, leases, or less than fee estates. Acquisition of land or of interest therein may be by gift, purchased with donated funds or funds appropriated by the governmental agencies for this purpose, proceeds from the sale of bonds or exchange. Any change in value of land resulting from the grant of an easement shall be taken into consideration in the assessment of the land for tax purposes.

"§ **143B-135.108. Trails within parks; conflict of laws.**

Any component of the System that is or shall become a part of any State park, recreation area, wildlife management area, or similar area shall be subject to the provisions of this ~~Article~~ Part as well as any other laws under which the other areas are administered, and in the case of conflict between the provisions the more restrictive provisions shall apply.

"§ **143B-135.110. Uniform trail markers.**

The Department, in consultation with the Committee, shall establish a uniform marker for trails contained in the System. An additional appropriate symbol characterizing specific trails may be included on the marker. The markers shall be placed at all access points, together with signs indicating the modes of locomotion that are prohibited for the trail, provided that where the trail constitutes a portion of a national scenic trail, use of the national scenic trail uniform marker shall be considered sufficient. The route of the trail and the boundaries of the right-of-way shall be adequately marked.

"§ **143B-135.112. Adopt-A-Trail Program.**

The Department shall establish an Adopt-A-Trail Program to coordinate with the Trails Committee and local groups or persons on trail development and maintenance. Local involvement shall be encouraged, and interested groups are authorized to "adopt-a-trail" for such purposes as placing trail markers, trail building, trail blazing, litter control, resource protection, and any other activities related to the policies and purposes of this ~~Article.~~Part.

"§ **143B-135.114. Administrative policy.**

The North Carolina Trails System shall be administered by the Department according to the policies and criteria set forth in this ~~Article.~~ Part. The Department shall, in addition, have or designate the responsibility for maintaining the trails, building bridges, campsites, shelters, and related public-use facilities where required.

"§ **143B-135.116. Incorporation in National Trails System.**

Nothing in this ~~Article~~ Part shall preclude a component of the State Trails System from becoming a part of the National Trails System. The Secretary shall coordinate the State Trails System with the National Trails System and is directed to encourage and assist any federal studies for inclusion of North Carolina trails in the National Trails System. The Department may enter into written cooperative agreements for joint federal-State administration of a North Carolina component of the National Trails System, provided such agreements for administration of land uses are not less restrictive than those set forth in this ~~Article.~~Part.

"§ **143B-135.118. Trail use liability.**

(a) Any person, as an owner, lessee, occupant, or otherwise in control of land, who allows without compensation another person to use the land for designated trail or other public trail purposes or to construct, maintain, or cause to be constructed or maintained a designated trail or other public trail owes the person the same duty of care he owes a trespasser.

(b) Any person who without compensation has constructed, maintained, or caused to be constructed or maintained a designated trail or other public trail pursuant to a written agreement with any person who is an owner, lessee, occupant, or otherwise in control of land on which a trail is located shall owe a person using the trail the same duty of care owed a trespasser.

~~(c) Repealed by Session Laws 1993, c. 184, s. 6.~~

"Part 35. North Carolina Trails Committee.

"§ **143B-135.130. North Carolina Trails Committee – creation; powers and duties.**

There is hereby created the North Carolina Trails Committee of the Department of ~~Environment and~~ Natural and Cultural Resources. The Committee shall have the following functions and duties:

(1) To meet not less than two times annually to advise the Department on all matters directly or indirectly pertaining to trails, their use, extent, location, and the other objectives and purposes of ~~G.S. 113A-88.~~G.S. 143B-135.102.

(2) To coordinate trail development among local governments, and to assist local governments in the formation of their trail plans and advise the Department of its findings.

(3) To advise the Secretary of trail needs and potentials pursuant to ~~G.S. 113A-88.~~G.S. 143B-135.102.

"§ **143B-135.132. North Carolina Trails Committee – members; selection; removal; compensation.**

The North Carolina Trails Committee shall consist of seven members appointed by the Secretary of ~~Environment and~~ Natural and Cultural Resources. Two members shall be from the mountain section, two from the Piedmont section, two from the coastal plain, and one at large. They shall as much as possible represent various trail users.

~~The initial members of the North Carolina Trails Committee shall be the members of the current North Carolina Trails Committee who shall serve for a period equal to the remainder of their current term on the North Carolina Trails Committee. At the end of the respective terms of office of the initial members of the Committee, the appointment of their successors shall be for~~ Committee members shall serve staggered terms of four years and until their successors are appointed and qualify. Any appointment to fill a vacancy on the Committee created by the resignation, dismissal, death or disability of a member shall be for the balance of the unexpired term.

The Governor shall have the power to remove any member of the Committee from office in accordance with the provisions of G.S. 143B-16 of the Executive Organization Act of 1973.

The Secretary of ~~Environment and~~ Natural and Cultural Resources shall designate a member of the Committee to serve as chairman at the pleasure of the Governor.

Members of the Committee shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5 and G.S. 143B-15 of the Executive Organization Act of 1973.

"Part 36. Natural and Scenic Rivers System.

"§ **143B-135.140. Short title.**

This ~~Article~~ Part shall be known and may be cited as the "Natural and Scenic Rivers Act of 1971."

"§ **143B-135.142. Declaration of policy.**

The General Assembly finds that certain rivers of North Carolina possess outstanding natural, scenic, educational, geological, recreational, historic, fish and wildlife, scientific and cultural values of great present and future benefit to the people. The General Assembly further finds as policy the necessity for a rational balance between the conduct of man and the preservation of the natural beauty along the many rivers of the State. This policy includes retaining the natural and scenic conditions in some of the State's valuable rivers by maintaining them in a free-flowing state and to protect their water quality and adjacent lands by retaining these natural and scenic conditions. It is further declared that the preservation of certain rivers

or segments of rivers in their natural and scenic condition constitutes a beneficial public purpose.

"§ **143B-135.144. Declaration of purpose.**

The purpose of this ~~Article~~ Part is to implement the policy as set out in ~~G.S. 113A-31~~ G.S. 143B-135.142 by instituting a North Carolina natural and scenic rivers system, and by prescribing methods for inclusion of components to the system from time to time.

"§ **143B-135.146. Definitions.**

As used in this ~~Article,~~ Part, unless the context requires otherwise:

(1) "Department" means the Department of ~~Environment and~~ Natural and Cultural Resources.

(2) "Free-flowing," as applied to any river or section of a river, means existing or flowing in natural condition without substantial impoundment, diversion, straightening, rip-rapping, or other modification of the waterway. The existence of low dams, diversion works, and other minor structures at the time any river is proposed for inclusion in the North Carolina natural and scenic rivers system shall not automatically bar its consideration for such inclusion: Provided, that this shall not be construed to authorize, intend, or encourage future construction of such structures within components of the system.

(3) "River" means a flowing body of water or estuary or a section, portion, or tributary thereof, including rivers, streams, creeks, runs, kills, rills, and small lakes.

(4) "Road" means public or private highway, hard-surface road, dirt road, or railroad.

(5) "Scenic easement" means a perpetual easement in land which (i) is held for the benefit of the people of North Carolina, (ii) is specifically enforceable by its holder or beneficiary, and (iii) limits or obligates the holder of the servient estate, his heirs, and assigns with respect to their use and management of the land and activities conducted thereon. The object of such limitations and obligations is the maintenance or enhancement of the natural beauty of the land in question or of the areas affected by it.

(6) "Secretary" means the Secretary of ~~Environment and~~ Natural and Cultural Resources.

"§ **143B-135.148. Types of scenic rivers.**

The following types of rivers are eligible for inclusion in the North Carolina natural and scenic rivers system:

Class I. Natural river areas. Those free-flowing rivers or segments of rivers and adjacent lands existing in a natural condition. Those rivers or segments of rivers that are free of man-made impoundments and generally inaccessible except by trail, with the lands within the boundaries essentially primitive and the waters essentially unpolluted. These represent vestiges of primitive America.

Class II. Scenic river areas. Those rivers or segments of rivers that are largely free of impoundments, with the lands within the boundaries largely primitive and largely undeveloped, but accessible in places by roads.

Class III. Recreational river areas. Those rivers or segments of rivers that offer outstanding recreation and scenic values and that are largely free of impoundments. They may have some development along their shorelines and have more extensive public access than natural or scenic river segments. Recreational river segments may also link two or more natural and/or scenic river segments to provide a contiguous designated river area. No provision of this section shall interfere with flood control measures; provided that recreational river users can continue to travel the river.

"§ **143B-135.150. Criteria for system.**

For the inclusion of any river or segment of river in the natural and scenic river system, the following criteria must be present:

(1) River segment length – must be no less than one mile.

(2) Boundaries – of the system shall be the visual horizon or such distance from each shoreline as may be determined to be necessary by the Secretary, but shall not be less than 20 feet.

(3) Water quality – shall not be less than that required for Class "C" waters as established by the North Carolina Environmental Management Commission.

(4) Water flow – shall be sufficient to assure a continuous flow and shall not be subjected to withdrawal or regulation to the extent of substantially altering the natural ecology of the stream.

(5) Public access – shall be limited, but may be permitted to the extent deemed proper by the Secretary, and in keeping with the property interest acquired by the Department and the purpose of this ~~Article.~~Part.

"§ **143B-135.152. Components of system; management plan; acquisition of land and easements; inclusion in national system.**

~~(a)~~ That segment of the south fork of the New River extending from its confluence with Dog Creek in Ashe County downstream through Ashe and Alleghany Counties to its confluence with the north fork of the New River and the main fork of the New River in Ashe and Alleghany Counties downstream to the Virginia State line shall be a scenic river area and shall be included in the North Carolina Natural and Scenic Rivers System.

The Department shall prepare and implement a management plan for this river section. This management plan shall recognize and provide for the protection of the existing undeveloped scenic and pastoral features of the river. Furthermore, it shall specifically provide for continued use of the lands adjacent to the river for normal agricultural activities, including, but not limited to, cultivation of crops, raising of cattle, growing of trees and other practices necessary to these agricultural pursuits.

For purposes of implementing this section and the management plan, the Department may acquire lands or interests in lands, provide for protection of scenic values as described in ~~G.S. 113A-38,~~ G.S. 143B-135.160, and provide for public access. Easements obtained for the purpose of implementing this section and the management plan shall not abridge the water rights being exercised on May 26, 1975.

Should the Governor seek inclusion of this river segment in the National System of Wild and Scenic Rivers by action of the Secretary of Interior, such inclusion shall be at no cost to the federal government, as prescribed in the National Wild and Scenic Rivers Act, and therefore shall be under the terms described in this section of the North Carolina Wild and Scenic Rivers Act and in the management plan developed pursuant thereto.

~~(b) Repealed by Session Laws 2012-200, s. 24, effective August 1, 2012.~~

"§ **143B-135.154. Additional components.**

That segment of the Linville River beginning at the State Highway 183 bridge over the Linville River and extending approximately 13 miles downstream to the boundary between the United States Forest Service lands and lands of Duke Power Company (latitude 35° 50' 20") shall be a natural river area and shall be included in the North Carolina Natural and Scenic River System.

That segment of the Horsepasture River in Transylvania County extending downstream from Bohaynee Road (N.C. 281) to Lake Jocassee shall be a natural river and shall be included in the North Carolina Natural and Scenic Rivers System.

That segment of the Lumber River extending from county road 1412 in Scotland County downstream to the North Carolina-South Carolina state line, a distance of approximately 102 river miles, shall be included in the Natural and Scenic Rivers System and classified as follows: from county road 1412 in Scotland County downstream to the junction of the Lumber River and Back Swamp shall be classified as scenic; from the junction of the Lumber River and Back

Swamp downstream to the junction of the Lumber River and Jacob Branch and the river within the Fair Bluff town limits shall be classified as recreational; and from the junction of the Lumber River and Jacob Branch downstream to the North Carolina-South Carolina state line, excepting the Fair Bluff town limits, shall be classified as natural.

"§ **143B-135.156. Administrative agency; federal grants; additions to the system; regulations.**

(a) The Department is the agency of the State of North Carolina with the duties and responsibilities to administer and control the North Carolina natural and scenic rivers system.

(b) The Department shall be the agency of the State with the authority to accept federal grants of assistance in planning, developing (which would include the acquisition of land or an interest in land), and administering the natural and scenic rivers system.

(c) The Secretary of the Department shall study and from time to time submit to the Governor and to the General Assembly proposals for the additions to the system of rivers and segments of rivers which, in his judgment, fall within one or more of the categories set out in ~~G.S. 113A-34.~~ G.S. 143B-135.148. Each proposal shall specify the category of the proposed addition and shall be accompanied by a detailed report of the facts which, in the Secretary's judgment, makes the area a worthy addition to the system.

Before submitting any proposal to the Governor or the General Assembly for the addition to the system of a river or segment of a river, the Secretary or his authorized representative, shall hold a public hearing in the county or counties where said river or segment of river is situated. Notice of such public hearing shall be given by publishing a notice once each week for two consecutive weeks in a newspaper having general circulation in the county where said hearing is to be held, the second of said notices appearing not less than 10 days before said hearing. Any person attending said hearing shall be given an opportunity to be heard. Notwithstanding the provisions of the foregoing, no public hearing shall be required with respect to a river bounded solely by the property of one owner, who consents in writing to the addition of such river to the system.

The Department shall also conduct an investigation on the feasibility of the inclusion of a river or a segment of river within the system and file a written report with the Governor when submitting a proposal.

The Department shall also, before submitting such a proposal to the Governor or the General Assembly, notify in writing the owner, lessee, or tenant of any lands adjoining said river or segment of river of its intention to make such proposal. In the event the Department, after due diligence, is unable to determine the owner or lessee of any such land, the Department may publish a notice for four successive weeks in a newspaper having general circulation in the county where the land is situated of its intention to make a proposal to the Governor or General Assembly for the addition of a river or segment of river to the system.

~~(c1)~~(d) Upon receipt of a request in the form of a resolution from the commissioners of the county or counties in which a river segment is located and upon studying the segment and determining that it meets the criteria set forth in ~~G.S. 113A-35,~~ G.S. 143B-135.150, the Secretary may designate the segment a potential component of the natural and scenic rivers system. The designation as a potential component shall be transmitted to the Governor and all appropriate State agencies. Any segment so designated is subject to the provisions of this ~~Article~~ Part applicable to designated rivers, except for acquisition by condemnation or otherwise, and to any rules adopted pursuant to this ~~Article.~~ Part. The Secretary shall make a full report and, if appropriate, a proposal for an addition to the natural and scenic rivers system to the General Assembly within 90 days after the convening of the next session following issuance of the designation, and the General Assembly shall determine whether to designate the segment as a component of the natural and scenic rivers system. If the next session of the General Assembly fails to take affirmative action on the designation, the designation as a potential component shall expire.

~~(d)~~(e) The Department may adopt rules to implement this ~~Article.~~Part.

"§ **143B-135.158. Raising the status of an area.**

Whenever in the judgment of the Secretary of the Department a scenic river segment has been sufficiently restored and enhanced in its natural scenic and recreational qualities, such segment may be reclassified with the approval of the Department, to a natural river area status and thereafter administered accordingly.

"§ **143B-135.160. Land acquisition.**

(a) The Department of Administration is authorized to acquire for the Department, within the boundaries of a river or segment of river as set out in ~~G.S. 113A-35~~ G.S. 143B-135.150 on behalf of the State of North Carolina, lands in fee title or a lesser interest in land, preferably "scenic easements." Acquisition of land or interest therein may be by donation, purchase with donated or appropriated funds, exchange or otherwise.

(b) The Department of Administration in acquiring real property or a property interest therein as set out in this ~~Article~~ Part shall have and may exercise the power of eminent domain in accordance with Article 3 of Chapter 40A of the General Statutes.

"§ **143B-135.162. Claim and allowance of charitable deduction for contribution or gift of easement.**

The contribution or donation of a "scenic easement," right-of-way or any other easement or interest in land to the State of North Carolina, as provided in this ~~Article,~~ Part, shall be deemed a contribution to the State of North Carolina within the provisions of G.S. 105-130.9 and section 170(c)(1) of the Internal Revenue Code. The value of the contribution or donation shall be the fair market value of the easement or other interest in land when the contribution or donation is made.

"§ **143B-135.164. Component as part of State park, wildlife refuge, etc.**

Any component of the State natural and scenic rivers system that is or shall become a part of any State park, wildlife refuge, or state-owned area shall be subject to the provisions of this ~~Article~~ Part and the ~~Articles~~ laws under which the other areas may be administered, and in the case of conflict between the provisions of these ~~Articles~~ laws, the more restrictive provisions shall apply.

"§ **143B-135.166. Component as part of national wild and scenic river system.**

Nothing in this ~~Article~~ Part shall preclude a river or segment of a river from becoming part of the national wild and scenic river system. The Secretary ~~of the Department~~ is directed to encourage and assist any federal studies for the inclusion of North Carolina rivers in the national system. The Secretary may enter into cooperative agreements for joint federal-state administration of a North Carolina river or segment of river: Provided, that such agreements relating to water and land use are not less restrictive than the requirements of this ~~Article.~~Part.

"§ **143B-135.168. Violations.**

(a) Civil Action. – Whoever violates, fails, neglects or refuses to obey any provision of this ~~Article~~ Part or rule or order of the Secretary may be compelled to comply with or obey the same by injunction, mandamus, or other appropriate remedy.

(b) Penalties. – Whoever violates, fails, neglects or refuses to obey any provision of this ~~Article~~ Part or rule or order of the Secretary is guilty of a Class 3 misdemeanor and may be punished only by a fine of not more than fifty dollars ($50.00) for each violation, and each day such person shall fail to comply, where feasible, after having been officially notified by the Department shall constitute a separate offense subject to the foregoing penalty.

"§ **143B-135.170. Authorization of advances.**

The Department of Administration is hereby authorized to advance from land-purchase appropriations necessary amounts for the purchase of land in those cases where reimbursement will be later effected by the Bureau of Outdoor Recreation of the United States Department of the Interior.

"§ **143B-135.172. Restrictions on project works on natural or scenic river.**

The State Utilities Commission may not permit the construction of any dam, water conduit, reservoir, powerhouse transmission line, or any other project works on or directly affecting any river that is designated as a component or potential component of the State Natural and Scenic

Rivers System. No department or agency of the State may assist by loan, grant, license, permit, or otherwise in the construction of any water resources project that would have a direct and adverse effect on any river that is designated as a component or potential component of the State Natural and Scenic Rivers System. This section shall not, however, preclude licensing of or assistance to a development below or above a designated or potential component. No department or agency of the State may recommend authorization of any water resources project that would have a direct and adverse effect on any river that is designated as a component or potential component of the State Natural and Scenic Rivers System, or request appropriations to begin construction of any such project, regardless of when authorized, without advising the Secretary in writing of its intention to do so at least 60 days in advance. Such department or agency making such recommendation or request shall submit a written impact statement to the General Assembly to accompany the recommendation or request specifically describing how construction of the project would be in conflict with the purposes of this act and how it would affect the component or potential component."

SECTION 14.30.(n) Part 37 of Article 2 of Chapter 143B of the General Statutes, as recodified by subsection (g) of this section, reads as rewritten:

"Part 37. Division of North Carolina Aquariums.

"§ **143B-135.180. Division of North Carolina Aquariums – creation.**

The Division of North Carolina Aquariums is created in the Department of ~~Environment and~~ Natural and Cultural Resources.

"§ **143B-135.182. Division of North Carolina Aquariums – organization; powers and duties.**

(a) The Division of North Carolina Aquariums shall be organized as prescribed by the Secretary of ~~Environment and~~ Natural and Cultural Resources and shall exercise the following powers and duties:

~~(1) Repealed by Session Laws 1991, c. 320, s. 3.~~

~~(1a)~~(1) Establish and maintain the North Carolina Aquariums.

~~(1b)~~(2) Administer the operations of the North Carolina Aquariums, such administrative duties to include, but not be limited to the following:

a. Adopt goals and objectives for the Aquariums and review and revise these goals and objectives periodically.

b. Review and approve requests for use of the Aquarium facilities and advise the Secretary of ~~Environment and~~ Natural and Cultural Resources on the most appropriate use consistent with the goals and objectives of the Aquariums.

c. Continually review and evaluate the types of projects and programs being carried out in the Aquarium facilities and determine if the operation of the facilities is in compliance with the established goals and objectives.

d. Recommend to the Secretary of ~~Environment and~~ Natural and Cultural Resources any policies and procedures needed to assure effective staff performance and proper liaison among Aquarium facilities in carrying out the overall purposes of the Aquarium programs.

e. Review Aquarium budget submissions to the Secretary of Environment and Natural Resources.

f. Recruit and recommend to the Secretary of ~~Environment and~~ Natural and Cultural Resources candidates for the positions of directors of the Aquariums.

g. Create local advisory committees in accordance with the provisions of ~~G.S. 143B-289.43.~~G.S. 143B-135.186.

~~(1c)~~(3) Notwithstanding Article 3A of Chapter 143 of the General Statutes, and G.S. 143-49(4), dispose of any exhibit, exhibit component, or object from

the collections of the North Carolina Aquariums by sale, lease, or trade. A sale, lease, or trade under this subdivision shall be conducted in accordance with generally accepted practices for zoos and aquariums that are accredited by the American Association of Zoos and Aquariums. After deducting the expenses attributable to the sale or lease, the net proceeds of any sale or lease shall be credited to the North Carolina Aquariums Fund.

~~(2),~~ ~~(3) Repealed by Session Laws 1993, c. 321, s. 28(e).~~

(4) ~~through (6) Repealed by Session Laws 1991, c. 320, s. 3.~~

~~(7)~~ Assume any other powers and duties assigned to it by the Secretary.

(b) The Secretary may adopt any rules and procedures necessary to implement this section.

"§ **143B-135.184. North Carolina Aquariums; purpose.**

The purpose of establishing and maintaining the North Carolina Aquariums is to promote an awareness, understanding, and appreciation of the diverse natural and cultural resources associated with North Carolina's oceans, estuaries, rivers, streams, and other aquatic environments.

"§ **143B-135.186. Local advisory committees; duties; membership.**

Local advisory committees created pursuant to ~~G.S. 143B-289.41(a)(1b)~~ G.S. 143B-135.182(a)(2) shall assist each North Carolina Aquarium in its efforts to establish projects and programs and to assure adequate citizen-consumer input into those efforts. Members of these committees shall be appointed by the Secretary of ~~Environment and~~ Natural and Cultural Resources for three-year terms from nominations made by the Director of the Office of Marine Affairs. Each committee shall select one of its members to serve as chairperson. Members of the committees shall serve without compensation for services or expenses.

"§ **143B-135.188. North Carolina Aquariums; fees; fund.**

(a) Fees. – The Secretary of ~~Environment and~~ Natural and Cultural Resources may adopt a schedule of fees for the aquariums and piers operated by the North Carolina Aquariums, including:

(1) Gate admission fees.

(2) Facility rental fees.

(3) Educational programs.

(b) Fund. – The North Carolina Aquariums Fund is hereby created as a special ~~and nonreverting~~ fund. The North Carolina Aquariums Fund shall be used for the following:

(1) ~~repair,~~ Repair, renovation, expansion, maintenance, and educational exhibit ~~construction, and operational expenses~~ construction at existing ~~aquariums,~~ aquariums.

(2) ~~to pay~~ Payment of the debt service and lease payments related to the financing of expansions of ~~aquariums,~~ aquariums.

(3) ~~and to match~~ Matching of private funds that are raised for these purposes.

(c) Disposition of Fees. – All entrance fee receipts shall be credited to the ~~North Carolina Aquariums Fund. Receipts so credited that are necessary to support the personnel and operational expenses of the aquariums shall be transferred to the~~ aquariums' General Fund operating ~~budget on a monthly basis.~~budget. At the end of each fiscal year, the Secretary may transfer from the North Carolina aquariums' General Fund operating budget to the North Carolina Aquariums Fund an amount not to exceed the sum of the following:

(1) One million dollars ($1,000,000).

(2) The amount needed to cover the expenses described by subdivision (2) of subsection (b) this section.

(d) Approval. – The Secretary may approve the use of the North Carolina Aquariums Fund for repair and renovation projects at the aquariums-related facilities that comply with the following:

(1) The total project cost is less than three hundred thousand dollars ($300,000).

(2) The project meets the requirements of G.S. 143C-4-3(b).

~~(d)~~(e) Report. – The Division of North Carolina Aquariums shall submit to ~~the Joint Legislative Commission on Governmental Operations,~~ the House and Senate ~~Appropriations Subcommittees on Natural and Economic Resources,~~ appropriations committees with jurisdiction over natural and economic resources, and the Fiscal Research Division by September 30 of each year a report on the North Carolina Aquariums Fund that shall include the source and amounts of all funds credited to the Fund and the purpose and amount of all expenditures from the Fund during the prior fiscal year.

…."

SECTION 14.30.(o) Part 38 of Article 2 of Chapter 143B of the General Statutes, as recodified by subsection (h) of this section, reads as rewritten:

"Part 38. North Carolina Parks and Recreation Authority.

"§ **143B-135.200. North Carolina Parks and Recreation Authority; creation; powers and duties.**

The North Carolina Parks and Recreation Authority is created, to be administered by the Department of ~~Environment and~~ Natural and Cultural Resources. The North Carolina Parks and Recreation Authority shall have at least the following powers and duties:

(1) To receive public and private donations, appropriations, grants, and revenues for deposit into the Parks and Recreation Trust Fund.

(2) To allocate funds for land acquisition from the Parks and Recreation Trust Fund.

(3) To allocate funds for repairs, renovations, improvements, construction, and other capital projects from the Parks and Recreation Trust Fund.

(4) To solicit financial and material support from public and private sources.

(5) To develop effective public and private support for the programs and operations of the parks and recreation areas.

(6) To consider and to advise the Secretary of ~~Environment and~~ Natural and Cultural Resources on any matter the Secretary may refer to the North Carolina Parks and Recreation Authority.

"§ **143B-135.202. North Carolina Parks and Recreation Authority; members; selection; compensation; meetings.**

(a) Membership. – The North Carolina Parks and Recreation Authority shall consist of nine members. The members shall include persons who are knowledgeable about park and recreation issues in North Carolina or with expertise in finance. In making appointments, each appointing authority shall specify under which subdivision of this subsection the person is appointed. Members shall be appointed as follows:

(1) One member appointed by the Governor.

(2) One member appointed by the Governor.

(3) One member appointed by the Governor.

~~(3a) Repealed by Session Laws 2013-360, s. 14.5(a), effective July 1, 2013.~~

~~(3b) Repealed by Session Laws 2013-360, s. 14.5(a), effective July 1, 2013.~~

(4) One member appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, as provided in G.S. 120-121.

(5) One member appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, as provided in G.S. 120-121.

(6) One member appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, as provided in G.S. 120-121.

~~(7) Repealed by Session Laws 2013-360, s. 14.5(a), effective July 1, 2013.~~

~~(7a) Repealed by Session Laws 2013-360, s. 14.5(a), effective July 1, 2013.~~

~~(8)~~(7) One member appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, as provided in G.S. 120-121.

~~(9)~~(8) One member appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, as provided in G.S. 120-121.

~~(10)~~(9) One member appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, as provided in G.S. 120-121.

~~(11) Repealed by Session Laws 2013-360, s. 14.5(a), effective July 1, 2013.~~

~~(12) Repealed by Session Laws 2013-360, s. 14.5(a), effective July 1, 2013.~~

(b) Terms. – Members shall serve staggered terms of office of three years. Members shall serve no more than two consecutive three-year terms. After serving two consecutive three-year terms, a member is not eligible for appointment to the Authority for at least one year after the expiration date of that member's most recent term. Upon the expiration of a three-year term, a member may continue to serve until a successor is appointed and duly qualified as provided by G.S. 128-7. The terms of members appointed under subdivision (1), (5), or ~~(9)~~ (8) of subsection (a) of this section shall expire on July 1 of years that are evenly divisible by three. The terms of members appointed under subdivision (2), (4), or ~~(8)~~ (7) of subsection (a) of this section shall expire on July 1 of years that follow by one year those years that are evenly divisible by three. The terms of members appointed under subdivision (3), (6), or ~~(10)~~ (9) of subsection (a) of this section shall expire on July 1 of years that precede by one year those years that are evenly divisible by three.

(c) Chair. – The Governor shall appoint one member of the North Carolina Parks and Recreation Authority to serve as Chair.

(d) Vacancies. – A vacancy on the North Carolina Parks and Recreation Authority shall be filled by the appointing authority responsible for making the appointment to that position as provided in subsection (a) of this section. An appointment to fill a vacancy shall be for the unexpired balance of the term.

(e) Removal. – The Governor may remove, as provided in Article 10 of Chapter 143C of the General Statutes any member of the North Carolina Parks and Recreation Authority appointed by the Governor for misfeasance, malfeasance, or nonfeasance. The General Assembly may remove any member of the North Carolina Parks and Recreation Authority appointed by the General Assembly for misfeasance, malfeasance, or nonfeasance.

(f) Compensation. – The members of the North Carolina Parks and Recreation Authority shall receive per diem and necessary travel and subsistence expenses according to the provisions of G.S. 138-5.

(g) Meetings. – The North Carolina Parks and Recreation Authority shall meet at least quarterly at a time and place designated by the Chair.

(h) Quorum. – A majority of the North Carolina Parks and Recreation Authority shall constitute a quorum for the transaction of business.

(i) Staff. – All clerical and other services required by the North Carolina Parks and Recreation Authority shall be provided by the Secretary of ~~Environment and~~ Natural and Cultural Resources."

SECTION 14.30.(p) Part 39 of Article 2 of Chapter 143B of the General Statutes, as recodified by subsection (i) of this section, reads as rewritten:

"Part 39. North Carolina Zoological Park Council.

"§ **143B-135.205. North Carolina Zoological Park Council – creation; powers and duties.**

There is hereby created the North Carolina Zoological Park Council of the Department of ~~Environment and~~ Natural and Cultural Resources. The North Carolina Zoological Park Council shall have the following functions and duties:

(1) To advise the Secretary on the basic concepts of and for the Zoological Park, approve conceptual plans for the Zoological Park and its ~~buildings;~~buildings.

(2) To advise on the construction, furnishings, equipment and operations of the North Carolina Zoological ~~Park;~~Park.

~~(2a)~~(3) To establish and set admission fees with the approval of the Secretary of ~~Environment and~~ Natural and Cultural Resources as provided in ~~G.S. 143-177.3(b);~~G.S. 143B-135.213.

~~(3)~~(4) To recommend programs to promote public appreciation of the North Carolina Zoological ~~Park;~~Park.

~~(4)~~(5) To disseminate information on animals and the park as deemed ~~necessary;~~necessary.

~~(5)~~(6) To develop effective public support of the North Carolina Zoological Park through whatever means are desirable and ~~necessary;~~necessary.

~~(6)~~(7) To solicit financial and material support from various private sources within and without the State of North ~~Carolina; and~~Carolina.

~~(7)~~(8) To advise the Secretary of ~~Environment and~~ Natural and Cultural Resources upon any matter the Secretary may refer to it.

"§ **143B-135.207. North Carolina Zoological Park Council – members; selection; removal; chairman; compensation; quorum; services.**

The North Carolina Zoological Park Council of the Department of ~~Environment and~~ Natural and Cultural Resources shall consist of 15 members appointed by the Governor, one of whom shall be the Chairman of the Board of Directors of the North Carolina Zoological Society.

~~The initial members of the Council shall be the members of the Board of Directors of the North Carolina Zoo Authority who shall serve for a period equal to the remainder of their current terms on the Board of Directors of the North Carolina Zoological Authority, all of whose terms expire July 15, 1975.~~ At the end of the respective terms of office of the initial members of the Council, the Governor, to achieve staggered terms, shall appoint five members for terms of two years, five members for terms of four years and five members for terms of six years. Thereafter, the appointment of their successors shall be for terms of six years and until their successors are appointed and qualify. Any appointment to fill a vacancy on the Council created by the resignation, dismissal, death or disability of a member shall be for the balance of the unexpired term.

The Governor shall have the power to remove any member of the Council from office in accordance with the provisions of G.S. 143B-16 of the Executive Organization Act of 1973.

The Governor shall designate a member of the Council to serve as chairman at his pleasure.

Members of the Council shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5.

A majority of the Council shall constitute a quorum for the transaction of business.

All clerical and other services required by the Council shall be supplied by the Secretary of ~~Environment and~~ Natural and Cultural Resources.

"§ **143B-135.209. ~~Special~~ North Carolina Zoo Fund.**

~~A special continuing and nonreverting fund, to be called the Special Zoo Fund, is created. The North Carolina Zoological Park shall retain unbudgeted receipts at the end of each fiscal year, beginning June 30, 1989, and deposit these receipts into this Fund. This Fund shall be used for maintenance, repairs, and renovations of exhibits in existing habitat clusters and visitor services facilities, construction of visitor services facilities and support facilities such as greenhouses and temporary animal holding areas, for the replacement of tram equipment as required to maintain adequate service to the public, and for marketing the Zoological Park. The Special Zoo Fund may also be used to match private funds that are raised for these purposes. Funds may be expended for these purposes by the Department of Environment and Natural Resources on the advice of the North Carolina Zoological Park Council and with the approval of the Office of State Budget and Management. The Department of Environment and Natural Resources shall provide a report on or before October 1 of each year to the Office of State Budget and Management, the Fiscal Research Division of the General Assembly, and to the Joint Legislative Commission on Governmental Operations on the use of fees collected pursuant to this section.~~

(a) Fund. – The North Carolina Zoo Fund is created as a special fund. The North Carolina Zoo Fund shall be used for the following types of projects at the North Carolina Zoological Park and to match private funds raised for these types of projects:

(1) Repair, renovation, expansion, maintenance, and educational exhibit construction.

(2) Renovations of exhibits in habitat clusters, visitor services facilities, and support facilities (including greenhouses and temporary animal holding areas).

(3) The acquisition, maintenance, or replacement of tram equipment as required to maintain adequate service to the public.

(b) Disposition of Fees. – All fee receipts shall be credited to the North Carolina Zoological Park's General Fund operating budget. At the end of each fiscal year, the Secretary may transfer from the North Carolina Zoological Park's General Fund operating budget to the North Carolina Zoo Fund an amount not to exceed one million dollars ($1,000,000).

(c) Approval. – The Secretary may approve the use of the North Carolina Zoo Fund for repair and renovation projects at the North Carolina Zoological Park recommended by the Council that comply with the following:

(1) The total project cost is less than three hundred thousand dollars ($300,000).

(2) The project meets the requirements of G.S. 143C-4-3(b).

(d) Report. – The Department shall submit to the House and Senate appropriations committees with jurisdiction over natural and economic resources and the Fiscal Research Division by September 30 of each year a report on the North Carolina Zoo Fund that shall include the source and amounts of all funds credited to the Fund and the purpose and amount of all expenditures from the Fund during the prior fiscal year."

SECTION 14.30.(q) G.S. 143B-135.210 through G.S. 143B-135.213, as recodified by subsection (j) of this section, read as rewritten:

"§ **143B-135.210. Right to receive gifts.**

In order to carry out the purposes of this ~~Article,~~ Part, the ~~Board~~ Council is authorized to acquire by gift or will, absolutely or in trust, from individuals, corporations, or any other source money or other property, or any interests in property, which may be retained, sold or otherwise used to promote the purposes of this ~~Article.~~ Part. The use of gifts shall be subject to such limitations as may be imposed thereon by donors, notwithstanding any other provisions of this ~~Article.~~Part.

"§ **143B-135.211. Tax exemption for gifts to North Carolina Zoological ~~Park Fund.~~Park.**

All gifts made to the North Carolina Zoological Park for the purposes of this ~~Article~~ Part shall be exempt from every form of taxation including, but not by the way of limitation, ad valorem, intangible, gift, inheritance and income taxation. Proceeds from the sale of any property acquired under the provisions of this ~~Article~~ Part shall be deposited in the North Carolina State treasury and shall be credited to the North Carolina Zoological Park.

"§ **143B-135.212. Cities and counties.**

Cities and counties are hereby authorized to expend funds derived from nontax sources and to make gifts of surplus property, to assist in carrying out the purposes of this ~~Article.~~Part.

"§ **143B-135.213. Sources of funds.**

(a) It is the intent of this ~~Article~~ Part that the funds for the creation, establishment, construction, operation and maintenance of the North Carolina Zoological Park shall be obtained primarily from private sources; however, the Council under the supervision and approval and with the assistance of the Secretary of ~~Environment and~~ Natural and Cultural Resources is hereby authorized to receive and expend such funds as may from time to time become available by appropriation or otherwise from the State of North Carolina; provided, that the ~~North Carolina Zoological Park~~ Council shall not in any manner pledge the faith and credit of the State of North Carolina for any of its purposes.

(b) The Council with the approval of the Secretary of ~~Environment and~~ Natural and Cultural Resources is authorized to establish and set admission fees which are reasonable and consistent with the purpose and function of the North Carolina Zoological Park."

SECTION 14.30.(r) Part 40 of Article 2 of Chapter 143B of the General Statutes, as recodified by subsection (k) of this section, reads as rewritten:

"Part 40. ~~Advisory Commission for~~ North Carolina State Museum of Natural Sciences.

"§ **143B-135.215. Commission created; membership.**

There is created an Advisory Commission for the North Carolina State Museum of Natural Sciences which shall determine its own organization. It shall consist of at least nine members, which shall include the Director of the North Carolina State Museum of Natural Sciences, the Commissioner of Agriculture, the State Geologist and Secretary of ~~Environment and~~ Natural and Cultural Resources, the Director of the Institute of Fisheries Research of the University of North Carolina, the Director of the Wildlife Resources Commission, the Superintendent of Public Instruction, or qualified representative of any or all of the above-named members, and at least three persons representing the East, the Piedmont, and the Western areas of the State. Members appointed by the Governor shall serve for four-year staggered terms. Terms shall begin on 1 September. Members appointed by the Governor shall not serve more than three consecutive four-year terms. Any member may be removed by the Governor for cause.

…

"§ **143B-135.221. Reports to General Assembly.**

The Commission shall prepare and submit a report outlining the needs of the North Carolina State Museum of Natural Sciences and recommendations for improvement of the effectiveness of the North Carolina State Museum of Natural Sciences for the purpose hereinabove set forth to ~~the 1995 General Assembly, and to each succeeding~~ the General Assembly, to the Fiscal Research Division of the General Assembly, and to the Joint Legislative Commission on Governmental Operations on or before October 1 of each year.

"§ **143B-135.223. Museum of Natural Sciences; disposition of objects.**

Notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4), or any other law pertaining to surplus State property, the Department of ~~Environment and~~ Natural and Cultural Resources may sell or exchange any object from the collection of the Museum of Natural Sciences when it would be in the best interest of the Museum to do so. Sales or exchanges shall be conducted in accordance with generally accepted practices for accredited museums. If an object is sold, the net proceeds of the sale shall be deposited in the State treasury to the credit of a special fund to be used for the improvement of the Museum's collections or exhibits.

"**§ 143B-135.225. Museum of Natural Sciences; fees; fund.**

(a) Fund. – The North Carolina Museum of Natural Sciences Fund is created as a special fund. The North Carolina Museum of Natural Sciences Fund shall be used for repair, renovation, expansion, maintenance, and educational exhibit construction at the North Carolina Museum of Natural Sciences and to match private funds raised for these projects.

(b) Certain Admission Fees Permitted; Disposition of Receipts. – The Museum may collect a charge for special exhibitions, special events, and other temporary attractions. All Museum receipts shall be credited to the North Carolina Museum of Natural Sciences' General Fund operating budget. At the end of each fiscal year, the Secretary may transfer from the North Carolina Museum of Natural Sciences' General Fund operating budget to the North Carolina Museum Fund an amount not to exceed one million dollars ($1,000,000).

(c) Approval. – The Secretary may approve the use of the North Carolina Museum of Natural Sciences Fund for repair and renovation projects at the North Carolina Museum of Natural Sciences recommended by the Advisory Council that comply with the following:

(1) The total project cost is less than three hundred thousand dollars ($300,000).

(2) The project meets the requirements of G.S. 143C-4-3(b).

(d) Report. – The Department shall submit to the House and Senate appropriations committees with jurisdiction over natural and economic resources and the Fiscal Research Division by September 30 of each year a report on the North Carolina Museum Fund that shall include the source and amounts of all funds credited to the Fund and the purpose and amount of all expenditures from the Fund during the prior fiscal year.

"§ **143B-135.229. North Carolina ~~Museum of Forestry;~~ Museum of Natural Sciences at Whiteville; satellite museum.**

The Department of ~~Environment and~~ Natural and Cultural Resources shall establish and administer the North Carolina Museum of ~~Forestry~~ Natural Sciences at Whiteville in Columbus County as a satellite museum of the North Carolina State Museum of Natural Sciences."

SECTION 14.30.(r1) Part 41 of Article 2 of Chapter 143B of the General Statutes, as recodified by subsection (k1) of this section, reads as rewritten:

"Part. 41. Clean Water Management Trust Fund.

…

"§ **143B-135.232. Definitions.**

The following definitions apply in this Article:

(1) Council. – The advisory council for the Clean Water Management Trust Fund.

~~(2) Repealed by Session Laws 2014-100, s. 14.8(b), effective July 1, 2014.~~

~~(3)~~(2) Fund. – The Clean Water Management Trust Fund created pursuant to this Article.

~~(4)~~(3) Land. – Real property and any interest in, easement in, or restriction on real property.

~~(4a)~~(4) Local government unit. – Defined in G.S. 159G-20.

~~(4b) Repealed by Session Laws 2014-100, s. 14.8(b), effective July 1, 2014.~~

(5) Trustees. – The trustees of the Clean Water Management Trust Fund.

~~(6), (7) Repealed by Session Laws 2014-100, s. 14.8(b) effective July 1, 2014.~~

"§ **143B-135.234. Clean Water Management Trust Fund.**

…

(c) Fund Purposes. – Moneys from the Fund are appropriated annually to finance projects to clean up or prevent surface water pollution and for land preservation in accordance with this Article. Revenue in the Fund may be used for any of the following purposes:

(1) To acquire land for riparian buffers for the purposes of providing environmental protection for surface waters and urban drinking water supplies and establishing a network of riparian greenways for environmental, educational, and recreational uses.

(2) To acquire conservation easements or other interests in real property for the purpose of protecting and conserving surface waters and enhancing drinking water supplies, including the development of water supply reservoirs.

(3) To coordinate with other public programs involved with lands adjoining water bodies to gain the most public benefit while protecting and improving water quality.

(4) To restore previously degraded lands to reestablish their ability to protect water quality.

~~(5) through (7) Repealed by Session Laws 2013-360, s. 14.3(d), effective August 1, 2013.~~

~~(8)~~(5) To facilitate planning that targets reductions in surface water pollution.

~~(8a)~~(6) To finance innovative efforts, including pilot projects, to improve stormwater management, to reduce pollutants entering the State's waterways, to improve water quality, and to research alternative solutions to the State's water quality problems.

~~(8b)~~(7) To provide buffers around military bases or for State matching funds for the Readiness and Environmental Protection Initiative, a federal funding initiative that provides funds for military buffers.

~~(8c)~~(8) To acquire land that represents the ecological diversity of North Carolina, including natural features such as riverine, montane, coastal, and geologic systems and other natural areas to ensure their preservation and conservation for recreational, scientific, educational, cultural, and aesthetic purposes.

~~(8d)~~(9) To acquire land that contributes to the development of a balanced State program of historic properties.

~~(8e)~~(10) To authorize expenditures from the Fund not to exceed the sum of seven hundred fifty thousand dollars ($750,000) and any fees collected under ~~G.S. 113A-164.12~~ G.S. 143B-135.272 to pay for the inventory of natural areas conducted under the Natural Heritage Program established pursuant to the Nature Preserves Act, ~~Article 9A of Chapter 113A of the General Statutes,~~ Part 42 of this Article, and to pay for conservation and protection planning and for informational programs for owners of natural areas, as defined in ~~G.S. 113A-164.3.~~G.S. 143B-135.254.

~~(9)~~(11) To fund operating expenses of the Board of Trustees and its staff.

(d) Limit on Operating and Administrative Expenses. – ~~For the fiscal year beginning July 1, 2013, the limit on operating and administrative expenses of the Board of Trustees and its staff is one million two hundred fifty thousand dollars ($1,250,000).~~ For fiscal years beginning on or after July 1, 2014, the limit on operating and administrative expenses of the Board of Trustees and its staff is the amount for the preceding year, adjusted to include any change in the distribution of statewide salary and benefits reserves.

…

"§ **143B-135.238. Grant requirements.**

(a) Eligible Applicants. – Any of the following are eligible to apply for a grant from the Fund for the purpose of protecting and enhancing water quality:

(1) A State agency.

(2) A local government unit.

(3) A nonprofit corporation whose primary purpose is the conservation, preservation, or restoration of our State's cultural, environmental, or natural resources.

~~(a1)~~(b) Criteria. – The criteria developed by the Trustees under ~~G.S. 113A-256~~ G.S. 143B-135.242 apply to grants made under this Article.

~~(b)~~(c) Matching Requirement. – The Board of Trustees shall establish matching requirements for grants awarded under this Article. This requirement may be satisfied by the donation of land to a public or private nonprofit conservation organization as approved by the Board of Trustees. The Board of Trustees may also waive the requirement to match a grant pursuant to guidelines adopted by the Board of Trustees.

~~(c)~~(d) Restriction. – No grant shall be awarded under this article to satisfy compensatory mitigation requirements under 33 USC § 1344 or G.S. 143-214.11.

~~(d), (e) Repealed by Session Laws 2014-100, s. 14.8(c), effective July 1, 2014.~~

~~(f)~~(e) Withdrawal. – An award of a grant under this Article is withdrawn if the grant recipient fails to enter into a construction contract for the project within one year after the date of the award, unless the Trustees find that the applicant has good cause for the failure. If the Trustees find good cause for a recipient's failure, the Trustees must set a date by which the recipient must take action or forfeit the grant.

"§ **143B-135.240. Clean Water Management Trust Fund: Board of Trustees established; membership qualifications; vacancies; meetings and meeting facilities.**

(a) Board of Trustees Established. – There is established the Clean Water Management Trust Fund Board of Trustees. The Clean Water Management Trust Fund Board of Trustees shall be administratively located within the Department of ~~Environment and~~ Natural and Cultural Resources.

…

~~(b1)~~(c) Qualifications. – The office of Trustee is declared to be an office that may be held concurrently with any other executive or appointive office, under the authority of Article VI, Section 9, of the North Carolina Constitution. When appointing members of the Authority, the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives shall give consideration to adequate representation from the various regions of

the State and shall give consideration to the appointment of members who are knowledgeable in any of the following areas:

(1) Acquisition and management of natural areas.
(2) Conservation and restoration of water quality.
(3) Wildlife and fisheries habitats and resources.
(4) Environmental management.
(5) Historic preservation.

~~(b2)~~(d) Limitation on Length of Service. – No member of the Board of Trustees shall serve more than two consecutive three-year terms or a total of 10 years.

~~(c)~~(e) Chair. – The Governor shall appoint one member to serve as Chair of the Board of Trustees.

~~(d)~~(f) Vacancies. – An appointment to fill a vacancy on the Board of Trustees created by the resignation, removal, disability, or death of a member shall be for the balance of the unexpired term. Vacancies in appointments made by the General Assembly shall be filled as provided in G.S. 120-122.

~~(e)~~(g) Frequency of Meetings. – The Board of Trustees shall meet at least twice each year and may hold special meetings at the call of the Chair or a majority of the members.

~~(e1)~~(h) Quorum. – A majority of the membership of the Board of Trustees constitutes a quorum for the transaction of business.

~~(f)~~(i) Per Diem and Expenses. – Each member of the Board of Trustees shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 120-3.1, 138-5, and 138-6, as applicable. Per diem, subsistence, and travel expenses of the Trustees shall be paid from the Fund.

~~(g) Repealed by Session Laws 2013-360, s. 14.3(e), effective August 1, 2013.~~

"§ **143B-135.242. Clean Water Management Trust Fund Board of Trustees: powers and duties.**

…

(g) ~~Repealed by Session Laws 2013-414, s. 58(b), effective January 1, 2014, and by Session Laws 2014-3, s. 14.14(f), effective May 29, 2014.~~

~~(h)~~ Rule-making Authority. – The Trustees may adopt rules to implement this Article. Chapter 150B of the General Statutes applies to the adoption of rules by the Trustees.

~~(i) Repealed by Session Laws 1999-237, s. 15.11, effective July 1, 1999.~~

~~(j) Repealed by Session Laws 2013-360, s. 14.3(f), effective August 1, 2013.~~

"§ **143B-135.244. Clean Water Management Trust Fund: reporting requirement.**

The Chair of the Board of Trustees shall report no later than December 1 each year ~~by 1 December~~ to the Joint Legislative Commission on Governmental Operations, the Environmental Review Commission, the Subcommittees ~~on Natural and Economic Resources~~ of the House of Representatives and Senate Appropriations ~~Committees,~~ Committees with jurisdiction over natural and economic resources, and the Fiscal Research Division of the General Assembly regarding the implementation of this Article. The report shall include a list of the projects awarded grants from the Fund for the previous 12-month period. The list shall include for each project a description of the project, the amount of the grant awarded for the project, and the total cost of the project."

"§ **143B-135.246. Clean Water Management Trust Fund: Executive Director and staff.**

The Secretary of ~~Environment and~~ Natural and Cultural Resources shall select and appoint a competent person in accordance with this section as Executive Director of the Clean Water Management Trust Fund Board of Trustees. The Executive Director shall be charged with the supervision of all activities under the jurisdiction of the Trustees and shall serve as the chief administrative officer of the Trustees. Subject to the approval of the Secretary of ~~Environment and~~ Natural and Cultural Resources, the Executive Director may employ such clerical and other assistants as may be deemed necessary.

The person selected as Executive Director shall have had training and experience in conservation, protection, and management of surface water resources. The salary of the

Executive Director shall be fixed by the Secretary of ~~Environment and~~ Natural and Cultural Resources, and the Executive Director shall be allowed travel and subsistence expenses in accordance with G.S. 138-6. The Executive Director's salary and expenses shall be paid from the Fund. The term of office of the Executive Director shall be at the pleasure of the Secretary of ~~Environment and~~ Natural and Cultural Resources.

These employees shall be exempt from the North Carolina Human Resources Act, as provided in G.S. 126-5(c1).

"§ **143B-135.248. Clean Water Management Trust Fund: Advisory Council.**

There is established the Clean Water Management Trust Fund Advisory Council. The Council shall advise the Trustees with regard to allocations made from the Fund, and other issues as requested by the Trustees. The Council shall be composed of the following or its designees:

(1) Commissioner of Agriculture.
(2) Chair of the Wildlife Resources Commission.
(3) Secretary of ~~Environment and Natural Resources.~~Environmental Quality.
(4) Secretary of the Department of Commerce.
(5) Secretary of the Department of Natural and Cultural Resources."

SECTION 14.30.(r2) Part 42 of Article 2 of Chapter 143B of the General Statutes, as recodified by subsection (k2) of this section, reads as rewritten:

"~~Article 9A.~~

"Part 42. Nature Preserves Act.

"§ **143B-135.250. Short title.**

This ~~Article~~ Part shall be known as the Nature Preserves Act.

…

"§ **143B-135.254. Definitions.**

As used in this Article, unless the context requires otherwise:

(1) "Articles of dedication" means the writing by which any estate, interest, or right in a natural area is formally dedicated as a nature preserve as authorized in ~~G.S. 113A-164.6.~~G.S. 143B-135.260.
(2) "Dedicate" means to transfer to the State an estate, interest, or right in a natural area in any manner authorized in ~~G.S. 113A-164.6.~~G.S. 143B-135.260.
(3) "Natural area" means an area of land, water, or both land and water, whether publicly or privately owned, that (i) retains or has reestablished its natural character, (ii) provides habitat for rare or endangered species of plants or animals, (iii) or has biotic, geological, scenic, or paleontological features of scientific or educational value.
(4) "Nature preserve" means a natural area that has been dedicated pursuant to ~~G.S. 113A-164.6.~~G.S. 143B-135.260.
(5) "Owner" means any individual, corporation, partnership, trust, or association, and all governmental units except the State, its departments, agencies or institutions.
(6) "Registration" means an agreement between the Secretary and the owner of a natural area to protect and manage the natural area for its specified natural heritage resource values.
(7) "Secretary" means the Secretary of ~~Environment and Natural Resources.~~Natural and Cultural Resources.

"§ **143B-135.256. Powers and duties of the Secretary.**

The Secretary shall:

…

(7) Submit to the Governor and the General Assembly a biennial report ~~on or before February 15, 1987, and~~ on or before February 15 of ~~subsequent~~ odd-numbered years describing the activities of the past biennium and plans

for the coming biennium, and detailing specific recommendations for action that the Secretary deems necessary for the improvement of the Program.

…

"§ **143B-135.260. Dedication of nature preserves.**

(a) The State may accept the dedication of nature preserves on lands deemed by the Secretary to qualify as outstanding natural areas. Nature preserves may be dedicated by voluntary act of the owner. The owner of a qualified natural area may transfer fee simple title or other interest in land to the State. Nature preserves may be acquired by gift, grant, or purchase. Dedication of a preserve shall become effective only upon acceptance of the articles of dedication by the State. Articles of dedication shall be recorded in the office of the register of deeds in the county or counties in which the natural area is located.

(b) Articles of dedication ~~may:~~may include any of the following:

(1) ~~Contain restrictions~~ Restrictions and other provisions relating to management, use, development, transfer, and public access, and ~~may contain~~ any other restrictions and provisions as may be necessary or advisable to further the purposes of this ~~Article;~~Part.

(2) ~~Define, consistently~~ Definitions, consistent with the purposes of this ~~Article,~~ Part, of the respective rights and duties of the owner and of the State and ~~provide~~ procedures to be followed in case of violation of ~~the restrictions;~~restrictions.

(3) ~~Recognize and create~~ The recognition and creation of reversionary rights, transfers upon conditions or with limitations, and gifts ~~over; and~~over.

(4) ~~Vary in~~ Varying provisions from one nature preserve to another in accordance with differences in the characteristics and conditions of the several areas.

(c) Subject to the approval of the Governor and Council of State, the State may enter into amendments of any articles of dedication upon finding that the amendment will not permit an impairment, disturbance, use, or development of the area inconsistent with the purposes of this ~~Article.~~ Part. If the fee simple estate in the nature preserve is not held by the State under this ~~Article,~~ Part, no amendment may be made without the written consent of the owner of the other interests therein.

"§ **143B-135.262. Nature preserves held in trust.**

Lands dedicated for nature preserves pursuant to this ~~Article~~ Part are held in trust by the State for those uses and purposes expressed in this ~~Article~~ Part for the benefit of the people of North Carolina. These lands shall be managed and protected according to regulations adopted by the Secretary. Lands dedicated as a nature preserve pursuant to ~~G.S. 113A-164.6~~ G.S. 143B-135.260 may not be used for any purpose inconsistent with the provisions of this ~~Article,~~ Part, or disposed of, by the State without a finding by the Governor and Council of State that the other use or disposition is in the best interest of the State.

…

"§ **143B-135.268. Acquisition of land by State.**

All acquisitions or dispositions of an interest in land by the State pursuant to this ~~Article~~ Part shall be subject to the provisions of Chapter 146 of the General Statutes.

…

"§ **143B-135.272. Access to information; fees.**

(a) The Secretary may establish fees to defray the costs associated with any of the following:

(1) Responding to inquiries requiring customized environmental review services or the costs associated with developing, improving, or maintaining technology that supports an online interface for external users to access Natural Heritage Program data. The Secretary may reduce or waive the fee established under this subsection if the Secretary determines that a waiver or reduction of the fee is in the public interest.

(2) Any activity authorized under ~~G.S. 113A-253(8e),~~ G.S. 143B-135.234(10), including an inventory of natural areas conducted under the Natural Heritage Program, conservation and protection planning, and informational programs for owners of natural areas, as defined in ~~G.S. 113A-164.3.~~G.S. 143B-135.254.

(b) Fees collected under this section are receipts of the Department of ~~Environment and~~ Natural and Cultural Resources and shall be deposited in the Clean Water Management Trust Fund for the purpose of supporting the operations of the Natural Heritage Program."

CHANGES TO STATUTORY REFERENCES TO DEPARTMENTS

SECTION 14.30.(s) The following statutes are amended by deleting the language "Department of Cultural Resources" wherever it appears and substituting "Department of Natural and Cultural Resources": G.S. 7A-343.1, 7B-3000, 8-6, 8-7, 8-34, 14-76.1, 15C-7, 20-79.4, 62-102, 65-85, 70-2, 70-13, 70-13.1, 70-16, 70-18, 70-19, 70-20, 70-28, 70-31, 70-48, 70-49, 70-50, 70-51, 70-52, 75D-5, 97-24, 100-2, 102-17, 105-129.36A,105-256, 111-28, 111-47.2, 115C-218.25, 120-37, 121-2, 121-3, 121-4, 121-4.1, 121-5, 121-5.1, 121-6, 121-7, 121-7.1, 121-7.2, 121-7.3, 121-7.4, 121-7.5, 121-7.6, 121-8, 121-9, 121-9.1, 121-10, 121-11, 121-12, 121-12.1, 121-12.2, 121-13, 121-14, 121-15, 121-16, 121-18, 121-20, 121-23, 121-24, 121-25, 121-25.1, 121-26, 121-27, 125-1, 125-2, 125-5, 125-7, 125-8, 125-10, 125-11.8, 125-14, 126-5, 130A-93, 132-3, 132-4, 132-8, 132-8.1, 132-8.2, 136-42.1, 136-42.2, 136-42.3, 136-43.1, 140-5.12, 140-5.13, 140-5.14, 142-13, 143-138, 143-268, 143-300, 143-406, 143-410, 143-411, 143-431, 143-432, 143-640, 143-641, 143-642, 143-675, 143-676, 143-677, 143B-2, 143B-6, 143B-49, 143B-51, 143B-53.1, 143B-53.2, 143B-53.3, 143B-62, 143B-63, 143B-67, 143B-68, 143B-71, 143B-72, 143B-73, 143B-73.1, 143B-74, 143B-74.2, 143B-79, 143B-85, 143B-87.2, 143B-90, 143B-95, 143B-111, 143B-121, 143B-123, 143B-124, 143B-125, 143B-126, 143B-127, 143B-131.1, 143B-131.2, 143B-131.8A, 143B-131.9, 143B-133, 143B-135, 143B-181, 143B-417, 143B-948, 150B-1, 153A-266, 153A-373, 160A-400.4, 160A-400.6, 160A-433, 161-11.5, 163-82.10, 163-278.22, and 163-278.30. In any other instances in the General Statutes in which there is a reference to the Department of Cultural Resources or a derivative thereof, the Revisor of Statutes may replace that reference with a reference to the Department of Natural and Cultural Resources, as appropriate.

SECTION 14.30.(t) The following statutes are amended by deleting the language "Secretary of Cultural Resources" wherever it appears and substituting "Secretary of Natural and Cultural Resources": G.S. 20-79.5, 47-16.5, 116B-70, 121-2, 121-9, 121-10, 121-12.2, 125-2, 125-9, 125-11.11, 132-8, 136-43.1, 140-5.14, 140-5.15, 143-200, 143-201, 143-204.8, 143-675, 143-676, 143B-52, 143B-62, 143B-63, 143B-72, 143B-74, 143B-74.1, 143B-79, 143B-80, 143B-83, 143B-84, 143B-87, 143B-88, 143B-90, 143B-91, 143B-97, 143B-98, 143B-99, 143B-101, 143B-102, 143B-105, 143B-106, 143B-109, 143B-110, 143B-114, 143B-115, 143B-131.2, 143B-133, 143B-135, 147-54.3, and 153A-267. In any other instances in the General Statutes in which there is a reference to the Secretary of Cultural Resources or a derivative thereof, the Revisor of Statutes may replace that reference with a reference to the Secretary of Natural and Cultural Resources, as appropriate.

SECTION 14.30.(u) The following statutes are amended by deleting the language "Department of Environment and Natural Resources" wherever it appears and substituting "Department of Environmental Quality": G.S. 14-86.2, 14-137, 15A-1343, 18B-902, 20-85, 20-128, 20-183.7, 62-102, 62-110.1, 62-133.6, 62-133.8, 62-302.1, 69-25.5, 74-38, 74-49, 74-53, 74-76, 75A-17, 76-40, 77-90, 77-95, 77-114, 77-125, 77-127, 77-141, 77-142, 87-85, 87-95, 87-97, 87-98.2, 90A-21, 90A-25, 90A-47.3, 95-225, 100-2, 104E-7, 104E-15, 104E-24, 105-122, 105-129.81, 105-130.10, 105-187.24, 105-187.63, 105-259, 105-275, 105-277.13, 105-449.107, 106-24, 106-143, 106-678, 106-762, 106-805, 106-806, 106-860, 110-92, 110-142.2, 113-1, 113-3, 113-8, 113-8.01, 113-14.1, 113-14.3, 113-16, 113-17, 113-18, 113-19, 113-20, 113-21, 113-25, 113-26.1, 113-128, 113-168, 113-174, 113-251, 113-300.6, 113-378, 113-389, 113-425, 113A-52, 113A-103, 113A-104, 113A-113, 113A-118,

113A-129.2, 113A-134.11, 113A-134.12, 113A-153, 113A-167, 113A-168, 113A-169, 113A-170, 113A-221, 113A-230, 113A-231, 113A-232, 113A-235, 113A-253, 113A-255, 113B-2, 113B-6, 113B-11, 113B-30, 115C-522, 120-70.43, 120-76, 121-4, 126-5, 128-1.1, 130A-1.1, 130A-4, 130A-24, 130A-26.1, 130A-33.50, 130A-47, 130A-131.7,130A-290, 130A-295.9, 130A-301, 130A-309.14, 130A-309.140, 130A-310.60, 130A-313, 130A-336, 130A-481, 136-21, 136-28.8, 136-44.7B, 136-44.7D, 136-44.36D, 136-123, 136-202, 139-8, 139-46, 143-58.2, 143-58.4, 143-64.11, 143-64.12, 143-64.17F, 143-64.17G, 143-64.17H, 143-138, 143-166.13, 143-211, 143-212, 143-214.7A, 143-214.8, 143-214.13, 143-214.25A, 143-215.8D, 143-215.9B, 143-215.9C, 143-215.73A, 143-215.77, 143-215.94I, 143-215.94L, 143-215.94HH, 143-215.107B, 143-215.107C, 143-228.10, 143-240, 143-252, 143-253, 143-286.1, 143-289, 143-320, 143-323, 143-350, 143-355, 143-355.2, 143-436, 143-439, 143B-2, 143B-6, 143B-131.2, 143B-181, 143B-279.1, 143B-279.2, 143B-279.3, 143B-279.4, 143B-279.5, 143B-279.7, 143B-279.8, 143B-279.9, 143B-279.10, 143B-279.11, 143B-279.12, 143B-279.13, 143B-279.14, 143B-279.15, 143B-279.16, 143B-279.17, 143B-281.1, 143B-282, 143B-282.1, 143B-283, 143B-284, 143B-285, 143B-285.22, 143B-289.50, 143B-289.51, 143B-289.52, 143B-289.61, 143B-290, 143B-293.1, 143B-298, 143B-299, 143B-300, 143B-301, 143B-301.1, 143B-301.10, 143B-324.1, 143B-324.2, 143B-344.34, 143B-344.35, 143B-344.36, 143B-344.37, 143B-344.38, 143B-344.44, 143B-344.50, 143B-344.55, 143B-417, 143B-431.01, 143B-437, 143B-437.01, 146-8, 147-33.104A, 148-10, 150B-1, 150B-19.3, 153A-136, 153A-226, 153A-421, 156-59, 156-74, 156-76, 156-83, 159G-20, 159C-7, 159D-7, 159G-70, 159I-3, 162A-23, 162A-24, 162A-25, 162A-29, 162A-30, 162A-33, 162A-35, 166A-19.3, and 166A-26. In any other instances in the General Statutes in which there is a reference to the Department of Environment and Natural Resources or a derivative thereof, the Revisor of Statutes may replace that reference with a reference to the Department of Environmental Quality, as appropriate.

SECTION 14.30.(v) The following statutes are amended by deleting the language "Secretary of Environment and Natural Resources" wherever it appears and substituting "Secretary of Environmental Quality": G.S. 7A-29, 20-79.5, 47C-3-122, 47F-3-122, 58-78-1, 62-133.6, 68-43, 77-95, 77-114, 77-130, 87-94, 87-95, 87-98.2, 90A-21, 90A-22, 90A-23, 90A-24, 90A-25.1, 90A-28, 90A-30, 90A-37, 90A-38, 90A-39, 90A-43, 104E-5, 104E-17, 105-129.83, 105-187.84, 105-259, 106-744, 113-1, 113-128, 113-182.1, 113-221.4, 113-300.7, 113A-24, 113A-52, 113A-103, 113A-107, 113A-115.1, 113A-166, 113A-208, 113A-212, 113A-221, 113A-234, 113A-241, 113A-258, 113A-259, 113B-2, 113B-3, 120-150, 130A-4, 130A-17, 130A-18, 130A-19, 130A-20, 130A-22, 130A-23, 130A-27, 130A-47, 130A-290, 130A-301, 130A-313, 130A-334, 136-102.3, 143-58.4, 143-212, 143-215.8D, 143-215.18, 143-215.22L, 143-215.40, 143-215.70, 143-215.77, 143-215.86, 143-215.94HH, 143-215.107D, 143-215.126, 143-243, 143-320, 143-726, 143B-86, 143B-115, 143B-279.4, 143B-279.5, 143B-279.7, 143B-279.8, 143B-281.1, 143B-282.1, 143B-283, 143B-285.23, 143B-289.50, 143B-289.53, 143B-291, 143B-293.2, 143B-300, 143B-301, 143B-324.1, 143B-407, 143B-411.1, 143B-426.25, 143B-431.01, 148-26, 153A-301, 158-7.3, 159G-20, 159I-7, 160A-515.1, 162A-33, and 162A-35. In any other instances in the General Statutes in which there is a reference to the Secretary of Environment and Natural Resources or a derivative thereof, the Revisor of Statutes may replace that reference with a reference to the Secretary of Environmental Quality, as appropriate.

SECTION 14.30.(w) The following statutes are amended by deleting the language "Department of Environment and Natural Resources" wherever it appears and substituting "Department of Natural and Cultural Resources": G.S. 100-11, 100-12, 100-13, 100-14, and 146-30. In any other instances in the General Statutes in which there is a reference to the Department of Environment and Natural Resources or a derivative thereof, the Revisor of Statutes may replace that reference with a reference to the Department of Natural and Cultural Resources or a derivative thereof, when necessary to harmonize the statutes with the transfers set forth in subsections (a) and (b) of this section.

SECTION 14.30.(x) The following statutes are amended by deleting the language "Secretary of the Department of Cultural Resources" wherever it appears and substituting "Secretary of Natural and Cultural Resources": G.S. 70-1, 70-3, 70-4, 113A-259, 116-37.1, 116-65, 121-13, 132-5.1, 143-640, 143B-53.2, 143B-131.1, 143B-131.2, 143B-131.6, and 143B-131.9. In any other instances in the General Statutes in which there is a reference to the Secretary of the Department of Cultural Resources or a derivative thereof, the Revisor of Statutes may replace that reference with a reference to the Secretary of Natural and Cultural Resources, as appropriate.

SECTION 14.30.(y) The following statutes are amended by deleting the language "Secretary of the Department of Environment and Natural Resources" wherever it appears and substituting "Secretary of Environmental Quality": G.S. 113-173.1 and G.S. 127C-2. In any other instances in the General Statutes in which there is a reference to the Secretary of the Department of Environment and Natural Resources or a derivative thereof, the Revisor of Statutes may replace that reference with a reference to the Secretary of Environmental Quality, as appropriate.

CONFORMING CHANGES

SECTION 14.30.(z) The following statutes are amended by deleting the language "Article 2C of Chapter 113" wherever it appears and substituting "Part 32 of Article 7 of Chapter 143B": G.S. 143-260.10, 143-260.10C, 143-260.10D, and 143-260.10E.

SECTION 14.30.(aa) The following statutes are amended by deleting the language "G.S. 113-44.14" wherever it appears and substituting "G.S. 143B-135.54": G.S. 143-260.10, 143B-260.10C, 143B-260.10D, and 143B-260.10G.

SECTION 14.30.(aa1) G.S. 7A-273(2) reads as rewritten:

"(2) In misdemeanor or infraction cases involving alcohol offenses under Chapter 18B of the General Statutes, traffic offenses, hunting, fishing, State park and recreation area rule offenses under ~~Chapter~~ Chapters 113 and 143B of the General Statutes, boating offenses under Chapter 75A of the General Statutes, open burning offenses under Article 78 of Chapter 106 of the General Statutes, and littering offenses under G.S. 14-399(c) and G.S. 14-399(c1), to accept written appearances, waivers of trial or hearing and pleas of guilty or admissions of responsibility, in accordance with the schedule of offenses and fines or penalties promulgated by the Conference of Chief District Judges pursuant to G.S. 7A-148, and in such cases, to enter judgment and collect the fines or penalties and costs;"

SECTION 14.30.(bb) G.S. 14-131 reads as rewritten:

"§ **14-131. Trespass on land under option by the federal government.**

On lands under option which have formally or informally been offered to and accepted by either the North Carolina Department of ~~Environment and~~ Natural and Cultural Resources or the Department of Environmental Quality by the acquiring federal agency and tentatively accepted by ~~said~~ a Department for administration as State forests, State parks, State game refuges or for other public purposes, it shall be unlawful to cut, dig, break, injure or remove any timber, lumber, firewood, trees, shrubs or other plants; or any fence, house, barn or other structure; or to pursue, trap, hunt or kill any bird or other wild animals or take fish from streams or lakes within the boundaries of such areas without the written consent of the local official of the United States having charge of the acquisition of such lands.

Any person, firm or corporation convicted of the violation of this section shall be guilty of a Class 3 misdemeanor.

The Department of ~~Environment and Natural Resources~~ Environmental Quality through its legally appointed forestry, fish and game wardens is hereby authorized and empowered to assist the county law-enforcement officers in the enforcement of this section."

SECTION 14.30.(cc) G.S. 14-415.11(c1) reads as rewritten:

"(c1) Any person who has a concealed handgun permit may carry a concealed handgun on the grounds or waters of a park within the State Parks System as defined in ~~G.S. 113-44.9.~~G.S. 143B-135.44."

SECTION 14.30.(dd) G.S. 20-79.7(b) reads as rewritten:

"(b) Distribution of Fees. – The Special Registration Plate Account and the Collegiate and Cultural Attraction Plate Account are established within the Highway Fund. The Division must credit the additional fee imposed for the special registration plates listed in subsection (a) of this section among the Special Registration Plate Account (SRPA), the Collegiate and Cultural Attraction Plate Account (CCAPA), the Clean Water Management Trust Fund (CWMTF), which is established under ~~G.S. 113A-253,~~ G.S. 143B-135.234, and the Parks and Recreation Trust Fund, which is established under ~~G.S. 113-44.15,~~ G.S. 143B-135.56, as follows:

…."

SECTION 14.30.(dd1). G.S. 20-81.12 reads as rewritten:

"§ **20-81.12. Collegiate insignia plates and certain other special plates.**

…

(b) Historical Attraction Plates. – The Division must receive 300 or more applications for an historical attraction plate representing a publicly owned or nonprofit historical attraction located in North Carolina and listed below before the plate may be developed. The Division must transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of historical attraction plates to the organizations named below in proportion to the number of historical attraction plates sold representing that organization:

…

(3) State Historic Site. – The revenue derived from the special plate shall be transferred quarterly to the Department of Natural and Cultural Resources and used to develop and operate the site for which the plate is issued. As used in this subdivision, the term "State historic site" has the same meaning as in G.S. 121-2(11).

…

(b2) State Attraction Plates. – The Division must receive 300 or more applications for a State attraction plate before the plate may be developed. The Division must transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of State attraction plates to the organizations named below in proportion to the number of State attraction plates sold representing that organization:

…

(9) North Carolina State Parks. – The revenue derived from the special plate shall be transferred quarterly to Friends of State Parks, Inc., for its educational, conservation, and other programs in support of the operations of the State Parks System established in ~~Article 2C of Chapter 113~~ Part 32 of Article 7 of Chapter 143B of the General Statutes.

…

(b7) Scenic Rivers Plates. – The Division must receive 300 or more applications for a Scenic Rivers plate before the plate may be developed. The Division shall transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of Scenic Rivers plates to the Clean Water Management Trust Fund established in ~~G.S. 113A-253.~~G.S. 143B-135.234.

…

(b100) NC Civil War. – The Division must receive 300 or more applications for the "NC Civil War" plate before the plate may be developed. The Division must transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of "NC Civil War" plates to the North Carolina Department of Natural and Cultural Resources, Division of Archives and History, to provide funding to acquire, interpret, and preserve North Carolina's Civil War history.

…."

SECTION 14.30.(ee) G.S. 20-125(b) reads as rewritten:

"(b) Every vehicle owned or operated by a police department or by the Department of Public Safety including the State Highway Patrol or by the Wildlife Resources Commission or the Division of Marine ~~Fisheries,~~ Fisheries of the Department of Environmental Quality, or by the Division of Parks and Recreation of the Department of ~~Environment and~~ Natural and Cultural Resources, or by the North Carolina Forest Service of the Department of Agriculture and Consumer Services, and used exclusively for law enforcement, firefighting, or other emergency response purposes, or by the Division of Emergency Management, or by a fire department, either municipal or rural, or by a fire patrol, whether such fire department or patrol be a paid organization or a voluntary association, vehicles used by an organ procurement organization or agency for the recovery and transportation of human tissues and organs for transplantation, and every ambulance or emergency medical service emergency support vehicle used for answering emergency calls, shall be equipped with special lights, bells, sirens, horns or exhaust whistles of a type approved by the Commissioner of Motor Vehicles.

The operators of all such vehicles so equipped are hereby authorized to use such equipment at all times while engaged in the performance of their duties and services, both within their respective corporate limits and beyond.

In addition to the use of special equipment authorized and required by this subsection, the chief and assistant chiefs of any police department or of any fire department, whether the same be municipal or rural, paid or voluntary, county fire marshals, assistant fire marshals, transplant coordinators, and emergency management coordinators, are hereby authorized to use such special equipment on privately owned vehicles operated by them while actually engaged in the performance of their official or semiofficial duties or services either within or beyond their respective corporate limits.

And vehicles driven by law enforcement officers of the North Carolina Division of Motor Vehicles shall be equipped with a bell, siren, or exhaust whistle of a type approved by the Commissioner, and all vehicles owned and operated by the State Bureau of Investigation for the use of its agents and officers in the performance of their official duties may be equipped with special lights, bells, sirens, horns or exhaust whistles of a type approved by the Commissioner of Motor Vehicles.

Every vehicle used or operated for law enforcement purposes by the sheriff or any salaried deputy sheriff or salaried rural policeman of any county, whether owned by the county or not, may be, but is not required to be, equipped with special lights, bells, sirens, horns or exhaust whistles of a type approved by the Commissioner of Motor Vehicles. Such special equipment shall not be operated or activated by any person except by a law enforcement officer while actively engaged in performing law enforcement duties.

In addition to the use of special equipment authorized and required by this subsection, the chief and assistant chiefs of each emergency rescue squad which is recognized or sponsored by any municipality or civil preparedness agency, are hereby authorized to use such special equipment on privately owned vehicles operated by them while actually engaged in their official or semiofficial duties or services either within or beyond the corporate limits of the municipality which recognizes or sponsors such organization."

SECTION 14.30.(ff) G.S. 20-130.1(b)(18) reads as rewritten:

"(b) The provisions of subsection (a) of this section do not apply to the following:

…

(18) A vehicle operated by the Division of Marine Fisheries of the Department of Environmental Quality or the Division of Parks and Recreation of the Department of ~~Environment and~~ Natural and Cultural Resources that is used for law enforcement, firefighting, or other emergency response purpose."

SECTION 14.30.(gg) G.S. 20-145 reads as rewritten:

"§ **20-145. When speed limit not applicable.**

The speed limitations set forth in this Article shall not apply to vehicles when operated with due regard for safety under the direction of the police in the chase or apprehension of violators of the law or of persons charged with or suspected of any such violation, nor to fire department or fire patrol vehicles when traveling in response to a fire alarm, nor to public or private ambulances and rescue squad emergency service vehicles when traveling in emergencies, nor to vehicles operated by county fire marshals and civil preparedness coordinators when traveling in the performances of their duties, nor to any of the following when either operated by a law enforcement officer in the chase or apprehension of violators of the law or of persons charged with or suspected of any such violation, when traveling in response to a fire alarm, or for other emergency response purposes: (i) a vehicle operated by the Division of Marine Fisheries of the Department of Environmental Quality or the Division of Parks and Recreation of the Department of ~~Environment and~~ Natural and Cultural Resources or (ii) a vehicle operated by the North Carolina Forest Service of the Department of Agriculture and Consumer Services. This exemption shall not, however, protect the driver of any such vehicle from the consequence of a reckless disregard of the safety of others."

SECTION 14.30.(hh) G.S. 20-156(b) reads as rewritten:

"(b) The driver of a vehicle upon the highway shall yield the right-of-way to police and fire department vehicles and public and private ambulances, vehicles used by an organ procurement organization or agency for the recovery or transportation of human tissues and organs for transplantation or a vehicle operated by a transplant coordinator who is an employee of an organ procurement organization or agency when the transplant coordinator is responding to a call to recover or transport human tissues or organs for transplantation, and to rescue squad emergency service vehicles and vehicles operated by county fire marshals and civil preparedness coordinators, and to a vehicle operated by the Division of Marine Fisheries of the Department of Environmental Quality or the Division of Parks and Recreation of the Department of ~~Environment and~~ Natural and Cultural Resources when used for law enforcement, firefighting, or other emergency response purpose, and to a vehicle operated by the North Carolina Forest Service of the Department of Agriculture and Consumer Services when used for a law enforcement, firefighting, or other emergency response purpose, when the operators of said vehicles are giving a warning signal by appropriate light and by bell, siren or exhaust whistle audible under normal conditions from a distance not less than 1,000 feet. When appropriate warning signals are being given, as provided in this subsection, an emergency vehicle may proceed through an intersection or other place when the emergency vehicle is facing a stop sign, a yield sign, or a traffic light which is emitting a flashing strobe signal or a beam of steady or flashing red light. This provision shall not operate to relieve the driver of a police or fire department vehicle, or a vehicle owned or operated by the Department of Environment and Natural Resources, or the Department of Agriculture and Consumer Services, or public or private ambulance or vehicles used by an organ procurement organization or agency for the recovery or transportation of human tissues and organs for transplantation or a vehicle operated by a transplant coordinator who is an employee of an organ procurement organization or agency when the transplant coordinator is responding to a call to recover or transport human tissues or organs for transplantation, or rescue squad emergency service vehicle or county fire marshals or civil preparedness coordinators from the duty to drive with due regard for the safety of all persons using the highway, nor shall it protect the driver of any such vehicle or county fire marshal or civil preparedness coordinator from the consequence of any arbitrary exercise of such right-of-way."

SECTION 14.30.(ii) G.S. 20-157(a) reads as rewritten:

"(a) Upon the approach of any law enforcement or fire department vehicle or public or private ambulance or rescue squad emergency service vehicle, or a vehicle operated by the Division of Marine ~~Fisheries,~~ Fisheries of the Department of Environmental Quality, or the Division of Parks and Recreation of the Department of ~~Environment and~~ Natural and Cultural Resources, or the North Carolina Forest Service of the Department of Agriculture and

Consumer Services when traveling in response to a fire alarm or other emergency response purpose, giving warning signal by appropriate light and by audible bell, siren or exhaust whistle, audible under normal conditions from a distance not less than 1000 feet, the driver of every other vehicle shall immediately drive the same to a position as near as possible and parallel to the right-hand edge or curb, clear of any intersection of streets or highways, and shall stop and remain in such position unless otherwise directed by a law enforcement or traffic officer until the law enforcement or fire department vehicle, or the vehicle operated by the Division of Marine ~~Fisheries,~~ Fisheries of the Department of Environmental Quality, or the Division of Parks and Recreation of the Department of ~~Environment and~~ Natural and Cultural Resources, or the North Carolina Forest Service of the Department of Agriculture and Consumer Services, or the public or private ambulance or rescue squad emergency service vehicle shall have passed. Provided, however, this subsection shall not apply to vehicles traveling in the opposite direction of the vehicles herein enumerated when traveling on a four-lane limited access highway with a median divider dividing the highway for vehicles traveling in opposite directions, and provided further that the violation of this subsection shall be negligence per se. Violation of this subsection is a Class 2 misdemeanor."

SECTION 14.30.(jj) G.S. 66-58 reads as rewritten:

"§ **66-58. Sale of merchandise or services by governmental units.**

…

(b) The provisions of subsection (a) of this section shall not apply to:

…

(9) The Department of ~~Environment and Natural Resources, except that the Department shall not construct, maintain, operate or lease a hotel or tourist inn in any park over which it has jurisdiction.~~ Environmental Quality. The North Carolina Wildlife Resources Commission may sell wildlife memorabilia as a service to members of the public interested in wildlife conservation.

…

(9b) The Department of Natural and Cultural Resources for the sale of food pursuant to G.S. 111-47.2 and the sale of books, crafts, gifts, and other tourism-related items and revenues from public and private special events, activities, and programming at historic sites and museums administered by the Department, provided that the resulting profits are used to support the operation of historic sites or ~~museums.~~museums and provided further that the Department shall not construct, maintain, operate, or lease a hotel or tourist inn in any park over which it has jurisdiction.

…

(c) The provisions of subsection (a) shall not prohibit:

…

(2) The sale of learned journals, works of art, books or publications of the Department of Natural and Cultural Resources or other agencies, or the Supreme Court Reports or Session Laws of the General Assembly.

…

(9b) The Department of Natural and Cultural Resources for the sale of food pursuant to G.S. 111-47.2 and the sale of books, crafts, gifts, and other tourism-related items and revenues from public and private special events, activities, and programming at historic sites and museums administered by the Department, provided that the resulting profits are used to support the operation of historic sites or ~~museums.~~museums and provided further that the Department shall not construct, maintain, operate, or lease a hotel or tourist inn in any park over which it has jurisdiction.

…."

SECTION 14.30.(kk) G.S. 74-50(b3) reads as rewritten:

"(b3) When the Department receives an application for a new mining permit or for a modification of a mining permit to add land to the permitted area, the Department shall send a notice of the application to each of the following agencies with a request that each agency review and provide written comment on the application within 30 days of the date on which the request is made:

(1) Division of Air Quality, Department of ~~Environment and Natural Resources.~~Environmental Quality.

(2) Division of Parks and Recreation, Department of ~~Environment and~~ Natural and Cultural Resources.

(3) Repealed by Session Laws 2013-413, s. 57(b), effective August 23, 2013.

(4) Division of Water Resources, Department of ~~Environment and Natural Resources.~~Environmental Quality.

(5) North Carolina Geological Survey, Division of Energy, Mineral, and Land Resources, Department of ~~Environment and Natural Resources.~~Environmental Quality.

(6) Wildlife Resources Commission, Department of ~~Environment and Natural Resources.~~Environmental Quality.

(7) Office of Archives and History, Department of Natural and Cultural Resources.

(8) United States Fish and Wildlife Service, United States Department of the Interior.

(9) Any other federal or State agency that the Department determines to be appropriate, including the Division of Coastal Management, ~~Department of Environment and Natural Resources;~~ the Division of Marine Fisheries, ~~Department of Environment and Natural Resources;~~ and the Division of Waste ~~Management,~~ Management of the Department of ~~Environment and Natural Resources;~~ Environmental Quality, and the Department of Transportation."

SECTION 14.30.(ll) G.S. 106-202.17(b) reads as rewritten:

"(b) The Scientific Committee shall consist of the Directors of The University of North Carolina at Chapel Hill Herbarium, the North Carolina State University Herbarium, the North Carolina Botanical Garden of The University of North Carolina at Chapel Hill, the North Carolina State Museum of Natural Sciences of the Department of Natural and Cultural Resources, and the North Carolina Natural Heritage Program of the Department of ~~Environment and Natural Resources~~ Environmental Quality or their designees, a representative of the North Carolina Association of Nurserymen, Inc., appointed by the Commissioner, and a representative of a conservation organization, appointed by the Commissioner. Members shall serve for three-year terms and may succeed themselves."

SECTION 14.30.(mm) G.S. 106-803(a) reads as rewritten:

"§ **106-803. Siting requirements for swine houses, lagoons, and land areas onto which waste is applied at swine farms.**

(a) A swine house or a lagoon that is a component of a swine farm shall be located:

(1) At least 1,500 feet from any occupied residence.

(2) At least 2,500 feet from any school; hospital; church; outdoor recreational facility; national park; State Park, as defined in ~~G.S. 113-44.9;~~ G.S. 143B-135.44; historic property acquired by the State pursuant to G.S. 121-9 or listed in the North Carolina Register of Historic Places pursuant to G.S. 121-4.1; or child care center, as defined in G.S. 110-86, that is licensed under Article 7 of Chapter 110 of the General Statutes.

(3) At least 500 feet from any property boundary.

(4) At least 500 feet from any well supplying water to a public water system, as defined in G.S. 130A-313.

(5) At least 500 feet from any other well that supplies water for human consumption. This subdivision does not apply to a well located on the same parcel or tract of land on which the swine house or lagoon is located and that supplies water only for use on that parcel or tract of land or for use on adjacent parcels or tracts of land all of which are under common ownership or control."

SECTION 14.30.(nn) G.S. 113-8 reads as rewritten:

"§ **113-8. Powers and duties of the Department.**

The Department shall make investigations of the natural resources of the State, and take such measures as it may deem best suited to promote the conservation and development of such resources.

It shall have the protection of lands and water supplies; it shall also have the care of ~~State parks, and other~~ recreational areas now owned or to be acquired by the State, including the lakes referred to in G.S. 146-7.

It shall make such examination, survey and mapping of the geology, mineralogy and topography of the State, including their industrial and economic utilization, as it may consider necessary; make investigations of water supplies and water powers, prepare and maintain a general inventory of the water resources of the State, and take such measures as it may consider necessary to promote their development.

It shall have the duty of enforcing all laws relating to the conservation of marine and estuarine resources.

The Department may take such other measures as it may deem advisable to obtain and make public a more complete knowledge of the State and its resources, and it is authorized to cooperate with other departments and agencies of the State in obtaining and making public such information.

The Department may acquire such real and personal property as may be found desirable and necessary for the performance of the duties and functions of the Department and pay for same out of any funds appropriated for the Department or available unappropriated revenues of the Department, when such acquisition is approved by the Governor and Council of State. The title to any real estate acquired shall be in the name of the State of North Carolina for the use and benefit of the Department."

SECTION 14.30.(oo) G.S. 113-28.1 reads as rewritten:

"§ **113-28.1. Designated employees commissioned special peace officers by Governor.**

Upon application by either the Secretary of ~~Environment and Natural Resources,~~ Natural and Cultural Resources or the Secretary of Environmental Quality, the Governor is hereby authorized and empowered to commission as special peace officers such of the employees of the ~~Department of Environment and Natural Resources~~ Departments as the Secretary may designate for the purpose of enforcing the laws and rules enacted or adopted for the protection, preservation and government of State parks, lakes, reservations and other lands or waters under the control or supervision of the ~~Department of Environment and Natural Resources.~~respective Departments."

SECTION 14.30.(pp) G.S. 113-28.2 reads as rewritten:

"§ **113-28.2. Powers of arrest.**

Any employee of either the Department of ~~Environment and~~ Natural and Cultural Resources or the Department of Environmental Quality commissioned as a special peace officer shall have the right to arrest with warrant any person violating any law or rule on or relating to the State parks, lakes, reservations and other lands or waters under the control or supervision of the ~~Department of Environment and Natural Resources,~~ employee's respective Department, and shall have the power to pursue and arrest without warrant any person violating in his presence any law or rule on or relating to said parks, lakes, reservations and other lands or waters under the control or supervision of the ~~Department of Environment and Natural Resources.~~employee's respective Department."

SECTION 14.30.(qq) G.S. 113-28.2A reads as rewritten:

"§ **113-28.2A. Cooperation between law enforcement agencies.**

Special peace officers employed by either the Department of ~~Environment and~~ Natural and Cultural Resources or the Department of Environmental Quality are officers of a "law enforcement agency" for purposes of G.S. 160A-288, and ~~the~~ each Department shall have the same authority as a city or county governing body to approve cooperation between law enforcement agencies under that section."

SECTION 14.30.(rr) G.S. 113-28.4 reads as rewritten:

"§ **113-28.4. Oaths required.**

Before any employee of either the Department of ~~Environment and~~ Natural and Cultural Resources or the Department of Environmental Quality commissioned as a special peace officer shall exercise any power of arrest under this ~~Article he~~ Article, the employee shall take the oaths required of public officers before an officer authorized to administer oaths."

SECTION 14.30.(ss) G.S. 113-307.1(a) reads as rewritten:

"(a) The consent of the General Assembly of North Carolina is hereby given to the making by the Congress of the United States, or under its authority, of all such rules and regulations as the federal government shall determine to be needful in respect to game animals, game and nongame birds, and fish on such lands in the western part of North Carolina as shall have been, or may hereafter be, purchased by the United States under the terms of the act of Congress of March 1, 1911, entitled "An act to enable any state to cooperate with any other state or states, or with the United States, for the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purposes of conserving the navigability of navigable rivers" (36 Stat. 961), and acts of Congress supplementary thereto and amendatory thereof, and in or on the waters thereon.

Nothing in this subsection shall be construed as conveying the ownership of wildlife from the State of North Carolina or permit the trapping, hunting, or transportation of any game animals, game or nongame birds, or fish by any person, including any agency, department, or instrumentality of the United States or agents thereof, on the lands in North Carolina, as shall have been or may hereafter be purchased by the United States under the terms of any act of Congress, except in accordance with the provisions of this Subchapter and its implementing regulations. Provided, that the provisions of ~~G.S. 113-39~~ G.S. 143B-135.20 apply with respect to licenses.

Any person, including employees or agents of any department or instrumentality of the United States, violating the provisions of this subsection is guilty of a Class 1 misdemeanor."

SECTION 14.30.(tt) G.S. 120-306(a)(1)c. is repealed.

SECTION 14.30.(uu) G.S. 121-7.7(c) reads as rewritten:

"(c) Reports. – The Department of Natural and Cultural Resources must submit to the Joint Legislative Commission on Governmental Operations, the chairs of the House of Representatives ~~and~~ Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations ~~Subcommittees~~ Committee on ~~General Government,~~ Natural and Economic Resources, and the Fiscal Research Division by September 30 of each year a report on the Fund that includes the source and amounts of all funds credited to the Fund and the purpose and amount of all expenditures from the Fund during the prior fiscal year."

SECTION 14.30.(vv) G.S. 121-21.1(c) reads as rewritten:

"(c) The Tryon Palace Commission shall submit to the Joint Legislative Commission on Governmental Operations, the House ~~and~~ of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the Senate Appropriations ~~Subcommittees~~ Committee on ~~General Government,~~ Natural and Economic Resources, and the Fiscal Research Division by September 30 of each year a report on the Tryon Palace Historic Sites and Gardens Fund that shall include the source and amounts of all funds credited to the Fund and the purpose and amount of all expenditures from the Fund during the prior fiscal year."

SECTION 14.30.(ww) G.S. 136-44.12 reads as rewritten:

"§ **136-44.12. Maintenance of roads and parking lots in areas administered by the Division of Parks and Recreation.**

The Department of Transportation shall maintain all roads and parking lots which are not part of the State Highway System, leading into and located within the boundaries of all areas administered by the Division of Parks and Recreation of the Department of ~~Environment and~~ Natural and Cultural Resources.

All such roads and parking lots shall be planned, designed, and engineered through joint action between the Department of Transportation and the Division of Parks and Recreation of the Department of ~~Environment and~~ Natural and Cultural Resources. This joint action shall encompass all accepted park planning and design principles. Particular concern shall be given to traffic counts and vehicle weight, minimal cutting into or through any natural and scenic areas, width of shoulders, the cutting of natural growth along roadways, and the reduction of any potential use of roads or parking lots for any purpose other than by park users. All State park roads and parking lots shall conform to the standards regarding width and other roadway specifications as agreed upon by the Division of Parks and Recreation of the Department of ~~Environment and~~ Natural and Cultural Resources and the Department of Transportation.

The State park road systems may be closed to the public in accordance with approved park practices that control the use of State areas so as to protect these areas from overuse and abuse and provide for functional use of the park areas, or for any other purpose considered in the best interest of the public by the Division of Parks and Recreation of the Department of ~~Environment and~~ Natural and Cultural Resources.

Nothing herein shall be construed to include the transfer to the Department of Transportation the powers now vested in the Division of Parks and Recreation of the Department of ~~Environment and~~ Natural and Cultural Resources relating to the patrol and safeguarding of State park roads or State park parking lots."

SECTION 14.30.(xx) G.S. 143-116.8 reads as rewritten:

"§ **143-116.8. Motor vehicle laws applicable to State parks and forests road system.**

(a) Except as otherwise provided in this section, all the provisions of Chapter 20 of the General Statutes relating to the use of highways and public vehicular areas of the State and the operation of vehicles thereon are made applicable to the State parks and forests road system. For the purposes of this section, the term "State parks and forests road system" shall mean the streets, alleys, roads, public vehicular areas and driveways of the State parks, State forests, State recreation areas, State lakes, and all other lands administered by the Department of ~~Environment and~~ Natural and Cultural Resources or the Department of Agriculture and Consumer Services. This term shall not be construed, however, to include streets that are a part of the State highway system. Any person violating any of the provisions of Chapter 20 of the General Statutes hereby made applicable in the State parks and forests road system shall, upon conviction, be punished in accordance with Chapter 20 of the General Statutes. Nothing herein contained shall be construed as in any way interfering with the ownership and control of the State parks road system by the Department of ~~Environment and~~ Natural and Cultural Resources and the forests road system by the Department of Agriculture and Consumer Services.

(b) (1) It shall be unlawful for a person to operate a vehicle in the State parks road system at a speed in excess of twenty-five miles per hour (25 mph). When the Secretary of ~~Environment and~~ Natural and Cultural Resources determines that this speed is greater than reasonable and safe under the conditions found to exist in the State parks road system, the Secretary may establish a lower reasonable and safe speed limit. No speed limit established by the Secretary pursuant to this provision shall be effective until posted in the part of the system where the limit is intended to apply.

…

(c) The Secretary of ~~Environment and~~ Natural and Cultural Resources may, by rule, regulate parking and establish parking areas, and provide for the removal of illegally parked motor vehicles on the State parks road system, and the Commissioner of Agriculture may, by

rule, regulate and establish parking areas and provide for the removal of illegally parked motor vehicles on the State forests road system. Any rule of the Secretary or the Commissioner shall be consistent with the provisions of G.S. 20-161, 20-161.1, and 20-162. Any removal of illegally parked motor vehicles shall be in compliance with Article 7A of Chapter 20 of the General Statutes.

(d) A violation of the rules issued by the Secretary of ~~Environment and~~ Natural and Cultural Resources or the Commissioner of Agriculture under subsection (c) of this section is an infraction pursuant to G.S. 20-162.1, and shall be punished as therein provided. These rules may be enforced by the Commissioner of Motor Vehicles, the Highway Patrol, forest law enforcement officers, or other law enforcement officers of the State, counties, cities or other municipalities having authority under Chapter 20 of the General Statutes to enforce laws or rules on travel or use or operation of vehicles or the use or protection of the highways of the State.

…

(f) Notwithstanding any other provision of this section, a person may petition the Department of ~~Environment and~~ Natural and Cultural Resources for a waiver authorizing the person to operate a vehicle in the State parks road system at a speed in excess of 25 miles per hour in connection with a special event. The Secretary may impose any conditions on a waiver that the Secretary determines to be necessary to protect public health, safety, welfare, and the natural resources of the State park. These conditions shall include a requirement that the person receiving the waiver execute an indemnification agreement with the Department and obtain general liability insurance in an amount not to exceed three million dollars ($3,000,000) covering personal injury and property damage that may result from driving in excess of 25 miles per hour in the State parks road system subject to the conditions determined by the Secretary.

…."

SECTION 14.30.(yy) G.S. 143-129.8A(a) reads as rewritten:

"(a) Exemption. – The North Carolina Zoological Park is a State entity whose primary purpose is the attraction of, interaction with, and education of the public regarding issues of global conservation, ecological preservation, and scientific exploration, and that purpose presents unique challenges requiring greater flexibility and faster responsiveness in meeting the needs of and creating the attractions for the Park. Accordingly, the Department of ~~Environment and~~ Natural and Cultural Resources may use the procedure set forth in this section, in addition to or instead of any other procedure available under North Carolina law, to contract with a non-State entity on behalf of the Park for the acquisition of goods and services where: (i) the contract directly results in the generation of revenue for the State of North Carolina or (ii) the use of the acquired goods and services by the Park results in increased revenue or decreased expenditures for the State of North Carolina."

SECTION 14.30.(zz) G.S. 143-135.9(e) reads as rewritten:

"(e) North Carolina Zoological Park. – The acquisition of goods and services under a contract entered pursuant to the exemption of G.S. 143-129.8A(a) by the Department of ~~Environment and~~ Natural and Cultural Resources on behalf of the North Carolina Zoological Park may be conducted using the Best Value procurement method. For acquisitions which the procuring agency deems to be highly complex, the use of Government-Vendor partnership is authorized."

SECTION 14.30.(aaa) G.S. 143-215.31(e) reads as rewritten:

"(e) The minimum streamflow in the length of the stream affected by a dam to which subsections (c) and (d) of this section do not apply shall be established as provided in subsection (b) of this section. Subsections (c) and (d) of this section do not apply if the length of the stream affected:

(1) Receives a discharge of waste from a treatment works for which a permit is required under Part 1 of this Article; or

(2) Includes any part of a river or stream segment that:

a. Is designated as a component of the State Natural and Scenic Rivers System by ~~G.S. 113A-35.1~~ G.S. 143B-135.152 or ~~G.S. 113A-35.2.~~G.S. 143B-135.154.

b. Is designated as a component of the national Wild and Scenic Rivers System by 16 U.S.C. § 1273 and 1274."

SECTION 14.30.(bbb) G.S. 143-215.73F reads as rewritten:

"§ **143-215.73F. Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund.**

The Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund is established as a special revenue fund. The Fund consists of fees credited to it under G.S. 75A-3, 75A-38, and 105-449.126. Revenue in the Fund may only be used to provide the State's share of the costs associated with any dredging project designed to keep shallow draft navigation channels located in State waters or waters of the state located within lakes navigable and safe, or for aquatic weed control projects in waters of the State located within lakes under Article 15 of Chapter 113A of the General Statutes. Funding for aquatic weed control projects is limited to five hundred thousand dollars ($500,000) in each fiscal year. Any project funded by revenue from the Fund must be cost-shared with non-State dollars on a one-to-one basis, provided that the cost-share for a lake located within a component of the State Parks System shall be provided by the Division of Parks and Recreation of the Department of ~~Environment and~~ Natural and Cultural Resources. The Division of Parks and Recreation may use funds allocated to the State Parks System for capital projects under ~~G.S. 113-44.15~~ G.S. 143B-135.56 for the cost-share. For purposes of this section, "shallow draft navigation channel" means (i) a waterway connection with a maximum depth of 16 feet between the Atlantic Ocean and a bay or the Atlantic Intracoastal Waterway, (ii) a river entrance to the Atlantic Ocean through which tidal and other currents flow, or (iii) other interior coastal waterways. "Shallow draft navigation channel" includes the Atlantic Intracoastal Waterway and its side channels, Beaufort Harbor, Bogue Inlet, Carolina Beach Inlet, the channel from Back Sound to Lookout Back, channels connected to federal navigation channels, Lockwoods Folly River, Manteo/Shallowbag Bay, including Oregon Inlet, Masonboro Inlet, New River, New Topsail Inlet, Rodanthe, Rollinson, Shallotte River, Silver Lake Harbor, and the waterway connecting Pamlico Sound and Beaufort Harbor."

SECTION 14.30.(ccc) G.S. 147-12(b) reads as rewritten:

"(b) The Department of Transportation, the Division of Adult Correction of the Department of Public Safety, the State Highway Patrol, the Wildlife Resources Commission, the Division of Parks and Recreation in the Department of ~~Environment and~~ Natural and Natural Resources, and the Division of Marine Fisheries in the Department of ~~Environment and Natural Resources~~ Environmental Quality shall deliver to the Governor by February 1 of each year detailed information on the agency's litter enforcement, litter prevention, and litter removal efforts. The Administrative Office of the Courts shall deliver to the Governor, by February 1 of each year, detailed information on the enforcement of the littering laws of the State, including the number of charges and convictions under the littering laws of the State. The Governor shall gather the information submitted by the respective agencies and deliver a consolidated annual report, on or before March 1 of each year, to the Environmental Review Commission, the Joint Legislative Transportation Oversight Committee, and the House of Representatives and the Senate ~~Appropriations Subcommittees on Natural and Economic Resources.~~appropriations committees with jurisdiction over natural and economic resources."

SECTION 14.30.(ddd) The title of Article 2 of Chapter 143B of the General Statutes reads as rewritten:

"Article 2.

"Department of Natural and Cultural Resources."

SECTION 14.30.(eee) The title of Article 7 of Chapter 143B of the General Statutes reads as rewritten:

"Article 7.

"Department of ~~Environment and Natural Resources.~~Environmental Quality."

SECTION 14.30.(fff) G.S. 143B-50 reads as rewritten:

"§ **143B-50. Duties of the Department.**

It shall be the duty of the Department to do the following:

(1) To provide the necessary management, development of policy and establishment and enforcement of standards for the furtherance of resources, services and programs involving the arts and the historical and cultural aspects of the lives of the citizens of North Carolina.

(2) To provide and keep a museum or collection of the natural history of the State and to maintain the North Carolina Biological Survey."

SECTION 14.30.(ggg) G.S. 143B-53 reads as rewritten:

"§ **143B-53. Organization of the Department.**

(a) The Department of Cultural Resources shall be organized initially to include the Art Commission, the Art Museum Building Commission, the North Carolina Historical Commission, the Tryon Palace Commission, the U.S.S. North Carolina Battleship Commission, the Sir Walter Raleigh Commission, the Executive Mansion Fine Arts Committee, the American Revolution Bicentennial Committee, the North Carolina Awards Committee, the America's Four Hundredth Anniversary Committee, the North Carolina Arts Council, the Public Librarian Certification Commission, the State Library Commission, the North Carolina Symphony Society, Inc., and the Division of the State Library, the Division of Archives and History, the Division of the Arts, and such other divisions as may be established under the provisions of the Executive Organization Act of 1973.

(b) The Department of Natural and Cultural Resources shall include the currently existing entities listed in subsection (a) of this section and the following additional entities:

(1) The Parks and Recreation Division.

(2) The State Parks System, including Mount Mitchell State Park.

(3) The North Carolina Aquariums Division.

(4) The North Carolina Zoological Park.

(5) The Museum of Natural Sciences.

(6) The Clean Water Management Trust Fund.

(7) The Natural Heritage Program.

(6) North Carolina Parks and Recreation Authority.

(7) North Carolina Trails Committee.

(8) North Carolina Zoological Park Council.

(9) Advisory Commission for North Carolina State Museum of Natural Sciences."

SECTION 14.30.(hhh) G.S. 143B-53.3(c) reads as rewritten:

"(c) Reports. – The Department of Natural and Cultural Resources shall submit a report by September 30 of each year to the Joint Legislative Commission on Governmental Operations, the chairs of the House of Representatives Appropriations ~~Subcommittee~~ Committee on ~~General Government,~~ Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on ~~General Government and Information Technology,~~ Natural and Economic Resources, and the Fiscal Research Division. This report shall include the source and amount of all funds credited to the Fund and the purpose and amount of all expenditures from the Fund during the prior fiscal year."

SECTION 14.30.(iii) G.S. 143B-87.2(c) reads as rewritten:

"(c) Reports. – The Department shall submit a report to the Joint Legislative Commission on Governmental Operations, the House of Representatives Appropriations ~~Subcommittee~~ Committee on ~~General Government,~~ Agriculture and Natural and Economic Resources, the Senate Appropriations Committee on ~~General Government and Information Technology,~~ Natural and Economic Resources, and the Fiscal Research Division by September

30 of each year that includes the source and amount of all funds credited to the Fund and the purpose and amount of all expenditures from the Fund during the prior fiscal year."

SECTION 14.30.(jjj) G.S. 143B-131.4 reads as rewritten:

"§ **143B-131.4. Commission reports.**

The Commission shall submit a quarterly report to the Chairs of the House of Representatives Appropriations ~~Subcommittee~~ Committee on ~~General Government and~~ Agriculture and Natural and Economic Resources, the Chairs of the Senate Appropriations Committee on ~~General Government and Information Technology~~ Natural and Economic Resources, and to the Fiscal Research Division of the General Assembly. The report shall include:

(1) A summary of actions taken by the Commission consistent with the powers and duties of the Commission set forth in G.S. 143B-131.2.

(2) Recommendations for legislation and administrative action to promote and develop the Elizabeth II State Historic Site and Visitor Center.

(3) An accounting of funds received and expended."

SECTION 14.30.(kkk) G.S. 143B-279.2(2a) is repealed.

SECTION 14.30.(lll) Subdivisions (9) and (12) of subsection (a) and subdivisions (17), (19), and (22) of subsection (b) of G.S. 143B-279.3 are repealed.

SECTION 14.30.(mmm) G.S. 143B-344.49 reads as rewritten:

"§ **143B-344.49. Definitions.**

The following definitions apply to this Part:

(1) Applicant. – A member of the family residing in the dwelling unit, the owner, or designated agent of the owner of a dwelling unit applying for program services.

(2) Department. – The ~~Environment and Natural Resources.~~Department of Environmental Quality.

(3) Secretary. – The Secretary of the Department of ~~Environment and Natural Resources.~~Environmental Quality.

(4) Subgrantee. – An entity managing a weatherization project that receives a federal grant of funds awarded pursuant to 10 C.F.R. § 440 (1 January 2006 edition) from this State or other entity named in the Notification of Grant Award and otherwise referred to as the grantee.

(5) Weatherization. – The modification of homes and home heating and cooling systems to improve heating and cooling efficiency by caulking and weather stripping, as well as insulating ceilings, attics, walls, and floors."

SECTION 14.30.(nnn) G.S. 146-29.2(e) reads as rewritten:

"(e) Land in the State Parks System, as defined in ~~G.S. 113-449.9,~~ G.S. 143B-135.44, may only be leased or conveyed for the purposes of this section upon the approval of the Secretary of the Department of ~~Environment and~~ Natural and Cultural Resources. Lease or conveyance of land in the State Parks System for the purposes of this section shall comply with the requirements of ~~Articles 2 and 2C of Chapter 113~~ Parts 31 and 32 of Article 7 of Chapter 143B of the General Statutes. When selecting a location for a communications tower or antenna in the State Parks System, the State shall choose a location that minimizes the visual impact on the surrounding landscape. No land acquired or developed using funds from the Federal Land and Water Conservation Fund shall be leased or conveyed for the purposes of this section."

TRANSFERS OF POSITIONS AND LIMITED AUTHORITY TO RECLASSIFY AND ELIMINATE CERTAIN POSITIONS

SECTION 14.30.(nnn1) In order to ensure that the Department of Natural and Cultural Resources has sufficient staff to manage the additional workload as a result of the transfer of the North Carolina Zoo, North Carolina Aquariums, North Carolina Museum of Natural Sciences, Clean Water Management Trust Fund, Natural Heritage Program, and the North Carolina State Parks from the Department of Environmental Quality, the Department

may use up to two million one hundred thirty-eight thousand forty-five dollars ($2,138,045) generated from the vacant positions eliminated in subsection (nnn3) of this section to reestablish administrative positions for that purpose.

SECTION 14.30.(nnn2) The following filled positions shall be transferred from the Department of Environmental Quality to the Department of Natural and Cultural Resources:

60036042	Purchaser	(1.0)
60035954	Administrative Assistant III	(1.0)
60036013	Accounting Technician	(1.0)

SECTION 14.30.(nnn3) The following 24.94 vacant positions shall be eliminated from the Department of Environmental Quality:

60036186	Chief Deputy II	(1.0)
60032766	Accountant	(1.0)
60036006	Accounting Technician	(1.0)
60035955	Administrative Operations Director	(1.0)
60034828	Agency Legal Specialist II	(1.0)
60036023	Auditor	(1.0)
60036029	Budget Manager	(1.0)
60036031	Budget Analyst	(1.0)
60036034	Budget Analyst	(1.0)
60036060	Business and Technology Applic Specl	(1.0)
60036063	Business and Technology Applic Specl	(1.0)
60035958	Environmental Program Supervisor II	(1.0)
60035318	IT Security Specialist	(1.0)
60035984	Personnel Analyst	(1.0)
60035996	Personnel Assistant IV	(1.0)
60035952	Policy Development Analyst	(1.0)
60035976	Policy Development Analyst	(1.0)
60036039	Purchaser	(1.0)
60036041	Purchaser	(1.0)
60035986	W/A Recruitment Analyst	(1.0)
60035829	Staff Development Coordinator	(1.0)
60034553	Staff Development Specialist	(1.0)
60034575	Technology Support Analyst	(1.0)
60035501	Technology Support Analyst	(1.0)
60035496	Office Assistant III	(0.40)
60035953	Ombudsman	(0.54)

Prior to elimination, the Department of Environmental Quality shall convert any positions listed in this subsection supported in whole or in part by receipts to support from General Fund appropriations.

SECTION 14.30.(nnn4) The following 12.45 filled positions shall be transferred from the Department of Environmental Quality to the Department of Natural and Cultural Resources, and the Department of Natural and Cultural Resources may reclassify or eliminate these positions as needed for the efficient operation of the Department:

60036012	Accountant	(1.0)
60036004	Accounting Technician	(1.0)
60036014	Accounting Technician	(1.0)
60036017	Accounting Technician	(1.0)
60036019	Accounting Technician	(1.0)
60035979	Artist Illustrator	(1.0)
60035971	Attorney II	(1.0)
65010186	Engineer	(1.0)
60035949	HR Representative	(1.0)
60035991	EEO Administrator	(1.0)

60035950	GS 5th Floor Receptionist	(1.0)
60035942	Special Assistant	(1.0)
60032527	Info Communication Specialist	(0.45)

The funds generated from reclassification or elimination of positions under this subsection may be used by the Department of Natural and Cultural Resources to establish new administrative positions. Prior to transfer, the Department of Environmental Quality shall convert any positions listed in this subsection supported in whole or in part by receipts to support from General Fund appropriations.

BUDGETARY TRANSITION PROVISIONS

SECTION 14.30.(ppp) The Office of State Budget and Management shall ensure that future budget documents show the Department of Natural and Cultural Resources, as renamed and reorganized by this section, in the Natural and Economic Resources section of the budget.

SECTION 14.30.(qqq) The Department of Natural and Cultural Resources shall transfer to the Department of Environmental Quality any funds necessary to cover expenses incurred in fiscal year 2015-2016 prior to the effective date of this section, and any outstanding liabilities of the attractions, divisions, or entities transferred by this section that come due to the Department of Environmental Quality on or after July 1, 2015.

INVENTORY OF POLICIES

SECTION 14.30.(rrr) The Secretary of the Department of Environmental Quality shall inventory and compile all written and stated policies throughout the Department related to the North Carolina Aquariums, the North Carolina State Parks, the North Carolina Zoo, Clean Water Management Trust Fund, Natural Heritage Program, and the North Carolina Museum of Natural Sciences and provide those policies to the Secretary of the Department of Natural and Cultural Resources. The purpose of the inventory is to provide a comprehensive listing to the Secretary of the Department of Natural and Cultural Resources to allow the Secretary to adopt and ratify all existing policies, processes, and procedures pertaining to the operations and general administration of the North Carolina Aquariums, the North Carolina State Parks, the North Carolina Zoo, and the North Carolina Museum of Natural Sciences.

REPORTING AND TREATMENT OF OTHER PORTIONS OF ACT

SECTION 14.30.(sss) The Office of State Budget and Management, in consultation with the Department of Environment and Natural Resources and the Department of Cultural Resources, shall make the following reports on progress implementing this section to the Environmental Review Commission, the Senate and the House of Representatives appropriations committees with jurisdiction over natural and cultural resources, and the Fiscal Research Division:

(1) An interim report on or before January 1, 2016.

(2) A final report on or before April 1, 2016.

These reports shall include the proposed new organization structure, including proposed movement of positions or funds between fund codes, and may include any recommendations for changes to the statutes revised or recodified by this section.

SECTION 14.30.(ttt) Any references in this act to any program, office, section, division, council, or committee transferred under this section shall be construed to be consistent with the transfers under this section.

STUDY FURTHER EFFICIENCIES IN ORGANIZATION OF DEPARTMENT OF NATURAL AND CULTURAL RESOURCES AND DEPARTMENT OF ENVIRONMENTAL QUALITY

SECTION 14.31.(a) The Department of Cultural Resources, in consultation with the Department of Environment and Natural Resources and the Wildlife Resources Commission, shall study and report on the potential for efficiency, cost savings, and alignment of core mission and values that would be created from the transfer of the following agencies,

divisions, or programs to the reorganized Department of Natural and Cultural Resources created by Section 14.30 of this act:

(1) Albemarle-Pamlico National Estuary Partnership.
(2) Coastal Reserves Program.
(3) Office of Land and Water Stewardship.
(4) All or a portion of the Office of Environmental Education and Public Affairs.
(5) Division of Marine Fisheries.
(6) Wildlife Resources Commission.

SECTION 14.31.(b) The Department shall report as required by subsection (a) of this section no later than April 1, 2016, to the chairs of the Senate Appropriations Committee on Natural and Economic Resources, the chairs of the House Appropriations Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division.

TECHNICAL CORRECTION RELATING TO ROANOKE ISLAND COMMISSION LEGAL COUNSEL

SECTION 14.33. G.S. 143B-131.7 is repealed.

PARTF FUNDS

SECTION 14.34. Of the funds appropriated in this act to the Parks and Recreation Trust Fund, the sum of fifty thousand dollars ($50,000) in nonrecurring funds for the 2015-2016 fiscal year shall be used to provide a greenway planning grant to a county that is impacted by a spill from a coal ash pond.

PART XV. DEPARTMENT OF COMMERCE

EDPNC STATE BUDGET ACT EXEMPTION

SECTION 15.1. G.S. 143B-431.01(b) reads as rewritten:

"(b) Contract. – The Department of Commerce is authorized to contract with a North Carolina nonprofit corporation to perform one or more of the Department's functions, powers, duties, and obligations set forth in G.S. 143B-431, except as provided in this subsection. The contract entered into pursuant to this section between the Department and the Economic Development Partnership of North Carolina is exempt from Articles 3 and 3C of Chapter 143 of the General ~~Statutes.~~ Statutes and G.S. 143C-6-23. If the Department contracts with a North Carolina nonprofit corporation to promote and grow the travel and tourism industries, then all funds appropriated to the Department for tourism marketing purposes shall be used for a research-based, comprehensive marketing program directed toward consumers in key markets most likely to travel to North Carolina and not for ancillary activities, such as statewide branding and business development marketing. The Department may not contract with a North Carolina nonprofit corporation regarding any of the following:

(1) The obligation or commitment of funds under this Article, such as the One North Carolina Fund, the Job Development Investment Grant Program, the Industrial Development Fund, or the Job Maintenance and Capital Development Fund.
(2) The Division of Employment Security, including the administration of unemployment insurance.
(3) The functions set forth in G.S. 143B-431(a)(2).
(4) The administration of funds or grants received from the federal government or its agencies."

COMMERCE STUDY TIME SPENT ADMINISTERING PROGRAMS SUPPORTED BY FEDERAL FUNDS

SECTION 15.3.(a) The Department of Commerce shall study the amount of time all persons in General Fund-supported positions spend performing duties related to the operation and administration of programs that receive federal funds, including the Division of

Employment Security and the Division of Workforce Solutions, to determine whether some or all of the costs related to the performance of these duties should be supported by federal indirect cost receipts and, therefore, should be paid for with federal funds instead of General Fund appropriations.

SECTION 15.3.(b) No later than March 1, 2016, the Department of Commerce shall report the findings of the study required under subsection (a) of this section to the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division.

DEPARTMENT OF COMMERCE/CONFORMING STATUTORY CHANGES

SECTION 15.4.(a) G.S. 20-81.12 reads as rewritten:

"§ **20-81.12. Collegiate insignia plates and certain other special plates.**

…

(b124) Travel and Tourism. – The Division must receive 300 or more applications for the "Travel and Tourism" plate before the plate may be developed. The Division shall transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of "Travel and Tourism" plates to the ~~Division of Tourism, Film, and Sports Development~~Department of Commerce to be used for programs in support of travel and tourism in North Carolina.

…."

SECTION 15.4.(b) G.S. 143B-434.1 reads as rewritten:

"§ **143B-434.1. The North Carolina Travel and Tourism Board – creation, duties, membership.**

(a) There is created within the Department of Commerce the North Carolina Travel and Tourism Board. The Secretary of Commerce and the ~~Director of the Division of Tourism, Film, and Sports Development~~ nonprofit corporation with which the Department contracts pursuant to G.S. 143B-431.01(b) to promote and market tourism will work with the Board to fulfill the duties and requirements set forth in this section, and to promote the sound development of the travel and tourism industry in North Carolina.

(b) The function and duties of the Board shall be:

…

(2) To advise the Secretary of Commerce in the development of a budget for ~~the Division of Tourism, Film, and Sports Development.~~achieving the goals of the Travel and Tourism Policy Act, as provided in G.S. 143B-434.2.

…

(6) To advise the Secretary of Commerce from time to time as to the effectiveness of the overall operations of the ~~Division of Tourism, Film, and Sports Development.~~travel and tourism programs under the authority of the Department of Commerce.

…

(8) To advise the Secretary of Commerce upon any matter that the ~~Secretary, Governor, or Director of the Division of Tourism, Film, and Sports Development~~Secretary, chief executive officer of the nonprofit corporation, or Governor may refer to it.

(c) The Board shall consist of 29 members as follows:

…

(2) The ~~Director of the Division of Tourism, Film, and Sports Development,~~chief executive officer of the nonprofit corporation with which the Department contracts pursuant to G.S. 143B-431.01(b), who shall not be a voting member.

…

(d) The members of the Board shall serve the following terms: the Secretary of Commerce, the ~~Director of the Division of Tourism, Film, and Sports Development,~~chief executive officer of the nonprofit corporation with which the Department contracts pursuant to G.S. 143B-431.01(b), the Chairperson of the Travel and Tourism Coalition, the President of the North Carolina Travel Industry Association, and the President of the North Carolina Chamber shall serve on the Board while they hold their respective offices. Each member of the Board appointed by the Governor shall serve during his or her term of office. The members of the Board appointed by the General Assembly shall serve two-year terms beginning on January 1 of odd-numbered years and ending on December 31 of the following year. The first such term shall begin on January 1, 1991, or as soon thereafter as the member is appointed to the Board, and end on December 31, 1992. All other members of the Board shall serve a term which consists of the portion of calendar year 1991 that remains following their appointment or designation and, thereafter, two-year terms which shall begin on January 1 of an even-numbered year and end on December 31 of the following year. The first such two-year term shall begin on January 1, 1992, and end on December 31, 1994.

…

(g) Board members who are employees of the State shall receive travel allowances at the rate set forth in G.S. 138-6. Board members who are legislators shall be reimbursed for travel and subsistence in accordance with G.S. 120-3.1. All other Board members, except those serving pursuant to subdivisions (3) through (10) of subsection (c) of this section, shall receive per diem, subsistence, and travel expenses at the rate set forth in G.S. 138-5. Board members serving pursuant to subdivisions (3) through (10) of subsection (c) of this section shall not receive per diem, subsistence, or travel expenses. The expenses set forth in this section shall be paid by the ~~Division of Tourism, Film, and Sports Development of the~~ Department of Commerce.

…."

SECTION 15.4.(c) G.S. 143B-434.2 reads as rewritten:

"§ **143B-434.2. Travel and Tourism Policy Act.**

…

(d) The Department of Commerce, and the ~~Division of Tourism, Film, and Sports Development within that Department,~~nonprofit corporation with which the Department contracts pursuant to G.S. 143B-431.01(b) to promote and market tourism, shall implement the policies set forth in this section. The ~~Division of Tourism, Film, and Sports Development~~nonprofit corporation shall make an annual report to the General Assembly regarding the status of the travel and tourism industry in North Carolina; the report shall be submitted to the General Assembly by October 15 of each year beginning ~~October 15, 2011.~~October 15, 2015. The duties and responsibilities of the ~~Department of Commerce through the Division of Tourism, Film, and Sports Development~~ nonprofit corporation shall be to:

…."

SECTION 15.4.(d) G.S. 143B-437.02A reads as rewritten:

"§ **143B-437.02A. (Expires July 1, 2020) The Film and Entertainment Grant Fund.**

…

(f) NC Film Office. – To claim a grant under this section, a production company must notify the ~~Division of Tourism, Film, and Sports Development in the~~ Department of Commerce of its intent to apply for a grant. The notification must include the title of the production, the name of the production company, a financial contact for the production company, the proposed dates on which the production company plans to begin filming the production, and any other information required by the ~~Division.~~Department.

…."

SECTION 15.4.(e) G.S. 143B-472.35 reads as rewritten:

"§ **143B-472.35. Establishment of fund; use of funds; application for grants; disbursal; repayment; inspections; rules; reports.**

…

(a2) Definitions. – For purposes of this section, the following definitions shall apply:

…

(9) Main Street Center. – The agency within the North Carolina Department of ~~Commerce, Office of Urban Development,~~Commerce which receives applications and makes decisions with respect to Main Street Solutions Fund grant applications from eligible local governments.

…."

SECTION 15.4.(f) The Department of Commerce shall, in accordance with Article 2A of Chapter 150B of the General Statutes, amend its rules to reflect the division name changes provided for in this section.

SECTION 15.4.(g) The Revisor of Statutes may conform names and titles changed by this section, and may correct statutory references as required by this section, throughout the General Statutes. In making the changes authorized by this section, the Revisor may also adjust subject and verb agreement and the placement of conjunctions.

NER BLOCK GRANTS/2016 AND 2017 PROGRAM YEARS

SECTION 15.5.(a) Appropriations from federal block grant funds are made for the fiscal years ending June 30, 2016, and June 30, 2017, according to the following schedule:

COMMUNITY DEVELOPMENT BLOCK GRANT		
01.	State Administration	$ 1,037,500
02.	Economic Development	15,737,500
03.	Infrastructure	26,725,000
TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT – 2016 Program Year		**$ 43,500,000**
	2017 Program Year	$ **43,500,000**

SECTION 15.5.(b) Decreases in Federal Fund Availability. – If federal funds are reduced below the amounts specified in this section after the effective date of this act, then every program in each of these federal block grants shall be reduced by the same percentage as the reduction in federal funds.

SECTION 15.5.(c) Increases in Federal Fund Availability. – Any block grant funds appropriated by the Congress of the United States in addition to the funds specified in this section shall be expended as follows: each program category under the Community Development Block Grant shall be increased by the same percentage as the increase in federal funds.

SECTION 15.5.(d) Limitations on Community Development Block Grant Funds. – Of the funds appropriated in this section for the Community Development Block Grant, the following shall be allocated in each category for each program year: up to one million thirty-seven thousand five hundred dollars ($1,037,500) may be used for State Administration; up to fifteen million seven hundred thirty-seven thousand five hundred dollars ($15,737,500) may be used for Economic Development; and up to twenty-six million seven hundred twenty-five thousand dollars ($26,725,000) may be used for Infrastructure. If federal block grant funds are reduced or increased by the Congress of the United States after the effective date of this act, then these reductions or increases shall be allocated in accordance with subsection (b) or (c) of this section, as applicable.

SECTION 15.5.(e) The Department of Commerce shall consult with the Joint Legislative Commission on Governmental Operations prior to reallocating Community Development Block Grant Funds. Notwithstanding the provisions of this subsection, whenever the Director of the Budget finds that:

(1) A reallocation is required because of an emergency that poses an imminent threat to public health or public safety, the Director of the Budget may

authorize the reallocation without consulting the Commission. The Department of Commerce shall report to the Commission on the reallocation no later than 30 days after it was authorized and shall identify in the report the emergency, the type of action taken, and how it was related to the emergency.

(2) The State will lose federal block grant funds or receive less federal block grant funds in the next fiscal year unless a reallocation is made, the Department of Commerce shall provide a written report to the Commission on the proposed reallocation and shall identify the reason that failure to take action will result in the loss of federal funds. If the Commission does not hear the issue within 30 days of receipt of the report, the Department may take the action without consulting the Commission.

SECTION 15.5.(f) By October 1, 2015, and September 1, 2016, the Department of Commerce shall report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the use of Community Development Block Grant Funds appropriated in the prior fiscal year. The report shall include the following:

(1) A discussion of each of the categories of funding and how the categories were selected, including information on how a determination was made that there was a statewide need in each of the categories.

(2) Information on the number of applications that were received in each category and the total dollar amount requested in each category.

(3) A list of grantees, including the grantee's name, county, category under which the grant was funded, the amount awarded, and a narrative description of the project.

SECTION 15.5.(g) For purposes of this section, eligible activities under the category of Infrastructure in subsection (a) of this section are limited to critical public water and wastewater projects and associated connections to the new lines located on private property of eligible homeowners, consistent with federal law. Notwithstanding any State law or rule, eligible activities as defined in this subsection are limited only by applicable HUD regulations and federal law. Notwithstanding the provisions of subsection (e) of this section, funds allocated to the Infrastructure category in subsection (a) of this section shall not be reallocated to any other category.

USE OF DEOBLIGATED COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS AND SURPLUS FEDERAL ADMINISTRATIVE FUNDS

SECTION 15.6.(a) Throughout each year, deobligated funds arise in the various funding categories and program years of the Community Development Block Grant (CDBG) program as a result of (i) projects coming in under budget, (ii) projects being cancelled, or (iii) projects being required to repay funds. Surplus federal administrative funds in the CDBG program may vary from year-to-year based upon the amount of State-appropriated funds allocated and the amount of eligible in-kind funds identified.

SECTION 15.6.(b) To allow the Department of Commerce and the Department of Environment and Natural Resources to quickly deploy deobligated CDBG funds and surplus federal administrative funds as they are identified throughout each program year, the following shall apply to the use of deobligated CDBG funds and surplus federal administrative funds, unless otherwise expressly provided by law:

(1) All surplus federal administrative funds shall be divided equally between the Department of Commerce and the Department of Environment and Natural Resources and shall be used as provided in subdivisions (3) and (4) of this subsection.

(2) In the 2015-2017 fiscal biennium, the Department of Commerce shall use the sum of five million nine hundred eight thousand four hundred ninety-seven dollars ($5,908,497) in deobligated CDBG funds as follows:

a. Four million six hundred fifty-eight thousand four hundred ninety-seven dollars ($4,658,497) for:
   1. Providing public services and public facilities. The category of public services includes providing substance abuse services and employment services, including job training, to homeless and at-risk veterans in the State.
   2. If House Bill 108, 2015 Regular Session, becomes law, providing up to one million dollars ($1,000,000) in the 2016-2017 fiscal year to be used to fund a loan fund for site, infrastructure, and building development. Program income generated from awards made from the loan fund shall be captured in the existing CDBG revolving loan fund.

b. Five hundred thousand dollars ($500,000) for existing CDBG programs that encounter cost overruns.

c. Up to seven hundred fifty thousand dollars ($750,000) for providing training and guidance to local governments relative to the CDBG program, its management, and administration requirements.

(3) All deobligated CDBG funds that arise in a category that the Department of Commerce is responsible for administering after the provisions of subdivision (2) of this subsection have been met, and any surplus federal administrative funds, as provided for in subdivision (1) of this subsection, may be used by the Department for all of the following:

a. To issue grants in the CDBG economic development program category.

b. For providing training and guidance to local governments relative to the CDBG program, its management, and administrative requirements.

c. For any other purpose consistent with the Department's administration of the CDBG program if an equal amount of State matching funds is available.

(4) All deobligated CDBG funds that arise in a category that the Department of Environment and Natural Resources is responsible for administering and any surplus federal administrative funds, as provided for in subdivision (1) of this subsection, may be used by the Department for all of the following:

a. To issue grants in the CDBG infrastructure program category.

b. For any other purpose consistent with the Department's administration of the CDBG program if an equal amount of State matching funds is available.

FUNDS TO CERTAIN COUNTIES FOR APPALACHIAN REGIONAL COMMISSION MATCH

SECTION 15.8.(a) Of the funds appropriated in this act to the Department of Commerce for the Rural Grant Program Expansion for the 2015-2016 fiscal year, the sum of two hundred fifty-three thousand nine hundred fifty-six dollars ($253,956) in nonrecurring funds shall be allocated to the following counties to be used for the Appalachian Regional Commission match requirement:

(1)	Cherokee	$63,606
(2)	Graham	103,450
(3)	Rutherford	43,450
(4)	Swain	43,450.

SECTION 15.8.(b) The match funds provided for in subsection (a) of this section shall be used for infrastructure projects only.

MAIN STREET SOLUTIONS FUND ALLOCATION

SECTION 15.8A.(a) Of the funds appropriated by this act to the Department of Commerce for the Main Street Solutions Fund for the 2015-2016 fiscal year, the Department shall allocate one million dollars ($1,000,000) in nonrecurring funds for the 2015-2016 fiscal year for a downtown revitalization project that will stimulate economic growth along the main street corridor of a municipality meeting all of the following:

(1) The municipality had a population, as of July 2013, of not fewer than 105,000 and not in excess of 110,000.

(2) The municipality is located, in whole or in part, in a county that moved from a development tier three area status to development tier two area status in the annual ranking performed by the Department of Commerce pursuant to G.S. 143B-437.08 for the 2015 calendar year.

(3) The municipality provides no less than one dollar forty-three cents ($1.43) for every one dollar ($1.00) allocated from the Fund.

SECTION 15.8A.(b) Of the funds appropriated in this act to the Department of Commerce for the Main Street Solutions Fund for the 2015-2016 fiscal year, the Department shall allocate one hundred thousand dollars ($100,000) in nonrecurring funds for the 2015-2016 fiscal year to Renaissance West Community Initiative to provide quality housing, education, health, wellness, and opportunity.

WANCHESE MARINE INDUSTRIAL PARK

SECTION 15.8B.(a) The Department of Commerce shall transfer the cash balance remaining in Fund Code 14600-1561 on June 30 of each year to an enterprise fund created for the North Carolina Marine Industrial Park. Thereafter, the enterprise fund shall be used for the operations, maintenance, repair, and capital improvements of the Wanchese Marine Industrial Park.

SECTION 15.8B.(b) This section becomes effective June 30, 2015.

MODIFY ECONOMIC DEVELOPMENT GRANT REPORT

SECTION 15.10.(a) G.S. 143B-437.07 reads as rewritten:

"§ **143B-437.07. Economic development grant reporting.**

(a) Report. – The Department of Commerce must publish on or before October 1 of each year the information required by this subsection, itemized by business entity, for each business or joint private venture to which the State has, in whole or in part, granted one or more economic development incentives during the ~~previous fiscal year.~~relevant time period. The relevant time period ends June 30 preceding the publication date of this subsection and begins (i) for incentives not awarded under Part 2G of this Article with the 2007 calendar year and (ii) for incentives awarded under Part 2G of this Article with the 2002 calendar year. The information in the report must include all of the following:

…

(3) The name, mailing address, telephone number, and Web site of the business recipient, or recipients if a joint venture, and the physical location of the site receiving the incentive. If the physical location of the site is undecided, then the name of the county in which the site will be located. The information regarding the physical location must indicate whether the physical location is a new or expanded facility.

(3a) A determination of whether the award is to a business that is new to the State or an expansion of an existing business within the State.

…."

SECTION 15.10.(b) This section is effective for reports published for fiscal years beginning on or after July 1, 2015.

WORKFORCE DEVELOPMENT BOARDS/CHANGES TO CONFORM WITH FEDERAL LAW

SECTION 15.11.(a) G.S. 143B-438.10 reads as rewritten:

"§ **143B-438.10. ~~Commission on Workforce Development.~~NCWorks Commission.**

(a) Creation and Duties. – There is created within the Department of Commerce the ~~North Carolina Commission on Workforce Development.~~ NCWorks Commission (hereinafter "Commission"). The Commission shall have the following powers and duties:

…

(9) To serve as the State's Workforce Investment Board for purposes of the federal ~~Workforce Investment Act of 1998.~~Workforce Innovation and Opportunity Act.

…

(13) To develop performance accountability measures for local workforce development boards consistent with the requirements of section 116 of the Workforce Innovation and Opportunity Act and to recommend to the Governor sanctions against local workforce development boards that fail to meet the performance accountability measures.

(14) To develop fiscal control and fund accounting procedures for local workforce development boards consistent with the requirements of section 184 of the Workforce Innovation and Opportunity Act and to recommend to the Governor sanctions against local workforce development boards that fail to meet the fiscal control and fund accounting procedures.

(b) ~~Membership; Terms. Effective January 1, 2013, the~~ Membership. – The Commission ~~on Workforce Development~~ shall consist of ~~25~~ 33 members appointed as follows:

(1) By virtue of their offices, the following ~~department and agency heads or their respective designees~~ persons, or their designees, shall serve on the Commission: ~~the~~

a. The Governor.

b. The Secretary of the Department of ~~Administration, the~~ Administration.

c. The Secretary of the Department of Commerce.

d. The Secretary of the Department of Health and Human ~~Services, the~~ Services.

e. The Superintendent of Public ~~Instruction, the~~ Instruction.

f. The President of the Community Colleges System ~~Office, the Commissioner of the Department of Labor, and the Secretary of the Department of Commerce.~~Office.

g. The President of The University of North Carolina system.

(2) ~~The~~ Pursuant to the provisions of section 101 of the Workforce Innovation and Opportunity Act, the Governor shall appoint ~~19~~ 26 members as follows:

a. ~~Two~~ Seventeen members representing ~~public, postsecondary, and vocational education.~~business and industry in the State.

b. ~~One member~~ Seven members representing ~~community-based organizations.~~the workforce in the State.

c. ~~Three members representing labor.~~One member representing local elected city officials in the State.

d. ~~Thirteen members representing business and industry.~~One member representing local elected county officials in the State.

~~(3) The terms of the members appointed by the Governor shall be for four years.~~

(b1) Terms. – The persons listed in subdivision (1) of subsection (b) of this section shall serve on the Commission while they hold their respective offices. The terms of the members appointed by the Governor pursuant to subdivision (2) of subsection (b) of this section shall be for four years, except as provided in this subsection. The terms shall be staggered and shall

begin on November 1 and expire on October 31. Upon the expiration of the term of each member in subdivision (2) of subsection (b) of this section, the Governor shall fill the vacancy by reappointing the member or appointing another person of like qualification to serve a four-year term. If a vacancy occurs for any reason other than the expiration of the member's term, the Governor shall appoint a person of like qualification to serve for the remainder of the unexpired term.

In order to provide for staggered terms, six persons appointed to the positions designated in sub-subdivision a. of subdivision (2) of subsection (b) of this section and three persons appointed to the positions designated in sub-subdivision b. of subdivision (2) of subsection (b) of this section shall be appointed for initial terms ending on October 31, 2019. Five persons appointed to the positions designated in sub-subdivision a. of subdivision (2) of subsection (b) of this section, two persons appointed to the positions designated in sub-subdivision b. of subdivision (2) of subsection (b) of this section, and one person appointed to the position designated in sub-subdivision c. of subdivision (2) of subsection (b) of this section shall be appointed for initial terms ending on October 31, 2017. Six persons appointed to the positions designated in sub-subdivision a. of subdivision (2) of subsection (b) of this section, two persons appointed to the positions designated in sub-subdivision b. of subdivision (2) of subsection (b) of this section, and one person appointed to the position designated in sub-subdivision d. of subdivision (2) of subsection (b) of this section shall be appointed for initial terms ending on October 31, 2016.

…."

SECTION 15.11.(b) The terms of office of the Commissioner of the Department of Labor and the 19 public members appointed by the Governor and currently serving on the North Carolina Commission on Workforce Development shall expire on October 31, 2015.

SECTION 15.11.(c) G.S. 143B-438.11 reads as rewritten:

"§ **143B-438.11. Local Workforce Development Boards.**

(a) Duties. – Local Workforce Development Boards shall have the following powers and duties:

…

(7) To serve as the Workforce Investment Board for the designated substate area for the purpose of the federal Workforce ~~Investment Act of 1998.~~Innovation and Opportunity Act.

(7a) To designate through a competitive selection process, by no later than July 1, 2014, the providers of adult and dislocated worker services authorized in the Workforce ~~Investment Act of 1998.~~Innovation and Opportunity Act.

(8) To provide the appropriate guidance and information to Workforce ~~Investment~~ Innovation and Opportunity Act consumers to ensure that they are prepared and positioned to make informed choices in selecting a training provider. Each local Workforce Development Board shall ensure that consumer choice is properly maintained in the one-stop centers and that consumers are provided the full array of public and private training provider information.

…

(10) To comply with the performance accountability measures established by the NCWorks Commission pursuant to section 116 of the Workforce Innovation and Opportunity Act.

(11) To comply with the fiscal control and fund accounting procedures established by the NCWorks Commission pursuant to section 184 of the Workforce Innovation and Opportunity Act.

(b) Members. – Members of local Workforce Development Boards shall be appointed by local elected officials in accordance with criteria established by the Governor and with provisions of the federal Workforce ~~Investment~~ Innovation and Opportunity Act. The local Workforce Development Boards shall have a majority of business members and shall also

include representation of workforce and education providers, labor organizations, community-based organizations, and economic development boards as determined by local elected officials. The Chairs of the local Workforce Development Boards shall be selected from among the business members.

(c) Assistance. – The ~~North Carolina Commission on Workforce Development~~ NCWorks Commission and the Department of Commerce shall provide programmatic, technical, and other assistance to any local Workforce Development Board that realigns its service area with the boundaries of a local regional council of governments established pursuant to G.S. 160A-470."

SECTION 15.11.(d) G.S. 96-32 reads as rewritten:

"§ **96-32. Common follow-up information management system created.**

…

(d) The LEAD shall do the following:

(1) Collaborate with the ~~Commission on Workforce Development~~ NCWorks Commission to develop common performance measures across workforce programs in the Department of Commerce, the Department of Health and Human Services, the Community Colleges System Office, the Department of Administration, and the Department of Public Instruction that can be tracked through the CFS in order to assess and report on workforce development program performance.

…."

SECTION 15.11.(e) G.S. 143B-157 reads as rewritten:

"§ **143B-157. Commission for the Blind – creation, powers and duties.**

There is recreated the Commission for the Blind of the Department of Health and Human Services with the power and duty to adopt rules governing the conduct of the State's rehabilitative programs for the blind that are necessary to carry out the provisions and purposes of this Article.

…

(3e) The Commission shall coordinate with other councils within the State, including the statewide Independent Living Council established under section 705 of the federal Rehabilitation Act, 29 U.S.C. § 720, et seq., the advisory panel established under section 612(a)(21) of the Individuals with Disabilities Education Act, 20 U.S.C. § 1413(A)(12), the Council on Developmental Disabilities described in section 124 of the Developmental Disabilities Assistance and Bill of Rights Act, 42 U.S.C. § 6024, the State Mental Health Planning Council established pursuant to section 1916(e) of the Public Health Service Act, 42 U.S.C. § 300x-4(e), and the ~~Commission on Workforce Development;~~NCWorks Commission;

…."

SECTION 15.11.(f) G.S. 143B-158 reads as rewritten:

"§ **143B-158. Commission for the Blind.**

(a) The Commission for the Blind of the Department of Health and Human Services shall consist of 19 members as follows:

…

(12) One representative of the ~~Commission on Workforce Development.~~NCWorks Commission.

…."

SECTION 15.11.(g) G.S. 143B-438.12 reads as rewritten:

"§ **143B-438.12. Federal Program Administration.**

(a) Federal Workforce ~~Investment~~ Innovation and Opportunity Act. – In accordance with the federal Workforce ~~Investment~~ Innovation and Opportunity Act, the ~~Commission on Workforce Development~~ NCWorks Commission shall develop a ~~Five-Year Strategic Plan~~ Four-Year Unified State Plan to be submitted to the U.S. Secretary of Labor. The ~~Strategic Plan~~

Unified State Plan shall describe the ~~workforce development activities to be undertaken in the State to implement the federal Workforce Investment Act and how special populations shall be served.~~State's strategic vision and goals for preparing an educated and skilled workforce as required in section 102 of the federal Workforce Innovation and Opportunity Act.

(b) Other Workforce Grant Applications. – The ~~Commission on Workforce Development~~ NCWorks Commission may submit grant applications for workforce development initiatives and may manage the initiatives and demonstration projects."

SECTION 15.11.(h) G.S. 143B-438.13 reads as rewritten:

"§ **143B-438.13. Employment and Training Grant Program.**

(a) Employment and Training Grant Program. – There is established in the Department of Commerce, Division of ~~Employment and Training,~~ Workforce Solutions, an Employment and Training Grant Program. Grant funds shall be allocated to local Workforce Development Boards for the purposes of enabling recipient agencies to implement local employment and training programs in accordance with existing resources, local needs, local goals, and selected training occupations. The State program of workforce performance standards shall be used to measure grant program outcomes.

(b) Use of Grant Funds. – Local agencies may use funds received under this section for the purpose of providing services, such as training, education, placement, and supportive services. Local agencies may use grant funds to provide services only to individuals who are (i) 18 years of age or older and meet the federal Workforce ~~Investment~~ Innovation and Opportunity Act, title I adult eligibility definitions, or meet the federal Workforce ~~Investment~~ Innovation and Opportunity Act, title I dislocated worker eligibility definitions, or (ii) incumbent workers with annual family incomes at or below two hundred percent (200%) of poverty guidelines established by the federal Department of Health and Human Services.

(c) Allocation of Grants. – The Department of Commerce may reserve and allocate up to ten percent (10%) of the funds available to the Employment and Training Grant Program for State and local administrative costs to implement the Program. The Division of ~~Employment and Training~~ Workforce Solutions shall allocate employment and training grant funds to local Workforce Development Boards serving federal Workforce ~~Investment~~ Innovation and Opportunity Act local workforce ~~investment~~ development areas based on the following formula:

(1) One-half of the funds shall be allocated on the basis of the relative share of the local workforce ~~investment~~ development area's share of federal Workforce ~~Investment~~ Innovation and Opportunity Act, title I adult funds as compared to the total of all local areas adult shares under the federal Workforce ~~Investment~~ Innovation and Opportunity Act, title I.

(2) One-half of the funds shall be allocated on the basis of the relative share of the local workforce ~~investment~~ development area's share of federal Workforce ~~Investment~~ Innovation and Opportunity Act, title I dislocated worker funds as compared to the total of all local areas dislocated worker shares under the federal Workforce ~~Investment~~ Innovation and Opportunity Act, title I.

(3) Local workforce ~~investment~~ development area adult and dislocated shares shall be calculated using the current year's allocations to local areas under the federal Workforce ~~Investment~~ Innovation and Opportunity Act, title I.

(d) Repealed by Session Laws 2009-451, s. 14.5(d), effective July 1, 2009.

(e) Nonreverting Funds. – Funds appropriated to the Department of Commerce for the Employment and Training Grant Program that are not expended at the end of the fiscal year shall not revert to the General Fund, but shall remain available to the Department for the purposes established in this section."

SECTION 15.11.(i) G.S. 143B-438.14 reads as rewritten:

"§ **143B-438.14. "No Adult Left Behind" Initiative.**

(a) The ~~Commission on Workforce Development,~~ NCWorks Commission, acting as the lead agency, with the cooperation of other participating agencies, including the Department of Labor, the Department of Commerce, the Employment Security Commission, the North Carolina Community College System, The University of North Carolina, and the North Carolina Independent Colleges and Universities shall initiate the "No Adult Left Behind" Initiative (Initiative) geared toward achievement of major statewide workforce development goals. The Initiative may also include community-based nonprofit organizations that provide services or assistance in the areas of worker training, workforce development, and transitioning North Carolinians between industries in the current global labor market.

(b) The first goal of the Initiative is to increase dramatically to forty percent (40%) the percentage of North Carolinians who earn associate degrees, other two-year educational credentials, and baccalaureate degrees. Specific fields of study may be selected for the most intense efforts. The ~~Commission on Workforce Development~~ NCWorks Commission shall, as the lead agency along with the North Carolina Community College System and The University of North Carolina as key cooperating institutions, do all of the following:

…

(c) The ~~Commission on Workforce Development~~ NCWorks Commission and the other lead participating institutions may enter into contracts with other qualified organizations, especially community-based nonprofits, to carry out components of the Initiative set forth in subsection (b) of this section.

(d) The ~~Commission on Workforce Development~~ NCWorks Commission shall submit to the Governor and to the General Assembly by May 1, 2012, and annually thereafter, details of its implementation of this section that shall include at least the following:

…."

SECTION 15.11.(j) The Revisor of Statutes may conform names and titles changed by this section, and may correct statutory references as required by this section, throughout the General Statutes. In making the changes authorized by this section, the Revisor may also adjust subject and verb agreement and the placement of conjunctions.

STATE MATCH FOR REVOLUTIONARY FIBERS AND TEXTILES MANUFACTURING INNOVATION INSTITUTE GRANT PROGRAM

SECTION 15.11A. If federal funds become available for the Revolutionary Fibers and Textiles Manufacturing Innovation Institute grant program, the Department of Commerce and North Carolina State University may each use the funds available to them to meet the State match requirements.

REPEAL STATUTES AUTHORIZING TRADE JOBS FOR SUCCESS/INITIATIVE ENDED JUNE 30, 2013

SECTION 15.12. Part 3C of Article 10 of Chapter 143B of the General Statutes is repealed.

REPEAL APPRENTICESHIP FEE

SECTION 15.13. G.S. 94-12 is repealed.

INDUSTRIAL COMMISSION STUDY IMPLEMENTING DRUG FORMULARY IN WORKERS' COMPENSATION CLAIMS

SECTION 15.13A.(a) The Industrial Commission shall study the implementation of a drug formulary in workers' compensation claims filed by State employees. The study shall consider (i) the pharmacy-related expenses incurred by the State on an annual basis in workers' compensation claims; (ii) the savings, if any, that would result from the use of a drug formulary in workers' compensation claims; (iii) whether the use of a drug formulary would result in the more efficient delivery of medications, provide workers with reasonable and necessary care, and provide a disincentive for health care providers to utilize costly name brand drugs and

habit-forming opioids and narcotics; and (iv) the adoption of an appeals process that would allow health care providers and injured workers to seek approval for the use of drugs that are not on the formulary's approved list. The Industrial Commission may consider any other issues relevant to the implementation of a drug formulary in workers' compensation claims.

SECTION 15.13A.(b) By April 1, 2016, the Industrial Commission shall report its findings, including any recommendations on the implementation of a drug formulary in workers' compensation claims filed by State employees, to the chairs of the House of Representatives Health Committee and the Senate Health Care Committee and the Fiscal Research Division.

INDUSTRIAL COMMISSION/REIMBURSEMENT FOR PRESCRIPTION DRUGS AND PROFESSIONAL PHARMACEUTICAL SERVICES

SECTION 15.13B.(a) G.S. 97-26.2 reads as rewritten:

"§ **97-26.2. Reimbursement for prescription ~~drugs~~ drugs, prescribed over-the-counter drugs, and professional pharmaceutical services.**

(a) The reimbursement amount for prescription ~~drugs~~ drugs, prescribed over-the-counter drugs, and professional pharmaceutical services shall be limited to the lesser of ninety-five percent (95%) of the average wholesale price (AWP) of the product, calculated on a per unit basis, as of the date of ~~dispensing.~~dispensing or the reimbursement amount provided for in an agreement between the dispensing health care provider and the payor employer or workers' compensation insurance carrier.

(b) All of the following shall apply to the reimbursement for prescription drugs and professional pharmaceutical services:

(1) A health care provider seeking reimbursement for ~~drugs dispensed by a physician~~ health care provider-dispensed prescription drugs, prescribed over-the-counter drugs, and pharmaceutical services shall include the original manufacturer's National Drug Code (NDC) number, as assigned by the United States Food and Drug Administration, on ~~the bills and reports required by this section.~~any billing documents or invoices issued.

(2) In no event may a ~~physician~~ health care provider receive reimbursement in excess of ninety-five percent (95%) of the AWP of the drugs dispensed by a ~~physician,~~health care provider, as determined by reference to the original manufacturer's NDC number.

(3) A repackaged NDC number may not be individually used on any billing documents or invoices issued and will not be considered the original manufacturer's NDC number. A repackaged NDC number may only appear in conjunction with the manufacturer's NDC number. If a health care provider seeking reimbursement for drugs dispensed by a ~~physician~~ health care provider does not include the original manufacturer's NDC number on ~~the bills and reports required by this section,~~any billing documents or invoices issued, reimbursement shall be limited to one hundred percent (100%) of the AWP of the least expensive clinically equivalent drug, calculated on a per unit basis.

(4) No outpatient health care provider, other than a licensed pharmacy, may receive reimbursement for a Schedule II controlled substance, as defined in G.S. 90-90, ~~or~~ a Schedule III controlled substance, as defined in G.S. 90-91, a Schedule IV controlled substance, as defined in G.S. 90-92, or a Schedule V controlled substance, as defined in G.S. 90-93, dispensed in excess of an initial five-day supply, commencing upon the employee's initial treatment following injury. Reimbursement under this subdivision shall be made for the five-day supply at the rates provided in this section.

(5) For purposes of this section, the term "clinically equivalent" means a drug has chemical equivalents which, when administered in the same amounts,

will provide essentially the same therapeutic effect as measured by the control of a symptom or disease."

SECTION 15.13B.(b) This section becomes effective October 1, 2015.

INDUSTRIAL COMMISSION/USE OF IT FUNDS

SECTION 15.14. In each year of the 2015-2017 fiscal biennium, the Industrial Commission, in consultation with the State Chief Information Officer, may use available funds in Budget Code 24611 (Fund 2200) to maintain its Consolidated Case Management System, including, but not limited to, covering the costs of related service contracts and information technology personnel.

UTILITIES COMMISSION/PUBLIC STAFF REALIGN CERTIFIED BUDGET WITH ANTICIPATED AGENCY REQUIREMENTS

SECTION 15.15.(a) No later than November 1, 2015, the Utilities Commission and Public Staff, in conjunction with the Department of Commerce and the Office of State Budget and Management, shall realign the certified budget for the following funds for each year of the 2015-2017 fiscal biennium to reflect the anticipated spending requirements for the Utilities Commission and Public Staff for each year of the 2015-2017 biennium:

Budget Code	Fund	Description
54600	5211	Utilities – Commission Staff
54600	5217	Utilities – Gas Pipelines
54600	5218	PUC Capacity Grant – ARRA
54600	5221	Utilities – Public Staff
64605	6431	Utility and Public Staff.

SECTION 15.15.(b) In realigning the certified budget for the funds described in subsection (a) of this section, the Utilities Commission and Public Staff shall prioritize eliminating unnecessary vacant positions and making line-item modifications that reflect anticipated agency requirements. The Utilities Commission and Public Staff shall not expend any funds unless they are appropriated in this act for fiscal year 2015-2016 and fiscal year 2016-2017.

UTILITY COMMISSION FEES AND CHARGES

SECTION 15.16A.(a) The Utilities Commission and Public Staff shall jointly review all fees and charges provided for in G.S. 62-300 to determine (i) whether the fees and charges are sufficient to cover the costs of processing the applications and filings required by G.S. 62-300 and (ii) whether new categories should be established to impose fees or charges on persons or entities who make applications or filings to the Utilities Commission but are not expressly included in any of the current categories listed in G.S. 62-300. The review may also include any other relevant matters related to fees and charges for applications and filings made to the Utilities Commission.

SECTION 15.16A.(b) By April 1, 2016, the Utilities Commission and Public Staff shall report their findings, including any recommendations on amending the fees and charges for applications and filings under G.S. 62-300, to the Joint Legislative Commission on Energy Policy, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources and the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division.

MUNICIPAL SERVICE DISTRICTS/CONTRACTS WITH PRIVATE AGENCY/TAXES/STUDY

SECTION 15.16B.(a) G.S. 160A-536 reads as rewritten:

"§ **160A-536. Purposes for which districts may be established.**

…

(d) Contracts. – A city may provide services, facilities, functions, or promotional and developmental activities in a service district with its own forces, through a contract with another governmental agency, through a contract with a private agency, or by any combination

thereof. Any contracts entered into pursuant to this ~~paragraph~~ subsection shall comply with all of the following criteria:

(1) ~~specify~~The contract shall specify the purposes for which city moneys are to be ~~used~~used for that service district.

(2) ~~and~~ The contract shall require an appropriate accounting for those moneys at the end of each fiscal year or other appropriate period.

(d1) In addition to the requirements of subsection (d) of this section, if the city enters into a contract with a private agency for a service district under subdivision (a)(1a), (2), or (2a) of this section, the city shall comply with all of the following:

(1) The city shall solicit input from the residents and property owners as to the needs of the service district prior to entering into the contract.

(2) Prior to entering into, or the renewal of, any contract under this section, the city shall use a bid process to determine which private agency is best suited to achieve the needs of the service district. The city shall determine criteria for selection of the private agency and shall select a private agency in accordance with those criteria. If the city determines that a multiyear contract with a private agency is in the best interest of the city and the service district, the city may enter into a multiyear contract not to exceed five years in length.

(3) The city shall hold a public hearing prior to entering into the contract, which shall be noticed by publication in a newspaper of general circulation, for at least two successive weeks prior to the public hearing, in the service district.

(4) The city shall require the private agency to report annually to the city, by presentation in a city council meeting and in written report, regarding the needs of the service district, completed projects, and pending projects. Prior to the annual report, the private agency shall seek input of the property owners and residents of the service district regarding needs for the upcoming year.

(5) The contract shall specify the scope of services to be provided by the private agency. Any changes to the scope of services shall be approved by the city council.

…."

SECTION 15.16B.(b) G.S. 160A-542 reads as rewritten:

"§ **160A-542. Taxes authorized; rate limitation.**

(a) A city may levy property taxes within defined service districts in addition to those levied throughout the city, in order to finance, provide or maintain for the district services provided therein in addition to or to a greater extent than those financed, provided or maintained for the entire city. In addition, a city may allocate to a service district any other revenues whose use is not otherwise restricted by law.

(b) Property subject to taxation in a newly established district or in an area annexed to an existing district is that subject to taxation by the city as of the preceding January 1.

(c) Property taxes may not be levied within any district established pursuant to this Article in excess of a rate on each one hundred dollar ($100.00) value of property subject to taxation which, when added to the rate levied city wide for purposes subject to the rate limitation, would exceed the rate limitation established in G.S. 160A-209(d), unless that portion of the rate in excess of this limitation is submitted to and approved by a majority of the qualified voters residing within the district. Any referendum held pursuant to this ~~paragraph~~ subsection shall be held and conducted as provided in G.S. 160A-209.

(d) In setting the tax rate, the city council shall consider the current needs, as well as the long-range plans and goals for the service district. The city council shall set the tax rate so that there is no accumulation of excess funds beyond that necessary to meet current needs, fund long-range plans and goals, and maintain a reasonable fund balance. Moneys collected shall be

used only for meeting the needs of the service district, as those needs are determined by the city council.

(e) This Article does not impair the authority of a city to levy special assessments pursuant to Article 10 of this Chapter for works authorized by G.S. 160A-491, and may be used in addition to that authority."

SECTION 15.16B.(c) The Legislative Research Commission shall study the feasibility of authorizing property owners within a municipal service district to petition for removal from that municipal service district. The Legislative Research Commission may consider any issues relevant to this study. The Legislative Research Commission shall report its findings and recommendations, including any proposed legislation, to the 2016 Regular Session of the 2015 General Assembly.

SECTION 15.16B.(d) Subsection (a) of this section becomes effective October 1, 2015, and applies to contracts entered into on or after that date. Subsection (b) of this section is effective for taxes imposed for taxable years beginning on or after January 1, 2016. The remainder of this section is effective when this act becomes law.

NC BIOTECHNOLOGY CENTER

SECTION 15.17.(a) Of the funds appropriated in this act to the North Carolina Biotechnology Center (hereinafter "Center"), the sum of thirteen million six hundred thousand three hundred thirty-eight dollars ($13,600,338) for each fiscal year in the 2015-2017 biennium shall be allocated as follows:

(1) Job Creation: Ag Biotech Initiative, Economic and Industrial Development, and related activities – $2,924,073;

(2) Science and Commercialization: Science and Technology Development, Centers of Innovation, Business and Technology Development, Education and Training, and related activities – $8,813,019; and

(3) Center Operations: Administration, Professional and Technical Assistance and Oversight, Corporate Communications, Human Resource Management, Financial and Grant Administration, Legal, and Accounting – $1,863,246.

SECTION 15.17.(b) The Center shall prioritize funding and distribution of loans over existing funding and distribution of grants.

SECTION 15.17.(c) Except to provide administrative flexibility, up to ten percent (10%) of each of the allocations in subsection (a) of this section may be reallocated to one or more of the other allocations in subsection (a) of this section if, in the judgment of Center management, the reallocation will advance the mission of the Center.

SECTION 15.17.(d) The Center shall comply with the following reporting requirements:

(1) By September 1 of each year, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on prior State fiscal year program activities, objectives, and accomplishments and prior State fiscal year itemized expenditures and fund sources.

(2) Provide to the Fiscal Research Division a copy of the Center's annual audited financial statement within 30 days of issuance of the statement.

GRASSROOTS SCIENCE PROGRAM

SECTION 15.18.(a) Of the funds appropriated in this act to the Department of Commerce for State-Aid, the sum of two million four hundred forty-eight thousand four hundred thirty dollars ($2,448,430) is allocated as grants-in-aid for the 2015-2016 fiscal year:

	2015-2016
Aurora Fossil Museum	$60,122
Cape Fear Museum	$70,268
Carolina Raptor Center	$70,243
Catawba Science Center	$80,864

Colburn Earth Science Museum, Inc.	$61,154
Core Sound Waterfowl Museum	$65,052
Cowan Museum of History and Science	$58,598
Dan Nicholas Park (Rowan County)	$58,000
Discovery Place	$240,166
Discovery Place KIDS (Rockingham)	$58,000
Eastern NC Regional Science Center	$59,072
Fascinate-U	$63,355
Granville County Museum Commission, Inc. – Harris Gallery	$59,872
Greensboro Children's Museum	$73,823
Greensboro Science Center	$108,118
Hands On! – A Child's Gallery	$60,634
Highlands Nature Center	$61,140
Imagination Station	$62,895
The Iredell Museums, Inc.	$59,776
Kidsenses	$61,604
Marbles Kids Museum	$120,050
Museum of Coastal Carolina	$63,510
North Carolina Estuarium	$60,837
North Carolina Museum of Life and Science	$151,898
Pisgah Astronomical Research Institute	$74,592
Port Discover: Northeastern North Carolina's Center for Hands-On Science, Inc.	$59,844
Rocky Mount Children's Museum	$62,636
Schiele Museum of Natural History and Planetarium, Inc.	$85,646
Sci Works Science Center and Environmental Park of Forsyth County	$77,444
Sylvan Heights Waterfowl Park and Eco-Center	$66,238
Western North Carolina Nature Center	$67,336
Wilmington Children's Museum	$65,643
Total	**$2,448,430**

SECTION 15.18.(b) No later than March 1, 2016, the Department of Commerce shall report to the Fiscal Research Division all of the following information for each museum that receives funds under this section:

(1) For museums that operate on a fiscal year, the actual operating budget for the 2014-2015 fiscal year. For museums that operate on a calendar year, the actual operating budget for the 2014 calendar year.

(2) The proposed operating budget for the 2015-2016 fiscal year.

(3) The total attendance at the museum during the 2015 calendar year.

SECTION 15.18.(c) As a condition for qualifying to receive funding under this section, all of the following documentation shall, no later than November 1, 2015, be submitted for each museum under this section to the Department of Commerce for the fiscal year that most recently ended and only those costs that are properly documented under this subsection are allowed by the Department in calculating the distribution of funds under this section:

(1) Each museum under this section shall submit its Internal Revenue Service (IRS) Form 990 to show its annual operating expenses, its annual report, and a reconciliation that explains any differences between expenses as shown on the IRS Form 990 and the annual report.

(2) Each friends association of a museum under this section shall submit its IRS Form 990 to show its reported expenses for the museum, its annual report, and a reconciliation that explains any differences between expenses as

shown on the IRS Form 990 and the annual report, unless the association does not have both an IRS Form 990 and an annual report available; in which case, it shall submit either an IRS Form 990 or an annual report.

(3) The chief financial officer of each county or municipal government that provides funds for the benefit of the museum shall submit a detailed signed statement of documented costs spent for the benefit of the museum that includes documentation of the name, address, title, and telephone number of the person making the assertion that the museum receives funds from the county or municipality for the benefit of the museum.

(4) The chief financial officer of each county or municipal government or each friends association that provides indirect or allocable costs that are not directly charged to a museum under this section but that benefit the museum shall submit in the form of a detailed statement enumerating each cost by type and amount that is verified by the financial officer responsible for the completion of the documentation and that includes the name, address, title, and telephone number of the person making the assertion that the county, municipality, or association provides indirect or allocable costs to the museum.

SECTION 15.18.(d) As used in subsection (c) of this section, "friends association" means a nonprofit corporation established for the purpose of supporting and assisting a museum that receives funding under this section.

SECTION 15.18.(e) Each museum listed in subsection (a) of this section shall do the following:

(1) By September 1, 2016, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on prior State fiscal year program activities, objectives, and accomplishments and prior State fiscal year itemized expenditures and fund sources.

(2) Provide to the Fiscal Research Division a copy of the museum's annual audited financial statement within 30 days of issuance of the statement.

GRASSROOTS SCIENCE PROGRAM/COMPETITIVE GRANT PROGRAM

SECTION 15.18A.(a) Effective July 1, 2016, the Grassroots Science Program within the Department of Commerce is transferred to the North Carolina State Museum of Natural Sciences in the Department of Natural and Cultural Resources, as enacted by Section 14.30 of this act.

SECTION 15.18A.(b) Part 40 of Article 2 of Chapter 143B of the General Statutes, as enacted by Section 14.30 of this act, is amended by adding a new section to read as follows:

"**§ 143B-135.227. Grassroots science competitive grant program.**

(a) The North Carolina State Museum of Natural Sciences (hereinafter "Museum of Natural Sciences") shall administer the Grassroots Science Program as a competitive grant program. Any museum in the State may apply for a grant under the program, including a museum that has received a grant-in-aid as a grassroots science museum in prior fiscal years, but grant funds shall be awarded only if the museum meets the criteria established in subsection (d) of this section. No museum shall be guaranteed a grant under the competitive grant program.

(b) For the 2016-2017 fiscal year, the Museum of Natural Sciences shall reserve seven hundred fifty thousand dollars ($750,000) for the purpose of awarding grants to museums located in development tier one counties and six hundred thousand dollars ($600,000) for museums located in development tier two counties. The development tier designation of a county shall be determined as provided in G.S. 143B-437.08. If, after the initial awarding of grants to all museum applicants who meet the eligibility criteria provided for in subsection (d)

of this section, there are funds remaining in any development tier category, the Museum of Natural Sciences may reallocate those funds to another development tier category. The maximum amount of each grant awarded in the 2016-2017 fiscal year shall be (i) seventy-five thousand dollars ($75,000) for a museum in a development tier one county; (ii) sixty thousand dollars ($60,000) for a museum in a development tier two county; and (iii) fifty thousand dollars ($50,000) for a museum in a development tier three county.

(c) Beginning July 1, 2017, it is the intent of the General Assembly that the Museum of Natural Sciences shall award grants under this program for a two-year period. For each two-year grant cycle, the Museum of Natural Sciences shall reserve the amounts for development tier one and tier two counties and shall award the maximum grant amounts for each year of the grant cycle as provided in subsection (b) of this section. All other provisions of subsections (b), (d), and (e) of this section shall apply to the two-year grants.

(d) To be eligible to receive a grant under the competitive grant program, a museum shall demonstrate:

(1) That it is a science center or museum or a children's museum that is physically located in the State.

(2) That it has been open, operating, and exhibiting science or science, technology, engineering, and math (STEM) education objects to the general public at least 120 days of each year for the past two or more years.

(3) That it is a nonprofit organization that is exempt from federal income taxes pursuant to section 501(c)(3) of the Internal Revenue Code.

(4) That it has on its staff at least one full-time professional person.

(5) That its governing body has adopted a mission statement that includes language that shows the museum has a concentration on science or STEM education and that the adopted mission statement has been in effect for the past two or more years.

(e) The Museum of Natural Sciences shall, in awarding grants under this section, give priority to museums that:

(1) When compared to other museum applicants:

a. Are located in counties that are more economically distressed according to the annual rankings prepared by the Department of Commerce pursuant to G.S. 143B-437.08(c).

b. Generate a larger portion of their operating funds from non-State revenue.

c. Have a higher attendance-to-population ratio.

(2) Partner with other museums in the State to share exhibits, programs, or other activities.

(3) Are not located in close proximity to other science or STEM education museums."

SECTION 15.18A.(c) Subsection (b) of this section becomes effective July 1, 2016.

SECTION 15.18A.(d) By March 1, 2016, the Museum of Natural Sciences shall submit guidelines for the submission of applications and the awarding of grants for the competitive grant program provided for in subsection (b) of this section to the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources and the Senate Appropriations Committee on Natural and Economic Resources and the Fiscal Research Division.

COMMERCE NONPROFITS/REPORTING REQUIREMENTS

SECTION 15.19. Brevard Station Museum, Cleveland County ALWS Baseball, Inc., High Point Furniture Market Authority, RTI International, The Rankin Museum, Inc., and The Support Center shall do the following:

(1) By September 1 of each year, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on prior State fiscal year program activities, objectives, and accomplishments and prior State fiscal year itemized expenditures and fund sources.

(2) Provide to the Fiscal Research Division a copy of the entity's annual audited financial statement within 30 days of issuance of the statement.

LOTTERY PROCEEDS DISCLOSURE

SECTION 15.23. G.S. 18C-115 reads as rewritten:

"§ **18C-115. Reports.**

(a) Reports on Operation of the Commission. – The Commission shall send quarterly and annual reports on the operations of the Commission to the Governor, State Treasurer, and to the General Assembly. The reports shall include complete statements of lottery revenues, prize disbursements, expenses, net revenues, and all other financial transactions involving lottery funds, including the occurrence of any audit.

(b) Disclosure of Proceeds From Lottery Funding. – Each State department or agency receiving lottery funds shall use its established communications channels to inform the public about amounts received and activities supported by lottery proceeds."

CREATE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES

SECTION 15.24. Chapter 120 of the General Statutes is amended by adding a new Article to read:

"Article 36.

"Joint Legislative Oversight Committee on Natural and Economic Resources.

"§ **120-310. Creation and membership of Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources.**

(a) The Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources is established. The Committee consists of 12 members as follows:

(1) Six members of the Senate appointed by the President Pro Tempore of the Senate. At least three of the members shall be members of the Senate appropriations committee that has jurisdiction over the agencies set out in G.S. 120-311(a)(1).

(2) Six members of the House of Representatives appointed by the Speaker of the House of Representatives. At least three of the members shall be members of the House of Representatives appropriations committee that has jurisdiction over the agencies set out in G.S. 120-311(a)(1).

(b) Terms on the Committee are for two years and begin on the convening of the General Assembly in each odd-numbered year. Members may complete a term of service on the Committee even if they do not seek reelection or are not reelected to the General Assembly, but resignation or removal from service in the General Assembly constitutes resignation or removal from service on the Committee.

(c) A member continues to serve until a successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment.

"§ **120-311. Purpose and powers of Committee.**

(a) The Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources shall examine on a continuing basis the services provided by the departments and agencies set out in this subsection in order to make ongoing recommendations to the General Assembly on ways to improve the effectiveness, efficiency, and quality of State government services. The Committee has the following powers and duties:

(1) Study the programs, organization, operations, and policies of the following agencies:

a. Department of Agriculture and Consumer Services.

b. Department of Environmental Quality.
c. Department of Natural and Cultural Resources.
d. Wildlife Resources Commission.
e. Department of Labor.
f. Department of Commerce.
g. Any other agency under the jurisdiction of the Senate and House of Representatives appropriations committees on agriculture, natural, or economic resources.

(2) Review compliance of budget actions directed by the General Assembly.
(3) Monitor expenditures, deviations, and changes made by the agencies set out in subdivision (1) of this subsection to the certified budget.
(4) Review policy changes as directed by law.
(5) Receive presentations of reports from agencies directed in the law, including audits, studies, and other reports.
(6) Review any issues that arise during the interim period between sessions of the General Assembly and provide a venue for any of these issues to be heard in a public setting.
(7) Monitor the quality of services provided by cultural, natural, and economic resources agencies to other agencies and the public.
(8) Identify opportunities for cultural, natural, and economic resources agencies to coordinate and collaborate to eliminate duplicative functions.
(9) Have presentations and reports on any other matters that the Committee considers necessary to fulfill its mandate.

(b) The Committee may make reports to the General Assembly. A report to the General Assembly may contain legislation needed to implement a recommendation of the Committee.

"§ **120-312. Organization of Committee.**

(a) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources. The Committee shall meet upon the joint call of the cochairs.

(b) A quorum of the Committee is five members. No action may be taken except by a majority vote at a meeting at which a quorum is present. While in the discharge of its official duties, the Committee has the powers of a joint committee under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

(c) Members of the Committee shall receive subsistence and travel expenses as provided in G.S. 120-3.1. The Committee may contract for consultants or hire employees in accordance with G.S. 120-32.02. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Directors of Legislative Assistants of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee.

(d) The Committee cochairs may establish subcommittees for the purpose of examining issues relating to services provided by particular divisions within the State's cultural, natural, and economic resources departments.

"§ **120-313. Reports to Committee.**

Whenever a department, office, or agency set out in G.S. 120-311(a)(1) is required by law to report to the General Assembly or to any of its permanent committees or subcommittees on matters affecting the services the department or agency provides, the department or agency shall transmit a copy of the report to the cochairs of the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources."

MODIFY FILM AND ENTERTAINMENT GRANT FUND

SECTION 15.25.(a) G.S. 143B-437.02A reads as rewritten:

"§ **143B-437.02A. (Expires July 1, 2020) The Film and Entertainment Grant Fund.**

(a) Creation and Purpose of Fund. – There is created in the Department of Commerce a special, nonreverting account to be known as the Film and Entertainment Grant Fund to provide funds to encourage the production of motion pictures, television shows, movies for television, productions intended for on-line distribution, and commercials and to develop the filmmaking industry within the State. The Department of Commerce shall adopt guidelines providing for the administration of the program. Those guidelines may provide for the Secretary to award the grant proceeds over a period of time, not to exceed three years. Those guidelines shall include the following provisions, which shall apply to each grant from the account:

(1) The funds are reserved for a production on which the production company has qualifying expenses of at least the following:

a. For a feature-length film, five million dollars ($5,000,000).

b. For a ~~video or~~ television series, ~~two hundred fifty thousand dollars ($250,000)~~one million dollars ($1,000,000) per episode.

c. For a commercial for theatrical or television ~~viewing,~~viewing or on-line distribution, two hundred fifty thousand dollars ($250,000).

(2) The funds are not used to provide a grant in excess of any of the following:

a. An amount more than twenty-five percent (25%) of the qualifying expenses for the production.

b. An amount more than five million dollars ($5,000,000) for a feature-length film, more than ~~five~~ nine million dollars ~~($5,000,000)~~($9,000,000) for a single season of a television ~~or video~~ series, or two hundred fifty thousand dollars ($250,000) for a commercial for theatrical or television ~~viewing.~~viewing or on-line distribution.

…

(b) Definitions. – The following definitions apply in this section:

(1) Department. – The Department of Commerce.

(2) Employee. – A person who is employed for consideration ~~for at least 35 hours a week~~ and whose wages are subject to withholding under Article 4A of Chapter 105 of the General Statutes.

…

(5) Production. – Any of the following:

a. A motion picture intended for commercial distribution to a motion picture theater or directly to the consumer viewing market that has a running time of at least 75 minutes.

b. A ~~video or~~ television series or a commercial for theatrical or television ~~viewing.~~viewing, made-for-television movie, or production intended for on-line distribution. For video and television series, a production is all of the episodes of the series produced for a single season.

…

(c) Application. – A production company shall ~~apply, under oath,~~apply to the Secretary for a grant on a form prescribed by the Secretary. The Secretary shall evaluate the applications to ensure the production's content is created for entertainment purposes. The application shall include all documentation and information the Secretary deems necessary to evaluate the grant application.

…."

SECTION 15.25.(b) G.S. 105-259(b) is amended by adding a new subdivision to read:

"(b) Disclosure Prohibited. – An officer, an employee, or an agent of the State who has access to tax information in the course of service to or employment by the State may not

disclose the information to any other person except as provided in this subsection. Standards used or to be used for the selection of returns for examination and data used or to be used for determining the standards may not be disclosed for any purpose. All other tax information may be disclosed only if the disclosure is made for one of the following purposes:

…

(34a) To exchange information concerning a grant awarded under G.S. 143B-437.02A with the Department of Revenue, the Department of Commerce, or a contractor hired by the Department of Commerce and necessary for the Department to administer the program. A contractor hired pursuant to this subdivision shall be an agent of the State subject to the provisions of this statute with respect to any tax information provided."

SECTION 15.25.(c) This section is effective when it becomes law and applies to grants awarded on or after that date.

PART XVI. DEPARTMENT OF PUBLIC SAFETY

SUBPART XVI-A. GENERAL PROVISIONS

GRANT REPORTING AND MATCHING FUNDS

SECTION 16A.1.(a) The Department of Public Safety, the Department of Justice, and the Judicial Department shall report by May 1 of each year to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety on grant funds received or preapproved for receipt by those departments. The report shall include information on the amount of grant funds received or preapproved for receipt by each department, the use of the funds, the State match expended to receive the funds, and the period to be covered by each grant. If the department intends to continue the program beyond the end of the grant period, the department shall report on the proposed method for continuing the funding of the program at the end of the grant period. Each department shall also report on any information it may have indicating that the State will be requested to provide future funding for a program presently supported by a local grant.

SECTION 16A.1.(b) Notwithstanding the provisions of G.S. 143C-6-9, the Department of Public Safety may use up to the sum of one million two hundred thousand dollars ($1,200,000) during the 2015-2016 fiscal year and up to the sum of one million two hundred thousand dollars ($1,200,000) during the 2016-2017 fiscal year from funds available to the Department to provide the State match needed in order to receive grant funds. Prior to using funds for this purpose, the Department shall report to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety on the grants to be matched using these funds.

CHANGE RECIPIENTS OF VICTIMS' COMPENSATION REPORT

SECTION 16A.2. G.S. 15B-21 reads as rewritten:

"§ **15B-21. Annual report.**

The Commission shall, by March 15 each year, prepare and transmit to the ~~Governor and the General Assembly~~chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and to the chairs of the House and Senate Appropriations Committees on Justice and Public Safety a report of its activities in the prior fiscal year and the current fiscal year to date. The report shall include:

(1) The number of claims filed;
(2) The number of awards made;
(2a) The number of pending cases by year received;
(3) The amount of each award;
(4) A statistical summary of claims denied and awards made;
(5) The administrative costs of the Commission, including the compensation of commissioners;

(6) The current unencumbered balance of the North Carolina Crime Victims Compensation Fund;
(7) The amount of funds carried over from the prior fiscal year;
(8) The amount of funds received in the prior fiscal year from the Division of Adult Correction of the Department of Public Safety and from the compensation fund established pursuant to the Victims Crime Act of 1984, 42 U.S.C. § 10601, et seq.; and
(9) The amount of funds expected to be received in the current fiscal year, as well as the amount actually received in the current fiscal year on the date of the report, from the Division of Adult Correction of the Department of Public Safety and from the compensation fund established pursuant to the Victims Crime Act of 1984, 42 U.S.C. § 10601, et seq.

The Attorney General and State Auditor shall assist the Commission in the preparation of the report required by this section."

LIMITED AUTHORITY TO ELIMINATE AND RECLASSIFY CERTAIN POSITIONS

SECTION 16A.3. Notwithstanding any other provision of law, subject to the approval of the Director of the Budget, the Secretary of the Department of Public Safety may reclassify or eliminate existing positions in the Division of Administration that are not specifically addressed in this act as needed for the efficient operation of the Department. No position shall be reclassified pursuant to this section solely for the purpose of providing a person in that position with a salary increase. The Secretary of the Department of Public Safety shall report any position reclassification undertaken pursuant to this section to the chairs of the House and Senate Appropriations Committees on Justice and Public Safety and the Fiscal Research Division within 30 days of the reclassification. The report shall include the position number, original title, original fund code, original budgeted salary, new title, new fund code, and new budgeted salary for each reclassified position.

SAMARCAND TRAINING ACADEMY

SECTION 16A.4. The former juvenile detention facility known as Samarkand Manor, located in Moore County, is redesignated a law enforcement and corrections training facility and assigned to the Office of the Secretary of the Department of Public Safety. The facility shall be renamed Samarcand Training Academy and shall be administered by a Director. The operating budget for Samarcand Training Academy shall be funded by the Department of Public Safety but shall be independent of the operating budget of any Division within the Department and shall be managed and administered by the Director of the Academy with oversight by the Office of the Secretary of the Department of Public Safety.

SENSITIVE PUBLIC SECURITY INFORMATION IS NOT A PUBLIC RECORD

SECTION 16A.5. G.S. 132-1.7 reads as rewritten:

"§ **132-1.7. Sensitive public security information.**

(a) Public records, as defined in G.S. 132-1, shall not include information containing specific details of public security plans and arrangements or the detailed plans and drawings of public buildings and infrastructure ~~facilities.~~facilities or plans, schedules, or other documents that include information regarding patterns or practices associated with executive protection and security.

(a1) Public records, as defined in G.S. 132-1, shall not include specific security information or detailed plans, patterns, or practices associated with prison operations.

(a2) Public records, as defined in G.S. 132-1, shall not include specific security information or detailed plans, patterns, or practices to prevent or respond to criminal, gang, or organized illegal activity.

(b) Public records as defined in G.S. 132-1 do not include plans to prevent or respond to terrorist activity, to the extent such records set forth vulnerability and risk assessments, potential targets, specific tactics, or specific security or emergency procedures, the disclosure

of which would jeopardize the safety of governmental personnel or the general public or the security of any governmental facility, building, structure, or information storage system.

(c) Information relating to the general adoption of public security plans and arrangements, and budgetary information concerning the authorization or expenditure of public funds to implement public security plans and arrangements, or for the construction, renovation, or repair of public buildings and infrastructure facilities shall be public records."

CLARIFY ADMINISTRATION AND ORGANIZATION OF THE LAW ENFORCEMENT FUNCTIONS OF THE DEPARTMENT OF PUBLIC SAFETY

SECTION 16A.7.(a) G.S. 143B-915 reads as rewritten:

"§ **143B-915. Bureau of Investigation created; powers and duties.**

In order to secure a more effective administration of the criminal laws of the State, to prevent crime, and to procure the speedy apprehension of criminals, there is established the State Bureau of Investigation, which shall be administratively located in ~~the Division of Law Enforcement of~~ the Department of Public ~~Safety, but it~~ Safety. The Bureau shall be an independent agency under the direction and supervision of the ~~Director of the Bureau. The Director shall be the chief executive officer of the Bureau.~~ Director, who shall serve as chief executive officer of the Bureau and shall be solely responsible for all management functions. Notwithstanding any provisions to the contrary, the Director shall have such authority as is necessary to direct and oversee the Bureau, and may delegate any duties and responsibilities necessary to ensure the proper management of the Bureau. The Department of Public Safety shall provide administrative support to the Bureau. The State Bureau of Investigation shall have charge of and administer the agencies and activities herein set up for the identification of criminals, for their apprehension, and investigation and preparation of evidence to be used in criminal courts; and the said Bureau shall have charge of investigation of criminal matters herein especially mentioned, and of such other crimes and criminal procedure as the Governor may direct.

In the personnel of the Bureau shall be included a sufficient number of persons of training and skill in the investigation of crime and in the preparation of evidence as to be of service to local enforcement officers, under the direction of the Governor, in criminal matters of major importance."

SECTION 16A.7.(b) The title of Part 4 of Article 13 of Chapter 143B of the General Statutes reads as rewritten:

"Part 4. ~~Division of~~ Law Enforcement."

SECTION 16A.7.(c) Subpart C of Part 4 of Article 13 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-916. SBI liaison.**

The State Bureau of Investigation may designate liaison personnel to lobby for legislative action in accordance with Article 5 of Chapter 120C of the General Statutes."

SECTION 16A.7.(d) Subpart C of Part 4 of Article 13 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-929. Operation and management of Information Sharing and Analysis Center.**

The State Bureau of Investigation shall operate and manage the Information Sharing and Analysis Center, and its operation and management shall be under the sole direction and control of the Director of the State Bureau of Investigation."

SECTION 16A.7.(e) The State Capitol Police Section shall be relocated as a section under the State Highway Patrol.

SECTION 16A.7.(f) G.S. 143B-911(a) reads as rewritten:

"(a) Section Established. – There is hereby established, ~~within the Law Enforcement Division~~within the State Highway Patrol of the Department of Public Safety, the State Capitol Police Section, which shall be organized and staffed in accordance with applicable laws and regulations and within the limits of authorized appropriations."

SECTION 16A.7.(g) G.S. 143B-602 reads as rewritten:

"§ **143B-602. Powers and duties of the Secretary of Public Safety.**

The Secretary of Public Safety shall have the powers and duties as are conferred on the Secretary by this Article, delegated to the Secretary by the Governor, and conferred on the Secretary by the Constitution and laws of this State. These powers and duties include the following:

…

(8) Other powers and duties. – The Secretary has the following additional powers and duties:

…

f. Appointing, with the Governor's approval, a special police officer to serve as Chief of the State Capitol Police Section of the ~~Division of Law Enforcement.~~State Highway Patrol.

…."

SECTION 16A.7.(h) G.S. 20-196.3 reads as rewritten:

"§ **20-196.3. Who may hold supervisory positions over sworn members of the Patrol.**

Notwithstanding any other provision of the General Statutes, only the following individuals may hold a supervisory position over sworn members of the Patrol:

(1) The Governor.

(2) The Secretary of Public ~~Safety or the Commissioner of the Law Enforcement Division.~~Safety.

(3) A uniformed member of the North Carolina State Highway Patrol who has met all requirements for employment within the Patrol, including completion of the basic Patrol school."

SECTION 16A.7.(i) G.S. 20-184 reads as rewritten:

"§ **20-184. Patrol under supervision of Department of Public Safety.**

The Secretary of Public Safety, under the direction of the Governor, shall have supervision, direction and control of the State Highway Patrol. The Secretary shall establish in the Department of Public Safety a State Highway Patrol ~~Section,~~Division, prescribe regulations governing the ~~Section,~~Division, and assign to the ~~Section~~ Division such duties as the Secretary may deem proper."

SECTION 16A.7.(j) The following statutes are amended by deleting the language "State Highway Patrol Section" wherever it appears and substituting "State Highway Patrol": G.S. 20-183.10, 20-185, 20-195, 20-196, and 105-259.

GRANTS FOR BODY-WORN VIDEO CAMERAS FOR LAW ENFORCEMENT AGENCIES

SECTION 16A.8.(a) The sum of two million five hundred thousand dollars ($2,500,000) in nonrecurring funds for the 2015-2016 fiscal year and the sum of two million five hundred thousand dollars ($2,500,000) in nonrecurring funds for the 2016-2017 fiscal year appropriated in this act to the Department of Public Safety shall be used to provide matching grants to local and county law enforcement agencies to purchase and place into service body-worn video cameras and for training and related expenses. These grant funds shall be administered by the Governor's Crime Commission, which shall develop guidelines and procedures for the administration and distribution of grants to those agencies. These guidelines and procedures shall include the following requirements and limitations:

(1) The maximum grant amount shall not exceed one hundred thousand dollars ($100,000).

(2) Recipient law enforcement agencies shall be required to provide two dollars ($2.00) of local funds for every one dollar ($1.00) of grant funds received.

(3) Grantees shall be required to have appropriate policies and procedures in place governing the operation of body-worn cameras and the proper storage of images recorded with those cameras.

SECTION 16A.8.(b) The Governor's Crime Commission shall submit the following reports to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and to the chairs of the House and Senate Appropriations Committees on Justice and Public Safety:

(1) No later than November 1, 2015, a report on the guidelines and procedures that will govern distribution and administration of grant funds distributed pursuant to this section.

(2) No later than August 1, 2016, a report on the grant funds distributed pursuant to this section during the 2015-2016 fiscal year.

(3) No later than August 1, 2017, a report on the grant funds distributed pursuant to this section during the 2016-2017 fiscal year.

SECTION 16A.8.(c) Definition. – The term "body-worn camera" means an operational video camera, including a microphone or other mechanism for allowing audio capture, affixed to a law enforcement officer's uniform and positioned in a way that allows the video camera to capture interactions the law enforcement officer has with the public.

SUBPART XVI-B. DIVISION OF LAW ENFORCEMENT

USE OF SEIZED AND FORFEITED PROPERTY TRANSFERRED TO STATE LAW ENFORCEMENT AGENCIES BY THE FEDERAL GOVERNMENT

SECTION 16B.1.(a) Seized and forfeited assets transferred to the Department of Justice or to the Department of Public Safety during the 2015-2017 fiscal biennium pursuant to applicable federal law shall be credited to the budget of the department and shall result in an increase of law enforcement resources for the department. The Department of Public Safety and the Department of Justice shall make the following reports to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety:

(1) A report upon receipt of any assets.

(2) A report that shall be made prior to use of the assets on their intended use and the departmental priorities on which the assets may be expended.

(3) A report on receipts, expenditures, encumbrances, and availability of these assets for the previous fiscal year, which shall be made no later than September 1 of each year.

SECTION 16B.1.(b) The General Assembly finds that the use of seized and forfeited assets transferred pursuant to federal law for new personnel positions, new projects, acquisition of real property, repair of buildings where the repair includes structural change, and construction of or additions to buildings may result in additional expenses for the State in future fiscal periods. Therefore, the Department of Justice and Department of Public Safety are prohibited from using these assets for such purposes without the prior approval of the General Assembly.

SECTION 16B.1.(c) Nothing in this section prohibits North Carolina law enforcement agencies from receiving funds from the United States Department of Justice, the United States Department of the Treasury, and the United States Department of Health and Human Services.

VOICE INTEROPERABILITY PLAN FOR EMERGENCY RESPONSE (VIPER) SYSTEM

SECTION 16B.2. The Department of Public Safety shall report annually no later than March 1 to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety on the progress of the State's VIPER system.

GANGNET REPORT AND RECOMMENDATIONS

SECTION 16B.3.(a) Article 4 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"**§ 20-196.5. Report on gang prevention recommendations.**

The State Highway Patrol, in conjunction with the State Bureau of Investigation and the Governor's Crime Commission, shall develop recommendations concerning the establishment of priorities and needed improvements with respect to gang prevention and shall report those recommendations to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety and to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety on or before March 1 of each year."

SECTION 16B.3.(b) G.S. 143B-1101(b) reads as rewritten:

"(b) The Governor's Crime Commission shall review the level of gang activity throughout the State and assess the progress and accomplishments of the State, and of local governments, in preventing the proliferation of gangs and addressing the needs of juveniles who have been identified as being associated with gang activity.

~~The Governor's Crime Commission shall develop recommendations concerning the establishment of priorities and needed improvements with respect to gang prevention and shall report those recommendations to the Chairs of the Senate Appropriations Committee on Justice and Public Safety, the Chairs of the House of Representatives Appropriations Subcommittee on Justice and Public Safety, and to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety on or before March 1 of each year.~~"

STATE CAPITOL POLICE/CREATION OF RECEIPT-SUPPORTED POSITIONS/REPORTING ON POSITIONS

SECTION 16B.4.(a) Creation of Receipt-Supported Positions Authorized. – The State Capitol Police may contract with State agencies for the creation of receipt-supported positions to provide security services to the buildings occupied by those agencies.

SECTION 16B.4.(b) Annual Report Required. – No later than September 1 of each fiscal year, the State Capitol Police shall report to the Joint Legislative Oversight Committee on Justice and Public Safety the following information for the fiscal year in which the report is due:

(1) A list of all positions in the State Capitol Police. For each position listed, the report shall include at least the following information:
   a. The position type.
   b. The agency to which the position is assigned.
   c. The source of funding for the position.

(2) In addition to the information required by subdivision (1) of this section, for each receipt-supported position listed, the report shall include the amount of the contract and any other terms of the contract.

SECTION 16B.4.(c) Additional Reporting Required Upon Creation of Receipt-Supported Positions. – In addition to the report required by subsection (b) of this section, the State Capitol Police shall report the creation of any position pursuant to subsection (a) of this section to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety and to the Fiscal Research Division within 30 days of the position's creation. A report submitted pursuant to this section shall include at least the following information:

(1) The position type.
(2) The agency to which the position is being assigned.
(3) The position salary.
(4) The total amount of the contract.
(5) The terms of the contract.

SECTION 16B.4.(d) Format of Reports. – Reports submitted pursuant to this section shall be submitted electronically and in accordance with any applicable General Assembly standards.

CHANGES TO EXPUNCTION AND METHAMPHETAMINE REPORTING REQUIREMENTS

SECTION 16B.5.(a) G.S. 15A-160 reads as rewritten:

"§ **15A-160. Reporting requirement.**

The Department of Public Safety, in conjunction with the Department of Justice and the Administrative Office of the ~~Courts~~ Courts, shall report jointly to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety Oversight by September 1 of each year regarding expunctions. The report shall include all of the following information:

(1) The number and types of expunctions granted during the fiscal year in which the report is made.

(2) The number and type of expunctions granted each fiscal year for the five fiscal years preceding the date of the report.

(3) A full accounting of how the agencies have spent the receipts generated by the expunction fees received during the fiscal year in which the report is made and for the five preceding fiscal years."

SECTION 16B.5.(b) G.S. 90-113.64 reads as rewritten:

"§ **90-113.64. SBI annual report.**

Beginning with the 2011 calendar year, the State Bureau of Investigation shall determine the number of methamphetamine laboratories discovered in the State each calendar year and report its findings to the Joint Legislative Oversight Committee on Justice and Public Safety and to the Legislative Commission on Methamphetamine Abuse by March 1, 2012, for the 2011 calendar year and each March 1 thereafter for the preceding calendar year. The State Bureau of Investigation shall participate in the High Intensity Drug Trafficking Areas (HIDTA) program, assist in coordinating the drug control efforts between local and State law enforcement agencies, and monitor the implementation and effectiveness of the electronic record-keeping requirements included in G.S. 90-113.52A and G.S. 90-113.56. The SBI shall include its findings in the report to the Commission required by this section."

CLARIFY BOXING COMMISSION FEE

SECTION 16B.6.(a) G.S. 143-655(b1) reads as rewritten:

"(b1) Admission Fees. – The Branch shall collect a fee in the amount of two dollars ($2.00) per ~~each ticket sold~~ spectator to attend events regulated in this Article."

SECTION 16B.6.(b) This section is effective on October 1, 2015, and applies to fees collected or assessed on or after that date.

SBI/ALE ASHEVILLE REGIONAL OFFICE

SECTION 16B.7. Section 17.1(aaaa) of S.L. 2014-100 reads as rewritten:

"**SECTION 17.1.(aaaa)** The Department of Public Safety shall consolidate ALE and SBI Regions and Regional Offices. The Asheville Regional Office shall be operational ~~by July 1, 2015.~~upon completion of a new facility. All other Regional Offices shall be operational by October 1, 2014."

CLARIFY HAZARDOUS MATERIALS FEE

SECTION 16B.8.(a) G.S. 166A-29.1 reads as rewritten:

"§ **166A-29.1. Hazardous materials facility fee.**

(a) Definitions. – The following definitions apply in this section:

(1) EPCRA. – The federal Emergency Planning and Community Right-to-Know Act, P.L. No. 99-499 et. seq.

(2) Extremely hazardous substance. – Any substance, regardless of its state, set forth in 40 C.F.R. Part 355, Appendix A or B.

(3) Hazardous chemical. – As defined in 29 C.F.R. 1910.1200(c), except that the term does not include any of the following:

a. Any food, food additive, color additive, drug, or cosmetic regulated by the Food and Drug Administration.

b. Any substance present as a solid in any manufactured item to the extent exposure to the substance does not occur under normal conditions of use.

c. Any substance to the extent that it is used for personal, family, or household purposes or is present in the same form and concentration as a product packaged for distribution and use by the public.

d. Any substance to the extent that it is used in a research laboratory or a hospital or other medical facility under the direct supervision of a technically qualified individual.

e. Any substance to the extent that it is used in routine agricultural operations or is a fertilizer held for sale by a retailer to the ultimate consumer.

(b) Annual Fee Shall Be Charged. – A person or business required under Section 302 or 312 of EPCRA to submit a notification or an annual inventory form to the Division shall be required to pay to the Department an annual fee in the amount set forth in subsection (c) of this section.

(c) Amount of Fee. – The amount of the annual fee charged pursuant to subsection (b) of this section shall be calculated in accordance with the following, up to a maximum annual amount of ~~five thousand dollars ($5,000):~~five thousand dollars ($5,000) per reporting site:

(1) A fee of fifty dollars ($50.00) shall be assessed for each substance at each site reported by a ~~facility~~ person or business that is classified as a hazardous chemical.

(2) A fee of ninety dollars ($90.00) shall be assessed for each substance at each site reported by a ~~facility~~ person or business that is classified as an extremely hazardous substance.

(d) Late Fees. – The Division may impose a late fee against a person or business for failure to submit a report or filing that substantially complies with the requirements of EPCRA by the federal filing deadline or for failure to pay any fee, including a late fee. This fee shall be in addition to the fee imposed pursuant to subsection (c) of this section. Prior to imposing a late fee, the Division shall provide the person or business who will be assessed the late fee with written notice that identifies the specific requirements that have not been met and informs the person or business of its intent to assess a late fee. The assessment of a late fee shall be subject to the following limitations:

(1) If the report filing or fee is submitted within 30 days after receipt of the Division's notice that it intends to assess a late fee, no late fee shall be assessed.

(2) If the report filing or fee has not been submitted by the end of the period set forth in subdivision (1) of this subsection, the Division may impose a late fee in an amount equal to the amount of the fee charged pursuant to subsection (c) of this section.

(e) Exemptions. – No fee shall be charged under this section to any of the following:

(1) An owner or operator of a family farm enterprise, a facility owned by a State or local government, or a nonprofit corporation.

(2) An owner or operator of a facility where motor vehicle fuels are stored and from which such fuels are offered for retail sale. However, hazardous chemicals or extremely hazardous substances at such a facility, other than motor vehicle fuels for retail sale, shall not be subject to this exemption.

(3) A motor vehicle dealer, as that term is defined in G.S. 20-286(11).

(f) Use of Fee Proceeds. – The proceeds of fees assessed pursuant to this section shall be used for the following:

(1) To ~~pay~~ offset costs associated with the establishment and maintenance of a hazardous materials ~~database.~~database and a hazardous materials response application.

(2) To ~~support the~~ offset costs associated with the operations of the regional response program for hazardous materials emergencies and terrorist incidents.

(3) To provide grants to counties for hazardous materials emergency response planning, training, and related exercises.

(4) To offset Division costs that directly support hazardous materials emergency preparedness and response."

SECTION 16B.8.(b) This section becomes effective on October 1, 2015, and applies to fees assessed or collected on or after that date.

AMEND NATIONAL GUARD FAMILY ASSISTANCE CENTERS ANNUAL REPORT REQUIREMENTS

SECTION 16B.9. G.S. 127A-64(b) reads as rewritten:

"(b) The Department of Public Safety shall report annually no later than September 1 to the Chairs of the House of Representatives and Senate Appropriations ~~Subcommittees~~ Committees on Justice and Public Safety and to the House of Representatives Committee on Homeland Security, Military, and Veterans Affairs on the activities of the National Guard Family Assistance ~~Centers.~~Centers during the previous fiscal year. This report shall include information on services provided as well as on the number and type of members of the active or reserve components of the Armed Forces of the United States, veterans, and family members served."

SUBPART XVI-C. DIVISION OF ADULT CORRECTION

REIMBURSE COUNTIES FOR HOUSING AND EXTRAORDINARY MEDICAL COSTS FOR INMATES, PAROLEES, AND POST-RELEASE SUPERVISEES AWAITING TRANSFER TO STATE PRISON SYSTEM

SECTION 16C.1. Notwithstanding G.S. 143C-6-9, the Department of Public Safety may use funds available to the Department for the 2015-2017 fiscal biennium to pay the sum of forty dollars ($40.00) per day as reimbursement to counties for the cost of housing convicted inmates, parolees, and post-release supervisees awaiting transfer to the State prison system, as provided in G.S. 148-29. The Department shall report annually by February 1 of each year to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety on the expenditure of funds to reimburse counties for prisoners awaiting transfer.

CENTER FOR COMMUNITY TRANSITIONS/CONTRACT AND REPORT

SECTION 16C.2. The Department of Public Safety may continue to contract with The Center for Community Transitions, Inc., a nonprofit corporation, for the purchase of prison beds for minimum security female inmates during the 2015-2017 fiscal biennium. The Center for Community Transitions, Inc., shall report by February 1 of each year to the Chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety on the annual cost per inmate and the average daily inmate population compared to bed capacity using the same methodology as that used by the Department of Public Safety.

USE OF CLOSED FACILITIES

SECTION 16C.3.(a) In conjunction with the closing of prison facilities, youth detention centers, and youth development centers, the Department of Public Safety shall consult with the county or municipality in which the facility is located, with the elected State and local officials, and with State and federal agencies about the possibility of converting that facility to other use. The Department may also consult with any private for-profit or nonprofit firm about the possibility of converting the facility to other use. In developing a proposal for future use of each facility, the Department shall give priority to converting the facility to other criminal justice use. Consistent with existing law and the future needs of the Department of

Public Safety, the State may provide for the transfer or the lease of any of these facilities to counties, municipalities, State agencies, federal agencies, or private firms wishing to convert them to other use. G.S. 146-29.1(f) through (g) shall not apply to a transfer made pursuant to this section. The Department of Public Safety may also consider converting some of the facilities recommended for closing from one security custody level to another, where that conversion would be cost-effective. A prison unit under lease to a county pursuant to the provisions of this section for use as a jail is exempt for the period of the lease from any of the minimum standards adopted by the Secretary of Health and Human Services pursuant to G.S. 153A-221 for the housing of adult prisoners that would subject the unit to greater standards than those required of a unit of the State prison system.

SECTION 16C.3.(b) In addition to the provisions of subsection (a) of this section, the Department of Public Safety may use available funds to reopen and convert closed facilities for use as treatment and behavior modification facilities for offenders serving a period of confinement in response to violation (CRV) pursuant to G.S. 15A-1344(d2). Prior to opening a new CRV facility pursuant to this subsection, the Department of Public Safety shall consult with the Joint Legislative Oversight Committee on Justice and Public Safety on the location of the facility, the proposed staffing, estimated operational costs, opening dates, and estimated number of offenders to be served.

MEDICAL COSTS FOR INMATES AND JUVENILE OFFENDERS

SECTION 16C.4. Article 13 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"§ **143B-707.3. Medical costs for inmates and juvenile offenders.**

(a) The Department of Public Safety shall reimburse those providers and facilities providing approved medical services to inmates and juvenile offenders outside the correctional or juvenile facility the lesser amount of either a rate of seventy percent (70%) of the provider's then-current prevailing charge or two times the then-current Medicaid rate for any given service. The Department shall have the right to audit any given provider to determine the actual prevailing charge to ensure compliance with this provision.

This section does apply to vendors providing services that are not billed on a fee-for-service basis, such as temporary staffing. Nothing in this section shall preclude the Department from contracting with a provider for services at rates that provide greater documentable cost avoidance for the State than do the rates contained in this section or at rates that are less favorable to the State but that will ensure the continued access to care.

(b) The Department of Public Safety shall make every effort to contain medical costs for inmates and juvenile offenders by making use of its own hospital and health care facilities to provide health care services to inmates and juvenile offenders. To the extent that the Department of Public Safety must utilize other facilities and services to provide health care services to inmates and juvenile offenders, the Department shall make reasonable efforts to make use of hospitals or other providers with which it has a contract or, if none is reasonably available, hospitals with available capacity or other health care facilities in a region to accomplish that goal. The Department shall make reasonable efforts to equitably distribute inmates and juvenile offenders among all hospitals or other appropriate health care facilities.

(c) The Department of Public Safety shall report quarterly to the Joint Legislative Oversight Committee on Justice and Public Safety and the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety on:

(1) The percentage of the total inmates and juvenile offenders requiring hospitalization or hospital services who receive that treatment at each hospital.

(2) The volume of services provided by community medical providers that can be scheduled in advance and, of that volume, the percentage of those services that are provided by contracted providers.

(3) The volume of services provided by community medical providers that cannot be scheduled in advance and, of that volume, the percentage of those services that are provided by contracted providers.

(4) The volume of services provided by community medical providers that are emergent cases requiring hospital admissions and emergent cases not requiring hospital admissions.

(5) The volume of inpatient medical services provided to Medicaid-eligible inmates and juvenile offenders, the cost of treatment, and the estimated savings of paying the nonfederal portion of Medicaid for the services.

(6) The hospital utilization, including the amount paid to individual hospitals, the number of inmates and juvenile offenders served, and the number of claims."

STATEWIDE MISDEMEANANT CONFINEMENT FUND/MONTHLY AND ANNUAL REPORTS/OPERATING AND ADMINISTRATIVE EXPENSES

SECTION 16C.6.(a) The North Carolina Sheriffs' Association shall report monthly by the 15th day of each month to the Office of State Budget and Management and the Fiscal Research Division on the Statewide Misdemeanant Confinement Program. Each monthly report shall include the following:

(1) The daily population, delineated by misdemeanant or DWI monthly housing.
(2) The cost of housing prisoners under the Program.
(3) The cost of transporting prisoners under the Program.
(4) Personnel costs.
(5) Inmate medical care costs.
(6) The number of counties that volunteer to house inmates under the Program.
(7) The administrative costs paid to the Sheriffs' Association and to the Department of Public Safety.

SECTION 16C.6.(b) The North Carolina Sheriffs' Association shall report by October 1, 2015, to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety and the Joint Legislative Oversight Committee on Justice and Public Safety on the Statewide Misdemeanant Confinement Program. The annual report shall include the following with respect to the prior fiscal year:

(1) Revenue collected by the Statewide Misdemeanant Confinement Program.
(2) The cost of housing prisoners by county under the Program.
(3) The cost of transporting prisoners by county under the Program.
(4) Personnel costs by county.
(5) Inmate medical care costs by county.
(6) The number of counties that volunteer to house inmates under the Program.
(7) The administrative costs paid to the Sheriffs' Association and to the Department of Public Safety.

SECTION 16C.6.(c) G.S. 148-10.4(e) reads as rewritten:

"(e) Operating and Administrative Expenses. – Five percent (5%) of the ~~monthly receipts collected and~~ funds credited to the Statewide Misdemeanant Confinement Fund, not to exceed the sum of one million dollars ($1,000,000) annually, shall be transferred on a monthly basis to the Sheriffs' Association to be used to support the Program and for administrative and operating expenses of the Association and its staff. One percent (1%) of the ~~monthly receipts collected and~~ funds credited to the Statewide Misdemeanant Confinement Fund shall be transferred on a monthly basis to the General Fund to be allocated to the Division of Adult Correction for its administrative and operating expenses for the Program."

INMATE CONSTRUCTION PROGRAM

SECTION 16C.7. Notwithstanding G.S. 66-58 or any other provision of law, during the 2015-2017 fiscal biennium, the State Construction Office may, wherever feasible, utilize inmates in the custody of the Division of Adult Correction of the Department of Public

Safety through the Inmate Construction Program for repair and renovation projects on State-owned facilities, with priority given to Department of Public Safety construction projects.

REPORT ON CONTRACTS FOR HOUSING STATE PRISONERS/REPEAL AUTHORIZATION FOR LEASE-PURCHASE OF PRISON FACILITIES FROM PRIVATE FIRMS

SECTION 16C.10.(a) G.S. 148-37(i) reads as rewritten:

"(i) The Division of Adult Correction of the Department of Public Safety shall make a written report no later than March 1 of every ~~odd-numbered~~ year, beginning in 1997, on the substance of all outstanding contracts for the housing of State prisoners entered into under the authority of this section. The report shall be submitted to ~~the Council of State, the Department of Administration, the Joint Legislative Commission on Governmental Operations, and~~ the Joint Legislative Oversight Committee on Justice and Public Safety. ~~In addition to the report, the Division of Adult Correction of the Department of Public Safety shall provide information on contracts for the housing of State prisoners as requested by these groups.~~"

SECTION 16C.10.(b) G.S. 148-37.2 is repealed.

ANNUAL REPORT ON SAFEKEEPERS

SECTION 16C.11. Article 13 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-707.4. Annual report on safekeepers.**

The Department of Public Safety shall report by October 1 of each year to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety and the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety on county prisoners housed in the State prison system pursuant to safekeeping orders under G.S. 162-39. The report shall include:

(1) The number of safekeepers currently housed by the Department.

(2) A list of the facilities where safekeepers are housed and the population of safekeepers by facility.

(3) The average length of stay by a safekeeper in one of those facilities.

(4) The amount paid by counties for housing and extraordinary medical care of safekeepers.

(5) A list of the counties in arrears for safekeeper payments owed to the Department at the end of the fiscal year."

COLLECTION OF DELINQUENT SAFEKEEPER REIMBURSEMENTS

SECTION 16C.12. G.S. 148-10.4 is amended by adding a new subsection to read:

"(f) Upon notification from the Division of Adult Correction that an amount owed by a county for safekeeper reimbursements authorized under G.S. 162-39 is more than 120 days overdue, the Sheriffs' Association shall withhold funds from any reimbursements due to a county under this section and transmit those funds to the Division until that overdue safekeeper reimbursement is satisfied."

PRISON BEHAVIORAL HEALTH POSITIONS

SECTION 16C.13. Notwithstanding any other provision of law, the Section of Prisons of the Division of Adult Correction may post, advertise, accept applications for, and interview for positions established or authorized by this act related to behavioral health treatment prior to the effective date of the establishment of those positions.

EVALUATION REQUIREMENT FOR ELECTRICAL DEVICES

SECTION 16C.13A. G.S. 66-25 reads as rewritten:

"**§ 66-25. Acceptable listings as to safety of goods.**

(a) All electrical materials, devices, appliances, and equipment shall be evaluated for safety and suitability for intended use. Except as provided in subsection (b) of this section, this evaluation shall be conducted in accordance with nationally recognized standards and shall be

conducted by a qualified testing laboratory. The Commissioner of Insurance, through the Engineering Division of the Department of Insurance, shall implement the procedures necessary to approve suitable national standards and to approve suitable qualified testing laboratories. The Commissioner may assign his authority to implement the procedures for specific materials, devices, appliances, or equipment to other agencies or bodies when they would be uniquely qualified to implement those procedures.

In the event that the Commissioner determines that electrical materials, devices, appliances, or equipment in question cannot be adequately evaluated through the use of approved national standards or by approved qualified testing laboratories, the Engineering Division of the Department of Insurance shall specify any alternative evaluations which safety requires.

The Engineering Division of the Department of Insurance shall keep in file, where practical, copies of all approved national standards and resumes of approved qualified testing laboratories.

(b) Electrical devices, appliances, or equipment used by the Division of Adult Correction of the Department of Public Safety ~~may be evaluated for safety and suitability by the Central Engineering Section of the Department of Public Safety. The evaluation shall be conducted in accordance with nationally recognized standards. Electrical devices, appliances, and equipment used by the Division that are not evaluated by the Central Engineering Section as provided by this subsection are subject to~~ in institutional kitchens and manufacturing equipment used by Correction Enterprises are exempt from the evaluation requirement of subsection (a) of this section."

INMATE GRIEVANCE RESOLUTION BOARD CHANGES

SECTION 16C.13B.(a) G.S. 148-118.8(a) reads as rewritten:

"(a) ~~The Grievance Resolution Board shall appoint an Executive Director and grievance examiners after consultation with the Secretary of Public Safety.~~The Grievance Resolution Board, in consultation with the Secretary of Public Safety, shall provide the Governor with at least three nominees, and the Governor shall appoint an Executive Director from those nominees. The Grievance Resolution Board shall appoint grievance examiners. The Executive Director shall manage the staff and perform such other functions as are assigned to ~~him~~the Director by the Grievance Resolution Board. The Executive Director ~~and the~~ shall serve at the pleasure of the Governor. The grievance examiners shall serve at the pleasure of the Grievance Resolution Board. ~~However, if a grievance examiner is removed from his position for other than just cause, he shall have priority for any position that becomes available for which he is qualified according to rules regulating and defining priority as promulgated by the State Human Resources Commission.~~ The grievance examiners shall be subject to Article 2 of Chapter 126 of the North Carolina General Statutes for purposes of salary and leave. Support staff, equipment, and facilities for the Board shall be provided by the Division of Adult Correction of the Department of Public Safety."

SECTION 16C.13B.(b) The Department of Public Safety and the Inmate Grievance Resolution Board shall report by October 1 of each year to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety and the Joint Legislative Oversight Committee on Justice and Public Safety on the Inmate Grievance Resolution Board. The annual report shall include the following with respect to the prior fiscal year:

(1) Brief summary of the inmate grievance process.
(2) Number of grievances submitted to the Board.
(3) Number of grievances resolved by the Board.
(4) Type of grievance by category.
(5) Number of orders filed by examiners.

PAROLE ELIGIBILITY REPORT

SECTION 16C.14. Article 13 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"§ **143B-721.1. Parole eligibility reports.**

(a) Each fiscal year the Post-Release Supervision and Parole Commission shall, with the assistance of the North Carolina Sentencing and Policy Advisory Commission and the Department of Public Safety, analyze the amount of time each inmate who is eligible for parole on or before July 1 of the previous fiscal year has served compared to the time served by offenders under Structured Sentencing for comparable crimes. The Commission shall determine if the person has served more time in custody than the person would have served if sentenced to the maximum sentence under the provisions of Article 81B of Chapter 15A of the General Statutes. The "maximum sentence", for the purposes of this section, shall be calculated as set forth in subsection (b) of this section.

(b) For the purposes of this section, the following rules apply for the calculation of the maximum sentence:

(1) The offense upon which the person was convicted shall be classified as the same felony class as the offense would have been classified if committed after the effective date of Article 81B of Chapter 15A of the General Statutes.

(2) The minimum sentence shall be the maximum number of months in the presumptive range of minimum durations in Prior Record Level VI of G.S. 15A-1340.17(c) for the felony class determined under subdivision (1) of this subsection. The maximum sentence shall be calculated using G.S. 15A-1340.17(d), (e), or (e1).

(3) If a person is serving sentences for two or more offenses that are concurrent in any respect, then the offense with the greater classification shall be used to determine a single maximum sentence for the concurrent offenses. The fact that the person has been convicted of multiple offenses may be considered by the Commission in making its determinations under subsection (a) of this section.

(c) The Commission shall reinitiate the parole review process for each offender who has served more time than that person would have under Structured Sentencing as provided by subsections (a) and (b) of this section.

(d) The Post-Release Supervision and Parole Commission shall report to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and the Chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety by April 1 of each year. The report shall include the following: the class of the offense for which each parole-eligible inmate was convicted and whether an inmate had multiple criminal convictions. The Commission shall also report on the number of parole-eligible inmates reconsidered in compliance with this section and the number who were actually paroled."

STUDY MANAGEMENT AND UTILIZATION OF PROBATION AND PAROLE VEHICLES

SECTION 16C.15. The Joint Legislative Oversight Committee on Justice and Public Safety shall study the management and utilization of probation and parole vehicles and report their findings and recommendations to the General Assembly by May 1, 2016.

INTERSTATE COMPACT FEES TO SUPPORT TRAINING PROGRAMS AND EQUIPMENT PURCHASES

SECTION 16C.16. Notwithstanding the provisions of G.S. 148-65.7, fees collected for the Interstate Compact Fund during the 2015-2017 fiscal biennium may be used by the Division of Adult Correction of the Department of Public Safety during the 2015-2017 fiscal biennium to provide training programs and equipment purchases for the Section of Community Corrections, but only as long as sufficient funds remain available in the Fund to support the mission of the Interstate Compact Program.

OUR CHILDREN'S PLACE FUNDS

SECTION 16C.17. Notwithstanding any other provision of law, funds remaining from funds appropriated for the 2004-2005 fiscal year for Our Children's Place for planning and design may be used by Our Children's Place for general operations.

SUBPART XVI-D. DIVISION OF JUVENILE JUSTICE

LIMIT USE OF COMMUNITY PROGRAM FUNDS

SECTION 16D.1.(a) Funds appropriated in this act to the Department of Public Safety for the 2015-2017 fiscal biennium for community program contracts that are not required for or used for community program contracts shall only be used for the following:

(1) Other statewide residential programs that provide Level 2 intermediate dispositional alternatives for juveniles.

(2) Statewide community programs that provide Level 2 intermediate dispositional alternatives for juveniles.

(3) Regional programs that are collaboratives of two or more Juvenile Crime Prevention Councils which provide Level 2 intermediate dispositional alternatives for juveniles.

(4) The Juvenile Crime Prevention Council funds to be used for the Level 2 intermediate dispositional alternatives for juveniles listed in G.S. 7B-2506(13) through (23).

SECTION 16D.1.(b) Under no circumstances shall funds appropriated by this act to the Department of Public Safety for the 2015-2017 fiscal biennium for community programs be used for staffing, operations, maintenance, or any other expenses of youth development centers or detention facilities.

SECTION 16D.1.(c) The Department of Public Safety shall submit an electronic report by October 1, 2015, and a second electronic report by October 1, 2016, on all expenditures made from the miscellaneous contract line in Fund Code 1230 to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety and the Fiscal Research Division. The report shall include all of the following: an itemized list of the contracts that have been executed, the amount of each contract, the date the contract was executed, the purpose of the contract, the number of juveniles that will be served and the manner in which they will be served, the amount of money transferred to the Juvenile Crime Prevention Council fund, and an itemized list of grants allocated from the funds transferred to the Juvenile Crime Prevention Council fund.

STATE FUNDS MAY BE USED AS FEDERAL MATCHING FUNDS

SECTION 16D.2. Funds appropriated in this act to the Department of Public Safety for each fiscal year of the 2015-2017 fiscal biennium may be used as matching funds for the Juvenile Accountability Incentive Block Grants. If North Carolina receives Juvenile Accountability Incentive Block Grants or a notice of funds to be awarded, the Office of State Budget and Management and the Governor's Crime Commission shall consult with the Department of Public Safety regarding the criteria for awarding federal funds. The Office of State Budget and Management, the Governor's Crime Commission, and the Department of Public Safety shall report to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety and the Joint Legislative Oversight Committee on Justice and Public Safety prior to allocation of the federal funds. The report shall identify the amount of funds to be received for the 2015-2016 fiscal year, the amount of funds anticipated for the 2016-2017 fiscal year, and the allocation of funds by program and purpose.

PART XVII. DEPARTMENT OF JUSTICE

NO HIRING OF SWORN STAFF POSITIONS FOR THE NORTH CAROLINA STATE CRIME LABORATORY

SECTION 17.1. The Department of Justice shall not hire sworn personnel to fill vacant positions in the North Carolina State Crime Laboratory. Nothing in this section shall be

construed to require the termination of sworn personnel, but as vacant positions in the State Crime Laboratory are filled, they shall be filled only with nonsworn personnel. Nothing in this section shall be construed to affect North Carolina State Crime Laboratory personnel who are sworn and employed by the Laboratory as of the effective date of this section and who continue to meet the sworn status retention standards mandated by the North Carolina Criminal Justice Education and Standards Commission.

AMEND DNA DATABASE REPORTING REQUIREMENTS

SECTION 17.2. G.S. 15A-266.5(c) reads as rewritten:

"(c) The Crime Laboratory shall report annually to ~~the Joint Legislative Commission on Governmental Operations and to~~ the Joint Legislative Oversight Committee on Justice and Public Safety, on or before ~~February 1,~~September 1, with information for the previous ~~calendar~~ fiscal year, which shall include: a summary of the operations and expenditures relating to the DNA Database and DNA Databank; the number of DNA records from arrestees entered; the number of DNA records from arrestees that have been expunged; and the number of DNA arrestee matches or hits that occurred with an unknown sample, and how many of those have led to an arrest and conviction; and how many letters notifying defendants that a record and sample have been expunged, along with the number of days it took to complete the expunction and notification process, from the date of the receipt of the verification form from the State."

COLLECT DNA/ALL VIOLENT FELONY ARRESTS

SECTION 17.3.(a) G.S. 15A-266.3A(f) reads as rewritten:

"(f) This section shall apply to a person arrested for violating any one of the following offenses in Chapter 14 of the General Statutes:

(1) G.S. 14-16.6(b), Assault with a deadly weapon on executive, legislative, or court officer; and G.S. 14-16.6(c), Assault inflicting serious bodily injury on executive, legislative, or court officer.

(1a) G.S. 14-17, First and Second Degree Murder.

(2) G.S. 14-18, Manslaughter.

(2a) Any felony offense in Article 6A, Unborn Victims.

(3) Any offense in Article 7A, Rape and Other Sex Offenses.

(4) G.S. 14-28, Malicious castration; G.S. 14-29, Castration or other maiming without malice aforethought; G.S. 14-30, Malicious maiming; G.S. 14-30.1, Malicious throwing of corrosive acid or alkali; G.S. 14-31, Maliciously assaulting in a secret manner; G.S. 14-32, Felonious assault with deadly weapon with intent to kill or inflicting serious injury; ~~G.S. 14-32.4(a),~~G.S. 14-32.1(e), Aggravated assault or assault and battery on handicapped person; G.S. 14-32.2(a) when punishable pursuant to G.S. 14-32.2(b)(1), Patient abuse and neglect, intentional conduct proximately causes death; G.S. 14-32.3(a), Domestic abuse of disabled or elder adults resulting in injury; G.S. 14-32.4, Assault inflicting serious bodily ~~injury;~~injury or injury by strangulation; G.S. 14-33.2, Habitual misdemeanor assault; G.S. 14-34.1, Discharging certain barreled weapons or a firearm into occupied property; G.S. 14-34.2, Assault with a firearm or other deadly weapon upon governmental officers or employees, company police officers, or campus police officers; G.S. 14-34.4, Adulterated or misbranded food, drugs, etc.; intent to cause serious injury or death; intent to extort; G.S. 14-34.5, Assault with a firearm on a law enforcement, probation, or parole officer or on a person employed at a State or local detention facility; G.S. 14-34.6, Assault or affray on a firefighter, an emergency medical technician, medical responder, emergency department nurse, or emergency department physician; ~~and~~ G.S. 14-34.7, Assault inflicting serious injury on a law enforcement, probation, or parole officer or on a person employed at a State or local detention ~~facility.~~facility; G.S. 14-34.9,

Discharging a firearm from within an enclosure; and G.S. 14-34.10, Discharge firearm within enclosure to incite fear.

(5) Any offense in Article 10, Kidnapping and Abduction, or Article 10A, Human Trafficking.

(5a) Any offense in Article 13, Malicious Injury or Damage by Use of Explosive or Incendiary Device or Material.

(6) G.S. 14-51, First and second degree burglary; G.S. 14-53, Breaking out of dwelling house burglary; G.S. 14-54(a1), Breaking or entering buildings with intent to terrorize or injure; G.S. 14-54.1, Breaking or entering a place of religious worship; and G.S. 14-57, Burglary with explosives.

(7) Any offense in Article 15, Arson.

(8) G.S. 14-87, Armed ~~robbery.~~robbery; Common law robbery punishable pursuant to G.S. 14-87.1; and G.S. 14-88, Train robbery.

(8a) G.S. 14-163.1(a1), Assaulting a law enforcement agency animal, an assistance animal, or a search and rescue animal willfully killing the animal.

(9) Any offense which would require the person to register under the provisions of Article 27A of Chapter 14 of the General Statutes, Sex Offender and Public Protection Registration Programs.

(10) G.S. 14-196.3, Cyberstalking.

(10a) G.S. 14-202, Secretly peeping into room occupied by another person.

(10b) G.S. 14-258.2, Possession of dangerous weapon in prison resulting in bodily injury or escape; G.S. 14-258.3, Taking of hostage, etc., by prisoner; and G.S. 14-258.4, Malicious conduct by prisoner.

(11) G.S. 14-277.3A, Stalking.

(12) G.S. 14-288.9, Assault on emergency personnel with a dangerous weapon or substance.

(13) G.S. 14-288.21, Unlawful manufacture, assembly, possession, storage, transportation, sale, purchase, delivery, or acquisition of a nuclear, biological, or chemical weapon of mass destruction; exceptions; and G.S. 14-288.22, Unlawful use of a nuclear, biological, or chemical weapon of mass destruction.

(14) G.S. 14-318.4(a), Child abuse inflicting serious injury and G.S. 14-318.4(a3), Child abuse inflicting serious bodily injury.

(15) G.S. 14-360(a1), Cruelty to animals; maliciously kill by intentional deprivation of necessary sustenance; and G.S. 14-360(b), Cruelty to animals; maliciously torture, mutilate, maim, cruelly beat, disfigure, poison, or kill.

(16) G.S. 14-401.22(e), Attempt to conceal evidence of non-natural death by dismembering or destroying remains."

SECTION 17.3.(b) The Joint Legislative Oversight Committee on Justice and Public Safety shall study extending the collection of DNA samples to persons arrested for any felony and shall report its findings and recommendations to the 2016 Regular Session of the 2015 General Assembly. The report shall include all of the following:

(1) A recommended time line for implementing a requirement that DNA samples be collected for persons arrested for committing any felony.

(2) An estimate of initial nonrecurring costs and recurring operating costs required of implementing such a requirement.

(3) Other costs and benefits of implementing such a requirement.

(4) An estimate of capital costs to the State of implementing such a requirement.

(5) Any other information that the Committee deems relevant.

SECTION 17.3.(c) Subsection (a) of this section becomes effective December 1, 2015, and applies to arrests occurring on or after that date. The remainder of this section is effective on July 1, 2015.

DEPARTMENT OF JUSTICE POSITIONS

SECTION 17.4. Notwithstanding any other provision of law, the Department of Justice may post, advertise, accept applications for, and interview for positions established or authorized by this act in the Department of Justice prior to the effective date of the establishment of those positions.

PART XVIII. JUDICIAL DEPARTMENT

SUBPART XVIII-A. ADMINISTRATIVE OFFICE OF THE COURTS

AOC ANNUAL REPORT

SECTION 18A.1. G.S. 7A-343 reads as rewritten:

"§ **7A-343. Duties of Director.**

The Director is the Administrative Officer of the Courts, and the Director's duties include all of the following:

…

(8) Prepare and submit an annual report on the work of the Judicial Department to the Chief Justice, and transmit a copy by March 15 of each year to the Chairs of the House of Representatives and Senate Appropriations ~~Subcommittee~~ Committees on Justice and Public Safety ~~and the Senate Appropriations Committee on Justice and Public Safety~~ and to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety.

…."

ANNUAL REPORT ON CRIMINAL COURT COST WAIVERS

SECTION 18A.3.(a) Article 29 of Chapter 7A of the General Statutes is amended by adding a new section to read:

"**§ 7A-350. Annual report on criminal court cost waivers.**

The Administrative Office of the Courts shall maintain records of all cases in which a judge makes a finding of just cause to grant a waiver of criminal court costs under G.S. 7A-304(a) and shall report on those waivers to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety and the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by February 1 of each year. The report shall aggregate the waivers by the district in which the waiver or waivers were granted and by the name of each judge granting a waiver or waivers."

SECTION 18A.3.(b) The Administrative Office of the Courts shall make the necessary modifications to its information systems to maintain the records required under G.S. 7A-350, as enacted by subsection (a) of this section.

GRANT FUNDS

SECTION 18A.4. Notwithstanding G.S. 143C-6-9, the Administrative Office of the Courts may use up to the sum of one million five hundred thousand dollars ($1,500,000) from funds available to the Department to provide the State match needed in order to receive grant funds. Prior to using funds for this purpose, the Department shall report to the Chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety on the grants to be matched using these funds.

COLLECTION OF WORTHLESS CHECK FUNDS

SECTION 18A.5.(a) Notwithstanding the provisions of G.S. 7A-308(c), the Judicial Department may use any balance remaining in the Collection of Worthless Checks Fund on June 30, 2015, for the purchase or repair of office or information technology equipment during the 2015-2016 fiscal year. Prior to using any funds under this section, the Judicial Department shall report to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety and the Office of State Budget and Management on the equipment to be purchased or repaired and the reasons for the purchases.

SECTION 18A.5.(b) This section becomes effective June 30, 2015.

CONFERENCE OF DISTRICT ATTORNEYS GRANT FUNDS/AUTHORIZE DISTRICT ATTORNEYS TO USE CERTAIN GRANT FUNDS TO OBTAIN TOXICOLOGY ANALYSIS FROM PROVIDERS OF TOXICOLOGY ANALYSES OTHER THAN HOSPITALS

SECTION 18A.7. Section 18B.4 of S.L. 2013-360 reads as rewritten:

"**SECTION 18B.4.** Of the funds appropriated in this act to the Judicial Department, the sum of five hundred thousand dollars ($500,000) in the 2013-2014 fiscal year shall be allocated to the Conference of District Attorneys and shall be used to establish a grant fund to provide district attorneys across the State with the resources to obtain toxicology analysis from local ~~hospitals~~hospitals, or from other providers of toxicology analyses, on persons charged with driving while impaired whose conduct did not result in serious injury or death to others. The Conference of District Attorneys shall report to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety ~~by October 1, 2014,~~ on the expenditure of these ~~funds.~~funds by October 1 of each year until all of the grant funds have been expended."

DISTRICT ATTORNEY LEGAL ASSISTANTS

SECTION 18A.8.(a) G.S. 7A-347 reads as rewritten:

"§ **7A-347. ~~Assistants for administrative and victim and witness services.~~District attorney legal assistants.**

~~Assistant for administrative and victim and witness services~~ District attorney legal assistant positions are established under the district attorneys' offices. Each prosecutorial district is allocated at least one ~~assistant for administrative and victim and witness services~~ district attorney legal assistant to be employed by the district attorney. The Administrative Office of the Courts shall allocate additional assistants to prosecutorial districts on the basis of need and within available appropriations. Each district attorney may also use any volunteer or other personnel to assist the assistant. The assistant is responsible for coordinating efforts of the law-enforcement and judicial systems to assure that each victim and witness is provided fair treatment under Article 45 of Chapter 15A, Fair Treatment for Victims and Witnesses and shall also provide administrative and legal support to the district attorney's office."

SECTION 18A.8.(b) G.S. 7A-348 reads as rewritten:

"§ **7A-348. Training and supervision of ~~assistants for administrative and victim and witness services.~~district attorney legal assistants.**

Pursuant to the provisions of G.S. 7A-413, the Conference of District Attorneys shall:

(1) Assist in establishing uniform statewide training for ~~assistants for administrative and victim and witness services;~~district attorney legal assistants; and

(2) Assist in the implementation and supervision of this program."

SECTION 18A.8.(c) G.S. 15A-826 reads as rewritten:

"§ **15A-826. ~~Assistants for administrative and victim and witness services.~~District attorney legal assistants.**

In addition to providing administrative and legal support to the district attorney's office, ~~assistants for administrative and victim and witness services~~district attorney legal assistants are responsible for coordinating efforts within the law-enforcement and judicial systems to assure that each victim and witness is treated in accordance with this Article."

REPORT ON DISMISSALS DUE TO DELAY IN ANALYSIS OF EVIDENCE

SECTION 18A.9. Whenever a criminal case is dismissed as a direct result of a delay in the analysis of evidence by the State Crime Laboratory, the district attorney for the district in which the case was dismissed shall report that dismissal and the facts surrounding it to the Conference of District Attorneys. The Conference of District Attorneys shall compile any such reports of dismissals and, in coordination with the State Crime Laboratory, shall report them quarterly starting October 30, 2015, to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety and to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety.

AMEND COURT COSTS

SECTION 18A.11. G.S. 7A-304(a) reads as rewritten:

"(a) In every criminal case in the superior or district court, wherein the defendant is convicted, or enters a plea of guilty or nolo contendere, or when costs are assessed against the prosecuting witness, the following costs shall be assessed and collected. No costs may be assessed when a case is dismissed. Only upon entry of a written order, supported by findings of fact and conclusions of law, determining that there is just cause, the court may (i) waive costs assessed under this section or (ii) waive or reduce costs assessed under subdivision (7), (8), (8a), (11), (12), or (13) of this section.

…

~~(2b) For the maintenance of misdemeanors in county jails, the sum of eighteen dollars ($18.00) in the district court to be remitted to the Statewide Misdemeanor Confinement Fund in the Division of Adult Correction of the Department of Public Safety.~~

…

(4) For support of the General Court of Justice, the sum of ~~one hundred twenty-nine dollars and fifty cents ($129.50)~~ one hundred forty-seven dollars and fifty cents ($147.50) in the district court, including cases before a magistrate, and the sum of one hundred fifty-four dollars and fifty cents ($154.50) in the superior court, to be remitted to the State Treasurer. For a person convicted of a felony in superior court who has made a first appearance in district court, both the district court and superior court fees shall be assessed. The State Treasurer shall remit the sum of one dollar and fifty cents ($1.50) of each fee collected under this subdivision to the North Carolina State Bar for the provision of services described in G.S. 7A-474.4, and ninety-five cents ($.95) of each fee collected under this subdivision to the North Carolina State Bar for the provision of services described in G.S. 7A-474.19.

…

(4b) ~~To provide for contractual services to reduce county jail populations,~~ For additional support of the General Court of Justice, the sum of fifty dollars ($50.00) for all offenses arising under Chapter 20 of the General Statutes and resulting in a conviction of an improper equipment offense, to be remitted to the ~~Statewide Misdemeanor Confinement Fund in the Division of Adult Correction of the Department of Public Safety.~~State Treasurer.

…."

FAMILY COURT PROGRAMS

SECTION 18A.13. The Administrative Office of the Courts shall provide direction and oversight to the existing family court programs in order to ensure that each district with a family court program is utilizing best practices and is working effectively and efficiently in the disposition of domestic and juvenile cases. The Administrative Office of the Courts shall report on its efforts in this regard and the results of those efforts to the chairs of the House of Representatives and Senate Appropriations Committee on Justice and Public Safety and the Joint Legislative Oversight Committee on Justice and Public Safety by March 1 of each year.

INNOCENCE INQUIRY COMMISSION

SECTION 18A.16. G.S. 15A-1462 reads as rewritten:

"§ **15A-1462. Commission established.**

(a) There is established the North Carolina Innocence Inquiry Commission. The North Carolina Innocence Inquiry Commission shall be an independent commission under the ~~Judicial Department~~ Administrative Office of the Courts for administrative purposes.

(b) The Administrative Office of the Courts shall provide administrative support to the Commission as needed. The Director of the Administrative Office of the Courts shall not

reduce or modify the budget of the Commission or use funds appropriated to the Commission without the approval of the Commission. The Administrative Office of the Courts shall conduct an annual audit of the Commission."

TRANSFER OFFICE OF INDIGENT DEFENSE SERVICES TO THE ADMINISTRATIVE OFFICE OF THE COURTS

SECTION 18A.17.(a) The Office of Indigent Defense Services is transferred within the Judicial Department to the Administrative Office of the Courts.

SECTION 18A.17.(b) G.S. 7A-498.2 reads as rewritten:

"§ **7A-498.2. Establishment of Office of Indigent Defense Services.**

(a) The Office of Indigent Defense Services, which is administered by the Director of Indigent Defense Services and includes the Commission on Indigent Defense Services and the Sentencing Services Program established in Article 61 of this Chapter, is created within the ~~Judicial Department.~~ Administrative Office of the Courts. As used in this Article, "Office" means the Office of Indigent Defense Services, "Director" means the Director of Indigent Defense Services, and "Commission" means the Commission on Indigent Defense Services.

(b) ~~The~~ Except as provided otherwise by this section, the Office of Indigent Defense Services ~~shall~~ may exercise its prescribed powers independently of the head of the Administrative Office of the Courts. The Office may enter into contracts, own property, and accept funds, grants, and gifts from any public or private source to pay expenses incident to implementing its purposes.

(c) The Director of the Administrative Office of the Courts shall provide general administrative support to the Office of Indigent Defense Services. The term "general administrative support" includes purchasing, payroll, and similar administrative services.

(d) The budget of the Office of Indigent Defense Services shall be a part of the ~~Judicial Department's budget.~~ budget of the Administrative Office of the Courts. ~~The Commission on Indigent Defense Services shall consult with the Director of the Administrative Office of the Courts, who shall assist the Commission in preparing and presenting to the General Assembly the Office's budget, but the Commission shall have the final authority with respect to preparation of the Office's budget and with respect to representation of matters pertaining to the Office before the General Assembly.~~ The Administrative Office of the Courts shall conduct an annual audit of the budget of the Office of Indigent Defense Services.

(e) The Director of the Administrative Office of the Courts ~~shall not reduce or~~ may modify the budget of the Office of Indigent Defense Services ~~or use~~ and may use funds appropriated to the Office without the approval of the ~~Commission.~~Commission or the Office of Indigent Defense Services."

SECTION 18A.17.(c) G.S. 7A-498.5 reads as rewritten:

"§ **7A-498.5. Responsibilities of Commission.**

…

(f) ~~The~~ Subject to G.S. 498.2(e) the Commission shall establish policies and procedures with respect to the distribution of funds appropriated under this Article, including rates of compensation for appointed counsel, schedules of allowable expenses, appointment and compensation of expert witnesses, and procedures for applying for and receiving compensation. The rate of compensation set for expert witnesses may be no greater than the rate set by the Administrative Office of the Courts under G.S. 7A-314(d).

~~(g) The Commission shall approve and recommend to the General Assembly a budget for the Office of Indigent Defense Services.~~

…."

STUDY FUTURE OF INDIGENT DEFENSE SERVICES COMMISSION AND INNOCENCE INQUIRY COMMISSION

SECTION 18A.18. The Joint Legislative Oversight Committee on Justice and Public Safety shall study:

(1) The Office of Indigent Defense Services and determine whether changes should be made to the ways in which appropriated funds are used to provide legal assistance and representation to indigent persons.

(2) The North Carolina Innocence Inquiry Commission and determine whether changes should be made to the way in which the Commission investigates and determines credible claims of factual innocence made by criminal defendants.

The Joint Legislative Oversight Committee on Justice and Public Safety shall report its findings and recommendations, including any proposed legislation, to the 2015 General Assembly when it reconvenes in 2016.

ABOLISH THREE SPECIAL SUPERIOR COURT JUDGESHIPS

SECTION 18A.19. G.S. 7A-45.1 reads as rewritten:

"§ **7A-45.1. Special judges.**

…

(a8) Notwithstanding any other provision of this section, the four special superior court judgeships held as of April 1, 2014, by judges whose terms expire on April 29, 2015, October 20, 2015, and December 31, 2017, and the two special superior court judgeships held as of April 1, 2015, by judges whose terms expire January 26, 2016, are abolished when any of the following first occurs:

(1) Retirement of the incumbent judge.

(2) Resignation of the incumbent judge.

(3) Removal from office of the incumbent judge.

(4) Death of the incumbent judge.

(5) Expiration of the term of the incumbent judge.

(a9) Effective upon the retirement, resignation, removal from office, death, or expiration of the term of the special superior court judge held as of April 1, 2014, by the judge whose term expires on April 29, 2015, a new special superior court judgeship shall be created and filled through the procedure for nomination and confirmation provided for in subsection (a10) of this section. ~~Effective upon the retirement, resignation, removal from office, death, or expiration of the term of the special superior court judge held as of April 1, 2014, by the judge whose term expires on October 20, 2015, a new special superior court judgeship shall be created and filled through the procedure for nomination and confirmation provided for in subsection (a10) of this section.~~

Prior to submitting a nominee for the ~~judgeships~~ judgeship created under this subsection to the General Assembly for confirmation, the Governor shall consult with the Chief Justice to ensure that the ~~persons~~ person nominated to fill ~~these two judgeships have~~ this judgeship has the requisite expertise and experience to be designated by the Chief Justice as a business court ~~judges~~ judge under G.S. 7A-45.3, and the Chief Justice is requested to designate ~~those two judges as business court judges.~~this judge as a business court judge.

…

(a11) The Chief Justice is requested, pursuant to the authority under G.S. 7A-45.3 to designate business court judges, to maintain at least five business court judgeships from among the special superior court judgeships authorized under this section.

…."

COMPENSATION OF COURT REPORTERS

SECTION 18A.20. The Administrative Office of the Courts shall set the limits on compensation and allowances of court reporters provided for in G.S. 7A-95(e) and G.S. 7A-198(f) during the 2015-2017 fiscal biennium so that (i) the Administrative Office of the Courts pays no more than eighty percent (80%) of the per-transcript-page rate paid by the Administrative Office of the Courts during the 2011-2013 fiscal biennium and (ii) the Office of Indigent Defense Services pays no more than eighty percent (80%) of the per-transcript-page rate paid by the Office of Indigent Defense Services during the 2011-2013 fiscal biennium.

E-COURTS INFORMATION TECHNOLOGY INITIATIVE/STRATEGIC PLAN/ADVISORY COMMITTEE/PILOT PROGRAM FOR ONLINE COLLECTION OF COURT COSTS

SECTION 18A.21.(a) The Administrative Office of the Courts shall establish a strategic plan for the design and implementation of its e-Courts information technology initiative by February 1, 2016. The e-Courts initiative, when fully implemented, will provide for the automation of all court processes, including the electronic filing, retrieval, and processing of documents. The strategic plan shall:

(1) Clearly articulate the requirements for the e-Courts system, including well-defined milestones, costs parameters, and performance measures.

(2) Prioritize the funding needs for implementation of the various elements of the system, after consultation with the e-Courts advisory committee established by subsection (c) of this section.

(3) Identify any potential issues that may arise in the development of the system and plans for mitigating those issues.

(4) Address the potential for incorporating any currently existing resources into the e-Courts system.

SECTION 18A.21.(b) The Administrative Office of the Courts shall report quarterly beginning November 1, 2015, to the Joint Legislative Oversight Committee on Justice and Public Safety and the Joint Legislative Oversight Committee on Information Technology on the development, implementation, and specific costs of the strategic plan required by subsection (a) of this section and on any changes in the projected costs for implementing the e-Courts system or the schedule for implementation. The report shall also provide an accounting of the use of funds appropriated in this act for development of the e-Courts initiative.

SECTION 18A.21.(c) The Administrative Office of the Courts shall establish an e-Courts advisory committee consisting of clerks of superior court, judges, district attorneys, public defenders, and representatives of the State Bar in order to ensure that, in the development and implementation of the strategic plan required by subsection (a) of this section, it has the input and advice of those stakeholders in the e-Courts system and the benefit of the various stakeholders' expertise on the information technology needs of the courts. The advisory committee shall be guided by an executive steering committee.

SECTION 18A.21.(d) Upon completion of the strategic plan required by subsection (a) of this section, the Administrative Office of the Courts shall issue a Request for Information (RFI) for a contractor to provide the e-Courts system as outlined in the strategic plan. The Administrative Office of the Courts shall evaluate the responses to the RFI before issuing a Request for Proposals (RFP) for the e-Courts system.

SECTION 18A.21.(e) As a precursor to the implementation of its e-Courts initiative, the Administrative Office of the Courts shall establish a pilot program in New Hanover County for the online collection and payment of court costs, fines, and related fees, with the potential of expanding the program statewide at the conclusion of a successful pilot. The costs incurred by the programs established pursuant to this section shall be borne by vendors selected by the Administrative Office of the Courts. The Administrative Office of the Courts shall report by March 1, 2016, to the chairs of the Joint Legislative Committee on Justice and Public Safety and the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety on the pilot program established pursuant to this section and its plans to expand the program statewide.

USE OF COURT INFORMATION TECHNOLOGY FUND

SECTION 18A.23.(a) G.S. 7A-343.2(b) reads as rewritten:

"(b) Use. – Money in the Fund derived from State judicial facilities fees must be used to upgrade, maintain, and operate the judicial and county courthouse ~~phone systems.~~telecommunications and data connectivity. All other monies in the Fund must be used

to supplement funds otherwise available to the Judicial Department for court information technology and office automation needs."

SECTION 18A.23.(b) G.S. 7A-304(a) reads as rewritten:

"(a) In every criminal case in the superior or district court, wherein the defendant is convicted, or enters a plea of guilty or nolo contendere, or when costs are assessed against the prosecuting witness, the following costs shall be assessed and collected. No costs may be assessed when a case is dismissed. Only upon entry of a written order, supported by findings of fact and conclusions of law, determining that there is just cause, the court may (i) waive costs assessed under this section or (ii) waive or reduce costs assessed under subdivision (7), (8), (8a), (11), (12), or (13) of this section.

…

(2a) For the upgrade, maintenance, and operation of the judicial and county courthouse ~~phone systems,~~telecommunications and data connectivity, the sum of four dollars ($4.00), to be credited to the Court Information Technology Fund.

…."

SECTION 18A.23.(c) G.S. 7A-305(a) reads as rewritten:

"(a) In every civil action in the superior or district court, except for actions brought under Chapter 50B of the General Statutes, shall be assessed:

…

(1a) For the upgrade, maintenance, and operation of the judicial and county courthouse ~~phone systems,~~telecommunications and data connectivity, the sum of four dollars ($4.00), to be credited to the Court Information Technology Fund.

…."

SECTION 18A.23.(d) G.S. 7A-306(a) reads as rewritten:

"(a) In every special proceeding in the superior court, the following costs shall be assessed:

…

(1a) For the upgrade, maintenance, and operation of the judicial and county courthouse ~~phone systems,~~telecommunications and data connectivity, the sum of four dollars ($4.00), to be credited to the Court Information Technology Fund.

…."

SECTION 18A.23.(e) G.S. 7A-307(a) reads as rewritten:

"(a) In the administration of the estates of decedents, minors, incompetents, of missing persons, and of trusts under wills and under powers of attorney, in trust proceedings under G.S. 36C-2-203, in estate proceedings under G.S. 28A-2-4, and in collections of personal property by affidavit, the following costs shall be assessed:

…

(1a) For the upgrade, maintenance, and operation of the judicial and county courthouse ~~phone systems,~~telecommunications and data connectivity, the sum of four dollars ($4.00), to be credited to the Court Information Technology Fund.

…."

CLARIFY AUTHORIZATION TO CONTRACT FOR THE PROVISION OF REMOTE ACCESS TO COURT RECORDS

SECTION 18A.24. G.S. 7A-109(d) reads as rewritten:

"(d) In order to facilitate public access to ~~court records,~~ the electronic data processing records or any compilation of electronic court records or data of the clerks of superior court, except where public access is prohibited by law, the Director may enter into one or more nonexclusive contracts under reasonable cost recovery terms with third parties to provide

remote electronic access to the electronic data processing records or any compilation of electronic court records or data of the clerks of superior court by the public. Neither the Director nor the Administrative Office of the Courts is the custodian of the records of the clerks of superior court or of the electronic data processing records or any compilation of electronic court records or data of the clerks of superior court. Costs recovered pursuant to this subsection shall be remitted to the State Treasurer to be held in the Court Information Technology Fund established in G.S. 7A-343.2."

SUBPART XVIII-B. OFFICE OF INDIGENT DEFENSE SERVICES

INDIGENT DEFENSE SERVICES ANNUAL REPORT DATE CHANGE

SECTION 18B.1. G.S. 7A-498.9 reads as rewritten:

"§ **7A-498.9. Annual report on Office of Indigent Defense Services.**

The Office of Indigent Defense Services shall report to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and to the Chairs of the House of Representatives ~~Subcommittee~~and Senate Committees on Justice and Public Safety ~~and the Senate Appropriations Committee on Justice and Public Safety~~ by ~~February 1~~ March 15 of each year on the following:

(1) The volume and cost of cases handled in each district by assigned counsel or public defenders;

(2) Actions taken by the Office to improve the cost-effectiveness and quality of indigent defense services, including the capital case program;

(3) Plans for changes in rules, standards, or regulations in the upcoming year; and

(4) Any recommended changes in law or funding procedures that would assist the Office in improving the management of funds expended for indigent defense services, including any recommendations concerning the feasibility and desirability of establishing regional public defender offices."

OFFICE OF INDIGENT DEFENSE SERVICES/STATE MATCH FOR GRANTS

SECTION 18B.2. Notwithstanding G.S. 143C-6-9, during the 2015-2017 fiscal biennium, the Office of Indigent Defense Services may use the sum of up to fifty thousand dollars ($50,000) from funds available to provide the State matching funds needed to receive grant funds. Prior to using funds for this purpose, the Office shall report to the Chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety on the grants to be matched using these funds.

REPORTS ON CRIMINAL CASE INFORMATION SYSTEM

SECTION 18B.3.(a) Section 18B.10 of S.L. 2013-360, as amended by Section 18A.2 of S.L. 2014-100, reads as rewritten:

"**SECTION 18B.10.** The Administrative Office of the Courts, in consultation with the Office of Indigent Defense Services, shall use the sum of three hundred fifty thousand dollars ($350,000) in funds available to the Administrative Office of the Courts for the 2013-2015 fiscal biennium and the sum of three hundred fifty thousand dollars ($350,000) in funds available to the Office of Indigent Defense Services for the 2013-2015 fiscal biennium to develop or acquire and to implement a component of the Department's criminal case information system for use by public defenders no later than ~~February 1, 2015.~~ February 1, 2016. The Administrative Office of the Courts shall make ~~an interim report~~ quarterly reports on the development and implementation of this ~~system by February 1, 2014,~~ system, including costs, milestones, and performance measures, and a final report on the completed implementation of the system by ~~July 1, 2015,~~ July 1, 2016, to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and to the Chairs of the House of Representatives and Senate Appropriations ~~Subcommittee~~ Committees on Justice and Public ~~Safety and the Senate Appropriations Committee on Justice and Public~~ Safety."

SECTION 18B.3.(b) This section becomes effective June 30, 2015.

STUDY EFFICIENCY OF ESTABLISHING A SYSTEM OF AUTOMATED KIOSKS IN LOCAL CONFINEMENT FACILITIES TO ALLOW ATTORNEYS REPRESENTING INDIGENT DEFENDANTS TO CONSULT WITH THEIR CLIENTS REMOTELY

SECTION 18B.4.(a) The Administrative Office of the Courts, in conjunction with the Office of Indigent Defense Services and the North Carolina Sheriffs' Association, shall study and determine whether savings can be realized through the establishment of a system of fully automated kiosks in local confinement facilities to allow attorneys representing indigent defendants to consult with their clients remotely. The system would incorporate technology through which meetings between attorneys and their clients cannot be monitored or recorded, would provide for end-to-end message encryption, and would have scheduling software integrated into the system.

SECTION 18B.4.(b) The Administrative Office of the Courts shall report its findings and recommendations, including recommendations of at least two potential pilot sites for the proposed system, to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety and the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by February 1, 2016.

STUDY FEE SCHEDULES USED BY OFFICE OF INDIGENT DEFENSE SERVICES

SECTION 18B.5. The Joint Legislative Oversight Committee on Justice and Public Safety shall study the creation and implementation of fee schedules to be used by the Office of Indigent Defense Services to compensate private assigned counsel representing indigent defendants. The Committee shall include its findings and recommendations in its report to the 2015 General Assembly when it reconvenes in 2016.

PART XIX. DEPARTMENT OF CULTURAL RESOURCES [RESERVED]

PART XX. DEPARTMENT OF INSURANCE

INSURANCE REGULATORY CHARGE

SECTION 20.1. The percentage rate to be used in calculating the insurance regulatory charge under G.S. 58-6-25 is six and one-half percent (6.5%) for the 2016 calendar year.

SYNCHRONIZATION OF PRESCRIPTION REFILLS

SECTION 20.2.(a) Article 3 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"**§ 58-3-181. Synchronization of prescription refills.**

(a) Every health benefit plan that provides coverage for prescription drugs shall provide for synchronization of medication when it is agreed among the insured, the provider, and a pharmacist that synchronization of multiple prescriptions for the treatment of a chronic illness is in the best interest of the insured for the management or treatment of a chronic illness, provided all of the following apply:

(1) The medications are covered by the clinical coverage policy.

(2) The medications are used for treatment and management of chronic conditions, and the medications are subject to refills.

(3) The medications are not a Schedule II controlled substance or a Schedule III controlled substance containing hydrocodone.

(4) The medications meet all prior authorization criteria specific to the medications at the time of the synchronization request.

(5) The medications are of a formulation that can be effectively split over required short-fill periods to achieve synchronization.

(6) The medications do not have quantity limits or dose optimization criteria or requirements that would be violated in fulfilling synchronization.

(b) When applicable to permit synchronization, the health benefit plan shall apply a prorated daily cost-sharing rate to any medication dispensed by a network pharmacy pursuant to this section. Any dispensing fee shall not be prorated and shall be based on an individual prescription filled or refilled.

(c) The following definitions apply in this section:

(1) Health benefit plan. – As defined in G.S. 58-3-167. The phrase also applies to limited-scope dental and vision insurance.

(2) Health care provider or provider. – As defined in G.S. 58-3-225(a)(4).

(3) Insured. – An individual who is eligible to receive benefits from the health benefit plan.

(4) Insurer. – As defined in G.S. 58-3-225(a)(5)."

SECTION 20.2.(b) This section becomes effective January 1, 2016, and applies to insurance contracts issued, renewed, or amended on or after that date.

PART XXI. DEPARTMENT OF THE STATE TREASURER

UPDATE ORBIT RETIREMENT SYSTEM

SECTION 21.1. The Department of State Treasurer, Retirement Systems Division, may use funds from receipts up to eight hundred fifty thousand dollars ($850,000) for the purpose of upgrading the Online Retirement Benefits through Integrated Technology self-service retirement system and those funds are hereby appropriated for that purpose.

PART XXII. OFFICE OF ADMINISTRATIVE HEARINGS

WAYNESVILLE ADMINISTRATIVE LAW JUDGE

SECTION 22.1. The Office of Administrative Hearings shall identify office space for the administrative law judge to be located in the Town of Waynesville. In selecting office space, the Office of Administrative Hearings shall only consider locations that do not impose an additional financial burden to the State. The Office is authorized to identify other State-owned properties in the town and work with State officials to locate office space that satisfies the requirements of this section. The Office of Administrative Hearings may provide support staff for the administrative law judge to be located in the Town of Waynesville; provided, there is no additional financial burden to the State as a result.

PART XXIII. OFFICE OF STATE BUDGET AND MANAGEMENT

SYMPHONY CHALLENGE GRANT

SECTION 23.1.(a) Of the funds appropriated in this act to the Office of State Budget and Management, Special Appropriations, the sum of one million five hundred thousand dollars ($1,500,000) in recurring funds for each year of the 2015-2017 fiscal biennium and the sum of five hundred thousand dollars ($500,000) in nonrecurring funds for each year of the 2015-2017 fiscal biennium shall be allocated to the North Carolina Symphony in accordance with this section. It is the intent of the General Assembly that the North Carolina Symphony raise at least nine million dollars ($9,000,000) in non-State funds each year of the 2015-2017 fiscal biennium. The North Carolina Symphony cannot use funds transferred from the organization's endowment to its operating budget to achieve the fund-raising targets set out in subsections (b) and (c) of this section.

SECTION 23.1.(b) For the 2015-2016 fiscal year, the North Carolina Symphony shall receive allocations from the Office of State Budget and Management as follows:

(1) Upon raising the initial sum of four million dollars ($4,000,000) in non-State funding, the North Carolina Symphony shall receive the sum of six hundred thousand dollars ($600,000).

(2) Upon raising an additional sum of two million dollars ($2,000,000) in non-State funding for a total amount of six million dollars ($6,000,000) in non-State funds, the North Carolina Symphony shall receive the sum of seven hundred thousand dollars ($700,000).

(3) Upon raising an additional sum of three million dollars ($3,000,000) in non-State funding for a total amount of nine million dollars ($9,000,000) in non-State funds, the North Carolina Symphony shall receive the final sum of seven hundred thousand dollars ($700,000) in the 2015-2016 fiscal year.

SECTION 23.1.(c) For the 2016-2017 fiscal year, the North Carolina Symphony shall receive allocations from the Office of State Budget and Management as follows:

(1) Upon raising the initial sum of four million dollars ($4,000,000) in non-State funding, the North Carolina Symphony shall receive the sum of six hundred thousand dollars ($600,000).

(2) Upon raising an additional sum of two million dollars ($2,000,000) in non-State funding for a total amount of six million dollars ($6,000,000) in non-State funds, the North Carolina Symphony shall receive the sum of seven hundred thousand dollars ($700,000).

(3) Upon raising an additional sum of three million dollars ($3,000,000) in non-State funding for a total amount of nine million dollars ($9,000,000) in non-State funds, the North Carolina Symphony shall receive the final sum of seven hundred thousand dollars ($700,000) in the 2016-2017 fiscal year.

HOSPITAL MEDICAL RESIDENCIES

SECTION 23.2. It is the intent of the General Assembly to appropriate funds in the 2016-2017 fiscal year to be allocated if Cape Fear Valley Hospital is granted a rural reclassification by the federal government, and the Centers for Medicare and Medicaid Services grants additional residency slots to be reimbursed with Graduate Medical Education residency payments. The Office of State Budget and Management shall monitor whether the reclassification and additional residency slots described in this section have been achieved by June 30, 2016.

STUDY TRANSITION TO RENT-BASED MODEL FOR STATE-OWNED FACILITIES

SECTION 23.3. The Office of State Budget and Management shall study charging State agencies rent to cover the cost of facility management, maintenance, and related costs that are attributable to those agencies. The Office of State Budget and Management shall report the results of the study to the Joint Legislative Oversight Committee on General Government no later than March 1, 2016. The study shall examine all of the following:

(1) Making receipt-supported all Department of Administration functions that support the management and maintenance of State-owned facilities.

(2) An appropriate rate to charge agencies for facility management, maintenance, and related costs, and the basis for determining that rate.

(3) Logistical, legal, and budgetary matters that would need to be resolved before the rent-based model could be implemented.

(4) The desirability of using proceeds from lease payments for financing future building repairs and needs of the State. Any analysis involving the securitizing funds shall be undertaken in consultation with the State Treasurer.

(5) Any other matter the Office of State Budget and Management deems relevant.

OSBM/PUBLIC SCHOOL CONSTRUCTION NEEDS STUDY

SECTION 23.4. Of the funds appropriated in this act to the Office of State Budget and Management, the sum of one hundred thousand dollars ($100,000) for the 2015-2016 fiscal year shall be used to contract with an outside entity (i) to perform an independent assessment of school construction needs in local school administrative units in the 50 counties determined under the low-wealth school funding formula to have the lowest ability to pay for school

facilities and (ii) to determine which of those units have the highest facility needs in relation to their capacity to raise revenue to meet those needs.

The Office of State Budget and Management shall report the results of this study to the Joint Legislative Commission on Governmental Operations prior to May 1, 2016.

PART XXIV. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

CREATION OF DEPARTMENT

SECTION 24.1.(a) The Department of Military and Veterans Affairs is established as a new executive department. All functions, powers, duties, and obligations vested in the following agencies are transferred to, vested in, and consolidated within the Department of Military and Veterans Affairs by a Type I transfer, as defined in G.S. 143A-6:

(1) The following components of the Department of Administration:
   a. The Veterans' Affairs Commission.
   b. The Governor's Jobs for Veterans Committee.
   c. The Division of Veterans Affairs.

(2) The North Carolina Military Affairs Commission in the Office of the Governor.

SECTION 24.1.(b) Chapter 143B of the General Statutes is amended by adding a new Article to read:

"Article 14.
"Department of Military and Veterans Affairs.
"Part 1. General Provisions.

"**§ 143B-1210. Organization.**

(a) There is established the Department of Military and Veterans Affairs. The head of the Department of Military and Veterans Affairs is the Secretary of Military and Veterans Affairs, who shall be known as the Secretary.

(b) The powers and duties of the deputy secretaries and the divisions and directors of the Department shall be subject to the direction and control of the Secretary of Military and Veterans Affairs.

"**§ 143B-1211. Powers and duties of the Department of Military and Veterans Affairs.**

It shall be the duty of the Department of Military and Veterans Affairs to do all of the following:

(1) Provide active outreach to the United States Department of Defense and the United States Department of Homeland Security and their associated establishments in North Carolina in order to support the military installations and activities in the State, to enhance North Carolina's current military-friendly environment and foster and promote business, technology, transportation, education, economic development, and other efforts in support of the mission, execution, and transformation of the United States government military and national defense activities located in the State.

(2) Promote the industrial and economic development of localities included in or adjacent to United States government military and national defense activities and those of the State.

(3) Provide technical assistance and coordination between the State, its political subdivisions, and the United States military and national defense activities within the State of North Carolina.

(4) Award grants to local governments, State and federal agencies, and private entities at the direction of the Secretary. The number of grants awarded and the level of funding of each grant for each fiscal year shall be contingent upon and determined by funds appropriated for that purpose by the General Assembly.

(5) Provide active outreach to the United States Department of Veterans Affairs, the veterans service organizations, and the veterans community in North

Carolina to support and assist North Carolina's veterans in identifying and obtaining the services, assistance, and support to which they are entitled, including monitoring efforts to provide services to veterans, newly separated service members, and their immediate family members and disseminating relevant materials.

(6) Monitor and enhance efforts to provide assistance and support for veterans living in North Carolina and members of the North Carolina National Guard and North Carolina residents in the Armed Forces Reserves not in active federal service in the areas of (i) medical care, (ii) mental health and rehabilitative services, (iii) housing, (iv) homelessness prevention, (v) job creation, and (vi) education.

(7) Seek and receive monies from any source, including federal funds, gifts, grants, and devises, which shall be expended for the purposes designated in this Article.

(8) Provide active outreach, coordination, formal training and standards, and official certification to localities of the State and veterans support organizations in the development, implementation, and review of local veterans services programs as part of the State program.

(9) Work with veterans services organizations and counterparts in other states to monitor and encourage the timely and accurate processing of veterans' benefit requests by the United States Department of Veterans Affairs, including requests for service connected to health care, mental health care, and disability payments.

(10) Manage and maintain the State's veterans nursing homes and cemeteries and their associated assets to the standard befitting those who have worn the uniform of the Armed Forces according to federal guidelines. Plan for expansion and grow the capacity of these facilities and any new facilities as required pending the availability of designated funds.

(11) Manage and maintain the State's Scholarships for Children of Wartime Veterans in accordance with Part 2 of Article 14 of Chapter 143B of the General Statutes and in support of the Veterans' Affairs Commission.

(12) Provide administrative, organizational, and funding support to the NC Military Affairs Commission and the Governor's Working Group for Veterans.

(13) Work with federal officials to obtain additional federal resources and coordinate veterans policy development and information exchange.

(14) Work with the appropriate heads of the principal departments to coordinate working relationships between State agencies and take all actions necessary to ensure that available federal and State resources are directed toward assisting veterans and addressing all issues of mutual concern to the State and the Armed Forces of the United States, including, but not limited to, quality of life issues unique to North Carolina's military personnel and their families, the quality of educational opportunities for military children, the future of federal impact aid, preparedness, public safety and security concerns, transportation needs, alcoholic beverage law enforcement, substance abuse, social service needs, possible expansion and growth of military facilities in the State, and intergovernmental support agreements with state and local governments.

(15) Educate the public on veterans and defense issues in coordination with applicable State agencies.

(16) Adopt rules and procedures for the implementation of this section.

(17) Assist veterans, their families, and dependents in the presentation, processing, proof, and establishment of such claims, privileges, rights, and

benefits as they may be entitled to under federal, State, or local laws, rules, and regulations.

(18) Aid persons in active military service and their dependents with problems arising out of that service that come reasonably within the purview of the Department's program of assistance.

(19) Collect data and information as to the facilities and services available to veterans, their families, and dependents and to cooperate with agencies furnishing information or services throughout the State in order to inform such agencies regarding the availability of (i) education, training, and retraining facilities; (ii) health, medical, rehabilitation, and housing services and facilities; (iii) employment and reemployment services; and (iv) provisions of federal, State, and local laws, rules, and regulations affording rights, privileges, and benefits to veterans, their families, and dependents, and in respect to such other matters of similar, related, or appropriate nature not herein set out.

(20) Establish such field offices, facilities, and services throughout the State as may be necessary to carry out the purposes of this Article.

(21) Cooperate, as the Department deems appropriate, with governmental, private, and civic agencies and instrumentalities in securing services or benefits for veterans, their families, dependents, and beneficiaries.

(22) Enter into any contract or agreement with any person, business, governmental agency, or other entity in furtherance of the purposes of this Article.

(23) Train, assist, and provide guidance to the employees of any county, city, town, or Indian tribe who are engaged in veterans service. Authority is hereby granted to the governing body of any county, city, or town to appropriate such amounts as it may deem necessary to provide a veterans services program, and the expenditure of such funds is hereby declared to be for a public purpose; such program shall be operated in affiliation with this Department as set forth above and in compliance with Department policies and procedures.

"§ **143B-1212. Personnel of the Department of Military and Veterans Affairs.**

Notwithstanding G.S. 114-2.3, the Secretary of Military and Veterans Affairs shall have the power to appoint all employees, including consultants and legal counsel, necessary to carry out the powers and duties of the office. These employees shall be subject to the North Carolina Human Resources Act, except that employees in positions designated as exempt under G.S. 126-5(d)(1) are not subject to the Act, in accordance with the provisions of that section.

"§ **143B-1213. Definitions.**

Except where provided otherwise, the following definitions apply in this Chapter:

(1) Department. – The Department of Military and Veterans Affairs.

(2) Secretary. – The Secretary of Military and Veterans Affairs.

(3) Veteran. – One of the following, as applicable:

a. For qualifying as a voting member of the State Board of Veterans Affairs and as the State Director of Veterans Affairs, a person who served honorably during a period of war as defined in Title 38, United States Code.

b. For entitlement to the services of the Department of Military and Veterans Affairs, any person who may be entitled to any benefits or rights under the laws of the United States by reason of service in the Armed Forces of the United States."

CREATION OF STATUTORY PARTS AND RECODIFICATION AND REPEAL OF AFFECTED STATUTES

SECTION 24.1.(c) Veterans' Affairs Commission. – Part 13 of Article 9 of Chapter 143B of the General Statutes is recodified as Part 2 of Article 14 of Chapter 143B of the General Statutes and renumbered as G.S. 143B-1220 through G.S. 143B-1222. G.S. 165-19 through G.S. 165-22.1 are recodified under that Part as G.S. 143B-1223 through G.S. 143B-1227.

SECTION 24.1.(d) Governor's Jobs for Veterans Committee. – Part 19 of Article 9 of Chapter 143B of the General Statutes is recodified as Part 3 of Article 14 of Chapter 143B of the General Statutes and renumbered as G.S. 143B-1235 and G.S. 143B-1236.

SECTION 24.1.(e) Division of Veterans Affairs. – G.S. 165-1 through G.S. 165-4, G.S. 165-6, 165-8, and 165-10 are repealed. G.S. 165-9, 165-11, and 165-11.1 are recodified under Part 1 of Article 14 of Chapter 143B of the General Statutes as G.S. 143B-1214 through G.S. 143B-1216, respectively.

SECTION 24.1.(f) Minor Veterans and Minor Spouses of Veterans. – Article 2 of Chapter 165 of the General Statutes is recodified as Part 4 of Article 14 of Chapter 143B of the General Statutes, G.S. 143B-1240 through G.S. 143B-1244. Article 3 of Chapter 165 of the General Statutes is recodified as Part 5 of Article 14 of Chapter 143B of the General Statutes, G.S. 143B-1247 and G.S. 143B-1248.

SECTION 24.1.(g) Veterans Recreation Authorities Law. – Article 5 of Chapter 165 of the General Statutes is recodified as Part 6 of Article 14 of Chapter 143B of the General Statutes, G.S. 143B-1250 through G.S. 143B-1265.

SECTION 24.1.(h) Powers of Attorney. – Article 6 of Chapter 165 of the General Statutes is recodified as Part 7 of Article 14 of Chapter 143B of the General Statutes, G.S. 143B-1270 though G.S. 143B-1273.

SECTION 24.1.(i) Miscellaneous Provisions. – Article 7 of Chapter 165 of the General Statutes is recodified as Part 8 of Article 14 of Chapter 143B of the General Statutes, G.S. 143B-1275 through G.S. 143B-1277.

SECTION 24.1.(j) Employment Assistance. – Article 7A of Chapter 165 of the General Statutes is recodified as Part 9 of Article 14 of Chapter 143B of the General Statutes, G.S. 143B-1280 through G.S. 143B-1285.

SECTION 24.1.(k) State Veterans Home. – Article 8 of Chapter 165 of the General Statutes is recodified as Part 10 of Article 14 of Chapter 143B of the General Statutes, G.S. 143B-1290 through G.S. 143B-1300.

SECTION 24.1.(l) North Carolina Military Affairs Commission. – Chapter 127C of the General Statutes is recodified as Part 11 of Article 14 of Chapter 143B of the General Statutes, G.S. 143B-1310 through G.S. 143B-1314.

CONFORMING CHANGES

SECTION 24.1.(m) G.S. 20-79.4 reads as rewritten:

"§ **20-79.4. Special registration plates.**

…

(a2) Special Plates Based Upon Military Service. – The ~~Division of Veterans Affairs~~ Department of Military and Veterans Affairs shall be responsible for verifying and maintaining all verification documentation for all special plates that are based upon military service. The ~~Division~~ Department shall not issue a special plate that is based on military service unless the application is accompanied by a motor vehicle registration (MVR) verification form signed by the ~~Director of the Division of Veterans Affairs,~~ Secretary of Military and Veterans Affairs, or the ~~Director's~~ Secretary's designee, showing that the ~~Division of Veterans Affairs~~ Department of Military and Veterans Affairs has verified the applicant's credentials and qualifications to hold the special plate applied for.

(1) Unless a qualifying condition exists requiring annual verification, no additional verification shall be required to renew a special registration plate either in person or through an online service.

(2) If the ~~Division of Veterans Affairs~~ Department of Military and Veterans Affairs determines a special registration plate has been issued due to an error on the part of the Division of Motor Vehicles, the plate shall be recalled and canceled.

(3) If the ~~Division of Veterans Affairs~~ Department of Military and Veterans Affairs determines a special registration plate has been issued to an applicant who falsified documents or has fraudulently applied for the special registration plate, the Division of Motor Vehicles shall revoke the special plate and take appropriate enforcement action.

…."

SECTION 24.1.(n) G.S. 20-79.5 reads as rewritten:

"§ **20-79.5. Special registration plates for elected and appointed State government officials.**

(a) Plates. – The State government officials listed in this section are eligible for a special registration plate under G.S. 20-79.4. The plate shall bear the number designated in the following table for the position held by the official.

Position	Number on Plate
Governor	1
Lieutenant Governor	2
…	
Secretary of Military and Veterans Affairs	22
Governor's Staff	~~22~~ 23-29

…."

SECTION 24.1.(o) G.S. 47-113.2 reads as rewritten:

"§ **47-113.2. Restricting access to military discharge documents.**

…

(b) Definitions:

(1) Authorized party. – Four categories of authorized parties are recognized with respect to access to military discharge documents under subsection (e) of this section:

…

c. Authorized agents of the ~~Division of Veterans Affairs,~~ Department of Military and Veterans Affairs, the United States Department of Veterans Affairs, the Department of Defense, or a court official with an interest in assisting the subject or the deceased subject's beneficiaries to obtain a benefit.

…

(h) The North Carolina Association of Registers of Deeds and the ~~Division of Veterans Affairs~~ Department of Military and Veterans Affairs shall adopt ~~before January 1, 2004,~~ such request forms and associated rules as are required to implement the provisions of this section. All filing offices shall use the forms and comply with the rules, as adopted.

…."

SECTION 24.1.(p) G.S. 65-43.4(b) reads as rewritten:

"(b) A disinterment may be permitted, at no cost to the State, when the following conditions are satisfied:

(1) The disinterment is requested in writing and filed with the Program Director of the veterans cemeteries, the Assistant Secretary for Veterans Affairs, or the ~~Division of Veterans Affairs;~~Department of Military and Veterans Affairs;

(2) The request for disinterment contains the notarized signature of the nearest of kin, such as surviving spouse. If the spouse is deceased, the signatures of a majority of the surviving children of legal age will be required;

(3) The funeral director has obtained all necessary permits for disinterment."

SECTION 24.1.(q) G.S. 65-43.5 reads as rewritten:

"§ **65-43.5. Reinterment.**

(a) The remains of a qualified veteran or the remains of an eligible family member may be moved to a State veterans cemetery for reinterment, at no cost to the State, when the following conditions are satisfied:

…

(2) The reinterment is requested in writing and filed with the Program Manager of veterans cemeteries, the Assistant Secretary for Veterans Affairs, or the ~~Division of Veterans Affairs; and~~Department of Military and Veterans Affairs;

…."

SECTION 24.1.(r) G.S. 93B-15.1(c1) reads as rewritten:

"(c1) Each occupational licensing board shall publish a document that lists the specific criteria or requirements for licensure, registration, or certification by the board, with a description of the criteria or requirements that are satisfied by military training or experience as provided in this section, and any necessary documentation needed for obtaining the credit or satisfying the requirement. The information required by this subsection shall be published on the occupational licensing board's Web site and the Web site of the ~~North Carolina Division of Veterans Affairs.~~Department of Military and Veterans Affairs."

SECTION 24.1.(s) G.S. 116-209.23 reads as rewritten:

"§ **116-209.23. Inconsistent laws inapplicable.**

Insofar as the provisions of this Article are inconsistent with the provisions of any general or special laws, or parts thereof, the provisions of this Article shall be controlling, except that no provision of the 1971 amendments to this Article shall apply to scholarships for children of war veterans as set forth in ~~Article 4 of Chapter 165,~~Part 2 of Article 14 of Chapter 143B of the General Statutes, as amended."

SECTION 24.1.(t) G.S. 116B-7(b) reads as rewritten:

"(b) An amount specified in the Current Operations Appropriations Act shall be transferred annually from the Escheat Fund to the Department of ~~Administration~~ Military and Veterans Affairs to partially fund the program of Scholarships for Children of War Veterans established by ~~Article 4 of Chapter 165~~ Part 2 of Article 14 of Chapter 143B of the General Statutes. Those funds may be used only for residents of this State who (i) are worthy and needy as determined by the Department of ~~Administration,~~Military and Veterans Affairs and (ii) are enrolled in public institutions of higher education of this State."

SECTION 24.1.(u) G.S. 126-2(b1)(5) reads as rewritten:

"(b1) The Commission shall consist of nine members, appointed as follows:

…

(5) One member who is a veteran of the Armed Forces of the United States appointed by the Governor upon the nomination of the ~~Veterans~~ Veterans' Affairs Commission and who is a State employee subject to this Chapter serving in a nonexempt supervisory position. The member may not be a human resources professional."

SECTION 24.1.(v) G.S. 126-5(d)(1) is amended by adding a new sub-subdivision to read:

"(d) (1) Exempt Positions in Cabinet Department. – Subject to the provisions of this Chapter, which is known as the North Carolina Human Resources Act, the Governor may designate a total of 1,500 exempt positions throughout the following departments and offices:

a. Department of Administration.

b. Department of Commerce.
c. Repealed by Session Laws 2012-83, s. 7, effective June 26, 2012, and by Session Laws 2012-142, s. 25.2E(a), effective January 1, 2013.
d. Department of Public Safety.
e. Department of Cultural Resources.
f. Department of Health and Human Services.
g. Department of Environment and Natural Resources.
h. Department of Revenue.
i. Department of Transportation.
j. Repealed by Session Laws 2012-83, s. 7, effective June 26, 2012, and by Session Laws 2012-142, s. 25.2E(a), effective January 1, 2013.
k. Office of Information Technology Services.
l. Office of State Budget and Management.
m. Office of State Human Resources.
n. Department of Military and Veterans Affairs."

SECTION 24.1.(w) G.S. 127C-1, as recodified by subsection (l) of this section, reads as rewritten:

"§ **143B-1310. Commission established; purpose; transaction of business.**

(a) Establishment. – There is established the North Carolina Military Affairs Commission. The Commission shall be established within the ~~Office of the Governor. The Department of Commerce is responsible for organizational, budgetary, and administrative purposes.~~Department of Military and Veterans Affairs.

(b) Purpose. – The Commission shall provide advice, counsel, and recommendations to ~~the Governor, t~~the General Assembly, the Secretary of ~~Commerce,~~Military and Veterans Affairs, and other State agencies on initiatives, programs, and legislation that will continue and increase the role that North Carolina's military installations, the National Guard, and Reserves play in America's defense strategy and the economic health and vitality of the State. The Commission is authorized ~~to:~~to do all of the following, as delegated by the Secretary of Military and Veterans Affairs:

…

(c) Transaction of Business. – The Commission shall meet, at a minimum, at least once during each quarter and shall provide a report on military affairs to the ~~Governor~~ Secretary of Military and Veterans Affairs and to the General Assembly at least every six months. Prior to the start of a Regular Session of the General Assembly, the Commission shall report to the General Assembly with recommendations, if any, for legislation. Priority actions or issues may be submitted at any time.

…."

SECTION 24.1.(x) G.S. 127C-2(h), as recodified by subsection (l) of this section, reads as rewritten:

"(h) The initial meeting of the Commission shall be within 30 days of the effective date of this act at a time and place to be determined by the Secretary of Commerce. The first order of business at the initial meeting of the Commission shall be the adoption of bylaws and establishment of committees, after which the Commission shall meet upon the call of the Chairman ~~or the Military Advisor within the Office of the Governor.~~ or the Secretary of the Department of Military and Veterans Affairs. The members shall receive no compensation for attendance at meetings, except a per diem expense reimbursement. Members of the Commission who are not officers or employees of the State shall receive reimbursement for subsistence and travel expenses at rates set out in G.S. 138-5 from funds made available to the Commission. Members of the Commission who are officers or employees of the State shall be reimbursed for travel and subsistence at the rates set out in G.S. 138-6 from funds made available to the Commission. The Department of ~~Commerce~~ Military and Veterans Affairs

shall use funds within its budget for the per diem, subsistence, and travel expenses authorized by this subsection."

SECTION 24.1.(y) G.S. 127C-3, as recodified by subsection (l) of this section, is repealed.

SECTION 24.1.(z) G.S. 127C-5, as recodified by subsection (l) of this section, reads as rewritten:

"§ **143B-1314. Protection of sensitive documents.**

(a) In carrying out any purpose set out in ~~G.S. 127C-1(b),~~ G.S. 143B-1310(b), the Commission and the Department of ~~Commerce~~ Military and Veterans Affairs may share documents and discussions protected from disclosure under G.S. 132-1.2 and G.S. 143-318.11 with other public bodies. Any information shared under this subsection shall be confidential and exempt from Chapter 132 of the General Statutes to the same extent that it is confidential in the possession of the Commission or the Department.

(b) In carrying out any purpose set out in ~~G.S. 127C-1(b),~~ G.S. 143B-1310(b), the Commission and the Department of ~~Commerce~~ Military and Veterans Affairs may share documents and discussions protected from disclosure under G.S. 132-1.2 and G.S. 143-318.11 with any third party in its discretion. Any information shared under this subsection shall be shared under an agreement to keep the information confidential to the same extent that it is confidential in the possession of the Commission or the Department."

SECTION 24.1.(aa) G.S. 143B-6 is amended by adding a new subdivision to read:

"§ **143B-6. Principal departments.**

In addition to the principal departments enumerated in the Executive Organization Act of 1971, all executive and administrative powers, duties, and functions not including those of the General Assembly and its agencies, the General Court of Justice and the administrative agencies created pursuant to Article IV of the Constitution of North Carolina, and higher education previously vested by law in the several State agencies, are vested in the following principal departments:

…

(12) Department of Military and Veterans Affairs."

SECTION 24.1.(bb) G.S. 143B-399, as recodified and renumbered by subsection (c) of this section, reads as rewritten:

"§ **143B-1220. Veterans' Affairs Commission – creation, powers and duties.**

There is hereby created the Veterans' Affairs Commission of the Department ~~of Administration.~~ of Military and Veterans Affairs. The Veterans' Affairs Commission shall have the following functions and ~~duties:~~duties, as delegated by the Secretary of Military and Veterans Affairs:

(1) To advise the ~~Governor~~ Secretary of Military and Veterans Affairs on matters relating to the affairs of veterans in North Carolina;

(2) To maintain a continuing review of the operation and budgeting of existing programs for veterans and their dependents in the State and to make any recommendations to the ~~Governor~~ Secretary of Military and Veterans Affairs for improvements and additions to such matters to which the ~~Governor~~ Secretary shall give due consideration;

~~(3) To serve collectively as a liaison between the Division of Veterans Affairs and the veterans organizations represented on the Commission;~~

(4) To promulgate rules and regulations concerning the awarding of scholarships for children of North Carolina veterans as provided by ~~Article 4 of Chapter 165 of the General Statutes of North Carolina.~~ this Article. The Commission shall make rules and regulations consistent with the provisions of this ~~Chapter.~~ Article. All rules and regulations not inconsistent with the provisions of this Chapter heretofore adopted by the State Board of Veterans' Affairs shall remain in full force and effect unless and until repealed or superseded by action of the ~~Veterans~~ Veterans' Affairs Commission. All

rules and regulations adopted by the Commission shall be enforced by the ~~Division of Veterans' Affairs;~~Department of Military and Veterans Affairs;

(4a) To promulgate rules concerning the awarding of the North Carolina Services Medal to all veterans who have served in any period of war as defined in 38 U.S.C. § 101. The award shall be self-financing; those who wish to be awarded the medal shall pay a fee to cover the expenses of producing the medal and awarding the medal. All rules adopted by the Commission with respect to the North Carolina Services Medal shall be implemented and enforced by the ~~Division of Veterans' Affairs;~~Department of Military and Veterans Affairs; and

(5) To advise the ~~Governor~~ Secretary on any matter the ~~Governor~~ Secretary may refer to it."

SECTION 24.1.(cc) G.S. 143B-400, as recodified and renumbered by subsection (c) of this section, reads as rewritten:

"§ **143B-1221. Veterans' Affairs Commission – members; selection; quorum; compensation.**

The Veterans' Affairs Commission of the Department of ~~Administration~~ Military and Veterans Affairs shall consist of one voting member from each congressional district, all of whom shall be veterans, appointed by the Governor for four-year terms. In making these appointments, the Governor shall insure that both major political parties will be continuously represented on the Veterans' Affairs Commission.

The initial members of the Commission shall be the appointed members of the current Veterans' Affairs Commission who shall serve for the remainder of their current terms and six additional members appointed by the Governor for terms expiring June 30, 1981. Thereafter, all members shall be appointed for terms of four years. Any appointment to fill a vacancy on the Commission created by the resignation, dismissal, death or disability of a member shall be for the balance of the unexpired term. The Governor shall have the power to remove any member of the Commission in accordance with provisions of G.S. 143B-13.

In the event that more than 11 congressional districts are established in the State, the Governor shall on July 1 following the establishment of such additional congressional districts appoint a member of the Commission from that congressional district. If on July 1, 1977, or at any time thereafter due to congressional redistricting, two or more members of the Veterans' Affairs Commission shall reside in the same congressional district then such members shall continue to serve as members of the Commission for a period equal to the remainder of their current terms on the Commission provided that upon the expiration of said term or terms the Governor shall fill such vacancy or vacancies in such a manner as to insure that as expeditiously as possible there is one member of the Veterans' Affairs Commission who is a resident of each congressional district in the State.

The Governor shall designate from the membership of the Commission a chairman and vice-chairman of the Commission who shall serve at the pleasure of the Governor. The Secretary of the Department of ~~Administration~~ Military and Veterans Affairs or his designee shall serve as secretary of the Commission.

Members of the Commission shall receive per diem and necessary travel and subsistence expenses in accordance with provisions of G.S. 138-5.

A majority of the Commission shall constitute a quorum for the transaction of business.

The Veterans' Affairs Commission shall meet at least twice a year and may hold special meetings at any time or place within the State at the call of the chairman, at the call of the Secretary of the Department of ~~Administration~~ Military and Veterans Affairs or upon the written request of at least six members.

All clerical and other services required by the Commission shall be provided by the Secretary of the Department of ~~Administration.~~Military and Veterans Affairs."

SECTION 24.1.(dd) G.S. 143B-420, as recodified by subsection (d) of this section, reads as rewritten:

"§ **143B-1235. Governor's Jobs for Veterans Committee – creation; appointment, organization, etc.; duties.**

(a) There is hereby created and established in the North Carolina Department of ~~Administration, Division of Veterans Affairs,~~ Military and Veterans Affairs, a committee to be known as the Governor's Jobs for Veterans Committee, with one member from each Congressional district, appointed by the Governor. Members of the Committee shall serve at the pleasure of the Governor. The Secretary of ~~Administration,~~ Military and Veterans Affairs with the concurrence of the Governor, shall appoint a chairman to administer this Committee who shall be subject to the direction and supervision of the Secretary. The chairman shall serve at the pleasure of the Secretary. The chairman shall devote full time to his duties of office.

(b) ~~Subject to the general supervision of the Secretary, the~~ The duties of the chairman shall include but not be limited to the ~~following:~~following, as delegated by the Secretary of Military and Veterans Affairs:

(1) Serving as a liaison between the Office of the Governor and all State agencies to insure that veterans receive the employment preference to which they are legally entitled and that such State agencies list available jobs with appropriate public employment services;

(2) Evaluating existing programs designed to benefit veterans and submitting reports and recommendations to the Governor and Secretary;

(3) Developing and furthering favorable employer attitudes toward the employment of veterans by appropriate promulgation of information concerning veterans and the functions of the Committee;

(4) Serving as a liaison between the Committee and communities throughout the State to the end that civic committees and volunteer groups are formed and utilized to promote the objectives of the Committee;

(5) Assisting employers in properly designing affirmative action plans as they relate to handicapped and Vietnam-era veterans;

(6) Serving as a liaison between veterans and State agencies on questions regarding the employment practices of such State agencies."

SECTION 24.1.(ee) G.S. 161-10.1 reads as rewritten:

"§ **161-10.1. Exemption of Armed Forces discharge documents and certain other records needed in support of claims for veterans' benefits.**

Any schedule of fees which is now or may be prescribed in Chapter 161 of the General Statutes or in G.S. 161-10 shall not apply to nor shall the same repeal any of the provisions of Article 5 of Chapter 47 of the General Statutes. Any schedule of fees which is now or may be hereafter prescribed in Chapter 161 of the General Statutes or as may appear in G.S. 161-10 shall not apply to nor shall the same repeal any of the provisions of ~~G.S. 165-11.~~G.S. 143B-1215."

SECTION 24.1.(ff) G.S. 165-11, as recodified by subsection (e) of this section, reads as rewritten:

"§ **143B-1215. Copies of records to be furnished to the Department of ~~Administration.~~Military and Veterans Affairs.**

(a) Whenever copies of any State and local public records are requested by a representative of the Department of ~~Administration~~ Military and Veterans Affairs in assisting persons in obtaining any federal, State, local or privately provided benefits relating to veterans and their beneficiaries, the official charged with the custody of any such records shall without charge furnish said representative with the requested number of certified copies of such records; provided, that this section shall not apply to the disclosure of information in certain privileged and confidential records referred to elsewhere in the General Statutes of North Carolina, which information shall continue to be disclosed in the manner prescribed by the statute relating thereto.

(b) No official chargeable with the collection of any fee or charge under the laws of the State of North Carolina in connection with his official duties shall be held accountable on his

official bond or otherwise for any fee or charge remitted pursuant to the provisions of this section."

SECTION 24.1.(gg) G.S. 165-11.1, as recodified by subsection (e) of this section, reads as rewritten:

"§ **143B-1216. Confidentiality of ~~Veterans Affairs~~ Department of Military and Veterans Affairs records.**

Notwithstanding any other provisions of Chapter 143B, no records of the ~~Division of Veterans Affairs in the Department of Administration~~ Department of Military and Veterans Affairs shall be disclosed or used for any purpose except for official purposes, and no records shall be disclosed, destroyed or used in any manner which is in violation of any existing federal law or regulation. Nothing in this Chapter shall convert records which are the property of the federal government into State property."

SECTION 24.1.(hh) G.S. 165-20, as recodified by subsection (c) of this section, reads as rewritten:

"§ **143B-1224. Definitions.**

As used in this Article the terms defined in this section shall have the following meaning:

…

(3) "Child" means a person: (i) under 25 years of age at the time of application for a scholarship, (ii) who is a domiciliary of North Carolina and is a resident of North Carolina when applying for a scholarship, (iii) who has completed high school or its equivalent prior to receipt of a scholarship awarded under this Article, (iv) who has complied with the requirements of the Selective Service System, if applicable, and (v) who further meets one of the following requirements:

a. A person whose veteran parent was a legal resident of North Carolina at the time of said veteran's entrance into that period of service in the Armed Forces during which eligibility is established under ~~G.S. 165-22.~~G.S. 143B-1226.

b. A veteran's child who was born in North Carolina and has been a resident of North Carolina continuously since birth. Provided, that the requirement in the preceding sentence as to birth in North Carolina may be waived by the Department of ~~Administration~~ Military and Veterans Affairs if it is shown to the satisfaction of the Department that the child's mother was a native-born resident of North Carolina and was such resident at the time of her marriage to the veteran and was outside the State temporarily at the time of the child's birth, following which the child was returned to North Carolina within a reasonable period of time where said child has since lived continuously.

c. A person meeting either of the requirements set forth in subdivision (3) a or b above, and who was legally adopted by the veteran prior to said person's reaching the age of 15 years.

…

(5) "Private educational institution" means any junior college, senior college or university which is operated and governed by private interests not under the control of the federal, State or any local government, which is located within the State of North Carolina, which does not operate for profit, whose curriculum is primarily directed toward the awarding of associate, baccalaureate or graduate degrees, which agrees to the applicable administration and funding provisions of ~~G.S. 165-22.1,~~ G.S. 143B-1227, of this Article, and which is otherwise approved by the State Board of Veterans Affairs.

…."

SECTION 24.1.(ii) G.S. 165-21, as recodified by subsection (c) of this section, reads as rewritten:

"§ **143B-1225. Scholarship.**

(a) A scholarship granted pursuant to this Article shall consist of the following benefits in either a State or private educational institution:

…

(2) With respect to private educational institutions, a scholarship shall consist of a monetary allowance as prescribed in ~~G.S. 165-22.1(d).~~G.S. 143B-1227(d).

…."

SECTION 24.1.(jj) G.S. 165-22, as recodified by subsection (c) of this section, reads as rewritten:

"§ **143B-1226. Classes or categories of eligibility under which scholarships may be awarded.**

A child, as defined in this Article, who falls within the provisions of any eligibility class described below shall, upon proper application be considered for a scholarship, subject to the provisions and limitations set forth for the class under which the child is considered:

…

(2) Class I-B: Under this class a limited scholarship providing only those benefits set forth in ~~G.S. 165-21(1)a and d and 165-21(2) of this Article,~~ G.S. 143B-1225(a)(1)a. and d. and G.S. 143B-1225(a)(2) shall be awarded to any child whose veteran parent, at the time the benefits pursuant to this Article are sought to be availed of, is or was at the time of his death receiving compensation for a wartime service-connected disability of one hundred percent (100%) as rated by the United States Department of Veterans Affairs. Provided, that if the veteran parent of a recipient under this class should die of his wartime service-connected condition before the recipient shall have utilized all of his scholarship eligibility time, then the North Carolina Department of ~~Administration~~ Military and Veterans Affairs shall amend the recipient's award from Class I-B to Class I-A for the remainder of the recipient's eligibility time. The effective date of such an amended award shall be determined by the Department of ~~Administration,~~ Military and Veterans Affairs but, in no event shall it predate the date of the veteran parent's death.

…

(4) Class III: Under this class a scholarship may be awarded to not more than 100 children yearly, each of whose veteran parent, at the time the benefits pursuant to this Article are sought to be availed of:

a. Is or was at the time of his death drawing pension for permanent and total disability, nonservice-connected, as rated by the United States Department of Veterans Affairs.

b. Is deceased and who does not fall within the provisions of any other eligibility class described in ~~G.S. 165-22(1),~~ G.S. 143B-1226(1), (2), (3), (4)a., nor (5).

c. Served in a combat zone, or waters adjacent to a combat zone, or any other campaign, expedition, or engagement for which the United States Department of Defense authorizes a campaign badge or medal, who does not fall within the provisions of any other class described in ~~G.S. 165-22(1),~~ G.S. 143B-1226(1), (2), (3), (4)a., or (5).

(5) Class IV: Under this class a scholarship as defined in ~~G.S. 165-21~~ G.S. 143B-1225 shall be awarded to any child whose parent, while serving honorably as a member of the Armed Forces in active federal service during a period of war, as defined in ~~G.S. 165-20(4),~~ G.S. 143B-1224(4), was listed by the United States government as (i) missing in action, (ii) captured in line

of duty by a hostile force, or (iii) forcibly detained or interned in line of duty by a foreign government or power."

SECTION 24.1.(kk) G.S. 165-22.1, as recodified by subsection (c) of this section, reads as rewritten:

"§ **143B-1227. Administration and funding.**

(a) The administration of the scholarship program shall be vested in the Department of ~~Administration,~~ Military and Veterans Affairs, and the disbursing and accounting activities required shall be a responsibility of the Department of ~~Administration.~~ Military and Veterans Affairs. The ~~Veterans~~ Veterans' Affairs Commission shall determine the eligibility of applicants, select the scholarship recipients, establish the effective date of scholarships, and may suspend or revoke scholarships if the ~~said Veterans~~ Veterans' Affairs Commission finds that the recipient does not comply with the registration requirements of the Selective Service System or does not maintain an adequate academic status, or if the recipient engages in riots, unlawful demonstrations, the seizure of educational buildings, or otherwise engages in disorderly conduct, breaches of the peace or unlawful assemblies. The Department of ~~Administration~~ Military and Veterans Affairs shall maintain the primary and necessary records, and the ~~Veterans~~ Veterans' Affairs Commission shall promulgate such rules and regulations not inconsistent with the other provisions of this Article as it deems necessary for the orderly administration of the program. It may require of State or private educational institutions, as defined in this Article, such reports and other information as it may need to carry out the provisions of this Article. The Department of ~~Administration~~ Military and Veterans Affairs shall disburse scholarship payments for recipients certified eligible by the Department of ~~Administration~~ Military and Veterans Affairs upon certification of enrollment by the enrolling institution.

(b) Funds for the support of this program shall be appropriated to the Department of ~~Administration~~ Military and Veterans Affairs as a reserve for payment of the allocable costs for room, board, tuition, and other charges, and shall be placed in a separate budget code from which disbursements shall be made. Funds to support the program shall be supported by receipts from the Escheat Fund, as provided by G.S. 116B-7, but those funds may be used only for worthy and needy residents of this State who are enrolled in public institutions of higher education of this State. In the event the said appropriation for any year is insufficient to pay the full amounts allocable under the provisions of this Article, such supplemental sums as may be necessary shall be allocated from the Contingency and Emergency Fund. The method of disbursing and accounting for funds allocated for payments under the provisions of this section shall be in accordance with those standards and procedures prescribed by the Director of the Budget, pursuant to the ~~Executive Budget Act.~~State Budget Act.

(c) Allowances for room and board in State educational institutions shall be at such rate as established by the Secretary of the Department of ~~Administration.~~Military and Veterans Affairs.

(d) Scholarship recipients electing to attend a private educational institution shall be granted a monetary allowance for each term or other academic period attended under their respective scholarship awards. All recipients under Class I-B scholarship shall receive an allowance at one rate, irrespective of course or institution; all recipients under Classes I-A, II, III and IV shall receive a uniform allowance at a rate higher than for Class I-B, irrespective of course or institution. The amount of said allowances shall be determined by the Director of the Budget and made known prior to the beginning of each fall quarter or semester; provided that the Director of the Budget may change the allowances at intermediate periods when in his judgment such changes are necessary. Disbursements by the State shall be to the private institution concerned, for credit to the account of each recipient attending said institution. The manner of payment to any private institution shall be as prescribed by the Department of ~~Administration.~~ Military and Veterans Affairs. The participation by any private institution in the program shall be subject to the applicable provisions of this Article and to examination by State auditors of the accounts of scholarship recipients attending or having attended private

institutions. The ~~Veterans~~ Veterans' Affairs Commission may defer making an award or may suspend an award in any private institution which does not comply with the provisions of this Article relating to said institutions.

(e) Irrespective of other provisions of this Article, the ~~Veterans~~ Veterans' Affairs Commission may prescribe special procedures for adjusting the accounts of scholarship recipients who for reasons of illness, physical inability to attend class or for other valid reason satisfactory to the ~~Veterans~~ Veterans' Affairs Commission may withdraw from State or private educational institutions prior to the completion of the term, semester, quarter or other academic period being attended at the time of withdrawal. Such procedures may include, but shall not be limited to, paying the recipient the dollar value of his unused entitlements for the academic period being attended, with a corresponding deduction of this period from his remaining scholarship eligibility time."

SECTION 24.1.(ll) G.S. 165-44.5, as recodified by subsection (j) of this section, reads as rewritten:

"§ **143B-1284. Priority employment assistance directed.**

All covered service providers, as specified in ~~G.S. 165-44.4,~~ G.S. 143B-1283, shall establish procedures to provide veterans with priority, not inconsistent with existing federal or State law, to participate in employment and job training assistance programs."

SECTION 24.1.(mm) G.S. 165-44.6, as recodified by subsection (j) of this section, reads as rewritten:

"§ **143B-1285. Implementation and performance measures.**

The North Carolina Commission on Workforce Preparedness shall:

(1) Issue implementing directives that shall apply to all covered service providers as specified in ~~G.S. 165-44.4,~~ G.S. 143B-1283, and revise those directives as necessary to accomplish the purpose of this Article.

(2) Develop measures of service for veterans that will serve as indicators of compliance with the provisions of this Article by all covered service providers.

(3) Annually publish and submit to the Joint Legislative Commission on Governmental Operations, beginning not later than October 1, 1998, a report detailing covered providers' compliance with the provisions of this Article."

SECTION 24.1.(nn) G.S. 165-46, as recodified by subsection (k) of this section, reads as rewritten:

"§ **143B-1291. Establishment.**

The State of North Carolina shall construct, maintain, and operate veterans homes for the aged and infirm veterans resident in this State under the administrative authority and control of the ~~Division of Veterans Affairs of the Department of Administration.~~ Department of Military and Veterans Affairs. There is vested in ~~such Division~~ the Department any and all powers and authority that may be necessary to enable it to establish and operate the homes and to issue rules necessary to operate the homes in compliance with applicable State and federal statutes and regulations."

SECTION 24.1.(oo) G.S. 165-47, as recodified by subsection (k) of this section, reads as rewritten:

"§ **143B-1292. Exemption from certificate of need.**

Any state veterans home established by the ~~Division of Veterans Affairs~~ Department of Military and Veterans Affairs shall be exempt from the certificate of need requirements as set out in Article 9 of Chapter 131E, or as may be hereinafter enacted."

SECTION 24.1.(pp) G.S. 165-48, as recodified by subsection (k) of this section, reads as rewritten:

"§ **143B-1293. North Carolina Veterans Home Trust Fund.**

(a) Establishment. – A trust fund shall be established in the State treasury, for the ~~Division of Veterans Affairs,~~ Department of Military and Veterans Affairs, to be known as the North Carolina Veterans Home Trust Fund.

(b) Composition. – The trust fund shall consist of all funds and monies received by the ~~Veterans~~ Veterans' Affairs Commission ~~or the Division of Veterans Affairs~~ from the United States, any federal agency or institution, and any other source, whether as a grant, appropriation, gift, contribution, devise, or individual reimbursement, for the care and support of veterans who have been admitted to a State veterans home.

(c) Use of Fund. – The trust fund created in subsection (a) of this section shall be used by the ~~Division of Veterans Affairs:~~Department of Military and Veterans Affairs to do the following:

(1) To pay for the care of veterans in said State veterans homes;

(2) To pay the general operating expenses of the State veterans homes, including the payment of salaries and wages of officials and employees of said homes; and

(3) To remodel, repair, construct, modernize, or add improvements to buildings and facilities at the homes.

(d) Miscellaneous. – The following provisions apply to the trust fund created in subsection (a) of this section:

(1) All funds deposited and all income earned on the investment or reinvestment of such funds shall be credited to the trust fund.

(2) Any monies remaining in the trust fund at the end of each fiscal year shall remain on deposit in the State treasury to the credit of the North Carolina Veterans Home Trust Fund.

(3) Nothing contained herein shall prohibit the establishment and utilization of special agency accounts by the ~~Division of Veterans Affairs, as may be approved by the Veterans~~ Veterans' Affairs Commission, for the receipt and disbursement of personal funds of the State veterans homes' residents or for receipt and disbursement of charitable contributions for use by and for residents."

SECTION 24.1.(qq) G.S. 165-49, as recodified by subsection (k) of this section, reads as rewritten:

"§ **143B-1294. Funding.**

(a) The ~~Division of Veterans Affairs of the Department of Administration~~ Department of Military and Veterans Affairs may apply for and receive federal aid and assistance from the United States Department of Veterans Affairs or any other agency of the United States Government authorized to pay federal aid to states for the construction and acquisition of veterans homes under Title 38, United States Code, section 8131 et seq., or for the care or support of disabled veterans in State veterans homes under Title 38, United Stated Code, section 1741 et seq., or from any other federal law for said purposes.

(b) The ~~Division of Veterans Affairs~~ Department may receive from any source any gift, contribution, devise, or individual reimbursement, the receipt of which does not exclude any other source of revenue.

(c) All funds received by the ~~Division~~ Department shall be deposited in the North Carolina Veterans Home Trust Fund, except for any funds deposited into special agency accounts established pursuant to ~~G.S. 165-48(d)(3).~~ G.S. 143B-1293(d)(3). The ~~Veterans~~ Veterans' Affairs Commission shall authorize the expenditure of all funds from the North Carolina Veterans Home Trust Fund. The ~~Veterans~~ Veterans' Affairs Commission may delegate authority to the Assistant Secretary of Veterans Affairs for the expenditure of funds from the North Carolina Veterans Home Trust Fund for operations of the State Veterans Nursing Homes."

SECTION 24.1.(rr) G.S. 165-50, as recodified by subsection (k) of this section, reads as rewritten:

"§ **143B-1295. Contracted operation of homes.**

The ~~Veterans~~ Veterans' Affairs Commission may contract with persons or other nongovernmental entities to operate each State veterans home. Contracts for the procurement of

services to manage, administer, and operate any State veterans home shall be awarded on a competitive basis through the solicitation of proposals and through the procedures established by statute and the Division of Purchase and Contract. A contract may be awarded to the vendor whose proposal is most advantageous to the State, taking into consideration cost, program suitability, management plan, excellence of program design, key personnel, corporate or company resources, financial condition of the vendor, experience and past performance, and any other qualities deemed necessary by the ~~Veterans~~ Veterans' Affairs Commission and set out in the solicitation for proposals. Any contract awarded under this section shall not exceed five years in length. The ~~Veterans~~ Veterans' Affairs Commission is not required to select or recommend the vendor offering the lowest cost proposal but shall select or recommend the vendor who, in the opinion of the Commission, offers the proposal most advantageous to the veterans and the State of North Carolina."

SECTION 24.1.(ss) G.S. 165-51, as recodified by subsection (k) of this section, reads as rewritten:

"§ **143B-1296. Program staff.**

The ~~Division~~ Department shall appoint and fix the salary of an Administrative Officer for the State veterans home program. The Administrative Officer shall be an honorably discharged veteran who has served in active military service in the Armed Forces of the United States for other than training purposes. The Administrative Officer shall direct the establishment of the State veterans home program, coordinate the master planning, land acquisition, and construction of all State veterans homes under the procedures of the Office of State Construction, and oversee the ongoing operation of said veterans homes. The Division may hire any required additional administrative staff to help with administrative and operational responsibilities at each established State veterans home."

SECTION 24.1.(tt) G.S. 165-52, as recodified by subsection (k) of this section, reads as rewritten:

"§ **143B-1297. Admission and dismissal authority.**

The ~~Veterans~~ Veterans' Affairs Commission shall have authority to determine administrative standards for admission and dismissal, as well as the medical conditions, of all persons admitted to and dismissed from any State veterans home, and to issue any necessary rules, subject to the requirements set out in ~~G.S. 165-53.~~G.S. 143B-1298."

SECTION 24.1.(uu) G.S. 165-54, as recodified by subsection (k) of this section, reads as rewritten:

"§ **143B-1299. Deposit required.**

Each resident of any State veterans home shall pay to the ~~Division of Veterans Affairs~~ Department of Military and Veterans Affairs the cost of maintaining his or her residence at the home. This deposit shall be placed in the North Carolina Veterans Home Trust Fund and shall be in an amount and in the form prescribed by the ~~Veterans~~ Veterans' Affairs Commission in consultation with the Assistant Secretary for Veterans Affairs."

SECTION 24.1.(vv) G.S. 165-55, as recodified by subsection (k) of this section, reads as rewritten:

"§ **143B-1300. Report and budget.**

(a) The Assistant Secretary for Veterans Affairs shall report annually to the Secretary of the Department of ~~Administration~~ Military and Veterans Affairs on the activities of the State Veterans Homes Program. This report shall contain an accounting of all monies received and expended, statistics on residents in the homes during the year, recommendations to the Secretary, the Governor, and the General Assembly as to the program, and such other matters as may be deemed pertinent.

(b) The Assistant Secretary for Veterans Affairs, with the approval of the ~~Veterans~~ Veterans' Affairs Commission, shall compile an annual budget request for any State funding needed for the anticipated costs of the homes, which shall be submitted to the Secretary of the Department of ~~Administration.~~ Military and Veterans Affairs. State appropriated funds for

operational needs shall be made available only in the event that other sources are insufficient to cover essential operating costs."

SECTION 24.1.(ww) This section becomes effective on January 1, 2016.

RESTORE STATE CONTRIBUTION TO COUNTY VETERANS SERVICES PROGRAMS

SECTION 24.2. G.S. 143B-1211, as enacted by Section 24.1(b) of this act, is amended by adding a new subdivision to read:

"§ **143B-1211. Powers and duties of the Department of Military and Veterans Affairs.**

It shall be the duty of the Department of Military and Veterans Affairs to do all of the following:

…

(24) Contribute each fiscal year to each county that applies for it an amount for the maintenance and operation of a county veterans services program. Participating counties shall furnish the Department such reports, accountings, and other information at such times and in such form as the Department may require. The amount contributed to each county under this subdivision shall be as follows:

a. If funds appropriated to the Department for contributions under this subdivision exceed the total amount of county requests received by December 31 of each year, the contribution to each county shall be the full amount requested by each county.

b. If the funds appropriated to the Department for contributions under this subdivision are insufficient to fund the full amount of county requests received by December 31 of each year, the contribution to each county shall be a pro rata share of the amount appropriated to the Department for contributions under this section, up to the amount requested by the county."

BRAC SPECIAL FUND

SECTION 24.3.(a) Part 1 of Article 14 of Chapter 143B of the General Statutes, as enacted by Section 24.1 of this act, is amended by adding a new section to read:

"**§ 143B-1214. Military Presence Stabilization Fund.**

The Military Presence Stabilization Fund is established as a special fund in the Department of Military and Veterans Affairs. Funds in the Military Presence Stabilization Fund shall be used to fund actions designed to make the State less vulnerable to closure pursuant to federal Base Realignment and Closure and related initiatives. The Secretary of Military and Veterans Affairs may allocate funds in the Fund for this purpose."

SECTION 24.3.(b) Notwithstanding G.S. 143B-1214, the funds appropriated in this act to the Military Presence Stabilization Fund for the 2015-2016 fiscal year shall be used as follows:

(1) Use of funds. – Funds shall be allocated as follows:

a. Up to the sum of two hundred thousand dollars ($200,000) may be used to provide grants to local communities or military installations. These funds shall only be used for actual project expenses and shall not be used to pay for lobbying, salaries, travel, or other administrative costs.

b. The remaining funds shall be used for purposes other than those set forth in sub-subdivision a. of this subdivision. The Secretary of Military and Veterans Affairs shall establish the guidelines for applying for these grants.

(2) Use of funds. – Funds shall be used only for the following:

a. Administrative expenses and reimbursements for members of the Commission.

b. Federal advocacy and lobbying support.
c. Updates to strategic planning analysis and strategic plan.
d. Economic modeling software and analyses.
e. Compatible development mapping (red, yellow, green mapping).
f. Public-public/public-private (P4) initiative.
g. Identification and implementation of innovated measures to increase the military value of installations.

SECTION 24.3.(c) The Department of Military and Veterans Affairs shall report to the Joint Legislative Oversight Committee on General Government no later than February 1, 2016, on the expenditures from the Military Presence Stabilization Fund.

PART XXV. OFFICE OF THE STATE AUDITOR

STOP FRAUD AND ABUSE OF TAXPAYER DOLLARS

SECTION 25.1.(a) G.S. 143-746 reads as rewritten:

"§ **143-746. Internal auditing required.**

…

(e) Insufficient Personnel. – If a State agency has insufficient personnel to comply with this section, the Office of State Budget and Management shall provide technical assistance.

(f) Reporting Fraudulent Activity. – If an internal audit conducted pursuant to this section results in a finding that a private person or entity has received public funds as a result of fraud, misrepresentation, or other deceptive acts or practices while doing business with the State agency, the internal auditor shall submit a detailed written report of the finding, and any additional necessary supporting documentation, to the State Purchasing Officer. A report submitted under this subsection may include a recommendation that the private person or entity be debarred from doing business with the State or a political subdivision thereof."

SECTION 25.1.(b) G.S. 147-64.6(c) is amended by adding a new subdivision to read:

"(c) The Auditor shall be responsible for the following acts and activities:

…

(21) If an audit undertaken by the Auditor results in a finding that a private person or entity has received public funds as a result of fraud, misrepresentation, or other deceptive acts or practices while doing business with the State or a political subdivision thereof, the Auditor shall submit a detailed written report of the finding, and any additional necessary supporting documentation, to the State Purchasing Officer or the appropriate political subdivision official, as applicable. A report submitted under this subsection may include a recommendation that the private person or entity be debarred from doing business with the State or a political subdivision thereof."

SECTION 25.1.(c) This section becomes effective October 1, 2015, and applies to audits conducted or undertaken on or after that date.

SUBJECT MATTER EXPERTS FOR AUDITS

SECTION 25.2. Of the funds appropriated in this act to the Department of State Auditor, the sum of two hundred fifty thousand dollars ($250,000) in recurring funds for the 2015-2016 fiscal year shall only be used to obtain subject matter experts during audits.

PART XXV-A. HOUSING FINANCE AGENCY

EXPAND COMMUNITY LIVING HOUSING FUND USES

SECTION 25A.1. G.S. 122E-3.1 reads as rewritten:

"§ **122E-3.1. Community Living Housing Fund.**

…

(c) Use of Funds. – The North Carolina Housing Finance Agency, in consultation with the Department of Health and Human Services, shall be responsible for administering the

Community Living Housing Fund. The monies in the Fund shall be available for expenditure only upon an act of appropriation by the General Assembly and only for the following purposes:

(1) To provide permanent community-based housing in integrated settings appropriate for individuals with severe mental illness and severe and persistent mental illness.

(2) To support an increase in the number of targeted units for individuals with disabilities located in housing projects funded by the Housing Finance Agency from ten percent (10%) to fifteen percent (15%). The additional targeted units funded shall be made available to the Department of Health and Human Services for use in the North Carolina Supportive Housing Program under Article 1B of Chapter 122C of the General Statutes. Priority for funding of the additional targeted units shall be given to units to be located in catchment areas identified by the Department of Health and Human Services, in consultation with the North Carolina Housing Finance Agency and ~~LMECOs,~~LME/MCOs, as having the greatest need for targeted units.

(3) To recruit property owners who are willing to rent targeted units to individuals with disabilities."

PART XXVI. OFFICE OF STATE HUMAN RESOURCES

PERSONAL SERVICES CONTRACTS/TEMPORARY SOLUTIONS

SECTION 26.2.(a) Article 3 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"**§ 143-48.6. Personal services contracts subject to Article.**

(a) Requirement. – Notwithstanding any other provision of law, personal services contracts for executive branch agencies shall be subject to the same requirements and procedures as service contracts.

(b) Personal Services Contract Defined. – For purposes of this section, the term "personal services contract" means a contract for services provided by a professional individual as an independent contractor on a temporary or occasional basis.

(c) Rules Required. – The Department of Administration shall adopt rules consistent with this section."

SECTION 26.2.(b) Part 4 of Article 14 of Chapter 143B of the General Statutes, as enacted by Part 7A of this act, is amended by adding a new section to read:

"**§ 143B-1334.1. Personal services contracts subject to Article.**

(a) Requirement. – Notwithstanding any other provision of law, information technology personal services contracts for executive branch agencies shall be subject to the same requirements and procedures as information technology service contracts, except as provided in this section.

(b) Certain Approvals Required. – Notwithstanding any provision of law to the contrary, no information technology personal services contract, nor any contract that provides personnel to perform information technology functions regardless of the cost of the contract, may be established or renewed without written approval from the Department of Information Technology and the Office of State Budget and Management. To facilitate compliance with this requirement, the Department of Information Technology shall develop and document the following:

(1) Standards for determining whether it is more appropriate for an agency to hire an employee or use the services of a vendor.

(2) A process to monitor all State agency information technology personal services contracts, as well as any other State contracts providing personnel to perform information technology functions.

(3) A process for obtaining approval of contractor positions.

(c) Creation of State Positions in Certain Cases. – The Department of Information Technology shall review current information technology personal services contracts on an ongoing basis and determine if each contractor is performing a function that could more appropriately be performed by a State employee. Where the determination is made that a State employee should be performing the function, the Department of Information Technology shall work with the impacted agency and the Office of State Human Resources to identify or create the position.

(d) Compliance Audits Required. – The Department of Information Technology shall conduct periodic audits of State agencies that are subject to this Article to determine the degree to which those agencies are complying with the rules and procedures that govern information technology personal services contracts.

(e) Reporting Required. – The Department of Information Technology shall report biennially to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on all of the following:

(1) Its progress toward standardizing information technology personal services contracts.

(2) The number of information technology service contractors in each State agency, the cost for each, and the comparable cost, including benefits, of a State employee serving in that capacity rather than a contractor.

(3) The results of the compliance audits conducted pursuant to subsection (d) of this section.

(f) Information Technology Personal Services Contract Defined. – For purposes of this section, the term "personal services contract" means a contract for services provided by a professional individual as an independent contractor on a temporary or occasional basis.

(g) Rules Required. – The Department of Information Technology shall adopt rules consistent with this section."

SECTION 26.2.(c) Personal services contracts and information technology personal services contracts in effect on the effective date of this act shall be allowed to expire in accordance with the terms of the contract. A personal services contract or an information technology personal services contract that can be terminated at any time shall be reviewed within 60 days of the effective date of this act and shall only be continued if the contract complies with the requirements of G.S. 143-48.6 and G.S. 143B-1334.1, as enacted by subsections (a) and (b) of this section, respectively. A personal services contract or information technology personal services contract entered into after the effective date of this act shall comply with the requirements of G.S. 143-48.6 or G.S. 143B-1334.1, as applicable.

SECTION 26.2.(d) G.S. 143-64.70 is repealed. The Office of State Budget and Management shall notify State agencies of the repeal of G.S. 143-64.70 and about the new requirements imposed by this act.

SECTION 26.2.(e) Article 1 of Chapter 126 of the General Statutes is amended by adding a new section to read:

"**§ 126-6.3. Temporary employment needs of State agencies shall be met through the Temporary Solutions Program.**

(a) Use of Temporary Solutions Required. – Notwithstanding G.S. 126-5 or any other provision of law, all State agencies that utilize temporary employees to perform work that is not information technology-related shall employ them through the Temporary Solutions Program administered by the Office of State Human Resources. The Director of the Office of State Human Resources may create exceptions to this requirement when doing so would be in the best interests of the State in the sole discretion of the Director. An exception shall be invalid unless it is in writing.

(b) Compliance Monitoring. – The Office of State Human Resources shall monitor the employment of temporary employees by agencies subject to this section and shall report biannually to the Joint Legislative Oversight Committee on General Government and to the

Fiscal Research Division on agency compliance with this section and policies and rules adopted pursuant to it.

(c) State Agency Defined. – For purposes of this section, "State agency" means a unit of the executive branch of State government, such as a department, an institution, a division, a commission, a board, or a council, regardless of whether or not the agency is part of the Council of State."

SECTION 26.2.(f) G.S. 126-4 is amended by adding a new subdivision to read:

"§ **126-4. Powers and duties of State Human Resources Commission.**

Subject to the approval of the Governor, the State Human Resources Commission shall establish policies and rules governing each of the following:

…

(19) The implementation of G.S. 126-6.3 in a manner that is consistent across all affected State agencies."

PART XXVII. DEPARTMENT OF ADMINISTRATION

DOA PROVIDE ADMINISTRATIVE SUPPORT TO SEC FREE OF CHARGE

SECTION 27.1. G.S. 138A-9 reads as rewritten:

"§ **138A-9. Staff and offices.**

(a) The Commission may employ professional and clerical staff, including an executive director.

(b) The Commission shall be located within the Department of Administration for administrative purposes only, but shall exercise all of its powers, including the power to employ, direct, and supervise all personnel, independently of the Secretary of Administration, and is subject to the direction and supervision of the Secretary of Administration only with respect to the management functions of coordinating and reporting. The Department shall provide administrative support to the Commission free of charge."

STREAMLINE SEIZED VEHICLE DISPOSAL

SECTION 27.3.(a) G.S. 20-28.2(a1) is amended by adding a new subdivision to read:

"(a1) Definitions. – As used in this section and in G.S. 20-28.3, 20-28.4, 20-28.5, 20-28.7, 20-28.8, 20-28.9, 20-54.1, and 20-141.5, the following terms mean:

…

(9) State Surplus Property Agency. – The Department of Administration."

SECTION 27.3.(b) G.S. 20-28.3 reads as rewritten:

"§ **20-28.3. Seizure, impoundment, forfeiture of motor vehicles for offenses involving impaired driving while license revoked or without license and insurance, and for felony speeding to elude arrest.**

…

(d) Custody of Motor Vehicle. – Unless the motor vehicle is towed pursuant to a statewide or regional contract, or a contract with the county board of education, the seized motor vehicle shall be towed by a commercial towing company designated by the law enforcement agency that seized the motor vehicle. Seized motor vehicles not towed pursuant to a statewide or regional contract or a contract with a county board of education shall be retrieved from the commercial towing company within a reasonable time, not to exceed 10 business days, by the county board of education or their agent who must pay towing and storage fees to the commercial towing company when the motor vehicle is retrieved. If either a statewide or regional contractor, or the county board of education, chooses to contract for local towing services, all towing companies on the towing list for each law enforcement agency with jurisdiction within the county shall be given written notice and an opportunity to submit proposals prior to a contract for local towing services being awarded. The seized motor vehicle is under the constructive possession of the county board of education for the county in which the operator of the vehicle is charged at the time the vehicle is delivered to a location

designated by the county board of education or delivered to its agent pending release or sale, or in the event a statewide or regional contract is in place, under the constructive possession of the ~~Department of Public Instruction,~~ State Surplus Property Agency on behalf of the State at the time the vehicle is delivered to a location designated by the ~~Department of Public Instruction~~ State Surplus Property Agency or delivered to its agent pending release or sale. Absent a statewide or regional contract that provides otherwise, each county board of education may elect to have seized motor vehicles stored on property owned or leased by the county board of education and charge a reasonable fee for storage, not to exceed ten dollars ($10.00) per calendar day. In the alternative, the county board of education may contract with a commercial towing and storage facility or other private entity for the towing, storage, and disposal of seized motor vehicles, and a storage fee of not more than ten dollars ($10.00) per calendar day may be charged. Except for gross negligence or intentional misconduct, neither the State Surplus Property Agency, the county board of education, ~~or~~ nor any of ~~its~~ their employees, shall ~~not~~ be liable to the owner or lienholder for damage to or loss of the motor vehicle or its contents, or to the owner of personal property in a seized vehicle, during the time the motor vehicle is being towed or stored pursuant to this subsection.

…

(i) Expedited Sale of Seized Motor Vehicles in Certain Cases. – In order to avoid additional liability for towing and storage costs pending resolution of the criminal proceedings of the defendant, the State Surplus Property Agency or county board of education may, after expiration of 90 days from the date of seizure, sell any motor vehicle having a fair market value of one thousand five hundred dollars ($1,500) or less. The county board of education may also sell a motor vehicle, regardless of the fair market value, any time the outstanding towing and storage costs exceed eighty-five percent (85%) of the fair market value of the vehicle, or with the consent of all the motor vehicle owners. Any sale conducted pursuant to this subsection shall be conducted in accordance with the provisions of ~~G.S. 20-28.5(a),~~ G.S. 20-28.5(a) or G.S. 20-28.5(a1), as applicable, and the proceeds of the sale, after the payment of outstanding towing and storage costs or reimbursement of towing and storage costs paid by a person other than the defendant, shall be deposited with the clerk of superior court. If an order of forfeiture is entered by the court, the court shall order the proceeds held by the clerk to be disbursed as provided in G.S. 20-28.5(b). If the court determines that the motor vehicle is not subject to forfeiture, the court shall order the proceeds held by the clerk to be disbursed first to pay the sale, towing, and storage costs, second to pay outstanding liens on the motor vehicle, and the balance to be paid to the motor vehicle owners.

…."

SECTION 27.3.(c) G.S. 20-28.5 reads as rewritten:

"§ **20-28.5. Forfeiture of impounded motor vehicle or funds.**

(a) ~~Sale.~~Sale of Vehicle in Possession of County Board of Education. – A motor vehicle in the possession or constructive possession of a county board of education ordered forfeited and sold or a seized motor vehicle authorized to be sold pursuant to G.S. 20-28.3(i), shall be sold at a public sale conducted in accordance with the provisions of Article 12 of Chapter 160A of the General Statutes, applicable to sales authorized pursuant to G.S. 160A-266(a)(2), (3), or (4), subject to the notice requirements of this subsection, and shall be conducted by the county board of education or a person acting on its behalf. Notice of sale, including the date, time, location, and manner of sale, shall be given by first-class mail to all motor vehicle owners of the vehicle to be sold at the address shown by the records of the Division. Written notice of sale shall also be given to all lienholders on file with the Division. Notice of sale shall be given to the Division in accordance with the procedures established by the Division. Notices required to be given under this subsection shall be mailed at least 10 days prior to the date of sale. A lienholder shall be permitted to purchase the motor vehicle at any such sale by bidding in the amount of its lien, if that should be the highest bid, without being required to tender any additional funds, other than the towing and storage fees. The county board of education, or its agent, shall not sell, give, or otherwise transfer possession of the forfeited motor vehicle to the

defendant, the motor vehicle owner who owned the motor vehicle immediately prior to forfeiture, or any person acting on the defendant's or motor vehicle owner's behalf.

(a1) Sale of Vehicle in Possession of the State Surplus Property Agency. – A motor vehicle in the possession or constructive possession of the State Surplus Property Agency ordered forfeited and sold or a seized motor vehicle authorized to be sold pursuant to G.S. 20-28.3(i) shall be sold at a public sale conducted in accordance with the provisions of Article 3A of Chapter 143 of the General Statutes, subject to the notice requirements of this subsection, and shall be conducted by the State Surplus Property Agency or a person acting on its behalf. Notice of sale, including the date, time, location, and manner of sale, shall be given by first-class mail to all motor vehicle owners of the vehicle to be sold at the address shown by the records of the Division. Written notice of sale shall also be given to all lienholders on file with the Division. Notice of sale shall be given to the Division in accordance with the procedures established by the State Surplus Property Agency. Notices required to be given under this subsection shall be mailed at least 10 days prior to the date of sale. A lienholder shall be permitted to purchase the motor vehicle at any such sale by bidding in the amount of its lien, if that should be the highest bid, without being required to tender any additional funds, other than the towing and storage fees. The State Surplus Property Agency, or its agent, shall not sell, give, or otherwise transfer possession of the forfeited motor vehicle to the defendant, the motor vehicle owner who owned the motor vehicle immediately prior to forfeiture, or any person acting on the defendant's or motor vehicle owner's behalf.

(b) Proceeds of Sale. – Proceeds of any sale conducted under this section, G.S. 20-28.2(f)(5), or G.S. 20-28.3(e3)(3), shall first be applied to ~~the cost of sale~~ all costs incurred by the State Surplus Property Agency or county board of education and then to satisfy towing and storage costs. The balance of the proceeds of sale, if any, shall be used to satisfy any other existing liens of record that were properly recorded prior to the date of initial seizure of the vehicle. Any remaining balance shall be paid to the county school fund in the county in which the motor vehicle was ordered forfeited. If there is more than one school board in the county, then the net proceeds of sale, after reimbursement to the county board of education of reasonable administrative costs incurred in connection with the forfeiture and sale of the motor vehicle, shall be distributed in the same manner as fines and other forfeitures. The sale of a motor vehicle pursuant to this section shall be deemed to extinguish all existing liens on the motor vehicle and the motor vehicle shall be transferred free and clear of any liens.

…."

SECTION 27.3.(d) G.S. 20-28.9 reads as rewritten:

"§ **20-28.9. Authority for the ~~Department of Public Instruction~~ State Surplus Property Agency to administer a statewide or regional towing, storage, and sales program for vehicles forfeited.**

(a) The ~~Department of Public Instruction~~ State Surplus Property Agency is authorized to enter into a contract for a statewide service or contracts for regional services to tow, store, process, maintain, and sell motor vehicles seized pursuant to G.S. 20-28.3. All motor vehicles seized under G.S. 20-28.3 shall be subject to contracts entered into pursuant to this section. Contracts shall be let by the ~~Department of Public Instruction~~ State Surplus Property Agency in accordance with the provisions of Article 3 of Chapter 143 of the General Statutes. Nothing in this section shall be construed to prohibit the State Surplus Property Agency from entering into contracts pursuant to this section for some regions of the State while performing the work of towing, storing, processing, maintaining, and selling motor vehicles seized pursuant to G.S. 20-28.3 itself in other regions of the State. All contracts shall ensure the safety of the motor vehicles while held and any funds arising from the sale of any seized motor vehicle. The contract shall require the contractor to maintain and make available to the agency a computerized up-to-date inventory of all motor vehicles held under the contract, together with an accounting of all accrued charges, the status of the vehicle, and the county school fund to which the proceeds of sale are to be paid. The contract shall provide that the contractor shall pay the towing and storage charges owed on a seized vehicle to a commercial towing company

at the time the seized vehicle is obtained from the commercial towing company, with the contractor being reimbursed this expense when the vehicle is released or sold. The ~~Department~~ State Surplus Property Agency shall not enter into any contract under this section under which the State will be obligated to pay a deficiency arising from the sale of any forfeited motor vehicle.

(b) The ~~Department,~~ State Surplus Property Agency, through its contractor or contractors designated in accordance with subsection (a) of this section, may charge a reasonable fee for storage not to exceed ten dollars ($10.00) per calendar day for the storage of seized vehicles pursuant to G.S. 20-28.3.

~~(c) In order to help defray the administrative costs associated with the administration of this section, the Department shall collect a ten dollar ($10.00) administrative fee from a person to whom a seized vehicle is released at the time the motor vehicle is released and shall collect a ten dollar ($10.00) administrative fee out of the proceeds of the sale of any forfeited motor vehicle. The funds collected under this subsection shall be paid to the General Fund.~~"

SECTION 27.3.(e) G.S. 143-64.02 is amended by adding two new subdivisions to read:

"§ **143-64.02. Definitions.**

As used in Part 1 of this Article, except where the context clearly requires otherwise:

(1) "Agency" means an existing department, institution, commission, committee, board, division, or bureau of the State.

(2) "Nonprofit tax exempt organizations" means those nonprofit tax exempt medical institutions, hospitals, clinics, health centers, school systems, schools, colleges, universities, schools for the mentally retarded, schools for the physically handicapped, radio and television stations licensed by the Federal Communications Commission as educational radio or educational television stations, public libraries, and civil defense organizations, that have been certified by the Internal Revenue Service as tax-exempt nonprofit organizations under section 501(c)(3) of the United States Internal Revenue Code of 1954.

(3) "Recyclable material" means a recyclable material, as defined in G.S. 130A-290, that the Secretary of Administration determines, consistent with G.S. 130A-309.14, to be a recyclable material.

(4) "State owned" means supplies, materials, and equipment in the possession of the State of North Carolina and purchased with State funds, personal property donated to the State, or personal property purchased with other funds that give ownership to the State.

(5) "Surplus property" means personal property that is no longer needed by a State agency."

SECTION 27.3.(f) G.S. 143-64.03 reads as rewritten:

"§ **143-64.03. Powers and duties of the State agency for surplus property.**

(a) The State Surplus Property Agency is authorized and directed to:

(1) Sell all State owned supplies, materials, and equipment that are surplus, obsolete, or ~~unused;~~unused and sell all seized vehicles and other conveyances that the State Surplus Property Agency is authorized to sell;

(2) Warehouse such property; and

(3) Distribute such property to tax-supported or nonprofit tax-exempt organizations.

(b) The State Surplus Property Agency is authorized and empowered to act as a clearinghouse of information for agencies and private nonprofit tax-exempt organizations, to locate property available for acquisition from State agencies, to ascertain the terms and conditions under which the property may be obtained, to receive requests from agencies and private nonprofit tax-exempt organizations, and transmit all available information about the

property, and to aid and assist the agencies and private nonprofit tax-exempt organizations in transactions for the acquisition of State surplus property.

(c) The State agency for surplus property, in the administration of Part 1 of this Article, shall cooperate to the fullest extent consistent with the provisions of Part 1 of this Article, with the departments or agencies of the State.

(d) The State agency for surplus property may sell or otherwise dispose of surplus property, including motor vehicles, through an electronic auction service."

SECTION 27.3.(g) G.S. 143-64.05(a) reads as rewritten:

"§ **143-64.05. Service charge; receipts.**

(a) The State agency for surplus property may assess and collect a service charge (i) for the acquisition, receipt, warehousing, distribution, or transfer of any State surplus ~~property and~~ property; (ii) for the transfer or sale of recyclable ~~material.~~ material; and (iii) for the towing, storing, processing, maintaining, and selling of motor vehicles seized pursuant to G.S. 20-28.3. The service charge authorized by this subsection does not apply to the transfer or sale of timber on land owned by the Wildlife Resources Commission or the Department of Agriculture and Consumer Services."

DOROTHEA DIX MEMORIAL

SECTION 27.4. The Department of Administration, in consultation with the Department of Natural and Cultural Resources, shall appoint a task force to acquire historical documents, photographs, and memorabilia relating to Dorothea Lynde Dix, mental health efforts in the State, and the Dorothea Dix Hospital. The Department shall propose options to preserve a building or provide a space on the Dorothea Dix campus for the purpose of permanently exhibiting the acquired historical materials for the purposes of (i) memorializing and honoring the unique history of Dorothea Dix Hospital and the story of Dorothea Dix and (ii) educating the public about her advocacy for and innovations in the proper treatment of the mentally ill. The Department shall submit a report of its proposed options to the Joint Legislative Oversight Committee on Health and Human Services by April 1, 2016.

VEHICLES ASSIGNED TO SECTION OF COMMUNITY CORRECTION/EXEMPT FROM MINIMUM MILEAGE REQUIREMENT

SECTION 27.6.(a) Exemption. – For the 2015-2017 fiscal biennium and notwithstanding any law, rule, or regulation to the contrary, motor vehicles assigned from the central motor fleet established under G.S. 143-341 to the Section of Community Corrections of the Division of Adult Correction of the Department of Public Safety are exempt from any requirement that the motor vehicle be driven a minimum number of miles per month or quarter.

SECTION 27.6.(b) Report on Exemption. – The Department of Administration shall provide an interim report to the Joint Legislative Oversight Committee on General Government and the Joint Legislative Oversight Committee on Justice and Public Safety by March 1, 2016, and a final report to the Joint Legislative Oversight Committee on General Government and the Joint Legislative Oversight Committee on Justice and Public Safety by January 1, 2017. Each report shall include all of the following information:

(1) The number of motor vehicles assigned to the Section of Community Corrections of the Division of Adult Correction of the Department of Public Safety.
(2) The average miles per month the assigned motor vehicles were driven.
(3) The average costs per month for maintenance and motor fuel for the assigned motor vehicles.
(4) The number of months in which an assigned motor vehicle was not driven at all.

SECTION 27.6.(c) Report on Vehicles Managed. – Beginning on December 1, 2015, and quarterly thereafter, the Department of Administration shall provide a report to the Joint Legislative Oversight Committee on General Government and the Joint Legislative Oversight Committee on Justice and Public Safety on the status of all motor vehicles managed

by the Department of Administration for the Department of Public Safety. The report shall include all of the following information:

(1) The number of motor vehicles managed by the Department of Administration for the Department of Public Safety.
(2) The condition of each motor vehicle, including the mileage on each motor vehicle.
(3) The average amount of time taken to repair or replace a motor vehicle.
(4) The number and condition of any backup motor vehicles managed by the Department of Administration and available for use by the Department of Public Safety, including the location and condition of each motor vehicle.

LICENSE TO GIVE TRUST FUND COMMISSION/MATCHING GRANTS

SECTION 27.8.(a) G.S. 20-7.4(b) reads as rewritten:

"(b) The purposes for which funds may be expended by the License to Give Trust Fund Commission from the License to Give Trust Fund are as follows:

(1) As matching grants-in-aid for initiatives that educate about and promote organ and tissue donation and health care decision making at life's end. A grant-in-aid provided pursuant to this subdivision shall be matched on the basis of one dollar ($1.00) in grant funds for every one dollar ($1.00) in nongrant funds. Matching funds shall not include other State funds. The Commission shall not provide a grant under this subdivision until the grantee provides evidence satisfactory to the Commission that the grantee has sufficient nongrant funds to match.
(2) Expenses of the License to Give Trust Fund Commission as authorized in G.S. 20-7.5."

SECTION 27.8.(b) G.S. 20-7.6(1) reads as rewritten:

"(1) ~~Establish~~In accordance with G.S. 20-7.4(b), establish general policies and guidelines for awarding matching grants-in-aid to nonprofit entities to conduct education and awareness activities on organ and tissue donation and advance care planning."

SECTION 27.8.(c) This section is effective when this act becomes law and applies to grants awarded on or after that date.

LITIGATION FUNDING

SECTION 27.9. Of the amount appropriated for the 2015-2016 fiscal year to the Department of Administration, the Department shall allocate the sum of fifty thousand dollars ($50,000) in nonrecurring funds for hiring private counsel for pending litigation to confirm the State's title to certain lands brought pursuant to the Department's authority under G.S. 146-2. In the discretion of the Department, G.S. 114-2.3 and G.S. 147-17(a) through (c) shall not apply to the Department if the Department is engaged in litigation for which funding is provided in this section. The Secretary may retain private counsel to represent the Department to be paid with State funds appropriated in this section. If private counsel is to be so retained to represent the Department, the Secretary shall designate lead counsel who shall possess final decision-making authority with respect to the representation, counsel, or service for the Department. Other counsel for the Department shall, consistent with the Rules of Professional Conduct, cooperate with such designated lead counsel.

PART XXVII-A. OFFICE OF THE STATE CONTROLLER

OVERPAYMENTS AUDIT

SECTION 27A.1.(a) During the 2015-2017 fiscal biennium, receipts generated by the collection of inadvertent overpayments by State agencies to vendors as a result of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously paid excise taxes, and related errors shall be deposited in Special Reserve Account 24172 as required by G.S. 147-86.22(c).

SECTION 27A.1.(b) For each year of the 2015-2017 fiscal biennium, five hundred thousand dollars ($500,000) of the funds in the Special Reserve Account 24172 shall be used by the Office of the State Controller for data processing, debt collection, or e-commerce costs and are hereby appropriated for that purpose.

SECTION 27A.1.(c) All funds available in Special Reserve Account 24172 on June 30 of each year of the 2015-2017 fiscal biennium shall revert to the General Fund on that date.

SECTION 27A.1.(d) The State Controller shall report quarterly to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the revenue deposited into Special Reserve Account 24172 and the disbursement of that revenue.

PART XXVIII. DEPARTMENT OF REVENUE

MODIFY COLLECTION ASSISTANCE FEE RULES

SECTION 28.2. G.S. 105-243.1(e) reads as rewritten:

"(e) Use. – The fee is a receipt of the Department and must be applied to the costs of collecting and reducing the incidence of overdue tax debts. The proceeds of the fee must be credited to a special account within the Department and may be expended only as provided in this subsection. The proceeds of the fee may not be used for any purpose that is not directly and primarily related to collecting and reducing the incidence of overdue tax debts. The Department may apply the proceeds of the fee for the purposes listed in this subsection. The remaining proceeds of the fee may be spent only pursuant to appropriation by the General Assembly. The fee proceeds do not revert but remain in the special account until spent for ~~the costs of collecting overdue tax debts.~~the purposes listed in this subsection. The Department and the Office of State Budget and Management must account for all expenditures using accounting procedures that clearly distinguish costs allocable to ~~collecting overdue tax debts~~the purposes listed in this subsection from costs allocable to other purposes and must demonstrate that none of the fee proceeds are used for any ~~purpose other than collecting overdue tax debts.~~other purpose.

The Department may apply the fee proceeds for the following purposes:

(1) To pay (i) contractors for collecting overdue tax debts under subsection (b) of this ~~section.~~section and (ii) auditors responsible for identifying overdue tax debts.

…

(4) To pay for postage or other delivery charges for correspondence directly and primarily relating to collecting overdue tax debts, not to exceed ~~five hundred thousand dollars ($500,000)~~seven hundred fifty thousand dollars ($750,000) a year.

…

(7) To pay the direct and indirect expenses of information technology upgrades to the Department of Revenue computer systems that are intended to upgrade Department of Revenue capabilities to (i) allow for electronic filing of returns by taxpayers and the electronic issuance of refunds by the Department for all remaining tax schedules and (ii) accomplish other mission-critical information technology tasks of the Department as approved by the Office of State Budget and Management in consultation with the State CIO."

DEPARTMENT OF REVENUE E-SERVICES

SECTION 28.5. The State CIO shall monitor the progress of the project management and procurement process for the E-Services project with the Department of Revenue and shall ensure the project is completed on or before March 1, 2017.

PART XXIX. DEPARTMENT OF TRANSPORTATION

CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATION

SECTION 29.1.(a) The General Assembly authorizes and certifies anticipated revenues for the Highway Fund as follows:

For Fiscal Year 2017-2018	$2,024.7 million
For Fiscal Year 2018-2019	$2,056.7 million
For Fiscal Year 2019-2020	$2,088.8 million
For Fiscal Year 2020-2021	$2,206.9 million

SECTION 29.1.(b) The General Assembly authorizes and certifies anticipated revenues for the Highway Trust Fund as follows:

For Fiscal Year 2017-2018	$1,371.0 million
For Fiscal Year 2018-2019	$1,394.1 million
For Fiscal Year 2019-2020	$1,422.8 million
For Fiscal Year 2020-2021	$1,474.0 million

SECTION 29.1.(c) The Department of Transportation, in collaboration with the Office of State Budget and Management, shall develop a four-year revenue forecast. The first fiscal year in the four-year forecast shall be the 2021-2022 fiscal year. The four-year revenue forecast developed under this subsection shall be used (i) to develop the four-year cash flow estimates included in the biennial budgets, (ii) to develop the Strategic Transportation Improvement Program, and (iii) by the Department of the State Treasurer to compute transportation debt capacity.

SMALL CONSTRUCTION, CONTINGENCY, AND ECONOMIC DEVELOPMENT FUNDS

SECTION 29.2.(a) Of the funds appropriated in this act to the Department of Transportation:

(1) Two million five hundred thousand dollars ($2,500,000) for the 2015-2016 fiscal year shall be allocated for small construction projects recommended by the Chief Engineer in consultation with the Chief Operating Officer and approved by the Secretary of Transportation. These funds shall be allocated equally in each fiscal year of the biennium among the 14 Highway Divisions for small construction projects.

(2) Twelve million dollars ($12,000,000) for each fiscal year of the 2015-2017 fiscal biennium shall be allocated statewide for rural or small urban highway improvements and related transportation enhancements to public roads and public facilities, industrial access roads, and spot safety projects, including pedestrian walkways that enhance highway safety. Projects funded pursuant to this subdivision shall be approved by the Secretary of Transportation.

(3) Four million thirty-six thousand one hundred seventy-one dollars ($4,036,171) for each fiscal year of the 2015-2017 fiscal biennium shall be allocated to the Economic Development Fund to be used for prioritized transportation improvements and infrastructure that expedite commercial growth as well as either job creation or job retention. Projects funded under this subdivision shall be jointly approved by the Secretary of Transportation and the Secretary of Commerce in accordance with the guidelines and procedures developed under subsection (c) of Section 34.7 of S.L. 2013-360, as amended by Section 34.29 of S.L. 2014-100.

SECTION 29.2.(b) The Department of Transportation shall report to the members of the General Assembly on projects funded pursuant to this section in each member's district prior to construction. The Department shall make a quarterly comprehensive report on the use of these funds to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

REPAIRS AND RENOVATIONS

SECTION 29.2A. There is appropriated from the Highway Fund to the Department of Transportation for the 2015-2017 fiscal biennium the following amounts for repairs and renovations:

Repairs and Renovations – Highway Fund	**2015-2016**	**2016-2017**
High-Rise Code Compliance Renovations	$957,000	$957,000
Roof Repairs & Replacements – Statewide	3,450,000	3,450,000
Chilled Water Piping and Insulation Replacement	612,700	612,700
TBC: Annex Building Window Replacement	0	724,000
DOT Elevator Modernization	0	251,000
DMV Field Facilities – Window Replacement Statewide	0	341,000
Rowan County Renovation and Addition	0	630,000
TOTAL REPAIRS AND RENOVATIONS – HIGHWAY FUND	**$5,019,700**	**$6,965,700**

INCREASE AMOUNT OF MOTOR FUEL TAX RATE DIVERSION TO SHALLOW DRAFT FUND

SECTION 29.4.(a) G.S. 105-449.126(b) reads as rewritten:

"(b) The Secretary shall credit to the Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund ~~one-sixth of one percent (1/6 of 1%)~~one percent (1%) of the amount that is allocated to the Highway Fund under G.S. 105-449.125 and is from the excise tax on motor fuel. Revenue credited to the Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund under this section may be used only for the dredging activities described in G.S. 143-215.73F. The Secretary shall credit revenue to the Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund on a quarterly basis. The Secretary must make the distribution within 45 days of the end of each quarter."

SECTION 29.4.(b) If the amount of revenue budgeted in this act for the 2015-2016 fiscal year for a transfer under G.S. 105-449.126(b), as amended by subsection (a) of this section, to the Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund is not realized, the Department of Revenue shall transfer to the Fund the amount necessary to fully fund the amount budgeted in this act.

REQUIRE COUNTY OR MUNICIPALITY TO PAY COSTS ASSOCIATED WITH REQUESTED PROJECT IMPROVEMENTS

SECTION 29.5.(a) G.S. 136-66.3(e) reads as rewritten:

"(e) Authorization to Participate in Project Additions. – Pursuant to an agreement with the Department of Transportation, a county or municipality ~~may~~shall reimburse the Department of Transportation for the cost of all ~~improvements,~~improvements requested by the county or municipality, including additional ~~right-of-way, for a street,~~ rights-of-way, streets, highway improvement projects, or other transportation system improvements approved by the Board of Transportation under G.S. 143B-350(f)(4), that are in addition to those improvements that the Department of Transportation would normally include in the project. Requests for safety enhancements or efforts to facilitate the flow of traffic shall not be considered improvements under this subsection unless the enhancement or effort is in excess of the standard required by law."

SECTION 29.5.(b) This section is effective when it becomes law and applies to agreements entered into on or after that date.

BOARD OF TRANSPORTATION/OUT-OF-STATE TRAVEL

SECTION 29.5A. Expenditures for out-of-State travel by the Board of Transportation for the 2015-2016 fiscal year and each subsequent fiscal year shall not exceed twenty thousand dollars ($20,000).

EXPAND USES OF BRIDGE PROGRAM FUNDS

SECTION 29.6. Section 34.18(a) of S.L. 2014-100 reads as rewritten:

"**SECTION 34.18.(a)** The Department of Transportation shall rename the "system preservation program" (fund center 1500/157839) the "bridge program." Funds allocated to this program shall be used for improvements to culverts associated with a component of the State highway system and improvements to structurally deficient and functionally obsolete bridges. All projects funded under this program, with the exception of inspection, pre-engineering, contract preparation, contract administration and oversight, and planning activities, shall be outsourced to private contractors. No more than ten percent (10%) of the funds allocated to this program shall be used for improvements to culverts associated with a component of the State highway system, and the funds shall only be used for culverts that are 54 inches or greater in size and rated by the Department as in poor condition."

DEPARTMENT OF TRANSPORTATION OUT-OF-STATE TRAVEL

SECTION 29.7. Section 34.5 of S.L. 2014-100 reads as rewritten:

"**SECTION 34.5.** Expenditures for out-of-state travel by the Department of Transportation for the 2014-2015 fiscal year and ~~all~~ each subsequent fiscal ~~years~~ year shall not exceed the amount expended during the 2009-2010 fiscal year. For purposes of this section, "expenditures for out-of-state travel" includes transportation, conference, registration, and education expenses, lodging, and meals for Department of Transportation employees traveling outside of the ~~State.~~State, but does not include expenditures charged to federal projects."

DOT/OUTSIDE COUNSEL

SECTION 29.8.(a) Section 34.27 of S.L. 2013-360, as amended by Section 34.24(a) of S.L. 2014-100, is repealed.

SECTION 29.8.(b) Subsections (b), (c), and (e) of Section 34.24 of S.L. 2014-100 are repealed.

SECTION 29.8.(c) G.S. 136-103.1 is repealed.

SECTION 29.8.(d) Article 2 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-18.03. Outside counsel.**

(a) Intent. – It is the intent of the General Assembly that the Department of Transportation exercise the authority granted by this section to maximize operational and project delivery benefits attributed to the avoidance or successful defense of litigation.

(b) Authorization. – The Department of Transportation may engage the services of private counsel with the pertinent expertise to provide legal services related to any project undertaken by the Department. The Department shall supervise and manage the private counsel engaged under this section and, excluding legal services related to workers' compensation claims brought by Department employees, shall not be required to obtain written permission or approval from the Attorney General under G.S. 114-2.3.

(c) Performance Metrics. – The Department shall develop performance metrics to evaluate its utilization of in-house counsel and private counsel, to include the following:

(1) A summary of new matters opened by legal area.

(2) Case cycle times.

(3) Resolution of cases.

(4) A comparison of in-house costs to billable rates for private counsel.

(5) The process for procurement for legal services.

(d) Report. – The Department shall provide a semiannual report to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Justice and Public Safety Oversight Committee on the performance metrics set forth in subsection (c) of this section."

RIGHT-OF-WAY ACQUISITIONS/REDUCE REMNANT PROPERTY

SECTION 29.9.(a) Plan. – The Department of Administration, in collaboration with the Department of Transportation, shall develop a plan to reduce the amount of remnant property resulting from the acquisition of rights-of-way. The plan shall include a method or methods for disseminating information to contiguous or adjoining landowners and other

members of the general public about (i) remnant property eligible for sale or other disposition and (ii) the process for placing a bid or offer on the remnant property, including posting the information required under this subdivision on the Web sites for both Departments.

SECTION 29.9.(b) Report. – The Departments shall jointly report to the Joint Legislative Transportation Oversight Committee by February 1, 2016, on the development of the plan required under this section. The report shall include all of the following:

(1) An identification of all remnant property eligible for sale or other disposition.
(2) An identification of the amount and types of costs incurred by the State from retaining remnant property.
(3) An identification of the estimated fair market value, as determined by the Department of Administration, for each remnant property eligible for sale or other disposition.
(4) An identification of any legal issues that may prohibit, or arise from, the sale or other disposition of other remnant property, if any.
(5) An identification of a method for reducing the average annual amount of funds expended by the Department of Transportation for the acquisition of rights-of-way by three percent (3%).
(6) Any other matters or information the Departments jointly deem relevant to the development of the plan.

SECTION 29.9.(c) Implementation. – The Department of Administration shall implement the plan required under this section by July 1, 2016.

ROADSIDE ENVIRONMENTAL UNIT/LITTER PROGRAM

SECTION 29.9A. The Department of Transportation shall reclassify two vacant positions within the Division of Highways as Office Assistant IV positions within the Roadside Environmental Unit, and the duties of the positions shall include managing litter programs. The Department shall transfer from the highway maintenance units to the Roadside Environmental Unit all management functions and funding related to litter programs and roadside vegetation management.

DOT/REPORT ON CAPITAL IMPROVEMENT NEEDS ESTIMATE

SECTION 29.10. Report. – By December 1, 2015, the Department of Transportation shall provide a detailed report to the Joint Legislative Transportation Oversight Committee on how the Department forms the six-year capital improvement needs estimate required under G.S. 143C-8-4, including how the Department decides (i) how much funding will be required for each fiscal year of the estimate and (ii) what types of projects will be excluded from the estimate.

PRODUCT EVALUATION PROGRAM/INCREASE INNOVATION

SECTION 29.11.(a) Plan. – The Board of Transportation shall develop a plan to bring greater visibility and public awareness to the Product Evaluation Program, a unit of the Department of Transportation that reviews new and innovative technologies and products. As part of its plan, the Board shall add to its monthly public meeting an agenda item that highlights two new technologies, one technology that is under review by the Product Evaluation Program and one technology that was recently approved by the Product Evaluation Program.

SECTION 29.11.(b) Report and Implementation. – The plan required under subsection (a) of this section shall be submitted to the chairs of the Joint Legislative Transportation Oversight Committee no later than December 1, 2015. The Board shall implement the plan required under subsection (a) of this section by February 15, 2016.

SECTION 29.11.(c) Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-18.04. Product Evaluation Program.**

The Product Evaluation Program, or any successor program operated by the Department of Transportation to review and approve or disapprove new and innovative technologies and products for use by the Department, shall complete its evaluation of a technology or product within one year from the date that the technology or product was submitted for evaluation. Nothing in this section shall be construed as requiring the Product Evaluation Program or any successor program to review all technologies and products submitted to the Product Evaluation Program or any successor program."

SECTION 29.11.(d) Subsection (c) of this section becomes effective January 1, 2016, and applies to technologies and products submitted for review on or after that date. The remainder of this section is effective when this act becomes law.

VARIOUS REPORTING CHANGES

SECTION 29.12.(a) G.S. 136-89.183(a)(5) reads as rewritten:

"(5) To fix, revise, charge, retain, enforce, and collect tolls and fees for the use of the Turnpike Projects. ~~Prior~~Thirty days prior to the effective date of any toll or fee for use of a Turnpike Facility, the Authority shall submit a description of the proposed toll or fee to the Board of Transportation, the Joint Legislative Transportation Oversight Committee and the Joint Legislative Commission on Governmental Operations for review."

SECTION 29.12.(b) G.S. 143B-350(f)(4) reads as rewritten:

"(4) To approve a schedule of all major transportation improvement projects and their anticipated cost. This schedule is designated the Transportation Improvement Program. The Board shall publish the schedule in a format that is easily reproducible for distribution and make copies available for ~~distribution.~~ distribution in accordance with the process established for public records in Chapter 132 of the General Statutes. The document that contains the Transportation Improvement Program, or a separate document that is published at the same time as the Transportation Improvement Program, shall include the anticipated funding sources for the improvement projects included in the ~~Program,~~ Program and a list of any changes made from the previous year's Program, and the reasons for the changes."

SECTION 29.12.(c) G.S. 136-44.8(a1) reads as rewritten:

"(a1) In each county having unpaved roads programmed for paving, representatives of the Department of Transportation shall annually provide to the board of county commissioners in those counties a list of roads proposed for the annual paving program approved by the Board of Transportation. The paving priority list shall include the priority rating of each secondary road paving project included in the proposed paving program according to the criteria and standards adopted by the Board of Transportation. In addition to the list required under this subsection, the Department of Transportation shall annually provide to the board of county commissioners a summary of unpaved secondary road projects completed in the particular county for the prior calendar year, including an indication as to which projects were not completed on schedule and a detailed explanation as to why the projects were not completed on schedule."

SECTION 29.12.(d) G.S. 136-44.9 is repealed.

SECTION 29.12.(e) G.S. 136-28.6(h) reads as rewritten:

"(h) The Secretary shall report in writing, on ~~a quarterly~~ an annual basis, to the Joint Legislative ~~Commission on Governmental Operations~~ Transportation Oversight Committee on all agreements entered into between a private developer and the Department of Transportation for participation in private engineering and construction contracts under this section, as well as (i) agreements by counties and municipalities to participate in private engineering and construction contracts under subsection (i) of this section and (ii) pass-through funding from private developers to counties or municipalities for State transportation projects. The

information in the report required by this subsection shall be set forth separately for each division of the Department of Transportation."

SECTION 29.12.(f) G.S. 136-66.3(f) reads as rewritten:

"(f) Report to General Assembly. – The Department shall report in writing, on ~~a monthly~~ an annual basis, to the Joint Legislative ~~Commission on Governmental Operations~~ Transportation Oversight Committee on all agreements entered into between counties, municipalities and the Department of Transportation. The report shall state in summary form the contents of ~~such~~ the agreements. The information in the report required by this subsection shall be set forth separately for each division of the Department of Transportation."

SECTION 29.12.(g) G.S. 136-28.10(c) reads as rewritten:

"(c) The Secretary of Transportation shall report ~~quarterly~~ annually to the Joint Legislative Transportation Oversight Committee on the implementation of this section. The information in the report required by this subsection shall be set forth separately for each division of the Department of Transportation."

SECTION 29.12.(h) G.S. 143B-350 is amended by adding a new subsection to read:

"(p) Reports. – Notwithstanding any other provision of law, any report required to be submitted by the Board to the General Assembly or a committee thereof is due by the 15th day of the month that the report is due."

OUTSOURCING OF PRECONSTRUCTION ACTIVITY

SECTION 29.13.(a) Section 34.13(a) of S.L. 2014-100 reads as rewritten:

"**SECTION 34.13.(a)** The Department of Transportation shall seek to increase the use of contracts to further privatize preconstruction work where practical, economical, and likely to lead to increased efficiency. In doing so, the Department of Transportation shall meet each of the following privatization requirements:

(1) Increase the outsourcing of all activities performed by the Department's Preconstruction and Technical Services units to seventy percent (70%) of the total cost of activities performed by those units in fiscal year ~~2014-2015,~~2015-2016, excluding the cost of activities performed by the Turnpike Authority, the Structures Design and Management unit, and the Bridge Program.

(2) Increase the outsourcing of all activities performed by the Department's Roadway Design unit to fifty percent (50%) of the total cost of activities performed by that unit in fiscal year ~~2014-2015.~~2015-2016.

(3) Increase the outsourcing of all activities performed by the Department's Project Development and Environmental Analysis unit to sixty-five percent (65%) of the total cost of activities performed by that unit in fiscal year ~~2014-2015.~~2015-2016.

(4) ~~The~~Based on the total expenditures for outsourced activity in fiscal year 2013-2014, the Department's Right-of-Way unit shall increase the total expenditures for outsourced activity by five percent (5%) in fiscal year ~~2014-2015.~~2015-2016."

SECTION 29.13.(b) Section 34.13(d) of S.L. 2014-100 reads as rewritten:

"**SECTION 34.13.(d)** The Department shall report no later than October 1, ~~2014,~~2015, and quarterly thereafter, to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division regarding its implementation of this section, including any reductions in force used to meet privatization requirements."

ESTABLISHMENT OF "DOT REPORT" PROGRAM

SECTION 29.14.(a) Article 2 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-18.05. Establishment of "DOT Report" Program.**

(a) Intent. – It is the intent of the General Assembly that North Carolina's reputation as the "Good Roads State" is restored, which requires a partnership between the Governor, the Department of Transportation, the General Assembly, and all North Carolina citizens. Further, the General Assembly finds that improving the condition of North Carolina's roads requires increased oversight, accountability, innovation, and efficiency. It is the belief of the General Assembly that, through increased transparency and responsiveness to the public, the condition of the roads in this State will be the best in the nation within 10 years.

(b) Establishment and Components. – To achieve the intent set forth in subsection (a) of this section, the Department shall establish and implement the "DOT Report" Program (Program). The Program shall include the following components:

(1) Responsiveness. – The Department shall structure the Program to gather citizen input and shall commit to quickly addressing structural problems and other road hazards on State-maintained roads. Citizens may report potholes, drainage issues, culvert blockages, guardrail repairs, damaged or missing signs, malfunctioning traffic lights, highway debris, or shoulder damage to the Department of Transportation by calling a toll-free telephone number designated by the Department or submitting an online work request through a Web site link designated by the Department. Beginning January 1, 2016, upon receiving a citizen report in accordance with this subdivision, the Department shall either address the reported problem or identify a solution to the reported problem. Excluding potholes, which shall be repaired within two business days of the date the report is received, the Department of Transportation shall properly address (i) safety-related citizen reports no later than 10 business days after the date the report is received and (ii) non-safety-related citizen reports no later than 15 business days after the date the report is received. The Department shall determine, in its discretion, whether a citizen report is safety-related or non-safety-related. The Department shall transmit information received about potholes or other problems on roads not maintained by the State to the appropriate locality within two business days of receiving the citizen report.

(2) Performance. – Beginning December 1, 2015, the Secretary of the Department of Transportation shall conduct an annual job satisfaction survey of all Department personnel that shall address relationships among all levels of leadership, work environment, issues impacting job performance, and leadership performance in creating the dynamic work environment necessary to meet new performance outcomes. In addition, the Department shall conduct an annual survey of North Carolina citizens to measure the level of citizen satisfaction with the condition of the roads and highways of this State. Within 30 days of compiling the information received from surveys conducted in accordance with this subdivision, the results of these surveys shall be reported to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division."

SECTION 29.14.(b) Efficiency. – The Department shall adopt procedures in all stages of the construction process to streamline project delivery, including consolidating environmental review processes, expediting multiagency reviews, accelerating right-of-way acquisitions, and pursuing design-build and other processes to collapse project stages.

By December 1, 2015, the Department shall establish a baseline unit pricing structure for transportation goods used in highway maintenance and construction projects and set annual targets for three years based on its unit pricing. In forming the baseline unit prices and future targets, the Department shall collect data from each Highway Division on its expenditures on transportation goods during the 2015-2016 fiscal year. Beginning January 1, 2016, no Highway Division shall exceed a ten percent (10%) variance over a baseline unit price

set for that year in accordance with this subsection. The Department of Transportation shall institute quarterly tracking to monitor pricing variances. The ten percent (10%) maximum variance set under this subsection is intended to account for regional differences requiring varying product mixes. The Department of Transportation shall report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division on December 1, 2015, on information required by this subsection. If a Highway Division exceeds the unit pricing threshold, the Department of Transportation shall report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division no later than the fifteenth day following the end of the quarter on why the variance occurred and what steps are being taken to bring the Highway Division back into compliance. In order to drive savings, unit pricing may be reduced annually as efficiencies are achieved.

SECTION 29.14.(c) Oversight. – No later than May 1, 2016, and to increase budget transparency and allow for greater legislative and citizen oversight, the Department of Transportation, in consultation with the Fiscal Research Division and the Office of State Budget and Management, shall reclassify the funding source for all full-time positions that are budgeted as receipt-supported on the basis of charging to projects to appropriation and shall adjust budgeted funds accordingly. Employees in the Division of Highways shall be attributed to the respective Highway Division fund codes within the Highway Fund. Notwithstanding any other provision of law, the Department of Transportation is authorized to reallocate sufficient funds from the Primary Maintenance, Secondary Maintenance, and General Maintenance Reserve fund codes to each Highway Division to pay for salary and related costs associated with the reclassified positions. Receipt-supported positions in other organizational units within the Department of Transportation shall be funded through existing fund codes and funding sources for their assigned organizational units.

SECTION 29.14.(d) Restructure. – A review of the organization, staffing, and operations of the Division of Highways within the Department of Transportation is needed to improve the efficiency and effectiveness of the Division of Highways' operations and to align operations and staffing with the strategic goals set for the Division of Highways. To that end, the Department of Transportation shall study and review the Division of Highways. The study and review, at a minimum, shall include all of the following:

(1) A review of current Division of Highways' operations, staffing levels, and employee performance management efforts.

(2) An evaluation of current laws and policies related to Division of Highways' operations and staffing.

(3) Recommendations on how best to align staffing with strategic goals and workload.

(4) Recommendations on how to better shift decision making on project development to the 14 Highway Divisions, including a plan developed by the Department of Transportation to eliminate at least ten percent (10%) of the total amount of filled positions within the Department of Transportation that are centrally or regionally based and that perform administrative, managerial, supervisory, or oversight functions. The plan shall describe the functions performed at the centrally and regionally based offices, including justification as to why each function cannot be outsourced, consolidated, or shifted to the Highway Divisions.

(5) Recommendations on performance- or incentive-based systems to improve the effectiveness of the Division of Highways.

(6) Recommendations on whether current laws and policies should be continued or modified based upon study results and human resource best practices.

The Department of Transportation shall submit the results of the study and review to the Joint Legislative Transportation Oversight Committee by May 1, 2016.

SECTION 29.14.(e) Transparency. – In order for the public to access up-to-date information on highway and bridge projects and hold the Department of Transportation

accountable for completing projects on time, the Department of Transportation shall adjust its performance dashboard available on the Department of Transportation's home page to track the monthly progress of all of the following:

(1) Maintenance projects costing over one million dollars ($1,000,000).
(2) Bridge replacement projects.
(3) Bridge repair and bridge renovation projects requiring road closures in excess of 24 hours.
(4) All construction projects included in the five-year State Transportation Improvement Program.

The Department of Transportation's performance dashboard shall also be expanded to include Highway Division- and county-specific data with more detailed financial reporting and project delivery tracking. Dashboard enhancements required under this subsection shall be completed by March 1, 2016.

SECTION 29.14.(f) This section is effective when this act becomes law.

DOT/STREAMLINING AND REORGANIZATION

SECTION 29.14A.(a) Intent. – It is the intent of the General Assembly to reduce costs and increase efficiencies within the Department of Transportation. To achieve this intent, the General Assembly finds that the elimination and reorganization of certain positions, units, and programs is necessary.

SECTION 29.14A.(b) Specific Position Eliminations. – In accordance with G.S. 126-7.1, but by no later than 60 days after the effective date of this section, the Department of Transportation shall eliminate the following positions:

Position number	Title
60024002	Management Engineer III
60015784	Engineer
60015785	Environmental Specialist
60024003	Technology Support Analyst
60024034	Administrative Officer II
60024046	Radio Communications Engineer
60024055	Technical Trainer II
60024057	Technical Trainer II
60024058	Technical Trainer II
60024072	Radio Engineer I
60026559	Engineer
60026603	Engineer
60025908	Engineering Supervisor
60025855	Engineer
60025937	Engineering Supervisor
60025980	Engineer
60025919	Engineering Technician
60026010	Engineer
60025859	Engineer
60025846	Engineer
60026005	Engineering Supervisor
60026015	Engineer
60025862	Engineer
60025999	Engineer
60025877	Engineer
60025945	Engineering Supervisor
60025069	Engineering Manager
60027023	Engineering Director
60027025	Engineer

SECTION 29.14A.(c) Discretionary Position Eliminations. – In addition to the position eliminations required under subsection (b) of this section, the Department of Transportation shall eliminate 21 filled positions that are centrally or regionally based and that perform administrative, managerial, supervisory, or oversight functions. The Department of Transportation shall eliminate positions under this subsection in accordance with G.S. 126-7.1, but the positions shall be eliminated by no later than 60 days after the effective date of this section. In meeting the position eliminations required under this subsection, the Department of Transportation shall not eliminate any positions within the 14 Highway Divisions that perform administrative, managerial, supervisory, or oversight functions.

SECTION 29.14A.(d) Vacant Positions. – The Office of State Budget and Management shall eliminate all vacant positions within units or programs of the Department of Transportation in which all filled positions have been eliminated.

SECTION 29.14A.(e) Reorganization and Consolidation. – The Department of Transportation may, when it deems necessary for purposes of eliminating redundancies and achieving efficiencies, reorganize or consolidate any unit or program within the Department of Transportation in which a filled position has been eliminated under this section.

SECTION 29.14A.(f) Report. – By December 1, 2015, the Department of Transportation shall submit a report to the Joint Legislative Transportation Oversight Committee detailing the positions eliminated in accordance with this section. The report shall also list any employees transferred from a position eliminated under this section to another position within the Department of Transportation, including a specification of which positions employees were transferred to and justifications as to why the employees were transferred to the particular positions.

SECTION 29.14A.(g) Effective Date. – This section is effective when this act becomes law.

STUDY/TURNPIKE AUTHORITY PROCESSING FEE

SECTION 29.15.(a) Study. – The Department of Transportation shall study whether the amount of the processing fee set forth in G.S. 136-89.215 is in excess of the actual cost to collect and process unpaid open road tolls. The following information, set forth separately for each calendar year since the fee's enactment, shall be included within the study:

(1) The amount of the processing fee.

(2) The total amount of proceeds generated by the imposition of the processing fee.

(3) The total amount of costs incurred by the Turnpike Authority to collect and process unpaid open road tolls and a description of how the Department determined the total amount of costs incurred.

(4) An identification of whether the processing fees collected exceeded, equaled, or fell short of the costs incurred by the Turnpike Authority for collecting and processing unpaid open road tolls.

SECTION 29.15.(b) Report. – The Department shall report its findings to the Joint Legislative Transportation Oversight Committee by March 1, 2016.

ADJUST CAP ON TURNPIKE PROJECTS

SECTION 29.15A. G.S. 136-89.183(a)(2) reads as rewritten:

"§ **136-89.183. Powers of the Authority.**

(a) The Authority shall have all of the powers necessary to execute the provisions of this Article, including the following:

…

(2) To study, plan, develop, and undertake preliminary design work on ~~up to nine~~ Turnpike Projects. At the conclusion of these activities, the Turnpike Authority is authorized to design, establish, purchase, construct, operate, and maintain no more than eleven projects, which shall include the ~~following projects:~~following:

a. Triangle Expressway, including segments also known as N.C. 540, Triangle Parkway, and the Western Wake Freeway in Wake and Durham Counties. The described segments constitute ~~three projects.~~one project.

b. Repealed by Session Laws 2013-183, s. 5.1, effective July 1, 2013.

c. Monroe Connector/Bypass.

d., e. Repealed by Session Laws 2013-183, s. 5.1, effective July 1, 2013.

f. Repealed by Session Laws 2008-225, s. 4, effective August 17, 2008.

Any other project proposed by the Authority in addition to the projects listed in this subdivision requires prior consultation with the Joint Legislative Commission on Governmental Operations pursuant to G.S. 120-76.1 no less than 180 days prior to initiating the process required by Article 7 of Chapter 159 of the General Statutes.

With the exception of the ~~four~~ two projects set forth in sub-subdivisions a. and c. of this subdivision, the Turnpike projects selected for construction by the Turnpike Authority, prior to the letting of a contract for the project, shall meet the following conditions: (i) two of the projects must be ranked in the top 35 based on total score on the Department-produced list entitled "Mobility Fund Project Scores" dated June 6, 2012, and, in addition, may be subject to G.S. 136-18(39a); (ii) of the projects not ranked as provided in (i), one may be subject to G.S. 136-18(39a); (iii) the projects shall be included in any applicable locally adopted comprehensive transportation plans; (iv) the projects shall be shown in the current State Transportation Improvement Program; and (v) toll projects must be approved by all affected Metropolitan Planning Organizations and Rural Transportation Planning Organizations for tolling."

ALLOCATION OF ADDITIONAL CONTRACT RESURFACING FUNDS

SECTION 29.16. Allocation. – Of the funds appropriated in this act to the Department of Transportation for contract resurfacing, the sum of fifty-seven million six hundred seven thousand eight hundred thirty-four dollars ($57,607,834) for fiscal year 2015-2016 and the sum of eighty-nine million one hundred fifty-two thousand five hundred sixty-one dollars ($89,152,561) for fiscal year 2016-2017 shall, to the extent practicable, be allocated equally to each county in this State.

USE OF FUNDS FOR PAVEMENT PRESERVATION PROGRAM

SECTION 29.17.(a) G.S. 136-44.17 reads as rewritten:

"§ **136-44.17. Pavement preservation program.**

…

(b) Eligible Activities or Treatments. – Applications eligible for funding under the pavement preservation program include the following preservation activities or treatments for asphalt pavement structures:

(1) Chip seals, slurry seals, fog seals, sand seals, scrub seals, and cape seals.
(2) Microsurfacing.
(3) Profile milling not covered by resurfacing.
(4) Asphalt rejuvenators.
(5) Open graded asphalt friction course.
(6) Overlays less than 1,000 feet in length.
(7) Diamond grinding.
(8) Joint sealing.
(9) Dowel bar retrofit.
(10) Partial-depth or full-depth repairs and reclamations.
(11) Ultra-thin whitetopping.
(12) Thin lift and sand asphalt overlays.

(13) Asphalt crack sealing.

(c) Ineligible Activities or Treatments. – The pavement preservation program shall not include the following preservation activities or treatments:

(1) Contract resurfacing activities or major pavement rehabilitation treatments and pretreatments that are used in combination with a resurfacing treatment, such as profile milling or chip seals.

(2) Routine maintenance activities used to maintain and preserve the condition of roads. Treatments include, but are not limited to, ~~asphalt crack sealing,~~ pothole patching, rut filling, cleaning of roadside ditches and structures, shoulder maintenance, and retracing of pavement markings.

(3) Maintenance and preservation activities performed on bridges or culverts.

(4) Activities related to positive guidance or signal maintenance program functions.

(d) Encumbrance Schedule. – Beginning in the 2015-2016 fiscal year, the Department of Transportation shall spend or encumber all funds appropriated by the General Assembly to the Department for the pavement preservation program by June 30 of the fiscal year for which the funds were appropriated."

SECTION 29.17.(b) Subsection (k) of Section 34.11 of S.L. 2014-100 is repealed.

SECTION 29.17.(c) Subdivision (3) of subsection (l) of Section 34.11 of S.L. 2014-100 reads as rewritten:

"(3) The statewide cost per lane mile (hereafter "unit cost") along with unit cost for each division and for each type of treatment. The Department shall provide an explanation for unit costs that vary by more than ~~twenty percent (20%)~~ten percent (10%) from the statewide unit cost."

SECTION 29.17.(d) Subsection (c) of this section is effective when it becomes law and applies to reports submitted on or after that date.

FUNDS FOR CONTRACT RESURFACING

SECTION 29.17C.(a) Subsection (e) of Section 34.11 of S.L. 2014-100 is repealed.

SECTION 29.17C.(b) G.S. 136-44.3A reads as rewritten:

"§ **136-44.3A. Highway Maintenance Improvement Program.**

…

~~(d) Contract Maintenance Resurfacing Program Letting Schedule. – Beginning in the 2015-2016 fiscal year, and based on the amount of funds appropriated in the prior fiscal year by the General Assembly to the Department for the contract maintenance resurfacing program, the Department shall let contracts that total at least seventy percent (70%) of contract resurfacing program funds included in the certified budget annually by September 1.~~

(d1) Restriction and Encumbrance Schedule. – Notwithstanding any other provision of law, funds appropriated for the contract maintenance resurfacing program may not be transferred to another account to be used for another purpose. Beginning in the 2015-2016 fiscal year, the Department of Transportation shall spend or encumber all funds appropriated for the contract maintenance resurfacing program by June 30 of the fiscal year in which the funds were appropriated.

…."

STABILIZATION OF FUNDING FOR STATE AID TO MUNICIPALITIES

SECTION 29.17D.(a) G.S. 136-41.1(a) reads as rewritten:

"(a) ~~There is annually appropriated out of the State Highway Fund a sum equal to ten and four-tenths percent (10.4%) of the net amount after refunds that was produced during the fiscal year by the tax imposed under Article 36C of Chapter 105 of the General Statutes and on the equivalent amount of alternative fuel taxed under Article 36D of that Chapter. One-half~~Upon appropriation of funds by the General Assembly to the Department of Transportation for State aid to municipalities, one-half of the amount appropriated shall be

allocated in cash on or before October 1 of each year to the cities and towns of the State in accordance with this section. The second one-half of the amount appropriated shall be allocated in cash on or before January 1 of each year to the cities and towns of the State in accordance with this section. ~~The appropriation from the Highway Fund shall be based on revenue collected during the fiscal year preceding the date the distribution is made.~~

Seventy-five percent (75%) of the funds appropriated for cities and towns shall be distributed among the several eligible municipalities of the State in the percentage proportion that the population of each eligible municipality bears to the total population of all eligible municipalities according to the most recent annual estimates of population as certified to the Secretary of Revenue by the State Budget Officer. This annual estimation of population shall include increases in the population within the municipalities caused by annexations accomplished through July 1 of the calendar year in which these funds are distributed. Twenty-five percent (25%) of said fund shall be distributed among the several eligible municipalities of the State in the percentage proportion that the mileage of public streets in each eligible municipality which does not form a part of the State highway system bears to the total mileage of the public streets in all eligible municipalities which do not constitute a part of the State highway system.

It shall be the duty of the mayor of each municipality to report to the Department of Transportation such information as it may request for its guidance in determining the eligibility of each municipality to receive funds under this section and in determining the amount of allocation to which each is entitled. Upon failure of any municipality to make such report within the time prescribed by the Department of Transportation, the Department of Transportation may disregard such defaulting unit in making said allotment.

The funds to be allocated under this section shall be paid in cash to the various eligible municipalities on or before October 1 and January 1 of each year as provided in this section. Provided that eligible municipalities are authorized within the discretion of their governing bodies to enter into contracts for the purpose of maintenance, repair, construction, reconstruction, widening, or improving streets of such municipalities at any time after January 1 of any calendar year in total amounts not to exceed ninety percent (90%) of the amount received by such municipality during the preceding fiscal year, in anticipation of the receipt of funds under this section during the next fiscal year, to be paid for out of such funds when received.

The Department of Transportation may withhold each year an amount not to exceed one percent (1%) of the total amount appropriated for distribution under this section for the purpose of correcting errors in allocations: Provided, that the amount so withheld and not used for correcting errors will be carried over and added to the amount to be allocated for the following year.

The word "street" as used in this section is hereby defined as any public road maintained by a municipality and open to use by the general public, and having an average width of not less than 16 feet. In order to obtain the necessary information to distribute the funds herein allocated, the Department of Transportation may require that each municipality eligible to receive funds under this section submit to it a statement, certified by a registered engineer or surveyor of the total number of miles of streets in such municipality. The Department of Transportation may in its discretion require the certification of mileage on a biennial basis."

SECTION 29.17D.(b) G.S. 136-41.3 reads as rewritten:

"§ **136-41.3. Use of funds; records and annual statement; excess accumulation of funds; contracts for maintenance, etc., of streets.**

(a) Uses of Funds. – The funds allocated to cities and towns under the provisions of G.S. 136-41.2 shall be expended by said cities and towns ~~only~~primarily for the resurfacing of streets within the corporate limits of the municipality but may also be used for the ~~purpose~~purposes of maintaining, repairing, constructing, reconstructing or widening of any street or public thoroughfare including bridges, drainage, curb and gutter, and other necessary appurtenances within the corporate limits of the municipality or for meeting the municipality's

proportionate share of assessments levied for such purposes, or for the planning, construction and maintenance of bikeways, greenways, or sidewalks.

(b) Records and Annual Statement. – Each municipality receiving funds by virtue of G.S. 136-41.1 and 136-41.2 shall maintain a separate record of accounts indicating in detail all receipts and expenditures of such funds. It shall be unlawful for any municipal employee or member of any governing body to authorize, direct, or permit the expenditure of any funds accruing to any municipality by virtue of G.S. 136-41.1 and 136-41.2 for any purpose not herein authorized. Any member of any governing body or municipal employee shall be personally liable for any unauthorized expenditures. On or before the first day of August each year, the treasurer, auditor, or other responsible official of each municipality receiving funds by virtue of G.S. 136-41.1 and 136-41.2 shall file a statement under oath with the Secretary of Transportation showing in detail the expenditure of funds received by virtue of G.S. 136-41.1 and 136-41.2 during the preceding year and the balance on hand. The Department of Transportation shall submit to the chairs of the Joint Legislative Transportation Oversight Committee an annual report no later than October 1 of each year detailing the uses by each municipality of funds received under G.S. 136-41.1 and G.S. 136-41.2 during the preceding year.

…."

SECTION 29.17D.(c) For the 2015-2016 fiscal year, and notwithstanding any provision of G.S. 136-41.3 to the contrary, the Department of Transportation shall submit by November 1, 2015, the report required under G.S. 136-41.3(b), as amended by subsection (b) of this section, detailing the uses by each municipality of funds received under G.S. 136-41.1 and G.S. 136-41.2 during the preceding year.

STUDY/IMPROVING SAFETY ON SECONDARY ROADS

SECTION 29.17E.(a) Study. – The Department of Transportation shall study ways to improve safety and decrease the number of traffic accidents and fatalities occurring on secondary roads. The study shall include all of the following:

(1) An identification of the secondary roads with the highest number of traffic accidents and fatalities.

(2) An identification of the most common causes listed for traffic accidents and fatalities occurring on secondary roads.

(3) Any other matters or information the Department deems relevant to the completion of the study.

SECTION 29.17E.(b) Report. – The Department shall report its findings and recommendations, including any legislative proposals, to the Joint Legislative Transportation Oversight Committee by February 1, 2016.

RELOCATION COSTS/SALE OF VISITOR CENTER IN BOONE, NC

SECTION 29.17F. If the visitor center located in the Town of Boone is sold or otherwise disposed of during the 2015-2017 fiscal biennium, there is appropriated from the Special Registration Plate Account the sum of fifty thousand dollars ($50,000) in nonrecurring funds to the North Carolina High Country Host, Inc., for the purpose of covering costs incurred from renovating or upfitting the relocated visitor center. These funds shall be in addition to any other funds the North Carolina High Country Host, Inc., may receive under G.S. 20-79.7 for the operation of a visitor center.

REPORT/USE OF COAL COMBUSTION RESIDUALS

SECTION 29.18. Report. – By January 15, 2016, the Utilities Commission shall submit a report to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Transportation Oversight Committee, and the Environmental Review Commission on the incremental cost incentives related to coal combustion residuals surface impoundments for investor-owned public utilities. The report shall include all of the following:

(1) The Utilities Commission policy on allowed incremental cost recoupment.

(2) The impact on utility customers' rates under the current policy on allowed incremental cost recoupment.

(3) Possible revisions to the current policy on allowed incremental cost recoupment that would promote reprocessing and other technologies that allow the reuse of coal combustion residuals stored in surface impoundments for concrete and other beneficial end uses.

UTILITY RELOCATION

SECTION 29.20.(a) G.S. 136-27.1 reads as rewritten:

"§ **136-27.1. Relocation of water and sewer lines of municipalities, nonprofit water or sewer corporations or associations, and local boards of education.**

(a) The Department of Transportation shall pay the nonbetterment cost for the relocation of water and sewer lines, located within the existing State transportation project right-of-way, that are necessary to be relocated for a State transportation improvement project and that are owned by: (i) a municipality with a population of ~~5,500~~10,000 or less according to the latest decennial census; (ii) a nonprofit water or sewer association or corporation; (iii) any water or sewer system organized pursuant to Chapter 162A of the General Statutes; (iv) a rural water system operated by a County as an enterprise system; (v) any sanitary district organized pursuant to Part 2 of Article 2 of Chapter 130A of the General Statutes; (vi) constructed by a water or sewer system organized pursuant to Chapter 162A of the General Statutes and then sold or transferred to a municipality with a population of greater than ~~5,500~~10,000 according to the latest decennial census; or (vii) a local board of education.

(b) A municipality with a population of greater than 10,000 shall pay a percentage of the nonbetterment cost for relocation of water and sewer lines owned by the municipality and located within the existing State transportation project right-of-way that are necessary to be relocated for a State transportation improvement project. The percentage shall be based on the municipality's population, with the Department paying the remaining costs, as follows:

(1) A municipality with a population of greater than 10,000, but less than 25,000, shall pay twenty-five percent (25%) of the cost.

(2) A municipality with a population of 25,000 or greater, but less than 50,000, shall pay fifty percent (50%) of the cost.

(3) A municipality with a population of 50,000 or greater shall pay one hundred percent (100%) of the cost."

SECTION 29.20.(b) This section becomes effective January 1, 2016, and applies to projects started on or after that date.

RAIL DIVISION/STUDY ESTABLISHING COMMERCIAL FREIGHT RAIL SERVICE IN JACKSONVILLE

SECTION 29.21.(a) Study. – The Rail Division of the Department of Transportation, in collaboration with the Camp Lejeune Marine Corps Air Base, the Jacksonville Urban Area Metropolitan Planning Organization, the City of Jacksonville, Onslow County, and the Norfolk Southern Railway Company, shall study the feasibility and advisability of establishing a commercial freight rail service along the Camp Lejeune rail line located in Onslow County, North Carolina. The study shall include all of the following:

(1) An evaluation of the maintenance needs of the existing rail line and any enhancements needed to support commercial freight access.

(2) An evaluation of the use of partnership opportunities to complete long-term maintenance and enhancements in order to minimize the cost burden for all parties involved.

(3) Any other matters that the Rail Division deems relevant to the study.

SECTION 29.21.(b) Report. – The Rail Division shall report its findings to the Chairs of the Senate Appropriations Committee on the Department of Transportation and the House of Representatives Committee on Transportation Appropriations by July 1, 2016.

PASSENGER RAIL RECEIPT-GENERATING ACTIVITIES

SECTION 29.22.(a) G.S. 136-18 is amended by adding a new subdivision to read:

"(44a) Where the Department owns or leases the passenger rail facility, owns or leases the rail equipment, or holds leasehold or license rights for the purpose of operating passenger stations, the Department may operate or contract for the following receipt-generating activities and use the proceeds to fund passenger rail operations:

a. Where the Department owns the passenger rail facility or owns or leases the rail equipment, operation of concessions on State-funded passenger trains and at passenger rail facilities to provide to passengers food, drink, and other refreshments, personal comfort items, Internet access, and souvenirs publicizing the passenger rail system.

b. Where the Department holds leasehold or license rights for the purpose of operating passenger stations, operation of concessions at rail passenger facilities to provide food, drink, and other refreshments, personal comfort items, Internet access, and souvenirs publicizing the passenger rail system, in accordance with the terms of the leasehold or license.

c. Advertising on or within the Department's passenger rail equipment or facility, including display advertising and advertising delivered to passengers through the use of video monitors, public address systems installed in passenger areas, and other electronic media.

d. The sale of naming rights to Department-owned passenger rail equipment or facilities."

SECTION 29.22.(b) G.S. 66-58(c)(21) reads as rewritten:

"(21) Any activity conducted or contracted for by the Department of Transportation that is authorized by G.S. 136-18(44a) or G.S. 136-82(f)."

FREIGHT RAIL & RAIL CROSSING SAFETY IMPROVEMENT FUND USES

SECTION 29.23. G.S. 124-5.1 reads as rewritten:

"§ **124-5.1. North Carolina Railroad Company dividends deposited to Highway Fund.**

Any dividends of the North Carolina Railroad Company received by the State shall be deposited into the Freight Rail & Rail Crossing Safety Improvement Fund within the Highway Fund and administered by the Rail Division of the Department of Transportation. The Fund shall be used for the enhancement of freight rail service and railroad-roadway crossing safety, which may include the following project types:

(1) Track and associated infrastructure improvements for freight service.

(2) Grade crossing protection, elimination, and hazard removal.

(3) Signalization improvements.

(4) Assistance for projects to improve rail access to industrial, port, and military facilities and for freight intermodal facility improvements, provided that funding assistance under this subdivision shall be subject to the same limits as that for short-line railroads under G.S. 136-44.39.

(5) Corridor protection and reactivation.

The Fund may also be used to supplement funds allocated for freight rail or railroad-roadway crossing safety projects approved as part of the Transportation Improvement Program."

USE OF PROCEEDS GENERATED FROM SHIPYARD

SECTION 29.23A. G.S. 136-82 reads as rewritten:

"§ **136-82. Department of Transportation to establish and maintain ferries.**

…

(d) Use of Toll Proceeds. – The Department of Transportation shall credit the proceeds from tolls collected on North Carolina Ferry System routes and certain receipts generated under subsection (f) of this section to reserve accounts within the Highway Fund for each of the Highway Divisions in which system terminals are located and fares are earned. For the purposes of this subsection, fares are earned based on the terminals from which a passenger trip originates and terminates. Commuter pass receipts shall be credited proportionately to each reserve account based on the distribution of trips originating and terminating in each Highway Division. The proceeds credited to each reserve account shall be used exclusively for prioritized North Carolina Ferry System ferry passenger vessel replacement projects in the Division in which the proceeds are earned. Proceeds may be used to fund ferry passenger vessel replacement projects or supplement funds allocated for ferry passenger vessel replacement projects approved in the Transportation Improvement Program.

…

(f) Authority to Generate Certain Receipts. – The Department of Transportation, notwithstanding any other provision of law, may operate or contract for the following receipt-generating activities ~~and~~ and, except as otherwise provided in subsection (f1) of this section, use the proceeds for ferry passenger vessel replacement projects in the manner set forth in subsection (d) of this section:

…

(f1) Use of Receipts Generated From Shipyard. – The Department of Transportation shall credit the proceeds from receipts generated under subsection (f) of this section from activities performed by the North Carolina State Shipyard to a reserve account within the Highway Fund to be used exclusively for improvements to the Shipyard, including equipment and associated infrastructure. Notwithstanding the restrictions on the use of proceeds set forth in subsections (d) and (f) of this section, the Department may use a proportional amount of the proceeds credited to each reserve account described in subsection (d) of this section to replace or repair equipment in accordance with this subsection if there is an insufficient amount of funds in the reserve account within the Highway Fund for the Shipyard.

…."

USE OF FUNDS APPROPRIATED TO DIVISION OF AVIATION

SECTION 29.27. Of the funds appropriated in this act to the Division of Aviation of the Department of Transportation, the Division shall allocate (i) the sum of three million five hundred thousand dollars ($3,500,000) in nonrecurring funds for the 2015-2016 fiscal year to the Cape Fear Regional Jetport to be used for improvements to the Jetport, (ii) the sum of two million dollars ($2,000,000) in nonrecurring funds for the 2015-2016 fiscal year to the Albert J. Ellis Airport to be used for the establishment of an air traffic control tower, and (iii) two million five hundred thousand dollars ($2,500,000) in recurring funds for the 2015-2016 fiscal year for the development and administration of the unmanned aircraft system programs.

ADJUST MUNICIPAL VEHICLE TAX

SECTION 29.27A.(a) G.S. 20-97 reads as rewritten:

"§ **20-97. Taxes credited to Highway Fund; municipal vehicle taxes.**

(a) State Taxes to Highway Fund. – All taxes levied under this Article are compensatory taxes for the use and privileges of the public highways of this State. The taxes collected shall be credited to the State Highway Fund. Except as provided in this section, no county or municipality shall levy any license or privilege tax upon any motor vehicle licensed by the State.

~~(b) General Municipal Vehicle Tax. – Cities and towns may levy a tax of not more than five dollars ($5.00) per year upon any vehicle resident in the city or town. The proceeds of the tax may be used for any lawful purpose.~~

(b1) Municipal Vehicle Tax. – A city or town may levy an annual municipal vehicle tax upon any vehicle resident in the city or town. The aggregate annual municipal vehicle tax levied, including any annual municipal vehicle tax authorized by local legislation, may not exceed thirty dollars ($30.00) per vehicle. A city or town may use the net proceeds from the municipal vehicle tax as follows:

(1) General purpose. – Not more than five dollars ($5.00) of the tax levied may be used for any lawful purpose.

(2) Public transportation. – Not more than five dollars ($5.00) of the tax levied may be used for financing, constructing, operating, and maintaining local public transportation systems. This subdivision only applies to a city or town that operates a public transportation system as defined in G.S. 105-550.

(3) Public streets. – The remainder of the tax levied may be used for maintaining, repairing, constructing, reconstructing, widening, or improving public streets in the city or town that do not form a part of the State highway system.

~~(c) Municipal Vehicle Tax for Public Transportation. A city or town that operates a public transportation system as defined in G.S. 105-550 may levy a tax of not more than five dollars ($5.00) per year upon any vehicle resident in the city or town. The tax authorized by this subsection is in addition to the tax authorized by subsection (b) of this section. A city or town may not levy a tax under this section, however, to the extent the rate of tax, when added to the general motor vehicle taxes levied by the city or town under subsection (b) of this section and under any local legislation, would exceed thirty dollars ($30.00) per year. The proceeds of the tax may be used only for financing, constructing, operating, and maintaining local public transportation systems. Cities and towns shall use the proceeds of the tax to supplement and not to supplant or replace existing funds or other resources for public transportation systems. This subsection does not apply to the cities and towns in Gaston County.~~

(d) Municipal Taxi Tax. – Cities and towns may levy a tax of not more than fifteen dollars ($15.00) per year upon each vehicle operated in the city or town as a taxicab. The proceeds of the tax may be used for any lawful purpose.

(e) No Additional Local Tax. – No county, city or town may impose a franchise tax, license tax, or other fee upon a motor carrier unless the tax is authorized by this section."

SECTION 29.27A.(b) This section becomes effective July 1, 2016. This section does not change, repeal, or affect any local modifications to G.S. 20-97(b) enacted on or before the effective date.

ADJUST DISTRIBUTION OF REVENUE FROM MOTOR FUEL EXCISE TAX RATE

SECTION 29.27B.(a) G.S. 105-449.125 reads as rewritten:

"§ **105-449.125. Distribution of tax revenue among various funds and accounts.**

The Secretary shall allocate the amount of revenue collected under this Article from an excise tax of one-half cent (1/2¢) a gallon to the following funds and accounts in the fraction indicated:

Fund or Account	Amount
Commercial Leaking Petroleum	
Underground Storage Tank Cleanup Fund	Nineteen thirty-seconds
Noncommercial Leaking Petroleum	
Underground Storage Tank Cleanup Fund	Three thirty-seconds
Water and Air Quality Account	Five-sixteenths.

The Secretary shall allocate ~~seventy-five percent (75%)~~ seventy-one percent (71%) of the remaining excise tax revenue collected under this Article to the Highway Fund and shall allocate ~~twenty-five percent (25%)~~ twenty-nine percent (29%) to the Highway Trust Fund.

The Secretary shall charge a proportionate share of a refund allowed under this Article to each fund or account to which revenue collected under this Article is credited. The Secretary shall credit revenue or charge refunds to the appropriate funds or accounts on a monthly basis."

SECTION 29.27B.(b) G.S. 105-449.125, as amended by subsection (a) of this section, reads as rewritten:

"§ **105-449.125. Distribution of tax revenue among various funds and accounts.**

The Secretary shall allocate the amount of revenue collected under this Article from an excise tax of one-half cent (1/2¢) a gallon to the following funds and accounts in the fraction indicated:

Fund or Account	Amount
Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund	Nineteen thirty-seconds
~~Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund~~	~~Three thirty-seconds~~
Water and Air Quality Account	Five-sixteenths.

The Secretary shall allocate seventy-one percent (71%) of the remaining excise tax revenue collected under this Article to the Highway Fund and shall allocate twenty-nine percent (29%) to the Highway Trust Fund.

The Secretary shall charge a proportionate share of a refund allowed under this Article to each fund or account to which revenue collected under this Article is credited. The Secretary shall credit revenue or charge refunds to the appropriate funds or accounts on a monthly basis."

SECTION 29.27B.(c) Subsection (a) of this section becomes effective July 1, 2015, and applies to excise tax revenue collected on or after that date. Subsection (b) of this section becomes effective June 30, 2016.

INCREASE AND ADJUST DMV FEES

SECTION 29.30.(a) G.S. 20-7(i) reads as rewritten:

"(i) Fees. – The fee for a regular drivers license is the amount set in the following table multiplied by the number of years in the period for which the license is issued:

Class of Regular License	Fee for Each Year
Class A	$4.00
Class B	$4.00
Class C	$4.00

The fee for a motorcycle endorsement is one dollar and seventy-five cents ($1.75) for each year of the period for which the endorsement is issued. The appropriate fee shall be paid before a person receives a regular drivers license or an endorsement.

(i1) Restoration Fee. – Any person whose drivers license has been revoked pursuant to the provisions of this Chapter, other than G.S. 20-17(a)(2) shall pay a restoration fee of fifty dollars ($50.00). A person whose drivers license has been revoked under G.S. 20-17(a)(2) shall pay a restoration fee of one hundred dollars ($100.00). The fee shall be paid to the Division prior to the issuance to such person of a new drivers license or the restoration of the drivers license. The restoration fee shall be paid to the Division in addition to any and all fees which may be provided by law. This restoration fee shall not be required from any licensee whose license was revoked or voluntarily surrendered for medical or health reasons whether or not a medical evaluation was conducted pursuant to this Chapter. The fifty-dollar ($50.00) fee, and the first ~~fifty dollars ($50.00)~~seventy-five dollars ($75.00) of the one-hundred-dollar ($100.00) fee, shall be deposited in the Highway Fund. Twenty-five dollars ($25.00) of the one-hundred-dollar ($100.00) fee shall be used to fund a statewide chemical alcohol testing program administered by the Forensic Tests for Alcohol Branch of the Chronic Disease and Injury Section of the Department of Health and Human Services. ~~The remainder of the one-hundred-dollar ($100.00) fee shall be deposited in the General Fund.~~ The Office of State Budget and Management shall annually report to the General Assembly the amount of fees deposited in the General Fund and transferred to the Forensic Tests for Alcohol Branch of the Chronic Disease and Injury Section of the Department of Health and Human Services under this subsection.

~~Effective with the 2011-2012 fiscal year, from the funds deposited in the General Fund under this subsection the sum of five hundred thirty-seven thousand four hundred fifty-five dollars ($537,455) shall be transferred annually to the Board of Governors of The University of North Carolina to be used for the operating expenses of the Bowles Center for Alcohol Studies at The University of North Carolina at Chapel Hill.~~"

SECTION 29.30.(a1) G.S. 20-7, as amended by subsection (a) of this section, reads as rewritten:

"§ **20-7. Issuance and renewal of drivers licenses.**

…

(i) Fees. – The fee for a regular drivers license is the amount set in the following table multiplied by the number of years in the period for which the license is issued:

Class of Regular License	Fee for Each Year
Class A	~~$4.00~~$5.00
Class B	~~$4.00~~$5.00
Class C	~~$4.00~~$5.00

The fee for a motorcycle endorsement is ~~one dollar and seventy-five cents ($1.75)~~two dollars and thirty cents ($2.30) for each year of the period for which the endorsement is issued. The appropriate fee shall be paid before a person receives a regular drivers license or an endorsement.

(i1) Restoration Fee. – Any person whose drivers license has been revoked pursuant to the provisions of this Chapter, other than G.S. 20-17(a)(2) shall pay a restoration fee of ~~fifty dollars ($50.00).~~sixty-five dollars ($65.00). A person whose drivers license has been revoked under G.S. 20-17(a)(2) shall pay a restoration fee of ~~one hundred dollars ($100.00).~~one hundred thirty dollars ($130.00). The fee shall be paid to the Division prior to the issuance to such person of a new drivers license or the restoration of the drivers license. The restoration fee shall be paid to the Division in addition to any and all fees which may be provided by law. This restoration fee shall not be required from any licensee whose license was revoked or voluntarily surrendered for medical or health reasons whether or not a medical evaluation was conducted pursuant to this Chapter. The ~~fifty-dollar ($50.00) fee,~~sixty-five-dollar ($65.00) fee, and the first ~~seventy-five dollars ($75.00)~~one hundred five dollars ($105.00) of the ~~one-hundred-dollar ($100.00)~~one-hundred-thirty-dollar ($130.00) fee, shall be deposited in the Highway Fund. Twenty-five dollars ($25.00) of the ~~one-hundred-dollar ($100.00)~~one-hundred-thirty-dollar ($130.00) fee shall be used to fund a statewide chemical alcohol testing program administered by the Forensic Tests for Alcohol Branch of the Chronic Disease and Injury Section of the Department of Health and Human Services. The Office of State Budget and Management shall annually report to the General Assembly the amount of fees deposited in the General Fund and transferred to the Forensic Tests for Alcohol Branch of the Chronic Disease and Injury Section of the Department of Health and Human Services under this subsection.

…

(l) Learner's Permit. – A person who is at least 18 years old may obtain a learner's permit. A learner's permit authorizes the permit holder to drive a specified type or class of motor vehicle while in possession of the permit. A learner's permit is valid for a period of 18 months after it is issued. The fee for a learner's permit is ~~fifteen dollars ($15.00).~~twenty dollars ($20.00). A learner's permit may be renewed, or a second learner's permit may be issued, for an additional period of 18 months. The permit holder must, while operating a motor vehicle over the highways, be accompanied by a person who is licensed to operate the motor vehicle being driven and is seated beside the permit holder.

…."

SECTION 29.30.(b) G.S. 20-11(j) reads as rewritten:

"(j) Duration and Fee. — A limited learner's permit expires on the eighteenth birthday of the permit holder. A limited provisional license expires on the eighteenth birthday of the license holder. A limited learner's permit or limited provisional license issued under this section that expires on a weekend or State holiday shall remain valid through the fifth regular State

business day following the date of expiration. A full provisional license expires on the date set under G.S. 20-7(f). The fee for a limited learner's permit or a limited provisional license is ~~fifteen dollars ($15.00).~~twenty dollars ($20.00). The fee for a full provisional license is the amount set under G.S. 20-7(i)."

SECTION 29.30.(c) G.S. 20-14 reads as rewritten:

"§ **20-14. Duplicate licenses.**

A person may obtain a duplicate of a license issued by the Division by paying a fee of ~~ten dollars ($10.00)~~thirteen dollars ($13.00) and giving the Division satisfactory proof that any of the following has occurred:

(1) The person's license has been lost or destroyed.
(2) It is necessary to change the name or address on the license.
(3) Because of age, the person is entitled to a license with a different color photographic background or a different color border.
(4) The Division revoked the person's license, the revocation period has expired, and the period for which the license was issued has not expired."

SECTION 29.30.(d) G.S. 20-16(e) reads as rewritten:

"(e) The Division may conduct driver improvement clinics for the benefit of those who have been convicted of one or more violations of this Chapter. Each driver attending a driver improvement clinic shall pay a fee of ~~fifty dollars ($50.00).~~sixty-five dollars ($65.00)."

SECTION 29.30.(e) G.S. 20-26(c) reads as rewritten:

"(c) The Division shall furnish copies of license records required to be kept by subsection (a) of this section in accordance with G.S. 20-43.1 to other persons for uses other than official upon prepayment of the following fees:

(1) Limited extract copy of license record, for period up to three years ..... ~~$8.00~~$10.00
(2) Complete extract copy of license record ..... ~~8.00~~10.00
(3) Certified true copy of complete license record ..... ~~11.00.~~14.00.

All fees received by the Division under this subsection shall be credited to the Highway Fund."

SECTION 29.30.(f) G.S. 20-37.15(a1) reads as rewritten:

"(a1) The application must be accompanied by a nonrefundable application fee of ~~thirty dollars ($30.00).~~forty dollars ($40.00). This fee does not apply in any of the following circumstances:

(1) When an individual surrenders a commercial driver learner's permit issued by the Division when submitting the application.
(2) When the application is to renew a commercial drivers license issued by the Division.

This fee shall entitle the applicant to three attempts to pass the written knowledge test without payment of a new fee. No application fee shall be charged to an applicant eligible for a waiver under G.S. 20-37.13(c)."

SECTION 29.30.(g) G.S. 20-37.16(d) reads as rewritten:

"(d) The fee for a Class A, B, or C commercial drivers license is ~~fifteen dollars ($15.00)~~twenty dollars ($20.00) for each year of the period for which the license is issued. The fee for each endorsement is ~~three dollars ($3.00)~~four dollars ($4.00) for each year of the period for which the endorsement is issued. The fees required under this section do not apply to employees of the Driver License Section of the Division who are designated by the Commissioner."

SECTION 29.30.(h) G.S. 20-42(b) reads as rewritten:

"(b) The Commissioner and officers of the Division designated by the Commissioner may prepare under the seal of the Division and deliver upon request a certified copy of any document of the Division for a fee. The fee for a document, other than an accident report under G.S. 20-166.1, is ~~ten dollars ($10.00).~~thirteen dollars ($13.00). The fee for an accident report is five dollars ($5.00). A certified copy shall be admissible in any proceeding in any court in like manner as the original thereof, without further certification. The certification fee does not apply

to a document furnished for official use to a judicial official or to an official of the federal government, a state government, or a local government."

SECTION 29.30.(i) G.S. 20-73(c) reads as rewritten:

"(c) Penalties. – A person to whom a vehicle is transferred who fails to apply for a certificate of title within the required time is subject to a civil penalty of ~~fifteen dollars ($15.00)~~twenty dollars ($20.00) and is guilty of a Class 2 misdemeanor. A person who undertakes to apply for a certificate of title on behalf of another person and who fails to apply for a title within the required time is subject to a civil penalty of ~~fifteen dollars ($15.00).~~twenty dollars ($20.00). When a person to whom a vehicle is transferred fails to obtain a title within the required time because a person who undertook to apply for the certificate of title did not do so within the required time, the Division may impose a civil penalty only on the person who undertook to apply for the title. Civil penalties collected under this subsection shall be credited to the Highway Fund."

SECTION 29.30.(j) G.S. 20-85(a) reads as rewritten:

"(a) The following fees are imposed concerning a certificate of title, a registration card, or a registration plate for a motor vehicle. These fees are payable to the Division and are in addition to the tax imposed by Article 5A of Chapter 105 of the General Statutes.

(1) Each application for certificate of title ..... ~~$40.00~~$52.00
(2) Each application for duplicate or corrected certificate of title ..... ~~15.00~~20.00
(3) Each application of repossessor for certificate of title ..... ~~15.00~~20.00
(4) Each transfer of registration ..... ~~15.00~~20.00
(5) Each set of replacement registration plates ..... ~~15.00~~20.00
(6) Each application for duplicate registration card ..... ~~15.00~~20.00
(7) Each application for recording supplementary lien ..... ~~15.00~~20.00
(8) Each application for removing a lien from a certificate of title .... ~~15.00~~20.00
(9) Each application for certificate of title for a motor vehicle transferred to a manufacturer, as defined in G.S. 20-286, or a motor vehicle retailer for the purpose of resale ..... ~~15.00~~20.00
(10) Each application for a salvage certificate of title made by an insurer or by a used motor vehicle dealer pursuant to subdivision (b)(2) or subsection (e1) of G.S. 20-109.1 ..... ~~15.00~~20.00
(11) Each set of replacement Stock Car Racing Theme plates issued under G.S. 20-79.4 ..... 25.00."

SECTION 29.30.(k) G.S. 20-85.1(b) reads as rewritten:

"(b) The Commissioner and the employees of the Division designated by the Commissioner may prepare and deliver upon request a certificate of title, charging a fee of ~~seventy-five dollars ($75.00)~~ninety-eight dollars ($98.00) for one-day title service, in lieu of the title fee required by G.S. 20-85(a). The fee for one-day title service must be paid by cash or by certified check. This fee shall be credited to the Highway Trust Fund."

SECTION 29.30.(l) G.S. 20-87 reads as rewritten:

"§ **20-87. Passenger vehicle registration fees.**

These fees shall be paid to the Division annually for the registration and licensing of passenger vehicles, according to the following classifications and schedules:

(1) For-Hire Passenger Vehicles. – The fee for a passenger vehicle that is operated for compensation and has a capacity of 15 passengers or less is ~~seventy-eight dollars ($78.00).~~one hundred dollars ($100.00). The fee for a passenger vehicle that is operated for compensation and has a capacity of more than 15 passengers is ~~one dollar and forty cents ($1.40)~~one dollar and eighty cents ($1.80) per hundred pounds of empty weight of the vehicle.
(2) U-Drive-It Vehicles. – U-drive-it vehicles shall pay the following tax:

Motorcycles:	1-passenger capacity	~~$18.00~~$23.00
	2-passenger capacity	~~22.00~~30.00
	3-passenger capacity	~~26.00~~34.00

Automobiles:	15 or fewer passengers	~~$51.00~~$66.00
Buses:	16 or more passengers	~~$2.00~~$2.60 per Hundred pounds of empty weight
Trucks under 7,000 pounds that do not haul products for hire:	4,000 pounds.....	~~$41.50~~$54.00
	5,000 pounds.....	~~$51.00~~$66.00
	6,000 pounds.....	~~$61.00.~~$80.00.

…

(5) Private Passenger Vehicles. – There shall be paid to the Division annually, as of the first day of January, for the registration and licensing of private passenger vehicles, fees according to the following classifications and schedules:

Private passenger vehicles of not more than fifteen passengers.....~~$28.00~~$36.00

Private passenger vehicles over fifteen passengers..... ~~31.00~~40.00

Provided, that a fee of only ~~one dollar ($1.00)~~one dollar and thirty cents ($1.30) shall be charged for any vehicle given by the federal government to any veteran on account of any disability suffered during war so long as such vehicle is owned by the original donee or other veteran entitled to receive such gift under Title 38, section 252, United States Code Annotated.

(6) Private Motorcycles. – The base fee on private passenger motorcycles shall be ~~fifteen dollars ($15.00);~~twenty dollars ($20.00); except that when a motorcycle is equipped with an additional form of device designed to transport persons or property, the base fee shall be ~~twenty-two dollars ($22.00).~~thirty dollars ($30.00). An additional fee of ~~three dollars ($3.00)~~four dollars ($4.00) is imposed on each private motorcycle registered under this subdivision in addition to the base fee. The revenue from the additional fee, in addition to any other funds appropriated for this purpose, shall be used to fund the Motorcycle Safety Instruction Program created in G.S. 115D-72.

…

(9) House Trailers. – In lieu of other registration and license fees levied on house trailers under this section or G.S. 20-88, the registration and license fee on house trailers shall be ~~eleven dollars ($11.00)~~fourteen dollars ($14.00) for the license year or any portion thereof.

…

(11) Any vehicle fee determined under this section according to the weight of the vehicle shall be increased by the sum of ~~three dollars ($3.00)~~four dollars ($4.00) to arrive at the total fee.

…

(13) Additional fee for certain electric vehicles. – At the time of an initial registration or registration renewal, the owner of a plug-in electric vehicle that is not a low-speed vehicle and that does not rely on a nonelectric source of power shall pay a fee in the amount of ~~one hundred dollars ($100.00)~~one hundred thirty dollars ($130.00) in addition to any other required registration fees."

SECTION 29.30.(m) Article 3 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"§ **20-88.03. Late fee; motor vehicle registration.**

(a) Late Fee. – In addition to the applicable fees required under this Article for the registration of a motor vehicle and any interest assessed under G.S. 105-330.4, the Division

shall charge a late fee according to the following schedule to a person who pays the applicable registration fee required under this Article after the registration expires:

(1) If the registration has been expired for less than one month, a late fee of fifteen dollars ($15.00).

(2) If the registration has been expired for one month or greater, but less than two months, a late fee of twenty dollars ($20.00).

(3) If the registration has been expired for two months or greater, a late fee of twenty-five dollars ($25.00).

(b) Proceeds. – The clear proceeds of any late fee charged under this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

(c) Construction. – For purposes of this section, payment by mail of a registration fee required under this Article is considered to be made on the date shown on the postmark stamped by the United States Postal Service. If payment by mail is not postmarked or does not show the date of mailing, the payment is considered to be made on the date the Division receives the payment."

SECTION 29.30.(n) G.S. 105-330.10 reads as rewritten:

"§ **105-330.10. Disposition of interest.**

The interest collected on unpaid registration fees pursuant to G.S. 105-330.4 shall be transferred on a monthly basis to the North Carolina Highway ~~Fund for technology improvements within the Division of Motor Vehicles.~~Fund."

SECTION 29.30.(o) G.S. 20-88 reads as rewritten:

"§ **20-88. Property-hauling vehicles.**

…

(b) The following fees are imposed on the annual registration of self-propelled property-hauling vehicles; the fees are based on the type of vehicle and its weight:

SCHEDULE OF WEIGHTS AND RATES

Rates Per Hundred Pound Gross Weight

	Farmer Rate
Not over 4,000 pounds	~~$0.29~~$0.38
4,001 to 9,000 pounds inclusive	~~.40~~.52
9,001 to 13,000 pounds inclusive	~~.50~~.65
13,001 to 17,000 pounds inclusive	~~.68~~.88
Over 17,000 pounds	~~.77~~1.00

Rates Per Hundred Pound Gross Weight

	General Rate
Not over 4,000 pounds	~~$0.59~~$0.77
4,001 to 9,000 pounds inclusive	~~.81~~1.05
9,001 to 13,000 pounds inclusive	~~1.00~~1.30
13,001 to 17,000 pounds inclusive	~~1.36~~1.77
Over 17,000 pounds	~~1.54~~2.00

(1) The minimum fee for a vehicle licensed under this subsection is ~~twenty-four dollars ($24.00)~~thirty dollars ($30.00) at the farmer rate and ~~twenty-eight dollars ($28.00)~~thirty-six dollars ($36.00) at the general rate.

…

(6) There shall be paid to the Division annually the following fees for "wreckers" as defined under G.S. 20-4.01(50): a wrecker fully equipped weighing 7,000 pounds or less, ~~seventy-five dollars ($75.00);~~ninety-eight dollars ($98.00); wreckers weighing in excess of 7,000 pounds shall pay ~~one hundred forty-eight dollars ($148.00).~~one hundred ninety-two dollars ($192.00). Fees to be prorated monthly. Provided, further, that nothing herein shall prohibit a licensed dealer from using a dealer's license plate to tow a vehicle for a customer.

(c) The fee for a semitrailer or trailer is ~~nineteen dollars ($19.00)~~twenty-five dollars ($25.00) for each year or part of a year. The fee is payable each year. Upon the application of the owner of a semitrailer or trailer, the Division may issue a multiyear plate and registration card for the semitrailer or trailer for a fee of ~~seventy-five dollars ($75.00).~~ninety-eight dollars ($98.00). A multiyear plate and registration card for a semitrailer or trailer are valid until the owner transfers the semitrailer or trailer to another person or surrenders the plate and registration card to the Division. A multiyear plate may not be transferred to another vehicle.

The Division shall issue a multiyear semitrailer or trailer plate in a different color than an annual semitrailer or trailer plate and shall include the word "multiyear" on the plate. The Division may not issue a multiyear plate for a house trailer.

…

(i) Any vehicle fee determined under this section according to the weight of the vehicle shall be increased by the sum of ~~three dollars ($3.00)~~four dollars ($4.00) to arrive at the total fee.

…."

SECTION 29.30.(p) G.S. 20-289(a) reads as rewritten:

"(a) The license fee for each fiscal year, or part thereof, shall be as follows:

(1) For motor vehicle dealers, distributors, distributor branches, and wholesalers, ~~seventy dollars ($70.00)~~ninety dollars ($90.00) for each place of business.

(2) For manufacturers, ~~one hundred fifty dollars ($150.00)~~one hundred ninety-five dollars ($195.00) and for each factory branch in this State, ~~one hundred dollars ($100.00).~~one hundred thirty dollars ($130.00).

(3) For motor vehicle sales representatives, ~~fifteen dollars ($15.00).~~twenty dollars ($20.00).

(4) For factory representatives, or distributor representatives, ~~fifteen dollars ($15.00).~~twenty dollars ($20.00).

(5) Repealed by Session Laws 1991, c. 662, s. 4."

SECTION 29.30.(q) G.S. 20-385(a) reads as rewritten:

"(a) The fees listed in this section apply to a motor carrier. These fees are in addition to any fees required under the Unified Carrier Registration Agreement.

(1) Repealed by Session Laws 2007-492, s. 5, effective August 30, 2007.

(2) Application by an intrastate motor carrier for a certificate of exemption ~~45.00~~60.00

(3) Certification by an interstate motor carrier that it is not regulated by the United States Department of Transportation ~~45.00~~60.00

(4) Application by an interstate motor carrier for an emergency trip permit ~~18.00.~~23.00."

SECTION 29.30.(r) G.S. 44A-4(b)(1) reads as rewritten:

"(b) Notice and Hearings. –

(1) If the property upon which the lien is claimed is a motor vehicle that is required to be registered, the lienor following the expiration of the relevant time period provided by subsection (a) shall give notice to the Division of Motor Vehicles that a lien is asserted and sale is proposed and shall remit to the Division a fee of ~~ten dollars ($10.00).~~thirteen dollars ($13.00). The Division of Motor Vehicles shall issue notice by certified mail, return receipt requested, to the person having legal title to the property, if reasonably ascertainable, to the person with whom the lienor dealt if different, and to each secured party and other person claiming an interest in the property who is actually known to the Division or who can be reasonably ascertained. The notice shall state that a lien has been asserted against specific property and shall identify the lienor, the date that the lien arose, the general nature of the

services performed and materials used or sold for which the lien is asserted, the amount of the lien, and that the lienor intends to sell the property in satisfaction of the lien. The notice shall inform the recipient that the recipient has the right to a judicial hearing at which time a determination will be made as to the validity of the lien prior to a sale taking place. The notice shall further state that the recipient has a period of 10 days from the date of receipt in which to notify the Division by certified mail, return receipt requested, that a hearing is desired and that if the recipient wishes to contest the sale of his property pursuant to such lien, the recipient should notify the Division that a hearing is desired. The notice shall state the required information in simplified terms and shall contain a form whereby the recipient may notify the Division that a hearing is desired by the return of such form to the Division. The Division shall notify the lienor whether such notice is timely received by the Division. In lieu of the notice by the lienor to the Division and the notices issued by the Division described above, the lienor may issue notice on a form approved by the Division pursuant to the notice requirements above. If notice is issued by the lienor, the recipient shall return the form requesting a hearing to the lienor, and not the Division, within 10 days from the date the recipient receives the notice if a judicial hearing is requested. If the certified mail notice has been returned as undeliverable and the notice of a right to a judicial hearing has been given to the owner of the motor vehicle in accordance with G.S. 20-28.4, no further notice is required. Failure of the recipient to notify the Division or lienor, as specified in the notice, within 10 days of the receipt of such notice that a hearing is desired shall be deemed a waiver of the right to a hearing prior to the sale of the property against which the lien is asserted, and the lienor may proceed to enforce the lien by public or private sale as provided in this section and the Division shall transfer title to the property pursuant to such sale. If the Division or lienor, as specified in the notice, is notified within the 10-day period provided above that a hearing is desired prior to sale, the lien may be enforced by sale as provided in this section and the Division will transfer title only pursuant to the order of a court of competent jurisdiction.

If the certified mail notice has been returned as undeliverable, or if the name of the person having legal title to the vehicle cannot reasonably be ascertained and the fair market value of the vehicle is less than eight hundred dollars ($800.00), the lienor may institute a special proceeding in the county where the vehicle is being held, for authorization to sell that vehicle. Market value shall be determined by the schedule of values adopted by the Commissioner under G.S. 105-187.3.

In such a proceeding a lienor may include more than one vehicle, but the proceeds of the sale of each shall be subject only to valid claims against that vehicle, and any excess proceeds of the sale shall be paid immediately to the Treasurer for disposition pursuant to Chapter 116B of the General Statutes.

The application to the clerk in such a special proceeding shall contain the notice of sale information set out in subsection (f) hereof. If the application is in proper form the clerk shall enter an order authorizing the sale on a date not less than 14 days therefrom, and the lienor shall cause the application and order to be sent immediately by first-class mail pursuant to G.S. 1A-1, Rule 5, to each person to whom notice was mailed pursuant to this subsection. Following the authorized sale the lienor shall file with the clerk a report in the form of an affidavit, stating that the lienor has complied with the public or private sale provisions of G.S. 44A-4, the name, address, and

bid of the high bidder or person buying at a private sale, and a statement of the disposition of the sale proceeds. The clerk then shall enter an order directing the Division to transfer title accordingly.

If prior to the sale the owner or legal possessor contests the sale or lien in a writing filed with the clerk, the proceeding shall be handled in accordance with G.S. 1-301.2."

SECTION 29.30.(s) Article 1 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"**§ 20-4.02. Quadrennial adjustment of certain fees.**

(a) Adjustment for Inflation. – Beginning July 1, 2020, and every four years thereafter, the Division shall adjust the fees charged pursuant to the statutes listed in this subsection for inflation in accordance with the Consumer Price Index computed by the Bureau of Labor Statistics, rounded to the nearest twenty-five cents (25¢):

(1) G.S. 20-7.
(2) G.S. 20-11.
(3) G.S. 20-14.
(4) G.S. 20-16.
(5) G.S. 20-26.
(6) G.S. 20-37.15.
(7) G.S. 20-37.16.
(8) G.S. 20-42(b).
(9) G.S. 20-85(a)(1) through (10).
(10) G.S. 20-85.1.
(11) G.S. 20-87, except for the additional fee set forth in G.S. 20-87(6) for private motorcycles.
(12) G.S. 20-88.
(13) G.S. 20-289.
(14) G.S. 20-385.
(15) G.S. 44A-4(b)(1).

(b) Computation. – In determining the rate of inflation to use when adjusting the fees pursuant to subsection (a) of this section, the Division shall base the rate on the percent change in the annual Consumer Price Index over the preceding four-year period.

(c) Rules. – The provisions of Chapter 150B of the General Statutes shall not apply to the adjustment of fees required by this section.

(d) Consultation and Publication. – At least 90 days prior to adjusting the fees pursuant to subsection (a) of this section, and notwithstanding any provision of G.S. 12-3.1 to the contrary, the Division shall (i) consult with the Joint Legislative Commission on Governmental Operations, (ii) provide a report to the chairs of the Senate Appropriations Committee on Department of Transportation and the House of Representatives Appropriations Committee on Transportation, and (iii) publish notice of the fees that will be in effect in the offices of the Division and on the Division's Web site."

SECTION 29.30.(t) G.S. 150B-1(d) is amended by adding a new subdivision to read:

"(27) The Division of Motor Vehicles with respect to fee adjustments under G.S. 20-4.02."

SECTION 29.30.(u) Subsections (a) and (u) of this section become effective October 1, 2015. Subsections (s) and (t) of this section become effective July 1, 2020. Subsection (m) of this section becomes effective July 1, 2016, and applies to renewal motor vehicle registrations on or after that date. Subsection (m) of this section expires December 31, 2017. The remainder of this section becomes effective January 1, 2016, and applies to issuances, renewals, restorations, and requests on or after that date.

DMV HEARING FEE SCHEDULE IMPLEMENTATION DATE

SECTION 29.30A. Subsection (c) of Section 34.9 of S.L. 2014-100 reads as rewritten:

"**SECTION 34.9.(c)** From funds appropriated to the Department of Transportation, Information Technology Section for the 2014-2015 fiscal year, the Department shall implement modifications to supporting information technology systems necessary to timely implement the hearing fee schedule required by subsection (a) of this section. The Department shall implement the hearing fee schedule required by subsection (a) of this section by no later than ~~January 1, 2016.~~July 1, 2017."

DISTRIBUTION OF FUNDS IN SPECIAL REGISTRATION PLATE ACCOUNT

SECTION 29.30B.(a) G.S. 20-79.7(c)(3) reads as rewritten:

"(3) The Division shall transfer fifty percent (50%) of the remaining revenue in the Special Registration Plate Account quarterly, and funds are hereby ~~appropriated, as follows:~~appropriated to the Department of Transportation to be used solely for the purpose of beautification of highways. These funds shall be administered by the Department of Transportation for beautification purposes not inconsistent with good landscaping and engineering principles. The Division shall transfer the remaining revenue in the Special Registration Plate Account quarterly to the Highway Fund to be used for the Roadside Vegetation Management Program.

~~a. Thirty-three percent (33%) to the account of the Department of Commerce to aid in financing out-of-state print and other media advertising under the program for the promotion of travel and industrial development in this State.~~

~~b. Fifty percent (50%) to the Department of Transportation to be used solely for the purpose of beautification of highways. These funds shall be administered by the Department of Transportation for beautification purposes not inconsistent with good landscaping and engineering principles.~~

~~c. Seventeen percent (17%) to the account of the Department of Health and Human Services to promote travel accessibility for disabled persons in this State. These funds shall be used to collect and update site information on travel attractions designated by the Department of Commerce in its publications, to provide technical assistance to travel attractions concerning accommodation of disabled tourists, and to develop, print, and promote the publication ACCESS NORTH CAROLINA as provided in G.S. 168-2. Any funds allocated for these purposes that are neither spent nor obligated at the end of the fiscal year shall be transferred to the Department of Administration for removal of man-made barriers to disabled travelers at State-funded travel attractions. Guidelines for the removal of man-made barriers shall be developed in consultation with the Department of Health and Human Services.~~"

SECTION 29.30B.(b) This section becomes effective October 1, 2015.

ENFORCING PENALTIES FOR LAPSE IN FINANCIAL RESPONSIBILITY

SECTION 29.31.(a) G.S. 20-311 reads as rewritten:

"§ **20-311. Action by the Division when notified of a lapse in financial responsibility.**

(a) Action. – When the Division receives evidence, by a notice of termination of a motor vehicle liability policy or otherwise, that the owner of a motor vehicle registered or required to be registered in this State does not have financial responsibility for the operation of the vehicle, the Division shall send the owner a letter. The letter shall notify the owner of the evidence and inform the owner that the owner shall respond to the letter within 10 days of the

date on the letter and explain how the owner has met the duty to have continuous financial responsibility for the vehicle. Based on the owner's response, the Division shall take the appropriate action listed:

(1) Division correction. – If the owner responds within the required time and the response establishes that the owner has not had a lapse in financial responsibility, the Division shall correct its records.

(2) Penalty only. – If the owner responds within the required time and the response establishes all of the following, the Division shall assess the owner a penalty in the amount set in subsection (b) of this section:

a. The owner had a lapse in financial responsibility, but the owner now has financial responsibility.

b. The vehicle was not involved in an accident during the lapse in financial responsibility.

c. The owner did not operate the vehicle or allow the vehicle to be operated during the lapse with knowledge that the owner had no financial responsibility for the vehicle.

(3) Penalty and revocation. – If the owner responds within the required time and the response establishes ~~any~~either of the following, the Division shall assess the owner a penalty in the amount set in subsection (b) of this section and revoke the registration of the owner's vehicle for the period set in subsection (c) of this section:

a. The owner had a lapse in financial responsibility and still does not have financial responsibility.

b. The owner now has financial responsibility even though the owner had a lapse, but the response also establishes any of the following:

1. The vehicle was involved in an accident during the ~~lapse, the~~lapse.

2. The owner operated the vehicle during the lapse with knowledge that the owner had no financial responsibility for the ~~vehicle, or both.~~vehicle.

3. The owner allowed the vehicle to be operated during the lapse with knowledge that the owner had no financial responsibility for the vehicle.

(4) ~~Revocation pending response.~~Penalty and revocation for failure to respond. – ~~If~~Except as otherwise provided in this subdivision, if the owner does not respond within the required time, the Division shall assess a penalty in the applicable amount set forth in subsection (b) of this section and shall revoke the registration of the owner's vehicle for the period set in subsection (c) of this section. ~~When the owner responds, the Division shall take the appropriate action listed in subdivisions (1) through (3) of this subsection as if the response had been timely.~~If the owner does not respond within the required time, but later responds and establishes that the owner has not had a lapse in financial responsibility, the Division shall correct its records, rescind any revocation under this subdivision of the registration of the owner's vehicle, and the owner shall not be responsible for any fee or penalty arising under this section from the owner's failure to timely respond.

(b) Penalty Amount. – The following table determines the amount of a penalty payable under this section by an owner who has had a lapse in financial responsibility; the amount is based on the number of times the owner has been assessed a penalty under this section during the three-year period before the date the owner's current lapse began:

Number of Lapses in Previous Three Years	Penalty Amount
None	$50.00
One	$100.00

Two or More	$150.00

(c) Revocation Period. – The revocation period for a revocation based on a response that establishes that a vehicle owner does not have financial responsibility is indefinite and ends when the owner obtains financial responsibility or transfers the vehicle to an owner who has financial responsibility. The revocation period for a revocation based on a response that establishes the occurrence of an accident during a lapse in financial responsibility or the knowing operation of a vehicle without financial responsibility is 30 days. The revocation period for a revocation based on failure of a vehicle owner to respond is indefinite and ends when the owner ~~responds.~~(i) establishes that the owner has not had a lapse in financial responsibility, (ii) obtains financial responsibility, or (iii) transfers the vehicle to an owner who has financial responsibility, whichever occurs first.

(d) Revocation Notice. – When the Division revokes the registration of an owner's vehicle, it shall notify the owner of the revocation. The notice shall inform the owner of the following:

(1) That the owner shall return the vehicle's registration plate and registration card to the Division, if the owner has not done so already, and that failure to do so is a Class 2 misdemeanor under G.S. 20-45.

(2) That the vehicle's registration plate and registration card are subject to seizure by a law enforcement officer.

(3) That the registration of the vehicle cannot be renewed while the registration is revoked.

(4) That the owner shall pay any penalties ~~assessed,~~assessed within 30 days of the date of the notice, a restoration fee, and the fee for a registration plate when the owner applies to the Division to register a vehicle whose registration was revoked.

(5) That failure of an owner to pay any penalty or fee assessed pursuant to this section shall result in the Division withholding the registration renewal of any motor vehicle registered in that owner's name.

(e) Registration After Revocation. – A vehicle whose registration has been revoked may not be registered during the revocation period in the name of the owner, a child of the owner, the owner's spouse, or a child of the owner's spouse. This restriction does not apply to a spouse who is living separate and apart from the owner. At the end of a revocation period, a vehicle owner who has financial responsibility may apply to register a vehicle whose registration was revoked. The owner shall provide proof of current financial responsibility and pay any penalty assessed, a restoration fee of fifty dollars ($50.00), and the fee for a registration plate. Pursuant to G.S. 20-54, failure of an owner to pay any penalty or fee assessed pursuant to this section shall result in the Division withholding the registration renewal of any motor vehicle registered in that owner's name.

…

(g) Military Waiver. – Notwithstanding the penalty and restoration fee provisions of this section, any monetary penalty or restoration fee shall be waived for any person who, at the time of notification of a lapse in ~~coverage,~~financial responsibility, was deployed as a member of the Armed Forces of the United States outside of the continental United States for a total of 45 or more days. In addition, no insurance points under the Safe Driver Incentive Plan shall be assessed for any violation for which a monetary penalty or restoration fee is waived pursuant to this subsection. ~~Any~~All of the following apply to a person qualifying under this ~~subsection shall:~~subsection:

(1) ~~Have~~The person shall have an affirmative defense to any criminal charge based upon the failure to return any registration card or registration plate to the ~~Division;~~Division.

(2) Upon reregistration, the person shall receive without cost from the Division all necessary registration cards or ~~plates; and~~plates.

(3) Upon notice of revocation, the person shall be permitted to transfer the vehicle's registration immediately to his or her spouse, child, or spouse's child, notwithstanding the provisions of subsection (e) of this section.

(h) Applicability. – The penalty and revocation imposed under this section do not apply when the sole owner of a vehicle dies and that owner had financial responsibility for the vehicle as of the date of the owner's death."

SECTION 29.31.(b) G.S. 20-54 is amended by adding a new subdivision to read:

"(12) The owner of the vehicle has failed to pay any penalty or fee imposed pursuant to G.S. 20-311."

SECTION 29.31.(c) Subsection (c) of this section and G.S. 20-311(h), as enacted by subsection (a) of this section, are effective when this act becomes law. The remainder of this section becomes effective January 1, 2016, and applies to lapses in financial responsibility occurring on or after that date.

LPA CONTRACT STANDARDS

SECTION 29.32.(a) G.S. 20-63(h) reads as rewritten:

"(h) Commission Contracts for Issuance of Plates and Certificates. – All registration plates, registration certificates, and certificates of title issued by the Division, outside of those issued from the office of the Division located in Wake, Cumberland, or Mecklenburg Counties and those issued and handled through the United States mail, shall be issued insofar as practicable and possible through commission contracts entered into by the Division for the issuance of the plates and certificates in localities throughout North Carolina, including military installations within this State, with persons, firms, corporations or governmental subdivisions of the State of North Carolina. The Division shall make a reasonable effort in every locality, except as noted above, to enter into a commission contract for the issuance of the plates and certificates and a record of these efforts shall be maintained in the Division. In the event the Division is unsuccessful in making commission contracts, it shall issue the plates and certificates through the regular employees of the Division. Whenever registration plates, registration certificates, and certificates of title are issued by the Division through commission contract arrangements, the Division shall provide proper supervision of the distribution. Nothing contained in this subsection allows or permits the operation of fewer outlets in any county in this State than are now being operated.

~~Commission contracts entered into by the Division under this subsection shall provide for the payment of compensation~~The terms of a commission contract entered under this subsection shall specify the duration of the contract and either include or incorporate by reference standards by which the Division may supervise and evaluate the performance of the commission contractor. The duration of an initial commission contract may not exceed eight years and the duration of a renewal commission contract may not exceed two years. The Division may award monetary performance bonuses, not to exceed an aggregate total of ninety thousand dollars ($90,000) annually, to commission contractors based on their performance.

The amount of compensation payable to a commission contractor is determined on a per transaction basis. The collection of the highway use tax is considered a separate transaction for which one dollar and ~~twenty-seven cents ($1.27)~~ thirty cents ($1.30) compensation shall be paid. The issuance of a limited registration "T" sticker and the collection of property tax are each considered a separate transaction for which compensation at the rate of one dollar and ~~twenty-seven cents ($1.27)~~thirty cents ($1.30) and one dollar and ~~six cents ($1.06)~~ eight cents ($1.08) respectively, shall be paid by counties and municipalities as a cost of the combined motor vehicle registration renewal and property tax collection system. The performance at the same time of one or more of the transactions below is considered a single transaction for which one dollar and ~~forty-three cents ($1.43)~~ forty-six cents ($1.46) compensation shall be paid:

(1) Issuance of a registration plate, a registration card, a registration sticker, or a certificate of title.

(2) Issuance of a handicapped placard or handicapped identification card.

(3) Acceptance of an application for a personalized registration plate.
(4) Acceptance of a surrendered registration plate, registration card, or registration renewal sticker, or acceptance of an affidavit stating why a person cannot surrender a registration plate, registration card, or registration renewal sticker.
(5) Cancellation of a title because the vehicle has been junked.
(6) Acceptance of an application for, or issuance of, a refund for a fee or a tax, other than the highway use tax.
(7) Receipt of the civil penalty imposed by G.S. 20-311 for a lapse in financial responsibility or receipt of the restoration fee imposed by that statute.
(8) Acceptance of a notice of failure to maintain financial responsibility for a motor vehicle.
(8a) Collection of civil penalties imposed for violations of G.S. 20-183.8A.
(8b), (9) Repealed by Session Laws 2013-372, s. 2(a), effective July 1, 2013.
(10) Acceptance of a temporary lien filing.
(11) Conversion of an existing paper title to an electronic lien upon request of a primary lienholder."

SECTION 29.32.(b) All commission contracts entered into by the Division of Motor Vehicles under G.S. 20-63(h) after the effective date of this subsection shall specify the duration of the contract and include or incorporate by reference the standards required under subsection (a) of this section. No later than July 1, 2018, all other commission contracts entered into by the Division of Motor Vehicles shall specify the duration of the contract and include or incorporate by reference the standards required under subsection (a) of this section.

SECTION 29.32.(c) The compensation rates set forth in G.S. 20-63(h), as amended by subsection (a) of this section, are effective July 1, 2015, and apply to transactions on or after that date. The remainder of this section is effective when this act becomes law.

DMV/UMSTEAD ACT CLARIFICATION

SECTION 29.33. G.S. 66-58(c) is amended by adding a new subdivision to read:

"(c) The provisions of subsection (a) shall not prohibit:

…

(22) The operation by the Division of Motor Vehicles of digital advertising and automated teller machines in offices of the Division or contract license plate agencies."

HIGHWAY USE TAX CLARIFICATION

SECTION 29.34.(a) G.S. 105-187.6(c) reads as rewritten:

"(c) Out-of-state Vehicles. – A maximum tax of one hundred fifty dollars ($150.00) applies when a certificate of title is issued for a motor vehicle that, at the time of applying for a certificate of title, is and has been titled in the name of the owner of the motor vehicle in another state for at least 90 ~~days.~~days prior to the date of application for a certificate of title in this State."

SECTION 29.34.(b) This section is effective when this act becomes law.

ADJUST MAXIMUM HIGHWAY USE TAX IMPOSED FOR CERTAIN MOTOR VEHICLES

SECTION 29.34A.(a) G.S. 105-187.3(a1) reads as rewritten:

"(a1) Tax Rate. – The tax rate is three percent (3%). The maximum tax is ~~one~~ two thousand dollars ~~($1,000)~~ ($2,000) for each certificate of title issued for a Class A or Class B motor vehicle that is a commercial motor vehicle, as defined in ~~G.S. 20-4.01. The maximum tax is one thousand five hundred dollars ($1,500)~~ G.S. 20-4.01, and for each certificate of title issued for a recreational ~~vehicle that is not subject to the one thousand dollar ($1,000) maximum tax.~~ vehicle. The tax is payable as provided in G.S. 105-187.4."

SECTION 29.34A.(b) G.S. 105-187.6(c), as amended by Section 29.34 of this act, reads as rewritten:

"(c) Out-of-state Vehicles. – A maximum tax of ~~one~~ two hundred fifty dollars ~~($150.00)~~ ($250.00) applies when a certificate of title is issued for a motor vehicle that, at the time of applying for a certificate of title, is and has been titled in the name of the owner of the motor vehicle in another state for at least 90 days prior to the date of application for a certificate of title in this State."

SECTION 29.34A.(c) This section becomes effective January 1, 2016, and applies to sales made on or after that date.

ELIMINATE 10-DAY TRIP PERMIT AND INCREASE TEMPORARY TAG FEE

SECTION 29.35.(a) G.S. 20-183.4C reads as rewritten:

"§ **20-183.4C. When a vehicle must be inspected; 10-day ~~trip permit.~~temporary license plate.**

…

(b) ~~Permit.~~Temporary License Plate. – The Division may issue a ~~10-day trip permit~~ temporary license plate under and in accordance with G.S. 20-50(b) that is valid for 10 days to a person that authorizes the person to drive a vehicle whose inspection authorization or registration has expired. ~~The permit may only be issued when the person has furnished proof of financial responsibility. The permit must describe the vehicle whose inspection authorization or registration has expired. The permit authorizes the person to drive the described vehicle for a period not to exceed 10 days from the date of issuance.~~

…."

SECTION 29.35.(b) G.S. 20-50(b) reads as rewritten:

"(b) The Division may issue a temporary license plate for a vehicle. A temporary license plate is valid for the period set by the Division. The period may not be less than 10 days nor more than 60 days.

A person may obtain a temporary license plate for a vehicle by filing an application with the Division and paying the required fee. An application must be filed on a form provided by the Division.

The fee for a temporary license plate that is valid for 10 days is ~~five~~ ten dollars ~~($5.00).~~ ($10.00). The fee for a temporary license plate that is valid for more than 10 days is the amount that would be required with an application for a license plate for the vehicle. If a person obtains for a vehicle a temporary license plate that is valid for more than 10 days and files an application for a license plate for that vehicle before the temporary license plate expires, the person is not required to pay the fee that would otherwise be required for the license plate.

A temporary license plate is subject to the following limitations and conditions:

(1) It may be issued only upon proper proof that the applicant has met the applicable financial responsibility requirements.
(2) It expires on midnight of the day set for expiration.
(3) It may be used only on the vehicle for which issued and may not be transferred, loaned, or assigned to another.
(4) If it is lost or stolen, the person who applied for it must notify the Division.
(5) It may not be issued by a dealer.
(6) The provisions of G.S. 20-63, 20-71, 20-110 and 20-111 that apply to license plates apply to temporary license plates insofar as possible."

SECTION 29.35.(c) Ten-day trip permits issued under G.S. 20-183.4C(b) prior to the effective date of this section shall remain valid for the duration of the issuance.

SECTION 29.35.(d) This section becomes effective January 1, 2016, and applies to temporary license plates issued on or after that date.

TECHNICAL CORRECTION/REMOTE RENEWAL OF DRIVERS LICENSE

SECTION 29.36. G.S. 20-7(f)(6) reads as rewritten:

"(6) Remote renewal. – ~~The~~Subject to the following requirements and limitations, the Division may offer remote renewal of a drivers license issued by the ~~Division. For purposes of this subdivision, "remote renewal" means renewal of a drivers license by mail, telephone, electronic device, or other secure means approved by the Commissioner:~~Division:

a. Requirements. – To be eligible for remote renewal under this subdivision, a person must meet all of the following requirements:

1. The license holder possesses a valid, unexpired Class C drivers license that was issued when the person was at least 18 years old.
2. The license holder's current license includes no restrictions other than a restriction for corrective lenses.
3. The license holder attests, in a manner designated by the Division, that (i) the license holder is a resident of the State and currently resides at the address on the license to be renewed, (ii) the license holder's name as it appears on the license to be renewed has not changed, and (iii) all other information required by the Division for an in-person renewal under this Article has been provided completely and truthfully.
4. The most recent renewal was an in-person renewal and not a remote renewal under this subdivision.
5. The license holder is otherwise eligible for renewal under this subsection.

b. Waiver of requirements. – When renewing a drivers license pursuant to this subdivision, the Division may waive the examination and photograph that would otherwise be required for the renewal.

c. Duration of remote renewal. – A renewed drivers license issued to a person by remote renewal under this subdivision expires according to the following schedule:

1. For a person at least 18 years old but less than 66 years old, on the birthday of the licensee in the eighth year after issuance.
2. For a person at least 66 years old, on the birthday of the licensee in the fifth year after issuance.

d. Rules. – The Division shall adopt rules to implement this subdivision.

e. Federal law. – Nothing in this subdivision shall be construed to supersede any more restrictive provisions for renewal of drivers licenses prescribed by federal law or regulation.

f. Definition. – For purposes of this subdivision, "remote renewal" means renewal of a drivers license by mail, telephone, electronic device, or other secure means approved by the Commissioner."

VISITOR CENTERS FUNDING TECHNICAL CORRECTION

SECTION 29.36A. G.S. 20-79.7(c)(2)d. reads as rewritten:

"(c) Use of Funds in Special Registration Plate Account. –

…

(2) From the funds remaining in the Special Registration Plate Account after the deductions in accordance with subdivision (1) of this subsection, there is annually appropriated from the Special Registration Plate Account the sum of one million three hundred thousand dollars ($1,300,000) to provide operating assistance for the Visitor Centers:

…

d. in ~~the Town of Boone,~~ Watauga County, ninety-two thousand eight hundred fifty-seven dollars ($92,857);

…."

STOP LAMPS ON MOTOR VEHICLE/CLARIFICATION

SECTION 29.36B.(a) G.S. 20-129(g), as amended by Section 1 of S.L. 2015-31, reads as rewritten:

"(g) No person shall sell or operate on the highways of the State any motor vehicle manufactured after December 31, 1955, and on or before December 31, 1970, unless it shall be equipped with a stop lamp on the rear of the vehicle. No person shall sell or operate on the highways of the State any motor vehicle, manufactured after December 31, 1970, unless it shall be equipped with stop lamps, one on each side of the rear of the vehicle. No person shall sell or operate on the highways of the State any motorcycle or motor-driven cycle, manufactured after December 31, ~~1970,~~ 1955, unless it shall be equipped with a stop lamp on the rear of the motorcycle or motor-driven cycle. The stop lamps shall emit, reflect, or display a red or amber light visible from a distance of not less than 100 feet to the rear in normal sunlight, and shall be actuated upon application of the service (foot) brake. The stop lamps may be incorporated into a unit with one or more other rear lamps."

SECTION 29.36B.(b) This section becomes effective October 1, 2015, and applies to offenses committed on or after that date.

POSITIONS IN SUPPORT OF THE COMBINED MOTOR VEHICLE REGISTRATION AND PROPERTY TAX COLLECTION SYSTEM

SECTION 29.37. Section 24.10(a) of S.L. 2012-142 reads as rewritten:

"**SECTION 24.10.(a)** Upon request from the Department of Transportation and notwithstanding any other provision of law to the contrary, the Office of State Budget and Management may authorize the creation of time-limited, full-time equivalent positions within the Department of Transportation and its Division of Motor Vehicles in excess of the positions authorized by this act for the sole purposes of implementing and administering the combined motor vehicle registration and property tax collection ~~system, in accordance with the funding authorizations in G.S. 105-330.5 and G.S. 105-330.10.~~system. Positions created under this authorization shall be funded with receipts from the fee assessed under G.S. 105-330.5(b) and shall terminate no later than ~~June 30, 2014. Following the approval of a request, the Office of State Budget and Management shall direct the transfer of funds from the Combined Motor Vehicle and Registration Account, also known as the Division of Motor Vehicles Taxation Interest Fund for Integrated Computer System, to support personnel and related operating costs for the positions approved under this section.~~June 30, 2016."

DMV/TITLE AND LICENSE PERSONAL WATERCRAFT

SECTION 29.38. G.S. 20-39(e) reads as rewritten:

"(e) The Commissioner is authorized to cooperate with and provide assistance to the Environmental Management Commission, or appropriate local government officials, and to develop, adopt, and ensure enforcement of necessary rules and regulations, regarding programs of motor vehicle emissions inspection/maintenance required for areas in which ambient air pollutant concentrations exceed National Ambient Air Quality Standards. The Commissioner is further authorized to allow offices of the Division that provide vehicle titling and registration services and commission contractors of the Division under G.S. 20-63 to serve, upon agreement with the Wildlife Resources Commission, as vessel agents under G.S. 75A-5.2."

SPECIAL REGISTRATION PLATES/PERMANENT PLATES

SPECIAL REGISTRATION PLATES

SECTION 29.40.(a) G.S. 20-63(b1) reads as rewritten:

"(b1) The following special registration plates do not have to be a "First in Flight" plate or "First in Freedom" plate as provided in subsection (b) of this section. The design of the plates that are not "First in Flight" plates or "First in Freedom" plates must be developed in accordance with G.S. 20-79.4(a3). For special plates authorized in G.S. 20-79.7 on or after July 1, 2013, the Division may not issue the plate on a background under this subsection unless it receives at least 200 applications for the plate in addition to the applications required under G.S. 20-79.4 or G.S. 20-81.12.

…

(48) Alpha Phi Alpha.

(49) Carolina Panthers.

(50) NC Surveyors.

(51) North Carolina Sheriffs' Association.

(52) Save the Honey Bee (SB)."

SECTION 29.40.(b) G.S. 20-79.4(b) reads as rewritten:

"(b) Types. – The Division shall issue the following types of special registration plates:

…

() Carolina Panthers. – Issuable to the registered owner of a motor vehicle in accordance with G.S. 20-81.12. The plate shall bear the phrase "Keep Pounding", the logo of the Carolina Panthers, and the letters "CP". The Division shall not develop a plate under this subdivision without a license to use copyrighted or registered words, symbols, trademarks, or designs associated with the plate. The Division shall not pay a royalty for the license to use the copyrighted or registered words, symbols, trademarks, or designs associated with the plate. The plate authorized by this subdivision is not subject to the provisions of G.S. 20-79.3A or G.S. 20-79.8.

…

() NC Surveyors. – Issuable to the registered owner of a motor vehicle in accordance with G.S. 20-81.12. The plate shall bear the phrase "Following In Their Footsteps", a picture representing a surveyor, and the letters "PS" on the right side of the plate.

…

() North Carolina Sheriffs' Association. – Issuable to the registered owner of a motor vehicle in accordance with G.S. 20-81.12. The plate may bear a phrase and logo selected by the North Carolina Sheriffs' Association, Inc.

…

(190) Register of Deeds. – Issuable to a register of ~~deeds.~~deeds of a county of this State. The plate shall bear the words "Register of Deeds" and the letter "R" followed by a number representing the county of the register of deeds. The number of a county shall be the order of the county in an alphabetical list of counties that assigns number one to the first county in the list. A plate issued to a retired register of deeds shall bear the phrase "Register of Deeds, Retired," followed by a number that indicates the county where the register of deeds served and a designation indicating the retired status of the register of deeds. For purposes of this subdivision, a "retired register of deeds" is a person (i) with at least 10 years of service as a register of deeds of a county of this State and (ii) who no longer holds that office for any reason other than removal under G.S. 161-27.

…

() Save the Honey Bee (HB). – Issuable to the registered owner of a motor vehicle in accordance with G.S. 20-81.12. The plate shall bear the phrase "Save the Honey Bee", a picture representing a honey bee, and the letters "HB" on the right side of the plate.

…

() Save the Honey Bee (SB). – Issuable to the registered owner of a motor vehicle in accordance with G.S. 20-81.12. The plate shall bear the phrase "Save the Honey Bee", a picture representing a honey bee on a blue flower inside of a hexagon, a honeycomb background, and the letters "SB" on the right side of the plate.

…."

SECTION 29.40.(c) G.S. 20-79.7 reads as rewritten:

"§ **20-79.7. Fees for special registration plates and distribution of the fees.**

…

(a1) Fees. – All other special registration plates are subject to the regular motor vehicle registration fee in G.S. 20-87 or G.S. 20-88 plus an additional fee in the following amount:

Special Plate	Additional Fee Amount
…	
Brenner Children's Hospital	$30.00
Carolina Panthers	$30.00
Carolina Raptor Center	$30.00
…	
North Carolina Paddle Festival	$30.00
North Carolina Sheriffs' Association	$30.00
Operation Coming Home	$30.00
…	
NC Children's Promise	$25.00
NC Surveyors	$25.00
Nurses	$25.00
…	
NC Beekeepers	$15.00
Save the Honey Bee (HB)	$15.00
Save the Honey Bee (SB)	$15.00
Shag Dancing	$15.00
…	
Turtle Rescue Team	$30.00
United States Service Academy	$30.00
Volunteers in Law Enforcement	$30.00
…	

(b) Distribution of Fees. – The Special Registration Plate Account and the Collegiate and Cultural Attraction Plate Account are established within the Highway Fund. The Division must credit the additional fee imposed for the special registration plates listed in subsection (a) of this section among the Special Registration Plate Account (SRPA), the Collegiate and Cultural Attraction Plate Account (CCAPA), the Clean Water Management Trust Fund (CWMTF), which is established under G.S. 113A-253, and the Parks and Recreation Trust Fund, which is established under G.S. 113-44.15, as follows:

Special Plate	SRPA	CCAPA	CWMTF	PRTF
…				
Buffalo Soldiers	$10	$15	0	0
Carolina Panthers	$10	$20	0	0
Carolina Raptor Center	$10	$20	0	0
…				
NCSC	$10	$20	0	0
NC Surveyors	$10	$15	0	0
NC Tennis Foundation	$10	$10	0	0
…				
North Carolina Paddle Festival	$10	$20	0	0
North Carolina Sheriffs' Association	$10	$20	0	0

Nurses	$10	$15	0	0
…				
Ronald McDonald House	$10	$20	0	0
Save the Honey Bee (HB)	$10	$5	0	0
Save the Honey Bee (SB)	$10	$5	0	0
Save the Sea Turtles	$10	$10	0	0
…				
University Health Systems of Eastern Carolina	$10	$15	0	0
United States Service Academy	$10	$20	0	0
US Equine Rescue League	$10	$10	0	0

…."

SECTION 29.40.(d) G.S. 20-81.12 reads as rewritten:

"§ **20-81.12. Collegiate insignia plates and certain other special plates.**

…

(b148) North Carolina Paddle Festival. – The Division must receive 300 or more applications for a North Carolina Paddle Festival plate before the plate may be developed. The Division shall transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of North Carolina Paddle Festival plates to the Friends of the Hammocks and Bear Island, Inc.

(b149) Carolina Panthers. – The Division shall transfer quarterly one-half of the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of Carolina Panthers plates to the Keep Pounding Fund of the Carolinas Healthcare Foundation, Inc., to be used to support cancer research at the Carolinas Medical Center, and shall transfer quarterly one-half of the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of the Carolina Panthers plates to the Carolina Panthers Charities Fund of the Foundation for the Carolinas to be used to create new athletic opportunities for children, support their educational needs, and promote healthy lifestyles for families.

(b150) NC Surveyors. – The applicable requirements of G.S. 20-79.3A shall be met before the NC Surveyors plate may be developed. The Division shall transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of NC Surveyors plates to the North Carolina Society of Surveyors Education Foundation, Inc., to be used to grant financial assistance to those persons genuinely interested in pursuing or continuing to pursue a formal education in the field of surveying.

(b151) North Carolina Sheriffs' Association. – The applicable requirements of G.S. 20-79.3A shall be met before the North Carolina Sheriffs' Association plate may be developed. The Division shall transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of North Carolina Sheriffs' Association plates to the North Carolina Sheriffs' Association, Inc., to support the operating expenses of the North Carolina Sheriffs' Association.

(b152) Save the Honey Bee (HB). – The applicable requirements of G.S. 20-79.3A shall be met before the Save the Honey Bee plate may be developed. The Division shall transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of Save the Honey Bee plates to the North Carolina State University Apiculture Program.

(b153) Save the Honey Bee (SB). – The applicable requirements of G.S. 20-79.3A shall be met before the Save the Honey Bee plate may be developed. The Division shall transfer quarterly one-half of the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of Save the Honey Bee plates to the Grandfather Mountain Stewardship Foundation to be used to support the Honey Bee Haven and honey bee educational programs and shall transfer one-half of the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of Save the Honey Bee plates to the North Carolina State University Apiculture Program to be used to support work on honey bee biology and apicultural science.

(b154) United States Service Academy. – The Division must transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of United States Service Academy plates to the United Services Organization of North Carolina to support its mission to lead the way to enriching the lives of America's military in North Carolina.

…."

SECTION 29.40.(e) The Division of Motor Vehicles shall not issue, and shall not produce, any more special registration plates developed for the Carolina Panthers under the authority in G.S. 20-79.4(b)(185).

SECTION 29.40.(f) G.S. 20-79.4(b)(122) and G.S. 20-79.4(b)(234), as they existed on September 30, 2014, are reenacted.

SECTION 29.40.(g) G.S. 20-79.4(b)(122), as reenacted by subsection (f) of this section, reads as rewritten:

"(b) Types. – The Division shall issue the following types of special registration plates:

…

(122) Military Veteran. – Issuable to an individual who served honorably in the Armed Forces of the United States. The plate shall bear the words "U.S. Military Veteran" and the name and insignia of the branch of service in which the individual served. ~~The Division may not issue the plate authorized by this subdivision unless it receives at least 300 applications for the plate.~~The plate authorized by this subdivision is not subject to the provisions of G.S. 20-79.3A or G.S. 20-79.8."

SECTION 29.40.(h) The fee amount set for "Military Veteran" special registration plates in G.S. 20-79.7(a1) is reenacted.

SECTION 29.40.(i) G.S. 20-79.4(b)(234), as reenacted by subsection (f) of this section, reads as rewritten:

"(234) United States Service Academy. – Issuable to a graduate of one of the service academies, upon furnishing to the Division proof of graduation. The plate shall bear the name of the specific service academy with an emblem that designates the specific service academy being represented. The Division, with the cooperation of each service academy, shall develop a special plate for each of the service academies. The Division must receive a combined total of ~~300~~600 or more applications for all the plates authorized by this subdivision before a specific service academy plate may be developed. The plates authorized by this subdivision are not subject to the provisions of G.S. 20-79.3A or G.S. 20-79.8."

SECTION 29.40.(j) G.S. 20-79.4(b)(171), as it existed on June 30, 2015, is reenacted. The corresponding provisions for fees under G.S. 20-79.7(a1) and (b) and any other corresponding requirements for the plates under G.S. 20-81.12 are also reenacted.

SECTION 29.40.(k) G.S. 20-81.12(b140), as reenacted by subsection (j) of this section, reads as rewritten:

"(b140) Order of the Long Leaf Pine. – ~~The Division must receive 300 or more applications for the Order of the Long Leaf Pine plate before the plate may be developed.~~ The Order of the Long Leaf Pine plate is not subject to the provisions of G.S. 20-79.3A or G.S. 20-79.8. The Division shall transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of Order of the Long Leaf Pine plates to the General Fund."

SECTION 29.40.(l) G.S. 20-79.4(b)(56), as it existed on September 30, 2014, is reenacted.

SECTION 29.40.(m) G.S. 20-79.4(b)(56), as reenacted by subsection (l) of this section, reads as rewritten:

"(b) Types. – The Division shall issue the following types of special registration plates:

…

(56) County Commissioner. – Issuable to a county commissioner of a county in this State. The plate shall bear the words "County Commissioner" followed first by a number representing the commissioner's county and then by a letter or number that distinguishes plates issued to county commissioners of the same county. The number of a county shall be the order of the county in an alphabetical list of counties that assigns number one to the first county in the list and a letter or number to distinguish different cars owned by the county commissioners in that county. ~~The Division may not issue the plate authorized by this subdivision unless it receives at least 100 applications for the plate.~~The plate authorized by this subdivision is not subject to the provisions of G.S. 20-79.3A or G.S. 20-79.8."

SECTION 29.40.(n) G.S. 20-79.4(b)(21), G.S. 20-81.12(b76), and the corresponding provisions for fees under G.S. 20-79.7(a) and (b), as they existed on September 30, 2014, are reenacted.

SECTION 29.40.(o) G.S. 20-79.4(b)(21), as reenacted by subsection (n) of this section, reads as rewritten:

"(21) Battle of Kings Mountain. – Issuable to the registered owner of a motor vehicle in accordance with G.S. 20-81.12. The plate shall bear the phrase "Battle of Kings Mountain" with a representation of Kings Mountain on it. The plate authorized by this subdivision is not subject to the provisions of G.S. 20-79.3A or G.S. 20-79.8."

SECTION 29.40.(p) G.S. 20-81.12(b76), as reenacted by subsection (n) of this section, reads as rewritten:

"(b76) Battle of Kings Mountain. – ~~The Division must receive 300 or more applications for the "Battle of Kings Mountain" plate before the plate may be developed.~~The Division shall transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of "Battle of Kings Mountain" plates by transferring fifty percent (50%) to the Kings Mountain Tourism Development Authority and fifty percent (50%) to Kings Mountain Gateway Trails, Inc., to be used to develop tourism to the area and provide safe and adequate trails for visitors to the park."

SECTION 29.40.(q) The Revisor of Statutes is authorized to alphabetize, number, and renumber the special registration plates listed in G.S. 20-79.4(b) to ensure that all the special registration plates are listed in alphabetical order and numbered accordingly.

PERMANENT REGISTRATION PLATES

SECTION 29.40.(r) G.S. 20-84(b)(3a), as it existed on June 30, 2015, is reenacted.

EFFECTIVE DATE

SECTION 29.40.(s) Subsections (r) and (s) of this section are effective when this act becomes law. The remainder of this section is effective 90 days after this act becomes law.

MAXIMUM FUNDING EXPENDED FOR LIGHT RAIL TRANSIT SYSTEM PROJECTS

SECTION 29.41.(a) G.S. 136-189.11 is amended by adding a new subsection to read:

"(e1) Limitation on Funding for Light Rail Transit System Projects. – Notwithstanding any provision of this section to the contrary, the cumulative amount of funds subject to this section that are expended for light rail transit system projects shall not exceed the sum of five hundred thousand dollars ($500,000) per project."

SECTION 29.41.(b) This section is effective when this act becomes law.

PART XXX. SALARIES AND BENEFITS

GOVERNOR AND COUNCIL OF STATE

SECTION 30.1.(a) The salary of the Governor as provided by G.S. 147-11(a) shall remain unchanged for the 2015-2017 fiscal biennium.

SECTION 30.1.(b) The annual salaries for members of the Council of State, payable monthly, shall remain unchanged for the 2015-2017 fiscal biennium, as follows:

Council of State	Annual Salary
Lieutenant Governor	$125,676
Attorney General	125,676
Secretary of State	125,676
State Treasurer	125,676
State Auditor	125,676
Superintendent of Public Instruction	125,676
Agriculture Commissioner	125,676
Insurance Commissioner	125,676
Labor Commissioner	125,676

SECTION 30.1.(c) The Office of State Human Resources shall study the compensation of the Council of State, as follows:

(1) Examine the salary, retirement and deferred compensation plans, health and other insurance coverages, per diem rates, travel reimbursement rates, use of State vehicles, and any other expense reimbursements or benefits other than salary.

(2) Review any comparative information from other states and current salary levels for similar statewide elected constitutional officers.

(3) Review market data for any comparable private sector executive positions.

(4) Consider whether Council of State salaries should be restructured and set in a different manner.

(5) Consider any other matters pertaining to the compensation of the Council of State.

SECTION 30.1.(d) By May 1, 2016, the Office of State Human Resources shall report to the chairs of the Senate Appropriations/Base Budget Committee and the House of Representatives Appropriations Committee on the review of Council of State compensation required by subsection (c) of this section.

CERTAIN EXECUTIVE BRANCH OFFICIALS

SECTION 30.2. The annual salaries, payable monthly, for the following executive branch officials shall remain unchanged for the 2015-2017 fiscal biennium, as follows:

Executive Branch Officials	Annual Salary
Chairman, Alcoholic Beverage Control Commission	$111,868
State Controller	156,159
Commissioner of Banks	125,676
Chair, Board of Review, Division of Employment Security	123,255
Members, Board of Review, Division of Employment Security	121,737
Chairman, Parole Commission	123,255
Members of the Parole Commission	113,887
Chairman, Utilities Commission	139,849
Members of the Utilities Commission	125,676
Executive Director, North Carolina Agricultural Finance Authority	108,915

JUDICIAL BRANCH SALARIES

SECTION 30.3.(a) Effective July 1, 2015, the annual salaries, payable monthly, for specified judicial branch officials for the 2015-2017 fiscal biennium, are as follows:

Judicial Branch Officials	Annual Salary
Chief Justice, Supreme Court	$143,623
Associate Justice, Supreme Court	139,896
Chief Judge, Court of Appeals	137,682
Judge, Court of Appeals	134,109

Judge, Senior Regular Resident Superior Court	130,492
Judge, Superior Court	126,875
Chief Judge, District Court	115,301
Judge, District Court	111,684
District Attorney	121,737
Assistant Administrative Officer of the Courts	118,152
Public Defender	121,737
Director of Indigent Defense Services	125,498

SECTION 30.3.(b) The annual salaries of permanent full-time employees of the Judicial Department whose salaries are not itemized in this act shall not be legislatively increased for the 2015-2017 fiscal biennium, but may be increased as otherwise allowed by law.

SECTION 30.3.(c) The district attorney or public defender of a judicial district, with the approval of the Administrative Officer of the Courts or the Commission on Indigent Defense Services, respectively, shall set the salaries of assistant district attorneys or assistant public defenders, respectively, in that district such that the average salaries of assistant district attorneys or assistant public defenders in that district do not exceed seventy-two thousand seven hundred ninety-seven dollars ($72,797) and the minimum salary of any assistant district attorney or assistant public defender is at least thirty-eight thousand six hundred twenty-eight dollars ($38,628), effective July 1, 2015.

SECTION 30.3.(d) Salary reserves generated by the clerk of superior court offices during the 2015-2016 fiscal year shall be used exclusively by the clerks of superior court. The clerks of superior court may use these funds to award salary increases in addition to those specifically provided for deputy and assistant clerks under the respective salary plans. Any additional increases may be awarded at the discretion of each elected clerk of superior court. The Administrative Office of the Courts shall (i) allocate funds for additional discretionary salary adjustments on a per capita basis and (ii) adopt a plan for distribution of the funds in consultation with the Conference of Clerks of Superior Court.

SECTION 30.3.(e) Effective July 1, 2015, G.S. 7A-18(b) reads as rewritten:

"(b) In lieu of merit and other increment raises paid to regular State employees, a judge of the Court of Appeals shall receive as longevity pay an annual amount equal to four and eight-tenths percent (4.8%) of the annual salary set forth in the Current Operations Appropriations Act payable monthly after five years of service, nine and six-tenths percent (9.6%) after 10 years of service, fourteen and four-tenths percent (14.4%) after 15 years of service, nineteen and two-tenths percent (19.2%) after 20 years of service, and twenty-four percent (24%) after 25 years of service. 'Service' means service as a justice or judge of the General Court of ~~Justice or~~ Justice, as a member of the Utilities ~~Commission.~~ Commission, or as the Director of the Administrative Office of the Courts. Service shall also mean service as a district attorney or as a clerk of superior court."

SECTION 30.3.(f) Effective July 1, 2015, G.S. 7A-341 reads as rewritten:

"§ **7A-341. Appointment and compensation of Director.**

The Director shall be appointed by the Chief Justice of the Supreme Court, to serve ~~at his pleasure. He shall receive the annual salary~~ at the pleasure of the Chief Justice. The Director's annual compensation shall be the same salary amount set for the Chief Judge of the Court of Appeals as provided in the Current Operations Appropriations Act, payable monthly, and reimbursement for travel and subsistence expenses at the same rate as State employees generally and longevity pay at the rates and for the service designated in ~~G.S. 7A-44(b)~~ G.S. 7A-18 for a judge of the ~~superior court.~~ Court of Appeals. Service as Director shall be equivalent to service as a ~~superior court judge~~ judge of the Court of Appeals for the purposes of entitlement to retirement pay or to retirement for disability."

SECTION 30.3.(g) G.S. 135-58(a6) reads as rewritten:

"(a6) Any member who retires under the provisions of G.S. 135-57(a) or G.S. 135-57(c) on or after July 1, 2008, after the member has either attained the member's 65th birthday or has

completed 24 years or more of creditable service, shall receive an annual retirement allowance, payable monthly, which shall commence on the effective date of the member's retirement and shall be continued on the first day of each month thereafter during the member's lifetime, the amount of which shall be computed as the sum of the amounts in subdivisions (1), (2), (3), (4), and (5) of this subsection, provided that in no event shall the annual allowance payable to any member be greater than an amount which, when added to the allowance, if any, to which the member is entitled under the Teachers' and State Employees' Retirement System, the Legislative Retirement System, or the Local Governmental Employees' Retirement System (prior in any case to any reduction for early retirement or for an optional mode of payment), would total three-fourths of the member's final compensation:

(1) Four and two hundredths percent (4.02%) of the member's final compensation, multiplied by the number of years of creditable service rendered as a justice of the Supreme ~~Court or~~ Court, a judge of the Court of ~~Appeals;~~Appeals, or the Director of the Administrative Office of the Courts;

(2) Three and fifty-two hundredths percent (3.52%) of the member's final compensation, multiplied by the number of years of creditable service rendered as a judge of the superior ~~court or as Administrative Officer of the Courts;~~court;

…."

LEGISLATIVE BRANCH SALARIES

SECTION 30.4.(a) For the 2015-2017 fiscal biennium, the salaries of members and officers of the General Assembly shall remain unchanged at the amounts set under G.S. 120-3, as provided in 1994 by the 1993 General Assembly.

SECTION 30.4.(b) The annual salaries of the Legislative Services Officer and of nonelected employees of the General Assembly in effect on June 30, 2015, shall not be legislatively increased for the 2015-2017 fiscal biennium, but may be increased as otherwise allowed by law.

SECTION 30.4.(c) Legislative employees paid pursuant to subsection (b) of this section shall receive the compensation bonus awarded by this act.

COMMUNITY COLLEGES PERSONNEL

SECTION 30.5. The minimum salaries for nine-month, full-time curriculum community college faculty for the 2015-2017 fiscal biennium shall remain unchanged as follows:

Education Level	Minimum Salary
Vocational Diploma/Certificate or Less	$35,314
Associate Degree or Equivalent	35,819
Bachelor's Degree	38,009
Master's Degree or Education Specialist	39,952
Doctoral Degree	42,753

No full-time faculty member shall earn less than the minimum salary for his or her education level.

The pro rata hourly rate of the minimum salary for each education level shall be used to determine the minimum salary for part-time faculty members.

SECTION 30.5.(b) For the 2015-2017 fiscal biennium, the community college boards of trustees may provide personnel a salary increase pursuant to the policies adopted by the State Board of Community Colleges. Funds for compensation increases may be used for any one or more of the following purposes: (i) merit pay, (ii) across-the-board increases, (iii) recruitment bonuses, (iv) retention increases, and (v) any other compensation increase pursuant to policies adopted by the State Board of Community Colleges. The State Board of Community Colleges shall make a report on the use of these funds to the 2016 Regular Session of the 2015 General Assembly no later than March 1, 2016.

UNIVERSITY OF NORTH CAROLINA SYSTEM

SECTION 30.6. Effective for the 2015-2017 fiscal biennium, the annual compensation of all full-time University of North Carolina SHRA and EHRA employees shall not be legislatively increased for the 2015-2017 fiscal biennium, but may be increased as otherwise allowed by law.

STATE AGENCY TEACHERS

SECTION 30.7. Employees of schools operated by the Department of Health and Human Services, the Department of Public Safety, and the State Board of Education who are paid on the Teacher Salary Schedule shall receive any experience step increases authorized in Section 9.1 of this act.

ALL STATE-SUPPORTED PERSONNEL

SECTION 30.8.(a) For the 2015-2017 fiscal biennium:

(1) Except as provided by Part 9, Section 30.5, Section 30.7, and Section 30.15 of this act, the annual salaries of all employees subject to or exempt from the North Carolina Human Resources Act shall not be legislatively increased, but may be increased as otherwise provided by law.

(2) All eligible State-supported personnel shall receive a compensation bonus as authorized by this Part.

SECTION 30.8.(b) Salaries and Related Benefits for Positions That Are Funded. –

(1) Partially from the General Fund or Highway Fund and partially from sources other than the General Fund or Highway Fund shall be increased from the General Fund or Highway Fund appropriation only to the extent of the proportionate part of the salaries paid from the General Fund or Highway Fund.

(2) Fully from sources other than the General Fund or Highway Fund shall be increased as provided by this act. The Director of the Budget may increase expenditures of receipts from these sources by the amount necessary to provide the legislative increase to receipt-supported personnel in the certified budget.

SECTION 30.8.(c) Except as otherwise provided, the salary increases provided in this act do not apply to persons separated from State service due to resignation, dismissal, reduction in force, death, or retirement, or whose last workday is prior to July 1, 2015.

SECTION 30.8.(d) Employees shall receive the statutory increases provided by G.S. 20-187.3, 7A-102, and 7A-171.1. Notwithstanding G.S. 20-187.3, the increases authorized by that statute for members of the State Highway Patrol become effective January 1, 2016. Notwithstanding any provision of law to the contrary, the salary increases authorized on the employee anniversary date by G.S. 7A-171.1 for magistrates and G.S. 7A-102 for assistant and deputy clerks of superior court shall become effective January 1, 2016.

SECTION 30.8.(e) Payroll checks issued to employees after July 1, 2015, that represent payment of services provided prior to July 1, 2015, shall not be eligible for salary increases provided for in this act. This subsection applies to all employees paid from State funds, whether or not subject to or exempt from the North Carolina Human Resources Act, including employees of public schools, community colleges, and The University of North Carolina.

SECTION 30.8.(f) Nothing in this act authorizes the transfer of funds between the General Fund and the Highway Fund for salary increases.

MOST STATE EMPLOYEES

SECTION 30.9. For the 2015-2017 fiscal biennium, except as otherwise provided by this Part, the annual salaries in effect June 30, 2015, for the following employees shall not be legislatively increased, but may be increased as otherwise allowed by law:

(1) Permanent full-time State officials and persons whose salaries are set in accordance with the State Human Resources Act.
(2) Permanent full-time State officials and persons in positions exempt from the State Human Resources Act.
(3) Permanent part-time State employees.
(4) Temporary and permanent hourly State employees.

USE OF FUNDS APPROPRIATED FOR LEGISLATIVELY MANDATED SALARY INCREASES, COMPENSATION BONUSES, AND EMPLOYEE BENEFITS AND CLOSURE OF WORKERS' COMPENSATION CLAIMS

SECTION 30.10.(a) The appropriations set forth in Section 2.1 of this act include appropriations for legislatively mandated salary increases and compensation bonuses in amounts set forth in the committee report described in Section 33.2 of this act. The Office of State Budget and Management shall ensure that those funds are used only for the purposes of legislatively mandated salary increases, compensation bonuses, and employee benefits, except that any funds remaining shall be divided equally between the Parks and Recreation Trust Fund and the reserve for the closure of workers' compensation claims.

SECTION 30.10.(b) If the Director of the Budget determines that funds appropriated to a State agency for legislatively mandated salary increases, compensation bonuses, and employee benefits exceed the amount required by that agency for those purposes, the Director may reallocate those funds to other State agencies that received insufficient funds for legislatively mandated salary increases, compensation bonuses, and employee benefits.

SECTION 30.10.(c) No later than March 1, 2016, the Office of State Budget and Management shall report to the Joint Legislative Commission on Governmental Operations on the expenditure of funds for legislatively mandated salary increases, compensation bonuses, and employee benefits. This report shall include at least the following information for each State agency for the 2015-2017 fiscal biennium:

(1) The total amount of funds that the agency received for legislatively mandated salary increases, compensation bonuses, and employee benefits.
(2) The total amount of funds transferred from the agency to other State agencies pursuant to subsection (b) of this section. This section of the report shall identify the amounts transferred to each recipient State agency.
(3) The total amount of funds used by the agency for legislatively mandated salary increases, compensation bonuses, and employee benefits.
(4) The total amount of funds anticipated to be used for the Parks and Recreation Trust Fund and closure of workers' compensation claims.

MONITOR SALARY INCREASES

SECTION 30.11.(a) The Office of State Budget and Management and the Office of State Human Resources shall submit a semiannual report to the Joint Legislative Commission on Governmental Operations on nonlegislative salary increases in (i) State agencies, departments, and institutions, including authorities, boards, and commissions; (ii) the judicial branch; and (iii) The University of North Carolina and its constituent institutions. The reports required by this section shall include the following information:

(1) For agencies reporting through the BEACON HR/Payroll system, (i) a breakdown by action type (including, but not limited to, promotion, reallocation, career progression, salary adjustment, and any similar actions increasing employee pay) of the number and annual amount of those increases and (ii) a breakdown by action reason (including in-range higher level, acting pay, trainee adjustment, and other similar action reasons) of the number and annual amount of those action types coded as salary adjustment.
(2) For The University of North Carolina and its constituent institutions, a breakdown of the number and annual amount of those increases categorized by the University as promotions, changes in job duties or responsibilities,

Distinguished Professorships, retention pay, career progression, and any other similar actions increasing employee pay.

(3) A summary of actions taken by the Office of State Budget and Management and the Office of State Personnel with respect to unauthorized salary increases.

SECTION 30.11.(b) The Legislative Services Officer shall report semiannually to the President Pro Tempore of the Senate and the Speaker of the House of Representatives on nonlegislative salary increases.

SALARY ADJUSTMENT FUND

SECTION 30.12A.(a) Funds appropriated or otherwise transferred to the General Fund Salary Adjustment by this act or any other provision of law shall be used to fund agency requests for salary range revisions, special minimum rates, grade to band transfers, and geographic site differential adjustments to provide competitive salary rates for affected job classifications or groups in response to changes in labor market rates as documented through data collection and analysis according to accepted human resource professional practices and standards. Funds shall only be used for salary adjustments that are in compliance with State Human Resources Commission policies. Funding shall not be used for other purposes, including in-range adjustments, career progression adjustments, or other adjustments as these terms may be defined by State human resources policy.

SECTION 30.12A.(b) The following salary increases shall be awarded from funds available in the Salary Adjustment Fund for the 2015-2017 fiscal biennium, as follows:

(1) To increase the salary of the Secretary of Military and Veterans Affairs, the sum of thirty-three thousand seven hundred forty-nine dollars ($33,749).

(2) To increase the salary of the Transportation Museum Director, the sum of thirty thousand seven hundred fifteen dollars ($30,715).

SECTION 30.12A.(c) The Director of the Budget shall consult with the Joint Legislative Commission on Governmental Operations prior to transferring any salary adjustment funds for any State agency. No increases from the Salary Adjustment Fund shall be effective before January 1, 2016.

SECTION 30.12A.(d) The Director of the Budget may transfer to General Fund budget codes from the General Fund Salary Adjustment Fund amounts required to support salary adjustments authorized by this section.

SECTION 30.12A.(e) The Judicial Department is eligible for the funding authorized in subsection (a) of this section.

SECTION 30.12A.(f) Employees of the University of North Carolina System, the community colleges, and local school boards are ineligible for the funding authorized in this section.

SECTION 30.12A.(g) Funds may not be used to increase the compensation of job classes that receive other compensation increases provided by law.

EXTEND REORGANIZATION THROUGH REDUCTION AUTHORIZATION

SECTION 30.13.(a) Section 8.3 of S.L. 2013-382, as amended by Section 55.3(g) of S.L. 2014-115, reads as rewritten:

"**SECTION 8.3.** This Part is effective when it becomes law and expires ~~June 30, 2015.~~ June 30, 2017. The Office of State ~~Personnel~~ Human Resources and the Office of State Budget and Management shall report to the Joint Legislative Commission on Governmental Operations ~~on January 31, 2014, April 30, 2014, September 1, 2014, January 31, 2015, April 30, 2015, and September 1, 2015.~~annually on the RTR program."

SECTION 30.13.(b) Payments under the Reorganization Through Reduction program shall be made from funds available within the reorganizing State agency.

SALARY DETERMINATIONS FOR CERTAIN LICENSED HEALTH PROFESSIONALS

SECTION 30.14. State agencies, departments, and institutions shall have salary administration flexibility for licensed physicians, dentists, nurses, physicians assistants, pharmacists, and other allied health professionals and may exercise the flexibility within existing resources. No salary determination made under this section may exceed the maximum of the applicable salary range established by the Office of State Human Resources under Chapter 126 of the General Statutes. On or before September 1, annually, the Office of State Human Resources shall report to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division on the salary actions taken under this section.

STATE HIGHWAY PATROL SALARIES

SECTION 30.15.(a) Effective July 1, 2015, the salaries of all sworn members of the State Highway Patrol are increased by three percent (3%).

SECTION 30.15.(b) Effective July 1, 2015, the starting pay for an entry-level position in the State Highway Patrol is increased by three percent (3%).

SECTION 30.15.(c) The increases granted by subsection (a) of this section are in addition to any other salary increase that a member of the State Highway Patrol is eligible to receive under this act or G.S. 20-187.3.

ESTABLISH CODIFIER OF RULES POSITION

SECTION 30.16.(a) G.S. 150B-2(1c) reads as rewritten:

"(1c) "Codifier of Rules" means the person appointed by the Chief Administrative Law Judge of the Office of Administrative Hearings ~~or a designated representative of the Chief Administrative Law Judge.~~pursuant to G.S. 7A-760(b)."

SECTION 30.16.(b) G.S. 7A-760 reads as rewritten:

"§ **7A-760. Number and status of employees; staff assignments; role of ~~State Personnel Commission.~~State Human Resources Commission.**

(a) The number of administrative law judges and employees of the Office of Administrative Hearings shall be established by the General Assembly. The Chief Administrative Law Judge is exempt from provisions of the North Carolina Human Resources Act as provided by ~~G.S. 126-5(c1)(26).~~G.S. 126-5(c1)(27). All other employees of the Office of Administrative Hearings are subject to the North Carolina Human Resources Act.

(b) The Chief Administrative Law Judge shall ~~designate, from among the employees of the Office of Administrative Hearings, the Director and staff of the Rules Review Commission.~~appoint a Codifier of Rules to serve in the Office of Administrative Hearings. No person shall be appointed or designated the Codifier of Rules except as provided in this section. The salary of the Codifier of Rules shall be ninety percent (90%) of the salary of the Chief Administrative Law Judge. In lieu of merit and other increment raises, the Codifier of Rules shall receive longevity pay on the same basis as is provided to employees who are subject to the North Carolina Human Resources Act."

STUDY COMPENSATION OF EMERGENCY MANAGEMENT PERSONNEL

SECTION 30.17.(a) The Office of State Human Resources shall study the salary classifications of State emergency management personnel within the Department of Public Safety and make recommendations for market-based salary adjustments based on market-rate compensation and turnover, recruitment, and retention issues experienced by the Department for these personnel. By February 1, 2016, the Office of State Human Resources shall report its findings to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

SECTION 30.17.(b) If the Office of State Human Resources finds pursuant to subsection (a) of this section that market-based salary increases are warranted, notwithstanding the provisions of Section 30.10 of this act, the salaries of emergency management personnel

within the Department of Public Safety may be increased to competitive market rates using funds remaining in the Compensation Increase Reserves appropriated within this act.

STATE WORKERS' COMPENSATION REFORM

SECTION 30.18.(a) The Director of the Budget shall establish a statewide reserve in the amount of twenty-three million five hundred thousand five hundred forty-three dollars ($23,500,543) for State agency workers' compensation costs. For the 2015-2016 fiscal year, the sum of two million dollars ($2,000,000) shall be used for the closure of existing workers' compensation claims. In addition, fifty percent (50%) of any funds remaining from the appropriations set forth in Section 2.1 of this act for legislatively mandated salary increases, compensation bonuses, and employee benefits shall be credited to the reserve for this purpose.

The Office of State Budget and Management shall distribute the remaining funds to State agencies to fund workers' compensation line items. The distribution shall be based on a historical average of each agency's workers' compensation expenditures. State agencies shall further adjust these line items using receipts.

SECTION 30.18.(b) Article 63 of Chapter 143 of the General Statutes reads as rewritten:

"Article 63.

"State Employees Workplace Requirements Program for ~~Safety and Health.~~Safety, Health, and Workers' Compensation.

"Part 1. Executive Branch Programs.

"§ **143-580. Definition.**

As used in this Article, "State agency" means any department, commission, division, board, or institution of the State within the executive branch of ~~government~~ government, including The University of North Carolina system, and the Office of Administrative Hearings.

"§ **143-581. Program goals.**

~~Each State agency~~ The Office of State Human Resources shall establish a written program for State employee workplace ~~safety and health.~~ safety, health, and workers' compensation. The program shall promote safe and healthful working conditions and shall be based on clearly stated goals and objectives for meeting the goals. The program shall provide managers, supervisors, and employees with a clear and firm understanding of the State's concern for protecting employees from job-related injuries and health impairment; preventing accidents and fires; planning for emergencies and emergency medical procedures; identifying and controlling physical, chemical, and biological hazards in the workplace; communicating potential hazards to employees; and assuring adequate housekeeping and sanitation.

"§ **143-582. Program requirements.**

The written program required under this Article shall describe at a minimum:

(1) The methods to be used to identify, analyze, and control new or existing hazards, conditions, and operations.

(2) How managers, supervisors, and employees are responsible for implementing the program, controlling accident-related expenditures, and how continued participation of management and employees will be established, measured, and maintained.

(3) How the plan will be communicated to all affected employees so that they are informed of work-related physical, chemical, or biological hazards, and controls necessary to prevent injury or illness.

(4) How managers, supervisors, and employees will receive training in avoidance of job-related injuries and health impairment.

(5) How workplace accidents will be reported and investigated and how corrective actions will be implemented.

(6) How safe work practices and rules will be communicated and enforced.

(7) The safety and health training program that will be made available to employees.

(8) How employees can make complaints concerning safety and health problems without fear of retaliation.

(9) How employees will receive medical attention following a work-related injury or illness.

"§ **143-583. Model program; technical assistance; reports.**

(a) The ~~State Human Resources Commission, through the~~ Office of State Human ~~Resources, shall:~~Resources shall:

(1) Maintain a model program of safety and health requirements to guide State agencies in the development of their individual programs and in complying with the provisions of G.S. 95-148 and this Article.

(2) Establish guidelines for the creation and operation of State agency safety and health committees.

(3) Adopt policies that shall govern the administration of the workers' compensation program and monitor compliance with Chapter 97 of the General Statutes.

(4) Establish guidelines for the delegation of certain administrative functions as necessary for the administration of the workers' compensation program to State agencies, as defined in this section.

~~(b) The Office of State Human Resources shall:~~

~~(1) Provide consultative and technical services to assist State agencies in establishing and administering their workplace safety and health programs and to address specific technical problems.~~

~~(2) Monitor compliance with this Article.~~

(c) The Office of State Human Resources ~~Commission~~ shall report by September 1, and annually thereafter, to the Joint Legislative Commission on Governmental Operations on the ~~safety and health~~ safety, health, and workers' compensation activities of State agencies, compliance with this Article, and the fines levied against State agencies pursuant to Article 16 of Chapter 95 of the General Statutes.

"§ **143-584. State agency safety and health committees.**

~~Each State agency~~ The Office of State Human Resources shall create, pursuant to guidelines adopted under subsection (a) of G.S. 143-583, ~~safety and health~~ committees to perform workplace inspections, review injury and illness records, make advisory recommendations to the agency's managers, and perform other functions determined by the Office of State Human Resources ~~Commission~~ to be necessary for the effective implementation of the State Employees Workplace Requirements Program for Safety and ~~Health.~~the workers' compensation program.

"§**§ 143-585 through 143-588. Reserved for future codification purposes.**

"Part 2. Legislative and Judicial Branch Programs.

"§ **143-589. Legislative and judicial branch safety and health programs.**

The Legislative Services Commission and the Administrative Office of the Courts are authorized to separately establish safety and health programs for their employees."

SECTION 30.18.(c) G.S. 143-166.14 reads as rewritten:

"§ **143-166.14. Payment of salary notwithstanding incapacity; Workers' Compensation Act applicable after two years; duration of payment.**

The salary of any eligible person shall be paid as long as the person's employment in that position continues, notwithstanding the person's total or partial incapacity to perform any duties to which the person may be lawfully assigned, if that incapacity is the result of an injury or injuries ~~proximately caused by the heightened risk and special hazards directly related to the violent nature of~~ resulting from or arising out of an episode of violence, resistance, or due to other special hazards that occur while the eligible ~~person's~~ person is performing official duties, except if that incapacity continues for more than two years from its inception, the person shall, during the further continuance of that incapacity, be subject to the provisions of Chapter 97 of the General Statutes pertaining to workers' compensation. The time period for which an eligible

person receives benefits pursuant to this section shall be deducted from the eligible person's total eligibility for benefits pursuant to G.S. 97-29 and G.S. 97-30. For purposes of this section, the term "salary" shall be defined as the total base pay of the person reflected on the person's salary statement and shall not include overtime pay, shift differential pay, holiday pay, or other additional earnings to which the person may have been entitled prior to such incapacity. Salary paid to an eligible person pursuant to this Article shall cease upon the resumption of the person's regularly assigned duties, retirement, resignation, or death, whichever first occurs, except that temporary return to duty shall not prohibit payment of salary for a subsequent period of incapacity which can be shown to be directly related to the original injury."

SECTION 30.18.(d) By February 1, 2016, the Office of State Human Resources shall report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the implementation of this section.

SECTION 30.18.(e) The Department of Administration shall reclassify three vacant positions within the Department and assign the positions to the Office of State Human Resources to staff the Office's Workers' Compensation program for implementation of the provisions of Article 63 of Chapter 143 of the General Statutes as amended by this act.

COMPENSATION BONUS AWARDED FOR FISCAL YEAR 2015-2016

SECTION 30.18A.(a) Any person (i) whose salary is set by this act in Part 9 or this Part, pursuant to the North Carolina Human Resources Act, or as otherwise authorized in this act and (ii) who is employed in a State-funded position on November 1, 2015, shall be awarded a one-time, lump-sum compensation bonus for the 2015-2016 fiscal year in the amount of seven hundred fifty dollars ($750.00), payable during the month of December 2015.

SECTION 30.18A.(b) Notwithstanding G.S. 135-1(7a), the compensation bonus awarded by this section is not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees' Retirement System.

SECTION 30.18A.(c) The compensation bonus awarded by this section is not part of annual salary and shall be paid out separately. The compensation bonus shall be awarded to eligible permanent employees without regard to an employee's placement within the salary range, including employees at the top of the salary range. The compensation bonus shall be adjusted pro rata for permanent part-time employees.

SALARY-RELATED CONTRIBUTIONS

SECTION 30.20.(a) Effective for the 2015-2017 fiscal biennium, required employer salary-related contributions for employees whose salaries are paid from department, office, institution, or agency receipts shall be paid from the same source as the source of the employee's salary. If an employee's salary is paid in part from the General Fund or Highway Fund and in part from department, office, institution, or agency receipts, required employer salary-related contributions may be paid from the General Fund or Highway Fund only to the extent of the proportionate part paid from the General Fund or Highway Fund in support of the salary of the employee, and the remainder of the employer's requirements shall be paid from the source that supplies the remainder of the employee's salary. The requirements of this section as to source of payment are also applicable to payments on behalf of the employee for hospital medical benefits, longevity pay, unemployment compensation, accumulated leave, workers' compensation, severance pay, separation allowances, and applicable disability income benefits.

SECTION 30.20.(b) Effective July 1, 2015, the State's employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for the 2015-2017 fiscal biennium are (i) fifteen and thirty-two hundredths percent (15.32%) – Teachers and State Employees; (ii) twenty and thirty-two hundredths percent (20.32%) – State Law Enforcement Officers; (iii) twelve and eighty-five hundredths percent (12.85%) – University Employees' Optional Retirement Program; (iv) twelve and eighty-five hundredths percent (12.85%) – Community College Optional Retirement Program; (v) thirty-two and eighty-one hundredths percent (32.81%) – Consolidated Judicial Retirement System; and (vi) seven and forty hundredths percent (7.40%) – Legislative Retirement System. Each of the

foregoing contribution rates includes five and sixty hundredths percent (5.60%) for hospital and medical benefits. The rate for the Teachers and State Employees, State Law Enforcement Officers, University Employees' Optional Retirement Program, and the Community College Optional Retirement Program includes forty-one hundredths percent (0.41%) for the Disability Income Plan. The rates for Teachers and State Employees and State Law Enforcement Officers include sixteen hundredths percent (0.16%) for the Death Benefits Plan. The rate for State Law Enforcement Officers includes five percent (5%) for Supplemental Retirement Income. The rate for Teachers and State Employees and State Law Enforcement Officers includes one hundredth percent (0.01%) for the Qualified Excess Benefit Arrangement.

SECTION 30.20.(c) Effective July 1, 2015, the maximum annual employer contributions, payable monthly, by the State for each covered employee or retiree for the 2015-2016 fiscal year to the State Health Plan for Teachers and State Employees are (i) Medicare-eligible employees and retirees – four thousand two hundred fifty-one dollars ($4,251) and (ii) non-Medicare-eligible employees and retirees – five thousand four hundred seventy-one dollars ($5,471).

ENHANCE BENEFITS PAYABLE THROUGH THE NATIONAL GUARD PENSION FUND

SECTION 30.24. G.S. 127A-40(a) reads as rewritten:

"(a) Every member and former member of the North Carolina National Guard who meets the requirements of this section shall receive, commencing at age 60, a pension of ~~ninety-nine dollars ($99.00)~~ one hundred five dollars ($105.00) per month for 20 years' creditable military service with an additional ~~nine dollars ninety cents ($9.90)~~ ten dollars and fifty cents ($10.50) per month for each additional year of such service; provided, however, that the total pension shall not exceed ~~one hundred ninety-eight dollars ($198.00)~~ two hundred ten dollars ($210.00) per month. The requirements for a pension are that each member shall:

(1) Have served and qualified for at least 20 years' creditable military service, including National Guard, reserve and active duty, under the same requirement specified for entitlement to retired pay for nonregular service under Chapter 67, Title 10, United States Code.

(2) Have at least 15 years of the aforementioned service as a member of the North Carolina National Guard.

(3) Have received an honorable discharge from the North Carolina National Guard."

ALLOW RETIREES WHO RETURN TO WORK FOR THE STATE IN NONPERMANENT POSITIONS TO RETAIN THEIR COVERAGE OPTIONS UNDER THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES RATHER THAN LIMITING SUCH RETIREES' COVERAGE OPTIONS TO THE "BRONZE LEVEL" HIGH-DEDUCTIBLE HEALTH PLAN NECESSITATED BY THE AFFORDABLE CARE ACT

SECTION 30.25.(a) G.S. 135-48.40 reads as rewritten:

"§ **135-48.40. Categories of eligibility.**

…

(b) Partially Contributory Coverage. – The following persons are eligible for coverage under the Plan, on a partially contributory basis, subject to the provisions of G.S. 135-48.43:

(1) All permanent full-time employees of an employing unit who meet either of the following conditions:

a. Paid from general or special State funds.

b. Paid from non-State funds and in a group for which his or her employing unit has agreed to provide coverage.

Employees of State agencies, departments, institutions, boards, and commissions not otherwise covered by the Plan who are employed in permanent job positions on a recurring basis and who work 30 or more hours

per week for nine or more months per calendar year are covered by the provisions of this subdivision.

(1a) All retirees who (i) are employed by an employing unit that elects to be covered by this subdivision, (ii) do not qualify for coverage under subdivision (1) of this subsection, and (iii) are determined to be "full-time" by their employing unit in accordance with section 4980H of the Internal Revenue Code and the applicable regulations, as amended. The employing unit shall pay the employer premiums for retirees who enroll under this subdivision.

…

(e) Other Contributory Coverage. – Any employee of an employing unit is eligible for coverage under this section on a contributory basis, subject to the provisions of G.S. 135-48.43 and of this section, if (i) the employee's employing unit determines that the employee is a full-time employee and (ii) the employee does not qualify for coverage under subdivision (1), (1a), (5), (6), (7), (8), (9), or (10) of G.S. 135-48.40(b). For the purposes of this subsection, the full-time status of an employee shall be determined by the employing unit, in its sole discretion, in accordance with Section 4980H of the Internal Revenue Code and the applicable regulations, as amended. The coverage offered and the contribution required for coverage under this section shall be determined by the Treasurer and approved by the Board of Trustees. Such coverage shall do all of the following:

(1) Be designed to meet the requirements of minimum essential coverage under the Patient Protection and Affordable Care Act, P.L. 111-148, and the applicable regulations, as amended (Affordable Care Act).

(2) Provide no greater coverage than a bronze-level plan, as defined under the Affordable Care Act.

(3) Minimize the required employer contribution in an administratively feasible manner."

SECTION 30.25.(b) G.S. 135-48.41(j) reads as rewritten:

"(j) If a retiree has been hired by an employing unit and is eligible for coverage under subdivision (1), (1a), (5), (6), (7), (8), (9), or (10) of G.S. 135-48.40(b) or under G.S. 135-48.40(e), then the hired retiree shall not, during the time of employment, be eligible for retiree coverage under G.S. 135-48.40(a)(1), G.S. 135-48.40(b)(3), G.S. 135-48.40(c)(2), or G.S. 135-48.40(d)(11)."

SECTION 30.25.(c) This section becomes effective January 1, 2016.

RESERVE FOR FUTURE BENEFITS NEEDS/STATE HEALTH PLAN CASH RESERVE

SECTION 30.26.(a) It is the intent of the General Assembly to make funds in the Reserve for Future Benefits Needs available for increasing employer contributions to the State Health Plan for Teachers and State Employees during the 2016-2017 fiscal year only if the General Assembly determines that the State Treasurer and the Board of Trustees established under G.S. 135-48.20 have adopted sufficient measures to limit projected employer contribution increases during the 2017-2019 fiscal biennium, in accordance with their powers and duties enumerated in Article 3B of Chapter 135 of the General Statutes.

SECTION 30.26.(b) During the 2015-2017 fiscal biennium, the State Health Plan for Teachers and State Employees shall maintain a cash reserve of at least twenty percent (20%) of its annual costs. For purposes of this section, the term "cash reserve" means the total balance in the Public Employee Health Benefit Fund and the Health Benefit Reserve Fund established in G.S. 135-48.5 plus the Plan's administrative account, and the term "annual costs" means the total of all medical claims, pharmacy claims, administrative costs, fees, and premium payments for coverage outside of the Plan.

SECTION 30.26.(c) On and after January 1, 2016, if the State Health Plan for Teachers and State Employees projects a cash reserve of less than the minimum cash reserve

required by this section at any time during the remainder of the 2015-2017 fiscal biennium, or the Fiscal Research Division of the General Assembly notifies the Plan that it projects such a deficiency, the Department of State Treasurer shall report to the Joint Legislative Commission on Governmental Operations within 60 days of that projection or notification on actions the Department plans to take in order to maintain that required minimum cash reserve.

CLARIFY AND AMEND THE LAW PROVIDING FOR PURCHASE OF SERVICE BY MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM FOR EDUCATIONAL LEAVE

SECTION 30.30. G.S. 135-8(b)(5) reads as rewritten:

"(5) The Board of Trustees may approve the purchase of creditable service by any member for leaves of absence or for interrupted service to an employer for the sole ~~purpose~~purposes of acquiring knowledge, talents, or abilities and ~~to increase~~increasing the efficiency of service to the ~~employer.~~ employer, subject to the provisions of this subdivision. A leave of absence or interrupted service may be approved for purchase under this subdivision for a period of employment as a teacher in a charter school. Any other leave of absence or interrupted service shall qualify for purchase under this subdivision only if (i) during the time of the leave or interrupted service the member is enrolled and participates in a full-time degree program at an accredited institution of higher education, (ii) the member is not paid for the activity in which he or she is acquiring knowledge, talents, or abilities, and (iii) the service is not purchased for any month in which the member performed any services for any of the organizations listed in G.S. 135-27(a) or G.S. 135-27(f), or a successor to any of those organizations. ~~This approval~~ Approval by the Board under this subdivision shall be made prior to the purchase of the creditable service, is limited to a career total of six years for each member, and may be obtained in the following manner:

a. Approved leave of absence. – Where the employer grants an approved leave of absence, a member may make monthly contributions to the annuity savings fund on the basis of compensation the member was earning immediately prior to such leave of absence. The employer shall make monthly contributions equal to the normal and accrued liability contribution on such compensation or, in lieu thereof, the member may pay into the annuity savings fund monthly an amount equal to the employer's normal and accrued liability contribution when the policy of the employer is not to make such payment.

b. No educational leave policy. – Where the employer has a policy of not granting educational leaves of absence or the member has unsuccessfully petitioned for leave of absence and the member has interrupted service for educational purposes, the member may make monthly contributions into the annuity savings fund in an amount equal to the employee contribution plus the employer normal and accrued liability contribution on the basis of the compensation the member was earning immediately prior to the interrupted service.

c. Educational program prior to July 1, 1981. – Creditable service for leaves of absence or interrupted service for educational purposes prior to July 1, 1981, may be purchased by a member, before or after retirement, who returned as a contributing employee or teacher within 12 months after completing the educational program and completed 10 years of subsequent membership service, by making a lump sum payment into the annuity savings fund equal to the full

cost of the service credits calculated on the basis of the assumptions used for purposes of the actuarial valuation of the system's liabilities and shall take into account the retirement allowance arising on account of the additional service credit commencing at the earliest age at which the member could retire on an unreduced retirement allowance as determined by the Board of Trustees upon the advice of the consulting actuary, plus a fee to be determined by the Board of Trustees.

d. Employment in a charter school. – Notwithstanding subparagraph a. of this subdivision, where the employer grants an approved leave of absence for the member to be employed in a charter school or where the member's service is interrupted by employment in a charter school, authorized under Part 6A of Article 16 of Chapter 115C of the General Statutes, the member may make monthly contributions into the annuity savings fund in an amount equal to the employee contribution plus the employer normal and accrued liability contribution on the basis of the compensation the member was earning immediately prior to the interrupted service.

Payments required to be made by the member, the employer, or both under subparagraphs a or b are due by the 15th of the month following the month for which the service credit is allowed and payments made after the due date shall be assessed a penalty, in lieu of interest, of one percent (1%) per month or fraction thereof the payment is made beyond the due date; provided, that these payments shall be made prior to retirement and provided further, that if the member did not become a contributing member within 12 months after completing the educational program and failed to complete three years of subsequent membership service, except in the event of death or disability, any payment made by the member including penalty shall be refunded with regular interest thereon and the service credits cancelled prior to or at retirement."

QUALIFIED EXCESS BENEFIT ARRANGEMENT

SECTION 30.30A.(a) G.S. 135-151(j) reads as rewritten:

"(j) Sunset of Eligibility to Participate in the QEBA. – No member of the Teachers' and State Employees' Retirement System retiring ~~on or after January 1, 2015,~~ on or after August 1, 2016, shall be eligible to participate in the QEBA, and the Retirement System shall not pay any new retiree more retirement benefits than allowed under the limitations of section 415(b) of the Internal Revenue Code."

SECTION 30.30A.(b) G.S. 128-38.10(k) reads as rewritten:

"(k) Sunset of Eligibility to Participate in the QEBA. – No member of the North Carolina Local Governmental Employees' Retirement System retiring ~~on or after January 1, 2015,~~ on or after August 1, 2016, shall be eligible to participate in the QEBA, and the Retirement System shall not pay any new retiree more retirement benefits than allowed under the limitations of section 415(b) of the Internal Revenue Code."

PART XXXI. CAPITAL APPROPRIATIONS

GENERAL FUND CAPITAL APPROPRIATIONS/INTRODUCTION

SECTION 31.1. The appropriations made by the 2015 General Assembly for capital improvements are for constructing, repairing, or renovating State buildings, utilities, and other capital facilities, for acquiring sites for them where necessary, and for acquiring buildings and land for State government purposes.

CAPITAL APPROPRIATIONS/GENERAL FUND

SECTION 31.2. There is appropriated from the General Fund for the 2015-2017 fiscal biennium the following amounts for capital improvements:

Capital Improvements – General Fund	**2015-2016**	**2016-2017**
Department of Agriculture and Consumer Services		
Dorton Arena Roof Replacement	2,305,000	–
Department of Cultural Resources		
USS North Carolina Hull Repair and Cofferdam	3,500,000	–
Department of Environment and Natural Resources		
Water Resources Development	5,083,000	–
Department of Public Safety		
Armory and Facility Development Projects	868,000	5,087,500
University of North Carolina		
North Carolina School of Science and Mathematics – Technology Upgrades and Building Repair	4,000,000	–
NC State University Engineering Building Advance Planning	1,000,000	1,000,000
TOTAL CAPITAL IMPROVEMENTS – GENERAL FUND	**$16,756,000**	**$6,087,500**

WATER RESOURCES DEVELOPMENT PROJECTS

SECTION 31.3.(a) The Department of Environment and Natural Resources shall allocate funds for water resources development projects in accordance with the schedule that follows. The amounts set forth in the schedule include funds appropriated in this act for water resources development projects and funds carried forward from previous fiscal years in accordance with subsection (b) of this section. These funds will provide a State match for an estimated forty-four million three hundred fifty-three thousand dollars ($44,353,000) in federal funds.

	Name of Project	**2015-2016**
(1)	Jordan Water Supply	$200,000
(2)	Wilmington Harbor Study	225,000
(3)	Planning Assistance	25,000
(4)	Wilmington Harbor Deepening	600,000
(5)	Wilmington Harbor Maintenance	-
(6)	Morehead City Harbor Maintenance	-
(7)	Carolina Beach Storm Damage Reduction	1,400,000
(8)	Carolina Beach Storm Damage Reduction 15-Year Extension Study	81,000
(9)	Kure Beach Storm Damage Reduction	1,450,000
(10)	Wrightsville Storm Damage Reduction Reevaluation Report	81,000
(11)	Ocean Isle Storm Damage Reduction Reevaluation Report	81,000
(12)	Bogue Banks Storm Damage Reduction Preconstruction, Engineering, and Design	165,000
(13)	Surf City/North Topsail Preconstruction Activities	135,000
(14)	West Onslow Beach Preconstruction Activities	135,000
(15)	NRCS EQIP (65/35)	1,000,000
(16)	Planning for S.L. 2010-143	75,000
(17)	State-Local Projects	1,000,000
(18)	Lock and Dam #2 – Fish Ramp – Phase 1	250,000
(19)	Linville River Restoration	250,000
(20)	Assistance to Counties – EAP Preparation	250,000
(21)	North Topsail Shoreline Protection – Phase 2	500,000
TOTALS		**$7,903,000**

SECTION 31.3.(b) It is the intent of the General Assembly that funds carried forward from previous fiscal years be used to supplement the five million eighty-three thousand dollars ($5,083,000) appropriated for water resources development projects in Section 31.2 of this act. Therefore, the following funds carried forward from previous fiscal years shall be used for the following projects:

	Name of Project	**Amount Carried Forward**
(1)	Wilmington Harbor Study	$225,000
(2)	Planning Assistance	25,000
(3)	Wilmington Harbor Deepening	600,000
(4)	Carolina Beach Storm Damage Reduction	727,000
(5)	Kure Beach Storm Damage Reduction	808,000
(6)	Bogue Banks Storm Damage Reduction Preconstruction, Engineering, and Design	165,000
(7)	Surf City/North Topsail Preconstruction Activities	135,000
(8)	West Onslow Beach Preconstruction Activities	135,000
TOTALS		**$2,820,000**

SECTION 31.3.(c) Where the actual costs are different from the estimated costs under subsection (a) of this section, the Department may adjust the allocations among projects as needed. If any projects funded under subsection (a) of this section are delayed and the budgeted State funds cannot be used during the 2015-2016 fiscal year or if the projects funded under subsection (a) of this section are accomplished at a lower cost, the Department may use the resulting fund availability to fund any of the following:

(1) U.S. Army Corps of Engineers project feasibility studies.
(2) U.S. Army Corps of Engineers projects whose schedules have advanced and require State matching funds in the 2015-2016 fiscal year.
(3) State-local water resources development projects.

Funds subject to this subsection that are not expended or encumbered for the purposes set forth in subdivisions (1) through (3) of this subsection shall revert to the General Fund at the end of the 2016-2017 fiscal year.

SECTION 31.3.(d) The Department shall make semiannual reports on the use of these funds to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division, and the Office of State Budget and Management. Each report shall include all of the following:

(1) All projects listed in this section.
(2) The estimated cost of each project.
(3) The date that work on each project began or is expected to begin.
(4) The date that work on each project was completed or is expected to be completed.
(5) The actual cost of the project.

The semiannual reports also shall show those projects advanced in schedule, those projects delayed in schedule, and an estimate of the amount of funds expected to revert to the General Fund.

SECTION 31.3.(e) Notwithstanding any provision of law to the contrary, funds appropriated for a water resources development project shall be used to provide no more than fifty percent (50%) of the nonfederal portion of funds for the project. This subsection applies to funds appropriated in this act and to funds appropriated prior to the 2015-2017 fiscal biennium that are unencumbered and proposed for reallocation to provide the nonfederal portion of funds for water resources development projects. The limitation on fund usage contained in this subsection applies only to projects in which a local government or local governments participate.

NON-GENERAL FUND CAPITAL IMPROVEMENT AUTHORIZATIONS

SECTION 31.4.(a) The General Assembly authorizes the following capital projects to be funded with receipts or from other non-General Fund sources available to the appropriate department:

Name of Project	**Amount of Non-General Fund Funding Authorized**	
	FY 2015-2016	**FY 2016-2017**
Department of Agriculture and Consumer Services		
WNC Farmers Market Improvements/Robert		
G. Shaw Piedmont Triad Farmers Market Improvements	$3,000,000	–
WNC Agricultural Center Events/Restroom Building	500,000	–
NC Forest Service Mountain Island Educational		
Forest-Visitor and Interpretive Center	4,000,000	–
Deer Fence on Research Stations	200,000	–
Aviary Egg Layer Research Building	1,750,000	–
State Fair Renovations/Infrastructure Improvements	2,500,000	–
State Fair Horse Complex	1,000,000	–
Animal Disease Diagnostic Laboratory Equipment	500,000	–
Department of Environment and Natural Resources		
Fort Fisher Aquarium Seawall	590,000	590,000
Gorilla Expansion	450,000	–
Department of Public Safety		
National Guard – Wilmington Replacement	14,200,000	–
Wildlife Resources Commission		
Boating Access New Construction	3,750,000	3,750,000
Land Acquisition	900,000	900,000
Jordan Lake Depot	500,000	–
Fishing Access Construction	–	200,000
TOTAL AMOUNT OF NON-GENERAL FUND CAPITAL PROJECTS AUTHORIZED	**$33,840,200**	**5,440,000**

SECTION 31.4.(b) From funds deposited with the State Treasurer in a capital improvement account to the credit of the Department of Agriculture and Consumer Services pursuant to G.S. 146-30, the sum of seventy-five thousand dollars ($75,000) for the 2015-2016 fiscal year and the sum of seventy-five thousand dollars ($75,000) for the 2016-2017 fiscal year shall be transferred to the Department of Agriculture and Consumer Services to be used, notwithstanding G.S. 146-30, by the Department for its plant conservation program under Article 19B of Chapter 106 of the General Statutes for costs incidental to the acquisition of land, such as land appraisals, land surveys, title searches, and environmental studies, and for the management of the plant conservation program preserves owned by the Department.

REPAIRS AND RENOVATIONS RESERVE ALLOCATION

SECTION 31.5.(a) Of the funds in the Reserve for Repairs and Renovations for the 2015-2016 and the 2016-2017 fiscal years, the following allocations shall be made to the following agencies for repairs and renovations pursuant to G.S. 143C-4-3:

(1) One-third of the funds shall be allocated to the Board of Governors of The University of North Carolina.

(2) Two-thirds of the funds shall be allocated to the Office of State Budget and Management.

The Office of State Budget and Management shall consult with or report to the Joint Legislative Commission on Governmental Operations, as appropriate, in accordance with G.S. 143C-4-3(d). The Board of Governors shall report to the Joint Legislative Commission on Governmental Operations in accordance with G.S. 143C-4-3(d).

SECTION 31.5.(b) Notwithstanding G.S. 143C-4-3(d), of the funds allocated to the Board of Governors of The University of North Carolina in subsection (a) of this section, a portion shall be used each fiscal year by the Board of Governors for the installation of fire sprinklers in University residence halls. This portion shall be in addition to funds otherwise appropriated in this act for the same purpose. Such funds shall be allocated among the University's constituent institutions by the President of The University of North Carolina, who shall consider the following factors when allocating those funds:

(1) The safety and well-being of the residents of campus housing programs.
(2) The current level of housing rents charged to students and how that compares to an institution's public peers and other UNC institutions.
(3) The level of previous authorizations to constituent institutions for the construction or renovation of residence halls funded from the General Fund or from bonds or certificates of participation supported by the General Fund since 1996.
(4) The financial status of each constituent institution's housing system, including debt capacity, debt coverage ratios, credit rankings, required reserves, the planned use of cash balances for other housing system improvements, and the constituent institution's ability to pay for the installation of fire sprinklers in all residence halls.
(5) The total cost of each proposed project, including the cost of installing fire sprinklers and the cost of other construction, such as asbestos removal and additional water supply needs.

The Board of Governors shall submit progress reports to the Joint Legislative Commission on Governmental Operations. Reports shall include the status of completed, current, and planned projects. Reports also shall include information on the financial status of each constituent institution's housing system, the constituent institution's ability to pay for fire protection in residence halls, and the timing of installation of fire sprinklers. Reports shall be submitted on January 1 and July 1 until all residence halls have fire sprinklers.

SECTION 31.5.(c) Notwithstanding G.S. 143C-4-3(d), of the funds allocated to the Board of Governors of The University of North Carolina in subsection (a) of this section, a portion shall be used each fiscal year by the Board of Governors for campus public safety improvements allowable under G.S. 143C-4-3(b).

SECTION 31.5.(d) In making campus allocations of funds allocated to the Board of Governors of The University of North Carolina in subsection (a) of this section, the Board of Governors shall negatively weight the availability of non-State resources and carryforward funds available for repair and renovations and shall include information about the manner in which this subsection was complied with in any report submitted pursuant to G.S. 143C-4-3(d).

SECTION 31.5.(e) Of the funds allocated to the Office of State Budget and Management in subsection (a) of this section, the sum of nine million five hundred thousand dollars ($9,500,000) shall be used for Legislative Building Roof Replacement and Asbestos Abatement.

PROCEDURES FOR DISBURSEMENT OF CAPITAL FUNDS

SECTION 31.6. The appropriations made by the 2015 General Assembly for capital improvements shall be disbursed for the purposes provided by this act. Expenditure of funds shall not be made by any State department, institution, or agency until an allotment has been approved by the Governor as Director of the Budget. The allotment shall be approved only after full compliance with the State Budget Act, Chapter 143C of the General Statutes. Prior to the award of construction contracts for projects to be financed in whole or in part with self-liquidating appropriations, the Director of the Budget shall approve the elements of the method of financing of those projects, including the source of funds, interest rate, and liquidation period. Provided, however, that if the Director of the Budget approves the method

of financing a project, the Director shall report that action to the Joint Legislative Commission on Governmental Operations at its next meeting.

Where direct capital improvement appropriations include the purpose of furnishing fixed and movable equipment for any project, those funds for equipment shall not be subject to transfer into construction accounts except as authorized by the Director of the Budget. The expenditure of funds for fixed and movable equipment and furnishings shall be reviewed and approved by the Director of the Budget prior to commitment of funds.

Capital improvement projects authorized by the 2015 General Assembly shall be completed, including fixed and movable equipment and furnishings, within the limits of the amounts of the direct or self-liquidating appropriations provided, except as otherwise provided in this act. Capital improvement projects authorized by the 2015 General Assembly for the design phase only shall be designed within the scope of the project as defined by the approved cost estimate filed with the Director of the Budget, including costs associated with site preparation, demolition, and movable and fixed equipment.

REPORTING ON CAPITAL PROJECTS

SECTION 31.7.(a) Definitions. – The following definitions apply in this section:

(1) Capital project. – Any capital improvement, as that term is defined in G.S. 143C-1-1, that is not complete by the effective date of this section and that is funded in whole or in part with State funds, including receipts, non-General Fund sources, or statutorily or constitutionally authorized indebtedness of any kind. This term includes only projects with a total cost of one hundred thousand dollars ($100,000) or more.

(2) Construction phase. – The status of a particular capital project as described using the terms customarily employed in the design and construction industries.

(3) New capital project. – A capital project that is authorized in this act or subsequent to the effective date of this act.

SECTION 31.7.(b) Reporting. – The following reports are required:

(1) By October 1, 2015, and every six months thereafter, each State agency shall report on the status of agency capital projects to the Joint Legislative Commission on Governmental Operations.

(2) By October 1, 2015, and quarterly thereafter, each State agency shall report on the status of agency capital projects to the Fiscal Research Division of the General Assembly and to the Office of State Budget and Management.

SECTION 31.7.(c) The reports required by subsection (b) of this section shall include at least the following information about every agency capital project:

(1) The current construction phase of the project.

(2) The anticipated time line from the current construction phase to project completion.

(3) Information about expenditures that have been made in connection with the project, regardless of source of the funds expended.

(4) Information about the adequacy of funding to complete the project, including estimates of how final expenditures will relate to initial estimates of expenditures, and whether or not scope reductions will be necessary in order to complete the project within its budget.

(5) For new capital projects only, an estimate of the operating costs for the project for the first five fiscal years of its operation.

SECTION 31.7.(d) In addition to the other reports required by this section, on October 1, 2015, and every six months thereafter, the Office of State Construction shall report on the status of the Facilities Condition Assessment Program (FCAP) to the Joint Legislative Commission on Governmental Operations. The report shall include (i) summary information about the average length of time that passes between FCAP assessments for an average State

building; (ii) detailed information about when the last FCAP assessment was for each State building complex; and (iii) detailed information about the condition and repairs and renovations needs of each State building complex.

SECTION 31.7.(e) In addition to the other reports required by this section, on October 1, 2015, and quarterly thereafter, the State Construction Office shall report to the Joint Legislative Oversight Committee on Capital Improvements on the status of plan review, approval, and permitting for each State capital improvement project and community college capital improvement project over which the Office exercises plan review, approval, and permitting authority. Each report shall include (i) summary information about the workload of the Office during the previous quarter, including information about the average length of time spent by the State Construction Office on each major function it performs that is related to capital project approval, and (ii) detailed information about the amount of time spent engaged in those functions for each project that the State Construction Office worked on during the previous quarter.

NATIONAL GUARD PROJECTS

SECTION 31.8.(a) The Department of Public Safety shall allocate the funds appropriated for armory and facility development projects in Section 31.2(a) of this act to projects designated by the Adjutant General of the North Carolina National Guard. The Adjutant General shall only provide for the allocation of funds to projects that were included in the latest Armory and Facilities Development Plan developed pursuant to G.S. 127A-210 and may determine which fiscal year of the biennium each designated project shall be funded. These funds will provide a State match for federal funds made available for this purpose.

SECTION 31.8.(b) No later than June 1, 2017, and every two years thereafter, the Department shall report on the use of these funds to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division of the General Assembly, and the Office of State Budget and Management. Each report shall include all of the following:

(1) The status of all projects undertaken pursuant to this section.
(2) The estimated total cost of each project.
(3) The date that work on each project began or is expected to begin.
(4) The date that work on each project was completed or is expected to be completed.
(5) The actual cost of each project, including federal matching funds.
(6) Facilities planned for closure or reversion.
(7) A list of projects advanced in schedule, those projects delayed in schedule, and an estimate of the amount of funds expected to revert to the General Fund.

SECTION 31.8.(c) Notwithstanding subsection (a) of this section, the sum of two hundred fifty thousand dollars ($250,000) of the funds appropriated in Section 31.2(a) of this act for armory and facility development projects in the 2015-2016 fiscal year shall be used to provide a State match to federal funds for planning and construction of a North Carolina National Guard facility to be located within the 420 acres surrounding the latitude and longitude point 35º11.0994'N – 082º37.1166'W. The Department shall consult with the North Carolina National Guard in the design and site selection of the facility. Funds allocated pursuant to this subsection shall not revert at the end of the 2015-2016 fiscal year but shall be retained by the Department until the facility is completed or June 30, 2020, whichever first occurs.

REQUIRE NON-GENERAL FUND RESOURCES TO BE USED FOR ADVANCED PLANNING OF UNIVERSITY CAPITAL PROJECTS

SECTION 31.9. G.S. 143C-3-3 reads as rewritten:

"§ **143C-3-3. Budget requests from State agencies in the executive branch.**

…

(b) University of North Carolina System Request. – Notwithstanding the requirement in G.S. 116-11 that the Board of Governors prepare a unified budget request for all of the constituent institutions of The University of North Carolina, ~~repairs~~budget requests of the University shall be subject to all of the following:

(1) Repairs and ~~renovations,~~renovations requests, capital fund requests, and information technology requests shall comply with subsections (c), (d), and (e) of this section.

(2) The University of North Carolina shall not make a capital funds request proposing to construct a new facility, expand the building area (square feet) of an existing facility, or rehabilitate an existing facility to accommodate new or expanded uses unless the University has completed advanced planning through schematic design of the project with funds other than General Fund appropriations.

…."

PLAN FOR RELOCATING ALL DHHS OFFICES TO ONE LOCATION

SECTION 31.10.(a) The Department of Health and Human Services, in consultation with the Department of Administration, shall develop a plan for relocating the administrative personnel and resources of the Department of Health and Human Services that are located on the Dorothea Dix campus and on other property leased or owned by the State in the Greater Triangle area (consisting of Durham, Orange, Johnston, and Wake Counties) to one site available to the State. The plan shall not provide for the relocation of personnel and resources whose primary responsibilities include the provision of services directly to the public in the Greater Triangle area. The Department shall report the plan to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by the earlier of October 1, 2016, or six months prior to the date on which the Department is required to move some or all of its personnel and resources from the Dorothea Dix campus under the terms of an agreement between the State and the City of Raleigh. The plan required by this section shall include at least all of the following information:

(1) The location to which the personnel and resources of the Department of Health and Human Services will be relocated.
(2) The square footage needed in order to accommodate the relocation.
(3) A statement of anticipated costs or benefits associated with the relocation.
(4) A schedule for implementation of the relocation plan.
(5) Identification of any potential obstacles to the relocation plan.
(6) Options for financing the relocation plan developed in conjunction with the State Treasurer and the State Controller.

SECTION 31.10.(b) Notwithstanding any other provision of law, neither the Department of Health and Human Services nor the Department of Administration shall enter into any lease or other agreement to move the personnel or resources of the Department of Health and Human Services that currently reside on the Dorothea Dix campus or on other property leased or owned by the State in the Greater Triangle area to another site until specifically authorized to do so by the General Assembly.

MODIFY SPECIAL INDEBTEDNESS PROVISIONS

SECTION 31.11.(a) G.S. 143-128.1C reads as rewritten:

"§ **143-128.1C. Public-private partnership construction contracts.**

(a) Definitions for purposes of this section:

…

(4) Development contract. – Any contract between a governmental entity and a private developer under this section and, as part of the contract, the private developer is required to provide at least fifty percent (50%) of the financing for the total cost necessary to deliver the capital improvement project, whether through lease or ownership, for the governmental entity. For

purposes of determining whether the private developer is providing the minimum percentage of the total financing costs, the calculation shall not include any payment made by a public entity or proceeds of financing arrangements by a private entity where the source of repayment is a public entity.

…

(10) State-supported financing arrangement. – Any installment financing arrangement, lease-purchase arrangement, arrangement under which funds are to be paid in the future based upon the availability of an asset or funds for payment, or any similar arrangement in the nature of a financing, under which a State entity agrees to make payments to acquire or obtain ownership or beneficial use of a capital asset for the State entity or any other State entity for a term, including renewal options, of greater than one year. Any arrangement that results in the identification of a portion of a lease payment, installment payment, or similar scheduled payment thereunder by a State entity as "interest" for purposes of federal income taxation shall automatically be a State-supported financing arrangement for purposes of this section. A true operating lease is not a State-supported financing arrangement.

…

(k) Leases and other agreements entered into under this section are subject to approval as follows:

…

(2) If a capital lease ~~is~~ or other agreement entered into by a State entity ~~that~~ constitutes a State-supported financing arrangement and requires payments thereunder that are payable, whether directly or indirectly, and whether or not subject to the appropriation of funds for such payment, by payments from the General Fund of the State or other funds and accounts of the State that are funded from the general revenues and other taxes and fees of the State or State entities, not including taxes and fees that are required to be deposited to the Highway Fund or Highway Trust ~~Fund,~~Fund to be used to make payments under capital leases or other agreements for projects covered under Article 14B of Chapter 136 of the General Statutes, that capital lease or other agreement shall be subject to the approval procedures required for special indebtedness by G.S. 142-83 and G.S. 142-84. This requirement shall not apply to any arrangement where bonds or other obligations are issued or incurred by a State entity to carry out a financing program authorized by the General Assembly under which such bonds or other obligations are payable from monies derived from specified, limited, nontax sources, so long as the payments under that arrangement by a State entity are limited to the sources authorized by the General Assembly.

…."

SECTION 31.11.(b) This section is effective when this act becomes law.

DEBT AFFORDABILITY STUDY FOR THE UNIVERSITY OF NORTH CAROLINA

SECTION 31.13. Chapter 116D of the General Statutes is amended by adding a new Article to read:

"Article 5.

"Managing Debt Capacity.

"**§ 116D-55. Purpose.**

The purpose of this Article is to provide tools for sound debt management at The University of North Carolina by requiring each constituent institution to conduct an annual debt affordability study, by requiring the establishment of guidelines for maintaining prudent debt

levels, and by establishing a system for prioritizing University capital needs when the needs exceed the University's capacity for new debt.

"**§ 116D-56. Debt affordability study required.**

(a) Study Required. – The Board of Governors shall annually advise the Governor and the General Assembly on the estimated debt capacity of The University of North Carolina for the upcoming five fiscal years. The Board shall oversee the undertaking of an annual debt affordability study and the establishment of guidelines for evaluating the University's debt burden. The guidelines should include target and ceiling ratios of debt to obligated resources and target and floor percentages for the five-year payout ratio. The Board shall also recommend any other debt management policies it considers desirable and consistent with sound management of the University's debt.

(b) Board of Governors Reporting Required. – The Board shall report its findings and recommendations to the Office of State Budget and Management, the Joint Legislative Commission on Governmental Operations, the State Treasurer, and The University of North Carolina General Administration by February 1 of each year. The report shall be accompanied by each of the reports provided to the Board pursuant to subsection (c) of this section.

(c) Constituent Institution Reporting Required. – No later than November 1 of each year, each constituent institution shall report to the Board of Governors on its current and anticipated debt levels. The report shall be made in a uniform format to be prescribed by the Board of Governors. Each report shall include at least the following:

(1) The amount and type of outstanding debt of the institution.
(2) The sources of repayment of the debt.
(3) The amount of debt that the institution plans to issue or incur during the next five years.
(4) A description of projects financed with the debt.
(5) The current bond rating of the institution and information about any changes to that bond rating since the last report was submitted.
(6) Information about the constituent institution's debt management policies and any recommendations for methods to maintain or improve the University's bond rating.
(7) Debt burden comparisons to comparable peer institutions.
(8) Any other information requested by the Board of Governors.

(d) Definitions. – The following definitions apply in this section:

(1) Debt. – Debt incurred under this Chapter or any other debt that will be serviced with funds available to the institutions from gifts, grants, receipts, Medicare reimbursements for education costs, hospital receipts from patient care, or other funds, or any combination of these funds, but not including debt that will be serviced with funds appropriated from the General Fund of the State.
(2) Obligated resources. – As defined in G.S. 116D-22."

AUTHORIZE STATE AGENCIES TO UNDERTAKE SMALL REPAIRS AND RENOVATIONS PROJECTS WITH FUNDS AVAILABLE

SECTION 31.14.(a) Notwithstanding G.S. 143C-8-7, a State agency may undertake repairs and renovations projects so long as each project satisfies the following requirements:

(1) Total project costs do not exceed three hundred thousand dollars ($300,000).
(2) The project is one of the types set forth in G.S. 143C-4-3(b)(1) through (12), regardless of whether the relevant State facilities and related infrastructure are supported from the General Fund.
(3) The project is paid for with funds available to the agency.

SECTION 31.14.(b) Projects undertaken pursuant to this section shall be reported to the Fiscal Research Division on a quarterly basis. A report under this subsection shall include information about all of the following for each project:

(1) The facility at which the project is being undertaken.
(2) The nature and scope of the project.
(3) The source of funds for the project.
(4) The category of projects set forth in G.S. 143C-4-3(b) that the project falls within.

CREATE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON CAPITAL IMPROVEMENTS

SECTION 31.16.(a) Article 29 of Chapter 120 of the General Statutes is amended by adding three new sections to read:

"**§ 120-261. Creation and membership of Joint Legislative Oversight Committee on Capital Improvements.**

The Joint Legislative Oversight Committee on Capital Improvements is established. The Committee consists of 16 members as follows:

(1) Eight members of the House of Representatives appointed by the Speaker of the House of Representatives, at least two of whom are members of the minority party.
(2) Eight members of the Senate appointed by the President Pro Tempore of the Senate, at least two of whom are members of the minority party.

Terms on the Committee are for two years and begin on the convening of the General Assembly in each odd-numbered year, except the terms of the initial members, which begin on appointment and end on the day of the convening of the 2017 General Assembly. Members may complete a term of service on the Committee even if they do not seek reelection or are not reelected to the General Assembly, but resignation or removal from service in the General Assembly constitutes resignation or removal from service on the Committee.

A member continues to serve until the member's successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment.

"**§ 120-262. Purpose and powers of the Committee.**

(a) The Joint Legislative Oversight Committee on Capital Improvements shall have the power to do all of the following:

(1) Examine, on a continuing basis, capital improvements requested by, authorized for, and undertaken by or on behalf of State agencies.
(2) Have oversight over implementation of the six-year capital improvements plan developed pursuant to G.S. 143C-8-5.
(3) Make recommendations to the General Assembly on ways to improve the planning, financing, design, construction, and maintenance of State capital improvements.
(4) Make reports and recommendations to the General Assembly regarding which capital improvements requested by State agencies should be authorized and how they should be funded.
(5) Examine any other topic the Committee believes to be related to its purpose.

(b) As used in this section, the term "capital improvement" shall have the same meaning as in G.S. 143C-1-1.

"**§ 120-263. Organization of Committee.**

(a) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Joint Legislative Oversight Committee on Capital Improvements. The Committee shall meet upon the call of the cochairs.

(b) A quorum of the Committee is nine members. No action may be taken except by a majority vote at a meeting at which a quorum is present. While in the discharge of its official

duties, the Committee has the powers of a joint committee under G.S. 120-19 through G.S. 120-19.4.

(c) Members of the Committee receive subsistence and travel expenses as provided in G.S. 120-3.1. The Committee may contract for consultants or hire employees in accordance with G.S. 120-32.02. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Supervisors of Clerks of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee.

(d) The cochairs of the Committee may call upon other knowledgeable persons or experts to assist the Committee in its work."

SECTION 31.16.(b) G.S. 120-76(9) is repealed.

UNC CARRYFORWARD/TEMPORARY INCREASE ENDING JULY 1, 2017/MUST BE USED FOR REPAIRS AND RENOVATIONS

SECTION 31.17.(a) Notwithstanding G.S. 116-30.3(a), the amount carried forward in each budget code under that subsection on June 30, 2016, shall not exceed five percent (5%) of the General Fund appropriation in that budget code. Any amount carried forward in a budget code that is in excess of two and one-half percent (2.5%) of the General Fund appropriation in that budget code shall be used only (i) for projects that are eligible to receive funds from the Repairs and Renovations Reserve under G.S. 143C-4-3(b) or (ii) for advanced planning of capital improvement projects.

SECTION 31.17.(b) The Board of Governors of The University of North Carolina shall submit the following written reports to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division on the allocation and use of funds accruing from the temporary increase in the carryforward provided by subsection (a) of this section:

(1) A report on expenditures for repairs and renovations no later than October 1, 2017.

(2) A report on any expenditures for advanced planning no later than 30 days after the funds are spent.

MCGOUGH ARENA REPAIR PROJECT CHANGES

SECTION 31.18. Section 36.12(f)(5) of S.L. 2014-100 reads as rewritten:

"**SECTION 36.12.(f)** Allocation of Proceeds. – The proceeds of bonds and notes shall be allocated and expended as provided in this subsection:

…

(5) A maximum aggregate principal amount of two million dollars ($2,000,000) to finance the capital facility costs of repairing or renovating the roof of the McGough Arena and other facilities at the Western North Carolina Agricultural Center."

TECHNICAL CORRECTION RELATING TO USS NORTH CAROLINA BATTLESHIP REPAIRS

SECTION 31.19. Section 36.10 of S.L. 2014-100 reads as rewritten:

"**SECTION 36.10.** The General Assembly authorizes USS North Carolina Battleship hull and cofferdam repairs to be funded at a maximum cost of thirteen million dollars ($13,000,000) in accordance with this section. The sum of three million dollars ($3,000,000) of the proceeds of bonds issued pursuant to Section 36.12(f)(7) of this act shall be used for this project. The remainder of the project shall be funded with receipts or from other non-General Fund sources available to the Department of Cultural Resources, and those funds are hereby appropriated for that purpose."

SBI/SHP PERIMETER FENCE

SECTION 31.21. The Department of Public Safety may use funds available during the 2015-2017 fiscal biennium to complete a SBI/SHP perimeter fence.

PALLIATIVE CARE UNIT AT CENTRAL PRISON

SECTION 31.22. The Department of Public Safety shall take appropriate measures, including maximizing the use of the Inmate Construction Program, to reduce costs related to construction of correctional projects authorized in S.L. 2007-323, as amended by S.L. 2009-209 and S.L. 2009-451, and S.L. 2008-107, as amended by S.L. 2009-209 and S.L. 2009-451. The Department, with the approval of the Office of State Budget and Management, may use the funds from any savings generated, together with available funds, to finance the capital facility costs of renovating existing space at Central Prison for bed space for long-term palliative care. No additional special indebtedness may be issued or incurred to finance the construction of bed space for such care. The use of funds authorized by this section shall not require further approval by the Council of State pursuant to Chapter 142 of the General Statutes.

PART XXXII. FINANCE PROVISIONS

HISTORIC PRESERVATION TAX CREDIT

SECTION 32.3.(a) Chapter 105 of the General Statutes is amended by adding a new Article to read:

"Article 3L.

"Historic Rehabilitation Tax Credits Investment Program.

"§ **105-129.100. Credit for rehabilitating income-producing historic structure.**

(a) Credit. – A taxpayer who is allowed a federal income tax credit under section 47 of the Code for making qualified rehabilitation expenditures for a certified historic structure located in this State is allowed a credit equal to the sum of the following:

(1) Base amount. – The percentage of qualified rehabilitation expenditures at the levels provided in the table below:

Expenses Over	**Up To**	**Rate**
0	$10 million	15.00%
$10 million	$20 million	10.00%

(2) Development tier bonus. – An amount equal to five percent (5%) of qualified rehabilitation expenditures not exceeding twenty million dollars ($20,000,000) if the certified historic structure is located in a development tier one or two area.

(3) Targeted investment bonus. – An amount equal to five percent (5%) of qualified rehabilitation expenditures not exceeding twenty million dollars ($20,000,000) if the certified historic structure is located on an eligible targeted investment site.

(b) Pass-Through Entity. – Notwithstanding the provisions of G.S. 105-131.8 and G.S. 105-269.15, a pass-through entity that qualifies for the credit provided in this section may allocate the credit among any of its owners in its discretion as long as an owner's adjusted basis in the pass-through entity, as determined under the Code, at the end of the taxable year in which the certified historic structure is placed in service, is at least forty percent (40%) of the amount of credit allocated to that owner. Owners to whom a credit is allocated are allowed the credit as if they had qualified for the credit directly. A pass-through entity and its owners must include with their tax returns for every taxable year in which an allocated credit is claimed a statement of the allocation made by the pass-through entity and the allocation that would have been required under G.S. 105-131.8 or G.S. 105-269.15.

(c) Definitions. – The following definitions apply in this section:

(1) Certified historic structure. – Defined in section 47 of the Code.

(2) Development tier area. – Defined in G.S. 143B-437.08.

(3) Eligibility certification. – A certification obtained from the State Historic Preservation Officer that the site comprises an eligible targeted investment site.

(4) Eligible targeted investment site. – A site located in this State that satisfies all of the following conditions:

a. It was used as a manufacturing facility or for purposes ancillary to manufacturing, as a warehouse for selling agricultural products, or as a public or private utility.

b. It is a certified historic structure.

c. It has been at least sixty-five percent (65%) vacant for a period of at least two years immediately preceding the date the eligibility certification is made.

(5) Pass-through entity. – Defined in G.S. 105-228.90.

(6) Qualified rehabilitation expenditures. – Defined in section 47 of the Code.

(7) State Historic Preservation Officer. – The Deputy Secretary of the Office of Archives and History of the North Carolina Department of Cultural Resources, or the Deputy Secretary's designee, who acts to administer the historic preservation programs within the State.

(8) Targeted investment. – Qualified rehabilitation expenditures on a certified historic structure that is located on an eligible targeted investment site.

(d) Limitations. – The amount of credit allowed under this section with respect to qualified rehabilitation expenditures for an income-producing certified historic structure may not exceed four million five hundred thousand dollars ($4,500,000).

"**§ 105-129.101. Credit for rehabilitating non-income-producing historic structure.**

(a) Credit. – A taxpayer who is not allowed a federal income tax credit under section 47 of the Code and who has rehabilitation expenses of at least ten thousand dollars ($10,000) for a State-certified historic structure located in this State is allowed a credit equal to fifteen percent (15%) of the rehabilitation expenses.

(b) Limitations. – The amount of credit allowed under this section with respect to rehabilitation expenses for a non-income-producing certified historic structure may not exceed twenty-two thousand five hundred dollars ($22,500) per discrete property parcel. In the event that the taxpayer is the transferee of a State-certified historic structure for which rehabilitation expenses were made, the taxpayer as transferee is allowed a credit under this section only if the transfer takes place before the structure is placed in service. In this event, no other taxpayer may claim such credit. A taxpayer is allowed to claim a credit under this section no more than once in any five-year period, carryovers notwithstanding.

(c) Definitions. – The following definitions apply in this section:

(1) Certified rehabilitation. – Repairs or alterations consistent with the Secretary of the Interior's Standards for Rehabilitation and certified as such by the State Historic Preservation Officer.

(2) Discrete property parcel. – A lot or tract described by metes and bounds, a deed or plat of which has been recorded in the deed records of the county in which the property is located, and on which a State-certified historic structure is located, or a single condominium unit in a State-certified historic structure.

(3) Placed in service. – The later of the date on which the rehabilitation is completed or the date on which the property is used for its intended purpose.

(4) Rehabilitation expenses. – Expenses incurred in the certified rehabilitation of a certified historic structure and added to the property's basis. The expenses must be incurred within any 24-month period per discrete property parcel. The term does not include the cost of acquiring the property, the cost

attributable to the enlargement of an existing building, the cost of site work expenditures, or the cost of personal property.

(5) State-certified historic structure. – A structure that is individually listed in the National Register of Historic Places or is certified by the State Historic Preservation Officer as contributing to the historic significance of a National Register Historic District or a locally designated historic district certified by the United States Department of the Interior.

(6) State Historic Preservation Officer. – Defined in G.S. 105-129.100(c)(7).

"**§ 105-129.102. Rules; fees.**

(a) Rules. – The North Carolina Historical Commission, in consultation with the State Historic Preservation Officer, may adopt rules needed to administer any certification process required by this Article.

(b) Fees. – The North Carolina Historical Commission, in consultation with the State Historic Preservation Officer, may adopt a schedule of fees for providing any certifications required by this Article, or Article 3D or 3H as they provided as of December 31, 2014. In establishing the fee schedule, the Commission shall consider the administrative and personnel costs incurred by the Department of Cultural Resources. An application fee may not exceed one percent (1%) of the completed qualifying rehabilitation expenditures. The proceeds of the fees are receipts of the Department of Cultural Resources and must be used for performing its duties under this Article.

"**§ 105-129.103. Tax credited; credit limitations.**

(a) Tax Credited. – The credits provided in this Article are allowed against the franchise tax imposed in Article 3 of this Chapter, the income taxes levied in Article 4 of this Chapter, or the gross premiums tax imposed in Article 8B of this Chapter. The taxpayer may take a credit allowed by this Article against only one of the taxes against which it is allowed. The taxpayer must elect the tax against which a credit will be claimed when filing the return on which it is claimed, and this election is binding. Any carryforwards of a credit must be claimed against the same tax.

(b) Return. – A taxpayer may claim a credit allowed by this Article on a return filed for the taxable year in which the certified historic structure was placed into service. When an income-producing certified historic structure as defined in G.S. 105-129.100 is placed into service in two or more phases in different years, the amount of credit that may be claimed in a year is the amount based on the qualified rehabilitation expenditures associated with the phase placed into service during that year.

(c) Cap. – A credit allowed under this Article may not exceed the amount of the tax against which it is claimed for the taxable year reduced by the sum of all credits allowed, except payments of tax made by or on behalf of the taxpayer. Any unused portion of the credit may be carried forward for the succeeding nine years.

(d) Forfeiture for Disposition. – A taxpayer who is required under section 50 of the Code to recapture all or part of the federal credit for rehabilitating an income-producing historic structure located in this State forfeits the corresponding part of the State credit allowed under G.S. 105-129.100 with respect to that historic structure. If the credit was allocated among the owners of a pass-through entity, the forfeiture applies to the owners in the same proportion that the credit was allocated.

(e) Forfeiture for Change in Ownership. – If an owner of a pass-through entity that has qualified for the credit allowed under G.S. 105-129.100 disposes of all or a portion of the owner's interest in the pass-through entity within five years from the date the rehabilitated historic structure is placed in service and the owner's interest in the pass-through entity is reduced to less than two-thirds of the owner's interest in the pass-through entity at the time the historic structure was placed in service, the owner forfeits a portion of the credit. The amount forfeited is determined by multiplying the amount of credit by the percentage reduction in ownership and then multiplying that product by the forfeiture percentage. The forfeiture

percentage equals the recapture percentage found in the table in section 50(a)(1)(B) of the Code.

(f) Exceptions to Forfeiture. – Forfeiture as provided in subsection (e) of this section is not required if the change in ownership is the result of any of the following:

(1) The death of the owner.

(2) A merger, consolidation, or similar transaction requiring approval by the shareholders, partners, or members of the taxpayer under applicable State law, to the extent the taxpayer does not receive cash or tangible property in the merger, consolidation, or other similar transaction.

(g) Liability From Forfeiture. – A taxpayer or an owner of a pass-through entity that forfeits a credit under this section is liable for all past taxes avoided as a result of the credit plus interest at the rate established under G.S. 105-241.21, computed from the date the taxes would have been due if the credit had not been allowed. The past taxes and interest are due 30 days after the date the credit is forfeited. A taxpayer or owner of a pass-through entity that fails to pay the taxes and interest by the due date is subject to the penalties provided in G.S. 105-236.

(h) Substantiation. – To claim a credit allowed by this Article, the taxpayer must provide any information required by the Secretary of Revenue, including a copy of the certification obtained from the State Historic Preservation Office verifying that the historic structure has been rehabilitated in accordance with the requirements set out in this Article, and a copy of the eligibility certification if the historic structure is located in an eligible targeted investment site and the target investment bonus is claimed. Every taxpayer claiming a credit under this Article must maintain and make available for inspection by the Secretary of Revenue any records the Secretary considers necessary to determine and verify the amount of the credit to which the taxpayer is entitled. The burden of proving eligibility for the credit and the amount of the credit rests upon the taxpayer, and no credit may be allowed to a taxpayer that fails to maintain adequate records or to make them available for inspection.

(i) No Double Credit. – A taxpayer that claims a credit under this Article may not also claim a credit under Article 3D or Article 3H of this Chapter with respect to the same activity.

"§ **105-129.104. Report; tracking.**

(a) The Department must include in the economic incentives report required by G.S. 105-256 the following information itemized by taxpayer:

(1) The number of taxpayers that took the credits allowed in this Article.

(2) The amount of rehabilitation expenses and qualified rehabilitation expenditures with respect to which credits were taken.

(3) The total cost to the General Fund of the credits taken.

(b) The Department shall include in the economic incentives report required by G.S. 105-256 the following information:

(1) The total amount of tax credits claimed and the total amount of tax credits taken against current taxes, by type of tax, during the relevant tax year.

(2) The total amount of tax credits carried forward, by type of tax.

"§ **105-129.105. Sunset.**

This Article expires for qualified rehabilitation expenditures and rehabilitation expenses incurred on or after January 1, 2020."

SECTION 32.3.(b) G.S. 105-129.75 reads as rewritten:

"§ **105-129.75. Sunset.**

This Article expires January 1, 2015, for rehabilitation projects for which an application for an eligibility certification is submitted on or after that date. Eligibility certifications under this Article expire January 1, 2023."

SECTION 32.3.(c) Subsection (a) of this section becomes effective January 1, 2016, and applies to qualified rehabilitation expenditures and rehabilitation expenses incurred on or after that date. The remainder of the section is effective when this act becomes law.

CORPORATE INCOME TAX RATE REDUCTION AND TAX BASE EXPANSION

SECTION 32.13.(a) G.S. 105-130.3 reads as rewritten:

"§ **105-130.3. Corporations.**

A tax is imposed on the State net income of every C Corporation doing business in this State at the rate of ~~five percent (5%).~~ four percent (4%). An S Corporation is not subject to the tax levied in this section."

SECTION 32.13.(b) G.S. 105-130.3C reads as rewritten:

"§ **105-130.3C. Rate reduction trigger.**

(a) Trigger. – ~~If~~ When the amount of net General Fund tax collected in a fiscal year ~~2014-2015 or fiscal year 2015-2016~~ exceeds twenty billion nine hundred seventy-five million dollars ($20,975,000), ~~the targeted amount for that fiscal year,~~ the rate of tax set in G.S. 105-130.3 ~~may~~ must be decreased ~~in accordance with this section~~ to three percent (3%) effective for the taxable year that begins on the following January 1. The Secretary must notify taxpayers if the rate decreases under this section. ~~The rate is decreased by one percent (1%) if net General Fund tax collections for fiscal year 2014-2015 exceed the targeted amount of twenty billion two hundred million dollars ($20,200,000,000). The rate is decreased by one percent (1%) if net General Fund tax collections for fiscal year 2015-2016 exceed the targeted amount of twenty billion nine hundred seventy-five million dollars ($20,975,000,000). Effective for taxable years beginning on or after January 1, 2017, the rate of tax set in G.S. 105-130.3 is the rate determined in accordance with this section.~~

(b) Tax Collections. – For purposes of this section, the amount of net General Fund tax collected for a fiscal year is the amount of net revenue as reported by the Department of Revenue's June Statement of Collection as "Total General Fund Revenue" for the 12-month period that ended the previous June 30, modified as follows:

(1) Less any large one-time, nonrecurring revenue as reported to the Fiscal Research Division of the General Assembly by the Department and verified by the Fiscal Research Division of the General Assembly.

(2) Adjusted by any changes in net collections resulting from the suspension or termination of transfers out of General Fund tax collections."

SECTION 32.13.(c) G.S. 105-130.5(b)(6), (7), (12), (13), (15), (18), (19), and (22), G.S. 105-130.5(c)(5), and G.S. 105-130.10 are repealed.

SECTION 32.13.(d) G.S. 105-130.5 reads as rewritten:

"§ **105-130.5. Adjustments to federal taxable income in determining State net income.**

(a) The following additions to federal taxable income shall be made in determining State net income:

…

(25) The amount of net interest expense to a related member as determined under G.S. 105-130.7B.

(b) The following deductions from federal taxable income shall be made in determining State net income:

…

(3a) Dividends treated as received from sources outside the United States as determined under section 862 of the Code, net of related expenses, to the extent included in federal taxable income. Notwithstanding the proviso in subdivision (c)(3) of this section, the netting of related expenses shall be calculated in accordance with subdivision (c)(3) of this ~~section and G.S. 105-130.6A.~~section.

…

(11) If a deduction for an ordinary and necessary business expense was required to be reduced or was not allowed under the Code because the corporation claimed a federal tax credit against its federal income tax liability for the income year in lieu of a deduction, the amount by which the deduction was reduced and the amount of the deduction that was disallowed. ~~This~~

~~deduction is allowed only to the extent that a similar credit is not allowed by this Chapter for the amount.~~

…

(28) The amount of qualified interest expense to a related member as determined under G.S. 105-130.7B.

(c) The following other adjustments to federal taxable income shall be made in determining State net income:

…

(3) No deduction is allowed for any direct or indirect expenses related to income not taxed under this Part; provided, no adjustment shall be made under this subsection for adjustments addressed in G.S. 105-130.5(a) and (b). ~~G.S. 105-130.6A applies to the adjustment for expenses related to dividends received that are not taxed under this Part.~~For dividends received that are not taxed under this Part, the adjustment for expenses may not exceed an amount equal to fifteen percent (15%) of the dividends.

…."

SECTION 32.13.(e) G.S. 105-130.6A is repealed.

SECTION 32.13.(f) Part 1 of Article 4 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"**§ 105-130.7B. Limitation on qualified interest for certain indebtedness.**

(a) Limitation. – In determining State net income, a deduction is allowed only for qualified interest expense paid or accrued by the taxpayer to a related member during a taxable year. This section does not limit the Secretary's authority to adjust a taxpayer's net income as it relates to payments to or charges by a parent, subsidiary, or affiliated corporation in excess of fair compensation in an intercompany transaction under G.S. 105-130.5(a)(9).

(b) Definitions. – The definitions in G.S. 105-130.7A apply in this section. In addition, the following definitions apply in this section:

(1) Adjusted taxable income. – State net income of the taxpayer determined without regard to this section and other adjustments as the Secretary may by rule provide.

(2) Bank. – One or more of the following, or a subsidiary or affiliate of one or more of the following:

a. A bank holding company as defined in the federal Bank Holding Company Act of 1956, as amended.

b. One or more of the following entities incorporated or chartered under the laws of this State, another state, or the United States:

1. A bank. This term has the same meaning as defined in G.S. 53C-1-4.

2. A savings bank. This term has the same meaning as defined in G.S. 54C-4.

3. A savings and loan association. This term has the same meaning as defined in G.S. 54B-4.

4. A trust company. This term has the same meaning as defined in G.S. 53C-1-4.

(3) Net interest expense. – The excess of the interest paid or accrued by the taxpayer to a related member during the taxable year over the amount of interest from a related member includible in the gross income of the taxpayer for the taxable year.

(4) Qualified interest expense. – The amount of net interest expense paid or accrued to a related member in a taxable year not to exceed thirty percent (30%) of the taxpayer's adjusted taxable income. This limitation does not apply to interest paid or accrued to a related member if one or more of the following applies:

a. Tax is imposed by the State under this Article on the related member with respect to the interest.

b. The related member pays a net income tax or gross receipts tax to another state with respect to the interest income.

c. The related member is organized under the laws of a foreign country that has a comprehensive income tax treaty with the United States, and that country taxes the interest income at a rate equal to or greater than G.S. 105-130.3.

d. The related member is a bank."

SECTION 32.13.(g) G.S. 105-102.3 is repealed.

SECTION 32.13.(h) Subsection (g) of this section becomes effective July 1, 2016. The remainder of this section becomes effective for taxable years beginning on or after January 1, 2016.

PHASE-IN SINGLE SALES FACTOR APPORTIONMENT AND STUDY MARKET-BASED SOURCING

SECTION 32.14.(a) Effective for taxable years beginning on or after January 1, 2016, G.S. 105-130.4(i) reads as rewritten:

"(i) ~~All~~ Apportionable Income. – Except as otherwise provided in this section, all apportionable income of corporations ~~other than public utilities, excluded corporations, and qualified capital intensive corporations~~ shall be apportioned to this State by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus ~~twice~~ three times the sales factor, and the denominator of which is ~~four.~~ five. If the sales factor does not exist, the denominator of the fraction is the number of existing factors and if the sales factor exists but the payroll factor or the property factor does not exist, the denominator of the fraction is the number of existing factors plus ~~one.~~two."

SECTION 32.14.(b) Effective for taxable years beginning on or after January 1, 2017, G.S. 105-130.4(i), as amended by subsection (a) of this section, reads as rewritten:

"(i) Apportionable Income. – Except as otherwise provided in this section, all apportionable income of corporations shall be apportioned to this State by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus ~~three~~ four times the sales factor, and the denominator of which is ~~five.~~ six. If the sales factor does not exist, the denominator of the fraction is the number of existing factors and if the sales factor exists but the payroll factor or the property factor does not exist, the denominator of the fraction is the number of existing factors plus ~~two.~~three."

SECTION 32.14.(c) Effective for taxable years beginning on or after January 1, 2018, G.S. 105-130.4(i), as amended by subsection (b) of this section, reads as rewritten:

"(i) Apportionable Income. – Except as otherwise provided in this section, all apportionable income of corporations shall be apportioned to this State by multiplying the income by ~~a fraction, the numerator of which is the property factor plus the payroll factor plus four times the sales factor, and the denominator of which is six. If the sales factor does not exist, the denominator of the fraction is the number of existing factors and if the sales factor exists but the payroll factor or the property factor does not exist, the denominator of the fraction is the number of existing factors plus three.~~the sales factor as determined under subsection (l) of this section."

SECTION 32.14.(d) Effective for taxable years beginning on or after January 1, 2018, G.S. 105-130.4(a)(6), (a)(9), (j), (k), (r), and (s1) are repealed.

SECTION 32.14.(e) Except as otherwise provided, this section is effective when it becomes law.

SECTION 32.14A.(a) The Revenue Laws Study Committee is directed to study the calculation of the sales factor under G.S. 105-130.4(l) using market-based sourcing. To help the Committee determine the effect of market-based sourcing on corporate taxpayers, each corporate taxpayer with apportionable income greater than ten million dollars ($10,000,000)

and a North Carolina apportionment percentage less than one hundred percent (100%) is required to file an informational report with the Department of Revenue as provided in this section.

SECTION 32.14A.(b) As part of its 2015 income tax return required under Article 4 of Chapter 105 of the General Statutes, each corporation with an apportionment percentage less than one hundred percent (100%) and an apportionable income of more than ten million dollars ($10,000,000) must file an informational report with the Department of Revenue showing the calculation of the taxable year 2014 sales factor using market-based sourcing as provided below:

(1) In the case of sale, rental, lease, or license of real property, if and to the extent the property is located in this State.

(2) In the case of rental, lease, or license of tangible personal property, if and to the extent the property is located in this State.

(3) In the case of sale of a service, if and to the extent the service is delivered to a location in this State.

(4) In the case of intangible property that is rented, leased, or licensed, if and to the extent the property is used in this State. Intangible property utilized in marketing a good or service to a consumer is "used in this State" if that good or service is purchased by a consumer who is in this State.

(5) In the case of intangible property that is sold, if and to the extent the property is used in this State. A contract right, government license, or similar intangible property that authorizes the holder to conduct a business activity in a specific geographic area is "used in this State" if the geographic area includes all or part of this State.

Receipts from intangible property sales that are contingent on the productivity, use, or disposition of the intangible property shall be treated as receipts from the rental, lease, or licensing of the intangible property as provided under subdivision (4) of this subsection. All other receipts from a sale of intangible property shall be excluded from the numerator and denominator of the sales factor.

SECTION 32.14A.(c) The sales factor calculation required by this section must be based on the model market-sourcing regulations drafted by the Multi-State Tax Commission. The Department of Revenue may publish additional market-based sourcing guidelines consistent with the Multi-State Tax Commission regulations.

SECTION 32.14A.(d) The informational report must be in a form required by the Secretary of Revenue and contain the following information:

(1) The corporation's 2014 apportionment percentage used on the corporation's 2014 North Carolina corporate tax return.

(2) The corporation's 2014 apportionment percentage as calculated under subsection (b) of this section.

(3) The corporation's primary industry code under NAICS. The term "NAICS" has the same meaning as defined in G.S. 105-228.90.

(4) Any other information prescribed by the Secretary.

SECTION 32.14A.(e) The informational report is due at the time corporate taxpayer's return is due for the 2015 taxable year under G.S. 105-130.17(b). A taxpayer may not request an extension of time to file the informational report. The Secretary shall assess a civil penalty of five thousand dollars ($5,000) for failure to timely file an informational report required under this section. The Secretary may reduce or waive the penalty as provided in G.S. 105-237.

SECTION 32.14A.(f) This section is effective when it becomes law.

FRANCHISE TAX BASE CHANGES

SECTION 32.15.(a) G.S. 105-114(b) reads as rewritten:

"(b) Definitions. – The following definitions apply in this Article:

…

(5) Total assets. – The sum of all cash, investments, furniture, fixtures, equipment, receivables, intangibles, and any other items of value owned by a person or a business entity."

SECTION 32.15.(b) G.S. 105-120.2 reads as rewritten:

"§ **105-120.2. Franchise or privilege tax on holding companies.**

(a) Every corporation, domestic and foreign, incorporated or, by an act, domesticated under the laws of this State or doing business in this State that, at the close of its taxable year, is a holding company as defined in subsection (c) of this section, shall, pursuant to the provisions of G.S. 105-122, do all of the following:

(1) File a return.

(2) Determine the total amount of its ~~issued and outstanding capital stock, surplus and undivided profits.~~net worth.

(3) Apportion ~~such outstanding capital stock, surplus and undivided profits~~ its net worth to this State.

(b) ~~(1)~~ Tax Rate. – Every corporation taxed under this section shall annually pay to the Secretary of Revenue, at the time the return is due, the greater of the following:

(1) ~~a.~~ A franchise or privilege tax at the rate of one dollar and fifty cents ($1.50) per one thousand dollars ($1,000) of the amount determined under subsection (a) of this section, but in no case shall the tax be more than ~~seventy-five thousand dollars ($75,000) nor less than thirty-five dollars ($35.00).~~one hundred fifty thousand dollars ($150,000) nor less than two hundred dollars ($200.00).

(2) ~~Notwithstanding the provisions of subdivision (1) of this subsection, if~~ If the tax ~~produced pursuant to application of~~ calculated under this ~~paragraph (2)~~ subdivision exceeds the tax ~~produced pursuant to application of~~ calculated under subdivision ~~(1),~~ (1) of this subsection, then the tax is levied at the rate of one dollar and fifty cents ($1.50) per one thousand dollars ($1,000) on the greater of the following:

a. Fifty-five percent (55%) of the appraised value as determined for ad valorem taxation of all the real and tangible personal property in this State of each such corporation plus the total appraised value of intangible property returned for taxation of intangible personal property as computed under G.S. 105-122(d).

b. The total actual investment in tangible property in this State of such corporation as computed under G.S. 105-122(d).

…."

SECTION 32.15.(c) G.S. 105-122(b)(4), (5), (6), (7), and (8) and G.S. 105-122(d1) are repealed.

SECTION 32.15.(d) G.S. 105-122, as amended by subsection (c) of this section, reads as rewritten:

"§ **105-122. Franchise or privilege tax on domestic and foreign corporations.**

(a) Tax Imposed. – An annual franchise or privilege tax is imposed on a corporation doing business in this State. The tax is determined on the basis of the books and records of the corporation as of the close of its income year. A corporation subject to the tax must file a return under affirmation with the Secretary at the place and in the manner prescribed by the Secretary. The return must be signed by the president, vice-president, treasurer, or chief financial officer of the corporation. The return is due on or before the fifteenth day of the fourth month following the end of the corporation's income year.

(b) Determination of ~~Capital Base. —~~Net Worth. – A corporation taxed under this section shall determine the total amount of its ~~issued and outstanding capital stock, surplus, and undivided profits. No reservation or allocation from surplus or undivided profits is allowed~~

~~except as provided below:~~net worth. The net worth of a corporation is its total assets without regard to the deduction for accumulated depreciation, depletion, or amortization less its total liabilities, computed in accordance with generally accepted accounting principles as of the end of the corporation's taxable year. If the corporation does not maintain its books and records in accordance with generally accepted accounting principles, then its net worth is computed in accordance with the accounting method used by the entity for federal tax purposes so long as the method fairly reflects the corporation's net worth for purposes of the tax levied by this section. A corporation's net worth is subject to the following adjustments:

(1) ~~Definite and accrued legal liabilities.~~A deduction for accumulated depreciation, depletion, and amortization is determined in accordance with the method used for federal tax purposes.

~~(1a) Billings in excess of costs that are considered a deferred liability under the percentage of completion method of revenue recognition.~~

(2) ~~Taxes accrued, dividends declared, and reserves for depreciation of tangible assets and for amortization of intangible assets as permitted for income tax purposes.~~An addition for indebtedness the corporation owes to a parent, a subsidiary, an affiliate, or a noncorporate entity in which the corporation or an affiliated group of corporations owns directly or indirectly more than fifty percent (50%) of the capital interests of the noncorporate entity. The amount added back to the corporation's net worth may be further adjusted if part of the capital of the creditor is capital borrowed from a source other than a parent, a subsidiary, or an affiliate. The debtor corporation may deduct a proportionate part of the indebtedness based on the ratio of the borrowed capital of the creditor to the total assets of the creditor. For purposes of this subdivision, borrowed capital does not include indebtedness incurred by a bank arising out of the receipt of a deposit and evidenced by a certificate of deposit, a passbook, a cashier's check, a certified check, or other similar document.

(2a) If the creditor corporation is taxable under this Article, the creditor corporation may deduct the amount of indebtedness owed to it by a parent, subsidiary, or affiliated corporation to the extent that such indebtedness has been added by the debtor corporation.

(3) ~~When including deferred tax liabilities, a corporation may reduce the amount included in its base by netting against that amount deferred tax assets. The reduction may not decrease deferred tax liabilities below zero (0).~~A corporation may deduct the cost of treasury stock.

…

~~Every corporation doing business in this State which is a parent, subsidiary, or affiliate of another corporation shall add to its capital stock, surplus, and undivided profits all indebtedness owed to a parent, subsidiary, or affiliated corporation as a part of its capital used in its business and as a part of the base for franchise tax under this section. If any part of the capital of the creditor corporation is capital borrowed from a source other than a parent, subsidiary, or affiliate, the debtor corporation, which is required under this subsection to include in its tax base the amount of debt by reason of being a parent, subsidiary, or affiliate of the creditor corporation, may deduct from the debt included a proportionate part determined on the basis of the ratio of the borrowed capital of the creditor corporation to the total assets of the creditor corporation. If the creditor corporation is also taxable under the provisions of this section, the creditor corporation is allowed to deduct from the total of its capital, surplus, and undivided profits the amount of any debt owed to it by a parent, subsidiary or affiliated corporation to the extent that the debt has been included in the tax base of the parent, subsidiary, or affiliated debtor corporation reporting for taxation under the provisions of this section.~~

(b1) Definitions. – The following definitions apply in subsection (b) of this section:

(1) Affiliate. – ~~The same meaning as specified in G.S. 105-130.2.~~A corporation is an affiliate of another corporation when both are directly or indirectly controlled by the same parent corporation or by the same or associated financial interests by stock ownership, interlocking directors, or by any other means whatsoever, whether the control is direct or through one or more subsidiary, affiliated, or controlled corporations.

(2) Affiliated group. – The same meaning as defined in G.S. 105-114.1.

(3) Capital interest. – The right under an entity's governing law to receive a percentage of the entity's assets upon dissolution after payments to creditors.

(4) Governing law. – The law under which the noncorporate entity is organized.

~~(2)~~(5) Indebtedness. – All loans, credits, goods, supplies, or other capital of whatsoever nature furnished by a parent, a subsidiary, ~~or affiliated corporation,~~ an affiliate, or a noncorporate entity in which the corporation or an affiliated group of corporations owns directly or indirectly more than fifty percent (50%) of the capital interests of the noncorporate entity, other than indebtedness endorsed, guaranteed, or otherwise supported by one of these corporations.

(6) Noncorporate entity. – A person that is neither a human being nor a corporation.

~~(3)~~(7) Parent. – ~~The same meaning as specified in G.S. 105-130.2.~~A corporation is a parent of another corporation when, directly or indirectly, it controls the other corporation by stock ownership, interlocking directors, or by any other means whatsoever exercised by the same or associated financial interests, whether the control is direct or through one or more subsidiary, affiliated, or controlled corporations.

~~(4)~~(8) Subsidiary. – ~~The same meaning as specified in G.S. 105-130.2.~~A corporation is a subsidiary of another corporation when, directly or indirectly, it is subject to control by the other corporation by stock ownership, interlocking directors, or by any other means whatsoever exercised by the same or associated financial interest, whether the control is direct or through one or more subsidiary, affiliated, or controlled corporations.

(c1) Apportionment. – A corporation that is doing business in this State and in one or more other states must apportion its ~~capital stock, surplus, and undivided profits~~ net worth to this State. A corporation must use the apportionment method set out in subdivision (1) of this subsection unless the Department has authorized it to use a different method under subdivision (2) of this subsection. The portion of a corporation's ~~capital stock, surplus, and undivided profits~~ net worth determined by applying the appropriate apportionment method is considered the amount of ~~capital stock, surplus, and undivided profits~~ net worth the corporation uses in its business in this State.

(1) Statutory. – A corporation that is subject to income tax under Article 4 of this Chapter must apportion its ~~capital stock, surplus, and undivided profits~~ net worth by using the fraction it applies in apportioning its income under that Article. A corporation that is not subject to income tax under Article 4 of this Chapter must apportion its ~~capital stock, surplus, and undivided profits~~ net worth by using the fraction it would be required to apply in apportioning its income if it were subject to that Article. The apportionment method set out in this subdivision is considered the statutory method of apportionment and is presumed to be the best method of determining the amount of a corporation's ~~capital stock, surplus, and undivided profits~~ net worth attributable to the corporation's business in this State.

(2) Alternative. – A corporation that believes the statutory apportionment method set out in subdivision (1) of this subsection subjects a greater portion

of its ~~capital stock, surplus, and undivided profits~~ net worth to tax under this section than is attributable to its business in this State may make a written request to the Secretary for permission to use an alternative method. The request must set out the reasons for the corporation's belief and propose an alternative method. The corporation has the burden of establishing by clear, cogent, and convincing proof that the statutory apportionment method subjects a greater portion of the corporation's ~~capital stock, surplus, and undivided profits~~ net worth to tax under this section than is attributable to its business in this State and that the proposed alternative method is a better method of determining the amount of the corporation's ~~capital stock, surplus, and undivided profits~~ net worth attributable to the corporation's business in this State.

The Secretary must issue a written decision on a corporation's request for an alternative apportionment method. If the decision grants the request, it must describe the alternative method the corporation is authorized to use and state the tax years to which the alternative method applies. A decision may apply to no more than three tax years. A corporation may renew a request to use an alternative apportionment method by following the procedure in this subdivision. A decision of the Secretary on a request for an alternative apportionment method is final and is not subject to administrative or judicial review. A corporation authorized to use an alternative method may apportion its ~~capital stock, surplus, and undivided profits~~ net worth in accordance with the alternative method or the statutory method.

(3) Repealed by Session Laws 2011-330, s. 5, effective June 27, 2011.

(d) Tax Base and Tax Rate. – After determining the proportion of its ~~total capital stock, surplus and undivided profits~~ net worth as set out in subsection (c1) of this section, which amount shall not be less than fifty-five percent (55%) of the appraised value as determined for ad valorem taxation of all the real and tangible personal property in this State of each corporation nor less than its total actual investment in tangible property in this State, every corporation taxed under this section shall annually pay to the Secretary of Revenue, at the time the return is due, a franchise or privilege tax at the rate of one dollar and fifty cents ($1.50) per one thousand dollars ($1,000) of the total amount of ~~capital stock, surplus and undivided profits~~ net worth as provided in this section. The tax imposed in this section shall not be less than ~~thirty-five dollars ($35.00)~~ two hundred dollars ($200.00) and is for the privilege of carrying on, doing business, and/or the continuance of articles of incorporation or domestication of each corporation in this State. Appraised value of tangible property including real estate is the ad valorem valuation for the calendar year next preceding the due date of the franchise tax return. The term "total actual investment in tangible property" as used in this section means the total original purchase price or consideration to the reporting taxpayer of its tangible properties, including real estate, in this State plus additions and improvements thereto less reserve for depreciation as permitted for income tax ~~purposes, and also less any indebtedness incurred and existing by virtue of the purchase of any real estate and any permanent improvements made thereon. In computing "total actual investment in tangible personal property" a corporation may deduct reserves for the entire cost of any air-cleaning device or sewage or waste treatment plant, including waste lagoons, and pollution abatement equipment purchased or constructed and installed which reduces the amount of air or water pollution resulting from the emission of air contaminants or the discharge of sewage and industrial wastes or other polluting materials or substances into the outdoor atmosphere or into streams, lakes, or rivers, upon condition that the corporation claiming this deduction shall furnish to the Secretary a certificate from the Department of Environment and Natural Resources or from a local air pollution control program for air-cleaning devices located in an area where the Environmental Management Commission has certified a local air pollution control program pursuant to G.S. 143-215.112 certifying that said Department or local air pollution control program has found as a fact that~~

~~the air-cleaning device, waste treatment plant or pollution abatement equipment purchased or constructed and installed as above described has actually been constructed and installed and that the device, plant or equipment complies with the requirements of the Environmental Management Commission or local air pollution control program with respect to the devices, plants or equipment, that the device, plant or equipment is being effectively operated in accordance with the terms and conditions set forth in the permit, certificate of approval, or other document of approval issued by the Environmental Management Commission or local air pollution control program and that the primary purpose is to reduce air or water pollution resulting from the emission of air contaminants or the discharge of sewage and waste and not merely incidental to other purposes and functions. The cost of constructing facilities of any private or public utility built for the purpose of providing sewer service to residential and outlying areas is treated as deductible for the purposes of this section; the deductible liability allowed by this section applies only with respect to pollution abatement plants or equipment constructed or installed on or after January 1, 1955.~~purposes.

…

(e) Short Period. – Any corporation which changes its income year, and files a "short period" income tax return pursuant to G.S. 105-130.15 shall file a franchise tax return in accordance with the provisions of this section in the manner and as of the date specified in subsection (a) of this section. Such corporation shall be entitled to deduct from the total franchise tax computed (on an annual basis) on such return the amount of franchise tax previously paid which is applicable to the period subsequent to the beginning of the new income year.

(f) Return and Tax. – The return and tax required by this section are in addition to all other reports required or taxes levied and assessed in this State.

(g) Local Prohibition. – Counties, cities and towns shall not levy a franchise tax on corporations taxed under this section."

SECTION 32.15.(e) G.S. 105-114.1 reads as rewritten:

"§ **105-114.1. Limited liability companies.**

…

(b) Controlled Companies. – If a corporation or an affiliated group of corporations owns more than fifty percent (50%) of the capital interests in a noncorporate limited liability company, the corporation or group of corporations must include in its three tax bases pursuant to G.S. 105-122 the same percentage of (i) the noncorporate limited liability company's ~~capital stock, surplus, and undivided profits;~~ net worth; (ii) fifty-five percent (55%) of the noncorporate limited liability company's appraised ad valorem tax value of property; and (iii) the noncorporate limited liability company's actual investment in tangible property in this State, as appropriate.

…

(d) No Double Inclusion. – If a corporation is required to include a percentage of a noncorporate limited liability company's assets in its tax bases under this Article pursuant to subsection (b) of this section, its investment in the noncorporate limited liability company is not included in its computation of ~~capital stock~~ net worth base under G.S. 105-122(b).

…."

SECTION 32.15.(f) G.S. 105-125(b) reads as rewritten:

"(b) Certain Investment Companies. – A corporation doing business in North Carolina that meets one or more of the following conditions may, in determining its ~~capital stock, surplus, and undivided profits base~~ net worth base for franchise tax, deduct the aggregate market value of its investments in the stocks, bonds, debentures, or other securities or evidences of debt of other corporations, partnerships, individuals, municipalities, governmental agencies, or governments:

(1) A regulated investment company. – A regulated investment company is an entity that qualifies as a regulated investment company under section 851 of the Code.

(2) A REIT, unless the REIT is a captive REIT. – The terms "REIT" and "captive REIT" have the same meanings as defined in G.S. 105-130.12."

SECTION 32.15.(g) This section is effective January 1, 2017, for taxes due on or after that date.

INDIVIDUAL INCOME TAX REDUCTIONS

SECTION 32.16.(a) G.S. 105-153.5(a)(1), as amended by S.L. 2015-6, reads as rewritten:

"(a) Deduction Amount. – In calculating North Carolina taxable income, a taxpayer may deduct from adjusted gross income either the standard deduction amount provided in subdivision (1) of this subsection or the itemized deduction amount provided in subdivision (2) of this subsection that the taxpayer claimed under the Code. The deduction amounts are as follows:

(1) Standard deduction amount. – The standard deduction amount is zero for a person who is not eligible for a standard deduction under section 63 of the Code. For all other taxpayers, the standard deduction amount is equal to the amount listed in the table below based on the taxpayer's filing status:

Filing Status	**Standard Deduction**
Married, filing jointly/surviving spouse	~~$15,000~~$15,500
Head of Household	~~12,000~~12,400
Single	~~7,500~~7,750
Married, filing separately	~~7,500.~~7,750.

SECTION 32.16.(b) G.S. 105-153.5(a)(2) reads as rewritten:

"(a) Deduction Amount. – In calculating North Carolina taxable income, a taxpayer may deduct from adjusted gross income either the standard deduction amount provided in subdivision (1) of this subsection or the itemized deduction amount provided in subdivision (2) of this subsection that the taxpayer claimed under the Code. The deduction amounts are as follows:

…

(2) Itemized deduction amount. – An amount equal to the sum of the items listed in this subdivision. The amounts allowed under this subdivision are not subject to the overall limitation on itemized deductions under section 68 of the Code:

a. Charitable Contribution. – The amount allowed as a deduction for charitable contributions under section 170 of the Code for that taxable year.

b. Mortgage Expense and Property Tax. – The amount allowed as a deduction for interest paid or accrued during the taxable year under section 163(h) of the Code with respect to any qualified residence plus the amount ~~claimed by the taxpayer~~allowed as a deduction for property taxes paid or accrued on real estate under section 164 of the Code for that taxable year. The amount allowed under this sub-subdivision may not exceed twenty thousand dollars ($20,000). For spouses filing as married filing separately or married filing jointly, the total mortgage interest and real estate taxes claimed by both spouses combined may not exceed twenty thousand dollars ($20,000). For spouses filing as married filing separately with a joint obligation for mortgage interest and real estate taxes, the deduction for these items is allowable to the spouse who actually paid them. If the amount of the mortgage interest and real estate taxes paid by both spouses exceeds twenty thousand dollars ($20,000), these deductions must be prorated based on the percentage paid by each spouse. For

joint obligations paid from joint accounts, the proration is based on the income reported by each spouse for that taxable year.

c. Medical and Dental Expense. – The amount allowed as a deduction for medical and dental expenses under section 213 of the Code for that taxable year."

SECTION 32.16.(c) G.S. 105-153.7(a) reads as rewritten:

"(a) Tax. – A tax is imposed for each taxable year on the North Carolina taxable income of every individual. The tax shall be levied, collected, and paid annually. The tax is five and ~~seventy-five hundredths percent (5.75%)~~four hundred ninety-nine thousandths percent (5.499%) of the taxpayer's North Carolina taxable income."

SECTION 32.16.(d) Subsection (a) of this section is effective for taxable years beginning on or after January 1, 2016. Subsection (b) of this section is effective for taxable years beginning on or after January 1, 2015. Subsection (c) of this section is effective for taxable years beginning on or after January 1, 2017.

SECTION 32.16A.(a) G.S. 105-163.2 reads as rewritten:

"§ **105-163.2. Employers must withhold taxes.**

…

(b) Withholding Tables. – The manner of withholding and the amount to be withheld shall be determined in accordance with tables and rules adopted by the Secretary. The withholding of wages pursuant to and in accordance with these tables shall be deemed as a matter of law to constitute compliance with the provisions of subsection (a) of this section, notwithstanding any other provisions of this Article. The Secretary shall promulgate tables for computing amounts to be withheld with respect to different rates of wages for different payroll periods applicable to the various combinations of allowances to which an employee may be entitled and taking into account the appropriate standard deduction. The tables may provide for the same amount to be withheld within reasonable salary brackets or ranges so designed as to result in the withholding during a year of approximately the amount of an employee's indicated income tax liability for that year.

The withholding allowances provided by these tables and rules shall, as nearly as possible, approximate the amount of the employee's indicated income tax liability for that year based upon all of the following factors:

(1) An income tax rate equal to the rate set in G.S. 105-153.7 plus one-tenth of one percent (0.1%).

(2) ~~the~~ The additions the employee is required to make under Article 4 of this ~~Chapter and the deductions,~~ Chapter.

(3) The deductions and credits to which an employee is entitled under Article 4 of this Chapter. ~~The Secretary shall promulgate tables for computing amounts to be withheld with respect to different rates of wages for different payroll periods applicable to the various combinations of allowances to which an employee may be entitled and taking into account the appropriate standard deduction. The tables may provide for the same amount to be withheld within reasonable salary brackets or ranges so designed as to result in the withholding during a year of approximately the amount of an employee's indicated income tax liability for that year. The withholding of wages pursuant to and in accordance with these tables shall be deemed as a matter of law to constitute compliance with the provisions of subsection (a) of this section, notwithstanding any other provisions of this Article.~~

…

(e) Alternatives to Tables. – If the Secretary determines that use of the withholding tables would be impractical, would impose an unreasonable burden on an employer, or would produce substantially incorrect results, the Secretary may authorize or require an employer to use some other method of determining the amounts to be withheld under this Article. The alternative method authorized by the Secretary must reasonably approximate the predicted

income tax liability of the affected ~~employees.~~ employees based upon the factors provided in subsection (b) of this section. In addition, with the agreement of the employer and employee, the Secretary may authorize an employer to use an alternative method that results in withholding of a greater amount than otherwise required under this section.

The Secretary's authorization of an alternative method is discretionary and may be cancelled at any time without advance notice if the Secretary finds that the method is being abused or is not resulting in the withholding of an amount reasonably approximating the predicted income tax liability of the affected employees. The Secretary shall give an employer written notice of any cancellation and the findings upon which the cancellation is based. The cancellation becomes effective upon the employer's receipt of this notice or on the third day after the notice was mailed to the employer, whichever occurs first. If the employer requests a hearing on the cancellation within 30 days after the cancellation, the Secretary shall grant a hearing. After a hearing, the Secretary's findings are conclusive."

SECTION 32.16A.(b) This section is effective for taxable years beginning on or after January 1, 2016.

EXPAND SALES TAX BASE

SECTION 32.18.(a) G.S. 105-164.3, as amended by S.L. 2015-6, reads as rewritten:

"§ **105-164.3. Definitions.**

The following definitions apply in this Article:

…

(32) Purchase. – Acquired for ~~consideration,~~ consideration or consideration in exchange for a service, regardless of any of the following:

a. Whether the acquisition was effected by a transfer of title or possession, or both, or a license to use or consume.

b. Whether the transfer was absolute or conditional regardless of the means by which it was effected.

c. Whether the consideration is a price or rental in money or by way of exchange or barter.

…

(33a) Real property contractor. – A person that contracts to perform construction, reconstruction, installation, repair, or any other service with respect to real property and to furnish tangible personal property to be installed or applied to real property in connection with the contract and the labor to install or apply the tangible personal property that becomes part of real property. The term includes a general contractor, a subcontractor, or a builder for purposes of G.S. 105-164.4H. The term does not include a person engaged in retail trade.

…

(33d) Repair, maintenance, and installation services. – The term includes the activities listed in this subdivision:

a. To keep or attempt to keep tangible personal property or a motor vehicle in working order to avoid breakdown and prevent repairs.

b. To calibrate, restore, or attempt to calibrate or restore tangible personal property or a motor vehicle to proper working order or good condition. This activity may include replacing or putting together what is torn or broken.

c. To troubleshoot, identify, or attempt to identify the source of a problem for the purpose of determining what is needed to restore tangible personal property or a motor vehicle to proper working order or good condition.

d. To install or apply tangible personal property except tangible personal property installed or applied by a real property contractor pursuant to a real property contract.

…

(35) Retailer. – Any of the following persons:

a. A person engaged in business of making sales at retail, offering to make sales at retail, or soliciting sales at retail of tangible personal property, digital property, or services for storage, use, or consumption in this State. When the Secretary finds it necessary for the efficient administration of this Article to regard any sales representatives, solicitors, representatives, consignees, peddlers, or truckers as agents of the dealers, distributors, consignors, supervisors, employers, or persons under whom they operate or from whom they obtain the items sold by them regardless of whether they are making sales on their own behalf or on behalf of these dealers, distributors, consignors, supervisors, employers, or persons, the Secretary may so regard them and may regard the dealers, distributors, consignors, supervisors, employers, or persons as "retailers" for the purpose of this Article.

b. A person engaged in business of delivering, erecting, installing, or applying tangible personal property for use in this State, regardless of whether the property is permanently affixed to real property or other tangible personal ~~property.~~property unless the person is one or more of the following:

1. A person that solely operates as a real property contractor.
2. A person whose only business activity is providing repair, maintenance, and installation services where the person's activities do not otherwise meet the definition of a retail trade.

c. A person engaged in business of making a remote sale, if one of the conditions listed in G.S. 105-164.8(b) is met.

d. A person, other than a facilitator, required to collect the tax levied under G.S. 105-164.4(a).

(35a) Retailer-contractor. – A person that acts as a retailer when it sells tangible personal property at retail and as a real property contractor when it performs real property contracts.

(35b) Retail trade. – A trade in which the majority of revenue is from retailing tangible personal property, digital property, or services to consumers. The term includes activities of a person properly classified in NAICS sector 44-45, buying goods for resale, and rendering services incidental to the sale of merchandise. The term typically includes maintaining an inventory and may include the provision of repair, maintenance, and installation services. Not all activities provided in this subdivision are required for a trade to be considered retail trade.

…

(38b) Service contract. – A contract where the obligor under the contract agrees to maintain or repair tangible personal ~~property~~property, regardless of whether the property is becomes a part of or affixed to real property, or a motor vehicle. Examples of a service contract include a warranty agreement other than a manufacturer's warranty or dealer's warranty provided at no charge to the purchaser, an extended warranty agreement, a maintenance agreement, a repair contract, or a similar agreement or contract.

…."

SECTION 32.18.(b) G.S. 105-164.4(a) reads as rewritten:

"§ **105-164.4. Tax imposed on retailers.**

(a) A privilege tax is imposed on a retailer engaged in business in the State at the percentage rates of the retailer's net taxable sales or gross receipts, listed in this subsection. The general rate of tax is four and three-quarters percent (4.75%). The percentage rates are as follows:

…

(15) The general rate applies to the sales price of or the gross receipts derived from repair, maintenance, and installation services."

SECTION 32.18.(c) G.S. 105-164.4I(c) reads as rewritten:

"(c) Exceptions. ~~The tax does not apply to the sales price of or the gross receipts derived from a service contract for tangible personal property sold at retail that is or will become a part of real property unless the service contract is sold by the obligor or by a third party or facilitator on behalf of the obligor at the same time as the item of tangible personal property covered in the service contract.~~ The tax imposed by this section does not apply to a security or similar monitoring contract for real ~~property or to a renewal of a service contract where the tangible personal property becomes a part of or affixed to real property prior to the effective date of the renewal.~~property."

SECTION 32.18.(d) G.S. 105-164.13(49) is repealed.

SECTION 32.18.(e) G.S. 105-164.13, as amended by S.L. 2015-6, reads as rewritten:

"§ **105-164.13. Retail sales and use tax.**

The sale at retail and the use, storage, or consumption in this State of the following tangible personal property, digital property, and services are specifically exempted from the tax imposed by this Article:

…

(61) A service contract for tangible personal property may be exempt as provided in G.S. 105-164.4I.

(61a) Repair, maintenance, and installation services provided for an item for which a service contract on the item is exempt from tax under G.S. 105-164.4I.

(61b) Repair, maintenance, and installation services purchased for resale.

(62) An ~~item~~ item or repair, maintenance, and installation services used to maintain or repair tangible personal property or a motor vehicle pursuant to a service contract taxable under this Article if the purchaser of the contract is not charged for the item. For purposes of this exemption, the term "item" does not include a tool, equipment, supply, or similar tangible personal property used to complete the maintenance or repair and that is not deemed to be a component or repair part of the tangible personal property or motor vehicle for which a service contract is sold to a purchaser.

…."

SECTION 32.18.(f) G.S. 105-237.1(a)(6) reads as rewritten:

"§ **105-237.1. Compromise of liability.**

(a) Authority. – The Secretary may compromise a taxpayer's liability for a tax that is collectible under G.S. 105-241.22 when the Secretary determines that the compromise is in the best interest of the State and makes one or more of the following findings:

…

(6) The taxpayer is a retailer or a person under Article 5 of this Chapter; the assessment is for sales or use tax the retailer failed to collect or the person failed to pay on an item taxable under G.S. 105-164.4(a)(10) ~~and (a)(11),~~ through (a)(15), and the retailer or person made a good-faith effort to comply with the sales and use tax laws. This subdivision expires for assessments issued after July 1, 2020."

SECTION 32.18.(g) The Secretary of Revenue is directed to repeal the following administrative rules: 17 NCAC 07B .1002, 17 NCAC 07B .1003, and 17 NCAC 07B .1901. A repair part historically purchased and taxed in accordance with these administrative rules should be purchased for the purpose of resale.

SECTION 32.18.(h) This section becomes effective March 1, 2016, and applies to sales occurring on or after that date and to gross receipts derived from repair, maintenance, and installation services provided on or after that date.

ADDITIONAL LOCAL SALES TAX REVENUE FOR ECONOMIC DEVELOPMENT, PUBLIC EDUCATION, AND COMMUNITY COLLEGES

SECTION 32.19.(a) The heading to Article 44 of Chapter 105 of the General Statutes reads as rewritten:

"Article 44.

Local Government Hold Harmless and Allocation Provisions."

SECTION 32.19.(b) Article 44 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"**§ 105-524. Distribution of additional sales tax revenue for economic development, public education, and community colleges.**

(a) Purpose. – The purpose of this section is to address sales tax leakage that results from the different revenue-raising capacity of local option sales taxes in each taxing jurisdiction. The amount to be distributed is determined under subsection (b) of this section. The amount each county may receive is determined by the county's allocation percentage under subsection (c) of this section. The General Assembly must periodically review the allocation percentages.

(b) Distribution Amount. – The Secretary must calculate a distribution amount in conformity with this section. The Secretary must deduct this amount proportionately, in equal installments, from the collections to be allocated each month for distribution under G.S. 105-466, 105-483, and 105-498. For the fiscal year beginning July 1, 2016, the distribution amount is eighty-four million eight hundred thousand dollars ($84,800,000). For fiscal years beginning on or after July 1, 2017, the distribution amount is the amount for the preceding year, adjusted by the same percentage of this amount as the percentage change of the total collection of local sales and use taxes levied under Articles 39, 40, and 42 of this Chapter for the preceding fiscal year.

(c) County Allocation. – The Secretary must, on a monthly basis, allocate to each taxing county an amount equal to one-twelfth of the distribution amount calculated under subsection (b) of this section multiplied by the following appropriate allocation percentage:

County	**Allocation Percentage**
Alamance	0.00%
Alexander	1.69%
Alleghany	0.31%
Anson	0.96%
Ashe	0.62%
Avery	0.00%
Beaufort	0.17%
Bertie	0.94%
Bladen	1.03%
Brunswick	0.00%
Buncombe	0.00%
Burke	2.19%
Cabarrus	0.00%
Caldwell	1.72%
Camden	0.48%
Carteret	0.00%

Caswell	1.35%
Catawba	0.00%
Chatham	1.58%
Cherokee	0.24%
Chowan	0.26%
Clay	0.32%
Cleveland	1.43%
Columbus	2.63%
Craven	1.01%
Cumberland	0.06%
Currituck	0.00%
Dare	0.00%
Davidson	4.96%
Davie	1.14%
Duplin	1.97%
Durham	0.00%
Edgecombe	1.86%
Forsyth	0.00%
Franklin	2.44%
Gaston	1.96%
Gates	0.68%
Graham	0.31%
Granville	1.87%
Greene	1.20%
Guilford	0.00%
Halifax	0.76%
Harnett	5.17%
Haywood	0.05%
Henderson	0.68%
Hertford	0.47%
Hoke	2.58%
Hyde	0.03%
Iredell	0.00%
Jackson	0.00%
Johnston	3.26%
Jones	0.63%
Lee	0.37%
Lenoir	1.56%
Lincoln	1.74%
Macon	0.00%
Madison	1.03%
Martin	0.31%
McDowell	0.68%
Mecklenburg	0.00%
Mitchell	0.29%
Montgomery	1.05%
Moore	0.00%
Nash	1.16%
New Hanover	0.00%
Northampton	0.94%
Onslow	1.10%
Orange	0.33%
Pamlico	0.40%

Pasquotank	0.02%
Pender	1.69%
Perquimans	0.50%
Person	0.74%
Pitt	0.16%
Polk	0.74%
Randolph	4.27%
Richmond	0.54%
Robeson	3.00%
Rockingham	2.18%
Rowan	3.90%
Rutherford	1.63%
Sampson	2.10%
Scotland	0.83%
Stanly	1.04%
Stokes	1.99%
Surry	0.00%
Swain	0.32%
Transylvania	0.16%
Tyrrell	0.15%
Union	4.35%
Vance	0.36%
Wake	0.00%
Warren	1.01%
Washington	0.33%
Watauga	0.00%
Wayne	2.27%
Wilkes	1.55%
Wilson	0.39%
Yadkin	1.31%
Yancey	0.52%.

(d) Use of Funds. – The amount allocated to a taxing county under this section must be divided among the county and its municipalities in accordance with the method by which the one percent (1%) sales and use taxes levied in that county pursuant to Article 39 of this Chapter or Chapter 1096 of the 1967 Session Laws are distributed. The county must use the revenue it receives under this section for economic development, public education, and community college purposes.

(e) State Contribution. – For fiscal years beginning on or after July 1, 2016, the Secretary must annually withhold, in equal monthly installments, seventeen million six hundred thousand dollars ($17,600,000) from sales and use tax collections under Article 5 of this Chapter. The Secretary must allocate the monthly amount withheld under this subsection to the taxing counties as follows:

(1) Fifty percent (50%) in the distribution made under Article 39 of this Chapter.

(2) Twenty-five percent (25%) in the distribution made under Article 40 of this Chapter.

(3) Twenty-five percent (25%) in the distribution made under Article 42 of this Chapter."

(f) Taxing County. – For purposes of this section, the term "taxing county" means a county that levies the first one-cent (1¢) sales and use tax under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session Laws, the first one-half cent (1/2¢) local sales and use tax under Article 40 of this Chapter, and the second one-half cent (1/2¢) local sales and use tax under Article 42 of this Chapter."

SECTION 32.19.(c) This section becomes effective July 1, 2016, and applies to local option sales taxes collected on or after that date and distributed to counties and cities on or after September 1, 2016.

ENACTMENT CONTINGENCIES

SECTION 32.21A. Unless both House Bill 117 and House Bill 943 of the 2015 Regular Session of the General Assembly are ratified prior to January 1, 2016, all sections of this Part are repealed, except for Section 32.18, Section 32.19, and this section.

PART XXXIII. MISCELLANEOUS PROVISIONS

STATE BUDGET ACT APPLIES

SECTION 33.1. The provisions of the State Budget Act, Chapter 143C of the General Statutes, are reenacted and shall remain in full force and effect and are incorporated in this act by reference.

COMMITTEE REPORT

SECTION 33.2.(a) The Joint Conference Committee Report on the Base, Expansion and Capital Budgets for House Bill 97, dated September 14, 2015, which was distributed in the House of Representatives and the Senate and used to explain this act, shall indicate action by the General Assembly on this act and shall, therefore, be used to construe this act, as provided in the State Budget Act, Chapter 143C of the General Statutes, as appropriate, and for these purposes shall be considered a part of this act and, as such, shall be printed as a part of the Session Laws.

SECTION 33.2.(b) The budget enacted by the General Assembly is for the maintenance of the various departments, institutions, and other spending agencies of the State for the 2015-2017 biennial budget as provided in G.S. 143C-3-5. This budget includes the appropriations of State funds as defined in G.S. 143C-1-1(d)(25).

The Director of the Budget submitted a recommended base budget to the General Assembly on March 5, 2015, in the document "The Governor's Recommended Budget, the State of North Carolina 2015-2017" and in the Budget Support Document for the various departments, institutions, and other spending agencies of the State. The adjustments to these documents made by the General Assembly are set out in the Committee Report.

SECTION 33.2.(c) The budget enacted by the General Assembly shall also be interpreted in accordance with G.S. 143C-5-5, the special provisions in this act, and other appropriate legislation. In the event that there is a conflict between the line-item budget certified by the Director of the Budget and the budget enacted by the General Assembly, the budget enacted by the General Assembly shall prevail.

REPORT BY FISCAL RESEARCH DIVISION

SECTION 33.3. The Fiscal Research Division shall issue a report on budget actions taken by the 2015 Regular Session of the General Assembly. The report shall be in the form of a revision of the Committee Report adopted for House Bill 97 pursuant to G.S. 143C-5-5. The Director of the Fiscal Research Division shall send a copy of the report issued pursuant to this section to the Director of the Budget. The report shall be published on the General Assembly's Internet Web site for public access.

ADJUSTMENT OF ALLOCATIONS TO GIVE EFFECT TO THIS ACT FROM JULY 1, 2015

SECTION 33.3A.(a) The appropriations and authorizations to allocate and spend funds set out in S.L. 2015-133, S.L. 2015-184, and S.L. 2015-233 expire when this act becomes law. At such time, this act governs appropriations and expenditures.

When this act becomes law, the Director of the Budget shall adjust allocations to give effect to this act from July 1, 2015.

SECTION 33.3A.(b) Section 2.1 of S.L. 2015-214 is repealed.

MOST TEXT APPLIES TO THE 2015-2017 FISCAL BIENNIUM

SECTION 33.4. Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 2015-2017 fiscal biennium, the textual provisions of this act apply only to funds appropriated for, and activities occurring during, the 2015-2017 fiscal biennium.

EFFECT OF HEADINGS

SECTION 33.5. The headings to the Parts, subparts, and sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act, except for effective dates referring to a Part or subpart.

SEVERABILITY

SECTION 33.6. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

EFFECTIVE DATE

SECTION 33.7. Except as otherwise provided, this act becomes effective July 1, 2015.

In the General Assembly read three times and ratified this the 18th day of September, 2015.

Became law upon approval of the Governor at 9:35 a.m. on the 18th day of September, 2015.

Session Law 2015-242 **H.B. 112**

AN ACT TO PROVIDE FOR THE PARTISAN ELECTION OF THE MEMBERS OF THE STANLY COUNTY BOARD OF EDUCATION.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding the Plan for the Merger of the Stanly County and Albemarle City Schools or any other provision of law, beginning in 2016, the members of Stanly County Board of Education shall be elected on a partisan basis at the time of the general election in each even-numbered year as terms expire. Candidates for election to the Stanly County Board of Education shall be nominated at the same time and manner as other county officers. Vacancies on the Stanly County Board of Education for positions elected on a partisan basis shall be filled in accordance with G.S. 115C-37.1.

SECTION 2. Effective the first Monday in December of 2016, G.S. 115C-37.1(d) reads as rewritten:

"(d) This section shall apply only in the following counties: Alleghany, Brunswick, Graham, Guilford, Harnett, Lee, New Hanover, Stanly, Vance, and Washington."

SECTION 3. This act does not affect the terms of office of any person elected in 2012 or 2014 to the Stanly County Board of Education. Any vacancy occurring in the Stanly County Board of Education by death, resignation, or otherwise for positions elected on a nonpartisan basis in 2012 or 2014 shall be filled by the remaining members of the Board of Education, and the person chosen shall serve for the unexpired term and until his or her successor is elected and qualified.

SECTION 4. All laws and clauses of laws in conflict with this act are repealed to the extent of the conflict.

SECTION 5. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 21st day of September, 2015.

Became law on the date it was ratified.

Session Law 2015-243 **H.B. 188**

AN ACT TO CHANGE THE MANNER OF SELECTION OF CERTAIN MEMBERS OF THE BOARD OF TRUSTEES OF ISOTHERMAL COMMUNITY COLLEGE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115D-12(a) reads as rewritten:

"(a) Each community college established or operated pursuant to this Chapter shall be governed by a board of trustees consisting of ~~13 members, or of additional members if selected according to the special procedure prescribed by the third paragraph of this subsection,~~15 members, who shall be selected by the following agencies. No member of the General Assembly may be appointed to a local board of trustees for a community college.

~~Group One – four trustees, elected by the board of education of the public school administrative unit located in the administrative area of the institution. If there are two or more public school administrative units, whether city or county units, or both, located within the administrative area, the trustees shall be elected jointly by all of the boards of education of those units, each board having one vote in the election of each trustee, except as provided in G.S. 115D-59. No board of education shall elect a member of the board of education or any person employed by the board of education to serve as a trustee, however, any such person currently serving on a board of trustees shall be permitted to fulfill the unexpired portion of the trustee's current term.~~

Group Two – ~~four~~ 10 trustees, elected as follows:

(1) Seven members elected by the Rutherford County Commissioners as follows:

a. The appointment of two trustees for terms commencing July 1, 2016, and quadrennially thereafter.

b. The appointment of two trustees for terms commencing July 1, 2017, and quadrennially thereafter.

c. The appointment of one trustee for a term commencing July 1, 2018, and quadrennially thereafter.

d. The appointment of two trustees for a term commencing July 1, 2019, and quadrennially thereafter.

The Rutherford County Commissioners shall ensure that among the members elected, at least one trustee has experience in a small business, one trustee has private sector experience in accounting or budgeting, and one trustee has private sector experience in building maintenance or equipment.

(2) Three members elected by the Polk County Commissioners, as follows:

a. The appointment of one trustee for a term commencing July 1, 2017, and quadrennially thereafter.

b. The appointment of one trustee for a term commencing July 1, 2018, and quadrennially thereafter.

c. The appointment of one trustee for a term commencing July 1, 2019, and quadrennially thereafter.

The Polk County Commissioners shall ensure that among the members elected, at least one trustee has experience in a small business.

~~by the board of commissioners of the county in which the institution is located. Provided, however, if the administrative area of the institution is composed of two or more counties, the trustees shall be elected jointly by the boards of commissioners of all those counties, each board having one vote in the election of each trustee. Provided, also, the county commissioners of the county in which the community college has established a satellite campus may elect an additional two members if the board of trustees of the community college agrees.~~ No more than one trustee from Group Two may be a member of a board of county commissioners. Should ~~the boards of education or~~ the boards of commissioners involved be unable to agree on one or more

trustees the senior resident superior court judge in the superior court district or set of districts as defined in G.S. 7A-41.1 where the institution is located shall fill the position or positions by appointment.

Group Three – four trustees, appointed by the Governor.

Group Four – the president of the student government or the chairman of the executive board of the student body of each community college established pursuant to this Chapter shall be an ex officio nonvoting member of the board of trustees of each said institution."

SECTION 2. This act applies only to Isothermal Community College.

SECTION 3. This act is effective when it becomes law and applies to appointments to terms beginning on or after July 1, 2016. The Rutherford County Commissioners and Polk County Commissioners shall ensure that members with the required experiential backgrounds, as required by G.S. 115D-12(a), as enacted in this act, are elected to the board of trustees of Isothermal Community College no later than July 1, 2019.

In the General Assembly read three times and ratified this the 21st day of September, 2015.

Became law on the date it was ratified.

Session Law 2015-244 **H.B. 503**

AN ACT TO ALLOW THE MOORE COUNTY BOARD OF COMMISSIONERS TO REDISTRICT THEIR RESIDENCY DISTRICTS AND TO REDUCE THE SIZE OF THE MOORE COUNTY BOARD OF EDUCATION FROM EIGHT MEMBERS TO SEVEN.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 153A-22.1, as enacted by Chapter 215 of the 1995 Session Laws, and as rewritten by S.L. 1998-175 and S.L. 2011-126, is amended by adding a new subsection to read:

"§ **153A-22.1. Redefining residency district boundaries.**

…

(b1) If a county is divided into residency districts, the board of county commissioners may find as a fact whether the residency districts negatively impact compactness, contiguity, or respect for political subdivisions or communities of interest among the districts. If the board finds there is substantial negative impact among the districts, it may, by resolution, redefine the residency districts to address the identified negative impact.

…."

SECTION 2.(a) Notwithstanding Chapter 389 of the 1997 Session Laws, effective the first Monday in December 2016, the Board of Education of Moore County shall consist of seven members.

SECTION 2.(b) One member of the Moore County Board of Education shall be elected each from Electoral Districts 1, 2, 3, 4, and 5 for members of the Moore County Board of Commissioners as those districts existed on January 1, 1997, and two members of the Moore County Board of Education shall be elected from the county at large.

SECTION 2.(c) In 2016 and quadrennially thereafter, members shall be elected from Districts 1, 2, 4, and 5 for four-year terms. In 2018 and quadrennially thereafter, a member shall be elected from District 3 and two members shall be elected from the county at large for four-year terms.

SECTION 2.(d) Members shall reside in and represent the districts, but all members are elected by the voters of the county at large by the nonpartisan primary and election method, all as previously provided by law. Vacancies on the Moore County Board of Education shall be filled in accordance with G.S. 115C-37(f).

SECTION 3. In order to implement the changes to the size of the Moore County Board of Education, as required by Section 2 of this act, one member at large shall be elected in 2016 to fill the unexpired term on the Board pursuant to G.S. 115C-37(f).

SECTION 4. This act applies to Moore County only.

SECTION 5. This act is effective when it becomes law and applies to elections held in 2016 and thereafter.

In the General Assembly read three times and ratified this the 21st day of September, 2015.

Became law on the date it was ratified.

Session Law 2015-245 **H.B. 372**

AN ACT TO TRANSFORM AND REORGANIZE NORTH CAROLINA'S MEDICAID AND NC HEALTH CHOICE PROGRAMS.

The General Assembly of North Carolina enacts:

PART I. TRANSFORMATION OF MEDICAID AND NC HEALTH CHOICE PROGRAMS

SECTION 1. Intent and Goals. – It is the intent of the General Assembly to transform the State's current Medicaid and NC Health Choice programs to programs that provide budget predictability for the taxpayers of this State while ensuring quality care to those in need. The new Medicaid and NC Health Choice programs shall be designed to achieve the following goals:

(1) Ensure budget predictability through shared risk and accountability.
(2) Ensure balanced quality, patient satisfaction, and financial measures.
(3) Ensure efficient and cost-effective administrative systems and structures.
(4) Ensure a sustainable delivery system.

SECTION 2. Role of the General Assembly. – The General Assembly shall have the following roles and responsibilities in Medicaid and NC Health Choice transformation and governance:

(1) Define the overall goals of transformation and the structure of the delivery system for the programs.
(2) Monitor the development of transformation plans and implementation through the Joint Legislative Oversight Committee on Medicaid and NC Health Choice.
(3) Define and approve eligibility and income standards for the programs, including which populations will be covered by Prepaid Health Plans (PHPs).
(4) Appropriate the annual budget for the Medicaid and NC Health Choice programs.
(5) Confirm the Director of the Division of Health Benefits, as required by G.S. 143B-216.85, enacted by Section 12 of this act.

SECTION 3. Time Line for Medicaid Transformation. – The following milestones for Medicaid transformation shall occur no later than the following dates:

(1) When this act becomes law. –
    a. The Division of Health Benefits of the Department of Health and Human Services (DHHS) is created pursuant to Section 10 of this act.
    b. The Joint Legislative Oversight Committee on Medicaid and NC Health Choice is created pursuant to Section 15 of this act to oversee the Medicaid and NC Health Choice programs.
    c. The Division of Health Benefits shall begin development of the 1115 waiver and any other State Plan amendments and waiver amendments necessary to effectuate the Medicaid transformation required by this act.

(2) March 1, 2016. – The DHHS, through the Division of Health Benefits, shall report its plans and progress on Medicaid transformation, including recommended statutory changes, to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice, as required by subdivision (12) of Section 5 of this act.

(3) On or before June 1, 2016. – The DHHS, through the Division of Health Benefits shall submit the waivers and State Plan amendments required by this act to the Centers for Medicare & Medicaid Services (CMS).

(4) Eighteen months after approval of all necessary waivers and State Plan amendments by CMS. – Capitated contracts shall begin and initial recipient enrollment shall be complete.

SECTION 4. Structure of Delivery System. – The transformed Medicaid and NC Health Choice programs described in Section 1 of this act shall be organized according to the following principles and parameters:

(1) DHHS authority. – The Department of Health and Human Services (DHHS) shall have full authority to manage the State's Medicaid and NC Health Choice programs provided that the total expenditures, net of agency receipts, do not exceed the authorized budget for each program, except the General Assembly shall determine eligibility categories and income thresholds. DHHS through the Division of Health Benefits, created in Section 10 of this act, shall be responsible for planning and implementing the Medicaid transformation required by this act.

(2) Prepaid Health Plan. – For purposes of this act, a Prepaid Health Plan (PHP) shall be defined as an entity, which may be a commercial plan or provider-led entity, that operates or will operate a capitated contract for the delivery of services pursuant to subdivision (3) of this section. For purposes of this act, the terms "commercial plan" and "provider-led entity" are defined as follows:

a. Commercial plan or CP. – Any person, entity, or organization, profit or nonprofit, that undertakes to provide or arrange for the delivery of health care services to enrollees on a prepaid basis except for enrollee responsibility for copayments and deductibles and holds a PHP license issued by the Department of Insurance.

b. Provider-led entity or PLE. – An entity that meets all of the following criteria:

1. A majority of the entity's ownership is held by an individual or entity that has as its primary business purpose the ownership or operation of one or more Medicaid and NC Health Choice providers.
2. A majority of the entity's governing body is composed of physicians, physician assistants, nurse practitioners, or psychologists.
3. Holds a PHP license issued by the Department of Insurance.

(3) Capitated contracts. – The Division of Health Benefits, created in Section 10 of this act, shall enter into capitated contracts with PHPs for the delivery of Medicaid and NC Health Choice services as specified in this act. All capitated contracts shall be the result of requests for proposals (RFPs) issued by the Division of Health Benefits and the submission of competitive bids by PHPs, pursuant to subdivision (6) of Section 5 of this act.

(4) Services covered by PHPs. – Capitated PHP contracts shall cover all Medicaid and NC Health Choice services, including physical health services, prescription drugs, long-term services and supports, and behavioral health services for NC Health Choice recipients, except as otherwise provided in

this subdivision. Behavioral health services for Medicaid recipients currently covered by the local management entities/managed care organizations (LME/MCOs) shall be excluded from the capitated contracts until four years after the date capitated contracts begin. The capitated contracts required by this subdivision shall not cover dental services.

(5) Populations covered by PHPs. – Capitated PHP contracts shall cover all Medicaid and NC Health Choice program aid categories except recipients who are dually eligible for Medicaid and Medicare. Recipients in the aged program aid category that are eligible for Medicare shall be considered recipients who are dually eligible for Medicaid and Medicare. The Division of Health Benefits shall develop a long-term strategy to cover dual eligibles through capitated PHP contracts, as required by subdivision (11) of Section 5 of this act.

(6) Number and nature of capitated PHP contracts. – The number and nature of the contracts required under subdivision (3) of this section shall be as follows:

a. Three contracts between the Division of Health Benefits and PHPs to provide coverage to Medicaid and NC Health Choice recipients statewide (statewide contracts).

b. Up to 10 contracts between the Division of Health Benefits and PLEs for coverage of regions specified by the Division of Health Benefits pursuant to subdivision (2) of Section 5 of this act (regional contracts). Regional contracts shall be in addition to the three statewide contracts required under sub-subdivision a. of this subdivision. Each regional contract shall provide coverage throughout the entire region for the Medicaid and NC Health Choice services required by subdivision (4) of this section. A PLE may bid for more than one regional contract, provided that the regions are contiguous.

c. Initial capitated PHP contracts may be awarded on staggered terms of three to five years in duration to ensure against gaps in coverage that may result from termination of a contract by the PHP or the State.

(6a) To the extent allowed by Medicaid federal law and regulations and consistent with the requirements of this act, PHPs shall comply with the requirements of Chapter 58 of the General Statutes. This requirement shall not be construed to require PHPs to cover services that are not covered by the Medicaid program pursuant to federal law and regulations. The Department of Health and Human Services, Division of Health Benefits, and the Department of Insurance shall jointly review the applicability of provisions of Chapter 58 of the General Statutes to PHPs, and report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by March 1, 2016, on the following:

a. Proposed exceptions to the applicability of Chapter 58 of the General Statutes for PHPs.

b. Recommendations for resolving conflicts between Chapter 58 of the General Statutes and the requirements of Medicaid federal law and regulations.

c. Proposed statutory changes necessary to implement this subdivision.

(7) Defined measures and goals. – The new delivery system and capitated PHP contracts shall be built on defined measures and goals for risk-adjusted health outcomes, quality of care, patient satisfaction, access, and cost. Each component shall be subject to specific accountability measures, including penalties. The Division of Health Benefits may use organizations such as

National Committee for Quality Assurance (NCQA), Physician Consortium for Performance Improvement (PCPI), or any others necessary to develop effective measures for outcomes and quality.

(8) Administrative functions. – PHPs shall be responsible for all administrative functions for recipients enrolled in their plan, including, but not limited to, claims processing, care and case management, grievances and appeals, and other necessary administrative services.

(9) LME/MCOs. – LME/MCOs shall continue to manage the behavioral health services currently covered for their enrollees under all existing waivers, including the 1915(b) and (c) waivers, for four years after the date capitated PHP contracts begin. During this four-year period, the Division of Health Benefits shall continue to negotiate actuarially sound capitation rates directly with the LME/MCOs in the same manner as currently utilized. Capitation payments under contracts between the Division of Health Benefits and the LME/MCOs shall be made directly to the LME/MCO by the Division of Health Benefits during the four-year period.

SECTION 5. Role of DHHS. – The role and responsibility of DHHS, through the Division of Health Benefits, during Medicaid transformation shall include the following activities and functions:

(1) Submit to CMS a demonstration waiver application pursuant to Section 1115 of the Social Security Act and any other waivers and State Plan amendments necessary to accomplish the requirements of this act within the required time frames.

(2) Define six regions comprised of whole contiguous counties that reasonably distribute covered populations across the State to ensure effective delivery of health care and achievement of the goals of Medicaid transformation set forth in Section 1 of this act. Every county in the State must be assigned to a region.

(3) Oversee, monitor, and enforce capitated PHP contract performance.

(4) Ensure sustainability of the transformed Medicaid and NC Health Choice programs.

(5) Set rates, including the following:

a. Capitation rates that are actuarially sound. Actuarial calculations must include utilization assumptions consistent with industry and local standards. Capitation rates shall be risk adjusted and shall include a portion that is at risk for achievement of quality and outcome measures, including value-based payments.

b. Appropriate rate floors for in-network primary care physicians, specialist physicians, and pharmacy dispensing fees to ensure the achievement of transformation goals.

c. Rates for services in the remaining fee-for-service programs.

(6) Enter into capitated PHP contracts for the delivery of the Medicaid and NC Health Choice services described in subdivision (4) of Section 4 of this act. All contracts shall be the result of requests for proposals (RFPs) issued by DHHS and the submission of competitive bids by PHPs. DHHS, through the Division of Health Benefits, shall develop standardized contract terms, to include at a minimum, the following:

a. Risk-adjusted cost growth for its enrollees must be at least two percentage (2%) points below national Medicaid spending growth as documented and projected in the annual report prepared for CMS by the Office of the Actuary for nonexpansion states.

b. A requirement that PHP spending for prescribed drugs, net of rebates, ensures the State realizes a net savings for the spending on

prescription drugs. All PHPs shall be required to use the same drug formulary, which shall be established by DHHS, through the Division of Health Benefits.

c. Until final federal regulations are promulgated governing medical loss ratio, a minimum medical loss ratio of eighty-eight percent (88%) for health care services, with the components of the numerator and denominator to be defined by DHHS, through the Division of Health Benefits.

d. A requirement that PHPs develop and maintain provider networks that meet access to care requirements for their enrollees. PHPs may not exclude providers from their networks except for failure to meet objective quality standards or refusal to accept network rates. Notwithstanding the previous sentence, PHPs must include all providers in their geographical coverage area that are designated essential providers by DHHS pursuant to subdivision (13) of this section, unless DHHS approves an alternative arrangement for securing the types of services offered by the essential providers.

e. A requirement that all PHPs assure that enrollees who do not elect a primary care provider will be assigned to one.

(7) Prior to issuing the RFPs required by subdivision (6) of this section, consult, in accordance with G.S. 12-3(15), with the Joint Legislative Oversight Committee on Medicaid and NC Health Choice on the terms and conditions of the requests for proposals (RFPs) for the solicitation of bids for statewide and regional capitated PHP contracts.

(8) Develop and implement a process for recipient assignment to PHPs. Criteria for assignment shall include at least the recipient's family unit, including foster family and adoptive placement, quality measures, and primary care physician.

(9) Define methods to ensure program integrity against provider fraud, waste, and abuse at all levels.

(10) Require all PHPs and Medicaid and NC Health Choice providers to submit data through the Health Information Exchange Network, as required by Section 12A.5 of House Bill 97, 2015 Regular Session, in order to ensure effective systems and connectivity to support clinical coordination of care, the exchange of information, and the availability of data to DHHS and the Division of Health Benefits to manage the Medicaid and NC Health Choice programs for the State.

(11) Develop a Dual Eligibles Advisory Committee, which must include at least a reasonably representative sample of the populations receiving long-term services and supports covered by Medicaid. The Division of Health Benefits, upon the advice of the Dual Eligibles Advisory Committee, shall develop a long-term strategy to cover dual eligibles through capitated PHP contracts and report the strategy to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by January 31, 2017.

(12) Report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by March 1, 2016. At a minimum, this report shall include:

a. The proposed waiver application.

b. The expected time frame for the submission of the proposed waiver to CMS.

c. Proposed statutory changes required.

d. Status of staffing of the Division of Health Benefits, including a description of staff's key competencies and expertise.

e. Anticipated distribution of regional capitated PHP contracts.

f. Plans for recipient enrollment.
g. Recipient access standards.
h. Performance measures.
i. A plan for the proposed inclusion of the following features as part of Medicaid and NC Health Choice transformation:
1. Rate floors in addition to those required by subdivision (5) of Section 5 of this act.
2. Antitrust policies.
3. Protections against the exclusion of certain provider types.
4. Prompt pay requirements.
5. Uniform credentialing requirements.
6. Good-faith negotiations.
j. Time line for issuance of RFP and solicitation of bids.
k. Measures for sustainability of the transformed system.
l. A plan for transition of features of the contract with the North Carolina Community Care Network, Inc., (NCCCN) to the new delivery system, including a plan for utilizing, at the appropriate time, the Health Information Exchange Network to perform certain functions presently being performed by NCCCN's Informatics Center in conjunction with the primary care case management program.
m. A plan to stabilize the Division of Medical Assistance during the transition of the Medicaid and NC Health Choice programs to the Division of Health Benefits.
n. A plan that will ensure continuity of services for individuals in foster care and adoptive placements in the transformed Medicaid and NC Health Choice programs.

(13) Designate Medicaid and NC Health Choice providers as essential providers if the provider either offers services that are not available from any other provider within a reasonable access standard or provides a substantial share of the total units of a particular service utilized by Medicaid and NC Health Choice recipients within the region during the last three years, and the combined capacity of other service providers in the region is insufficient to meet the total needs of the Medicaid and NC Health Choice enrollees. DHHS shall not classify physicians and other practitioners as essential providers. At a minimum, providers in the following categories shall be designated essential providers:
a. Federally qualified health centers.
b. Rural health centers.
c. Free clinics.
d. Local health departments.

SECTION 6. Role of the Department of Insurance. – The transformed Medicaid and NC Health Choice system shall include the licensing of PHPs based on solvency requirements established and implemented by the Department of Insurance. The Commissioner of Insurance, in consultation with the Director of the Division of Health Benefits, shall develop recommended solvency requirements that are similar to the solvency requirements for similarly situated regulated entities and recommended licensing procedures that include an annual review by the Commissioner and reporting of changes in licensure to the Division of Health Benefits. The Commissioner shall report the recommendations as well as proposed fees to offset the cost of licensure and any necessary statutory changes to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by March 1, 2016.

SECTION 7. Primary Care Case Management. – By July 1, 2016, DHHS will renegotiate its contract with North Carolina Community Care Networks, Inc., (NCCCN) to reduce per member per month payments to NCCCN for administration, including informatics,

by fifteen percent (15%) from the amount of per member per month payments NCCCN received for January 2015. The renegotiated contract shall provide for greater efficiencies and facilitate a smooth transition of features of the enhanced primary care case management program, including case management, informatics center operations, and practice supports, to the primary care medical home model or other care management model that will be utilized by PHPs, consistent with the plan reported to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice pursuant to subdivision (12) of Section 5 of this act. The renegotiated contract shall also include performance measures and consequences for failing to meet those performance measures. DHHS shall continue to utilize NCCCN to perform existing functions until capitated PHP contracts begin as required by this act. When capitated PHP contracts begin, any contract with NCCCN existing on that date shall terminate. Funds equal to the amount of any savings achieved on or after August 1, 2015, by the Division of Medical Assistance as a result of the contract renegotiation required by this section shall be transferred to the Division of Health Benefits to be used for the transition to capitated PHP contracts.

SECTION 8. Innovations Center. – DHHS shall submit a program design and budget proposal no later than May 1, 2016, to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice that will create a Medicaid and NC Health Choice Transformation Innovations Center within the Division of Health Benefits with the purpose of assisting Medicaid and NC Health Choice providers in achieving the ultimate goals of better health, better care, and lower costs for North Carolinians. The center should be designed to support providers through technical assistance and learning collaboratives that foster peer-to-peer sharing of best practices. DHHS shall use the Oregon Health Authority's Transformation Center as a design model and shall consider at least the following features:

(1) Learning collaboratives, peer-to-peer networks.
(2) Clinical standards and supports.
(3) Innovator agents.
(4) Council of Clinical Innovators.
(5) Community and stakeholder engagement.
(6) Conferences and workshops.
(7) Technical assistance.
(8) Infrastructure support.

SECTION 9. Maintain Funding Mechanisms. – In developing the waivers and State Plan amendments necessary to implement this act, the Department of Health and Human Services, through the Division of Health Benefits created in Section 10 of this act, shall work with the Centers for Medicare & Medicaid Services (CMS) to attempt to preserve existing levels of funding generated from Medicaid-specific funding streams, such as assessments, to the extent that the levels of funding may be preserved. If such Medicaid-specific funding cannot be maintained as currently implemented, then the Division of Health Benefits shall advise the Joint Legislative Oversight Committee on Medicaid and NC Health Choice, created in Section 15 of this act, of any modifications necessary to maintain as much revenue as possible within the context of Medicaid transformation. If such Medicaid-specific funding streams cannot be preserved through the transformation process or if revenue would decrease, it is the intent of the General Assembly to modify such funding streams so that any supplemental payments to providers are more closely aligned to improving health outcomes and achieving overall Medicaid goals.

PART II. REORGANIZATION OF MEDICAID AND NC HEALTH CHOICE PROGRAMS

SECTION 10. Creation of the Division of Health Benefits. – The Division of Health Benefits is established as a new division of the Department of Health and Human Services. The Department of Health and Human Services, through the Division of Health Benefits, shall be responsible for implementing Medicaid transformation required by this act and shall administer and operate all functions, powers, duties, obligations, and services related

to the transformed Medicaid and NC Health Choice programs. The Division of Medical Assistance shall continue to operate the current Medicaid and NC Health Choice programs until the Division of Medical Assistance is eliminated. Upon the elimination of the Division of Medical Assistance, all functions, powers, duties, obligations, and services vested in the Division of Medical Assistance of the Department of Health and Human Services are vested in the Division of Health Benefits. The Department of Health and Human Services shall remain the Medicaid single State agency.

SECTION 11. Elimination of the Division of Medical Assistance. – Twelve months after capitated PHP contracts begin, or at an earlier time as determined by the Secretary of the Department of Health and Human Services, the Division of Medical Assistance and all positions remaining in the Division of Medical Assistance at that time are eliminated. The Secretary shall notify the Office of State Budget and Management and the Joint Legislative Oversight Committee on Medicaid and NC Health Choice three months prior to the date the Secretary anticipates that the Division of Medical Assistance will no longer be needed for future operations of the Medicaid and NC Health Choice programs and will be eliminated. Upon elimination of the Division of Medical Assistance, the Secretary shall notify the Office of State Budget and Management and the Joint Legislative Oversight Committee on Medicaid and NC Health Choice of the effective date of the elimination of the Division of Medical Assistance. The Department of Health and Human Services shall provide notice to employees of the Division of Medical Assistance whose positions will be eliminated due to a reduction in force in accordance with the reduction in force policies of the Office of State Human Resources.

SECTION 12.(a) Article 3 of Chapter 143B of the General Statutes is amended by adding a new part to read:

"Part 36. Division of Health Benefits.

"**§ 143B-216.80. Division of Health Benefits – creation and organization.**

There is hereby established the Division of Health Benefits of the Department of Health and Human Services. The Department of Health and Human Services, through the Division of Health Benefits, shall have the powers and duties described in G.S. 108A-54(e). The Director shall be the head of the Division of Health Benefits."

SECTION 12.(b) Effective January 1, 2021, Part 36 of Article 3 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-216.85. Appointment; term of office; and removal of the Director of the Division of Health Benefits.**

(a) Term. – The Director of the Division of Health Benefits shall be appointed by the Governor for a term of four years subject to confirmation by the General Assembly by joint resolution. The initial term of office for the Director of the Division of Health Benefits shall begin upon confirmation by the General Assembly and shall expire June 30, 2025. Thereafter, the term of office for the Director of the Division of Health Benefits shall be four years and shall commence on July 1 of the year in which the term for which the appointment is made.

(b) Appointment. – The Governor shall submit the name of the person to be appointed Director of the Division of Health Benefits to the General Assembly for confirmation by the General Assembly on or before May 1 of the year in which the term of the office for which the appointment is to be made expires. If the Governor fails to submit a name by May 1, the President Pro Tempore of the Senate and the Speaker of the House of Representatives jointly shall submit a name of an appointee to the General Assembly on or before May 15 of the same year. The appointment shall then be made by enactment of a bill. The bill shall state the name of the person being appointed, the office to which the appointment is being made, the effective date of the appointment, the date of expiration of the term, the residence of the appointee, and that the appointment is made upon the joint recommendation of the Speaker of the House of Representatives and the President Pro Tempore of the Senate. Nothing precludes any member of the General Assembly from proposing an amendment to any bill making such an appointment. If there is no vacancy in the office of the Director, and a bill that would confirm

the appointment of the person as Director fails a reading in either chamber of the General Assembly, then the Governor shall submit a new name within 30 days.

(c) Vacancy. – If a vacancy in the office of the Director occurs for any reason prior to the expiration of the Director's term of office, the Governor shall submit the name of the Director's successor to the General Assembly not later than 60 days after the vacancy occurs. If a vacancy occurs when the General Assembly is not in session, the Governor shall appoint an acting Director to serve the remainder of the unexpired term pending confirmation by the General Assembly. However, in no event shall an acting Director serve (i) for more than 12 months without General Assembly confirmation or (ii) after a bill that would confirm the appointment of the person as Director fails a reading in either chamber of the General Assembly. The successor appointed to fill the vacancy shall serve until the end of the unexpired term.

(d) Removal. – The Director of the Division of Health Benefits may be removed from office only by the Governor and solely for the grounds set forth in G.S. 143B-13(b), (c), and (d)."

SECTION 13. G.S. 108A-54 reads as rewritten:

"§ **108A-54. Authorization of Medical Assistance Program; administration.**

…

(e) The Secretary of the Department of Health and Human Services, through the Division of Health Benefits, shall have the following powers and duties:

(1) Administer and operate the Medicaid and NC Health Choice programs, provided that the total expenditures, net of agency receipts, do not exceed the authorized budget for each program. None of the powers and duties enumerated in the other subdivisions of this subsection shall be construed to limit the broad grant of authority to administer and operate the Medicaid and NC Health Choice programs.

(2) Employ clerical and professional staff of the Division of Health Benefits, including consultants and legal counsel, necessary to carry out the powers and duties of the division. In hiring staff for the Division of Health Benefits, the Secretary may offer employment contracts for a term and set compensation for the employees, which may include performance-based bonuses based on meeting budget or other targets.

(3) Notwithstanding G.S. 143-64.20, enter into contracts for the administration of the Medicaid and NC Health Choice programs, as well as manage such contracts, including contracts of a consulting or advisory nature.

(4) Establish and adjust all program components, except for eligibility categories and income thresholds, of the Medicaid and NC Health Choice programs within the appropriated and allocated budget.

(5) Adopt rules related to the Medicaid and NC Health Choice programs.

(6) Develop midyear budget correction plans and strategies and then take midyear budget corrective actions necessary to keep the Medicaid and NC Health Choice programs within budget.

(7) Approve or disapprove and oversee all expenditures to be charged to or allocated to the Medicaid and NC Health Choice programs by other State departments or agencies.

(8) Develop and present to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice and the Office of State Budget and Management by January 1 of each year, beginning in 2017, the following information for the Medicaid and NC Health Choice programs:

a. A detailed four-year forecast of expected changes to enrollment growth and enrollment mix.

b. What program changes will be made by the Department in order to stay within the existing budget for the programs based on the next fiscal year's forecasted enrollment growth and enrollment mix.

c. The cost to maintain the current level of services based on the next fiscal year's forecasted enrollment growth and enrollment mix.

(9) Publish on its Web site and update on at least a monthly basis, at a minimum, the following information about the Medicaid and NC Health Choice programs:

a. Enrollment by program aid category by county.

b. Per member per month spending by category of service.

c. Spending and receipts by fund along with a detailed variance analysis.

d. A comparison of the above figures to the amounts forecasted and budgeted for the corresponding time period.

(f) The General Assembly shall determine the eligibility categories and income thresholds for the Medicaid and NC Health Choice programs. The Department of Health and Human Services, through the Division of Health Benefits, is expressly authorized to adopt temporary and permanent rules regarding eligibility requirements and determinations, to the extent that they do not conflict with the parameters set by the General Assembly.

(g) Although generally subject to the laws of this State, the following exemptions, limitations, and modifications apply to the Division of Health Benefits of the Department of Health and Human Services, notwithstanding any other provision of law:

(1) Employees of the Division of Health Benefits shall not be subject to the North Carolina Human Resources Act, except as provided in G.S. 126-5(c1)(31).

(2) The Secretary may retain private legal counsel and is not subject to G.S. 114-2.3 or G.S. 147-17(a) through (c).

(3) The Division of Health Benefits' employment contracts offered pursuant to G.S. 108A-54(e)(2) are not subject to review and approval by the Office of State Human Resources.

(4) If the Secretary establishes alternative procedures for the review and approval of contracts, then the Division of Health Benefits is exempt from State contract review and approval requirements but may still choose to utilize the State contract review and approval procedures for particular contracts."

SECTION 14.(a) Part 1 of Article 3 of Chapter 143B of the General Statutes is amended by adding the following new section to read:

"**§ 143B-139.6C. Cooling-off period for certain Department employees.**

(a) Ineligible Vendors. – The Secretary of the Department of Health and Human Services shall not contract for goods or services with a vendor that employs or contracts with a person who is a former employee of the Department and uses that person in the administration of a contract with the Department.

(b) Vendor Certification. – The Secretary shall require each vendor submitting a bid or contract to certify that the vendor will not use a former employee of the Department in the administration of a contract with the Department in violation of the provisions of subsection (a) of this section.

(c) A violation of the provisions of this section shall void the contract.

(d) Definitions. – As used in this section, the following terms mean:

(1) Administration of a contract. – Oversight of the performance of a contract, authority to make decisions regarding a contract, interpretation of a contract, or participation in the development of specifications or terms of a contract or in the preparation or award of a contract.

(2) Former employee of the Department. – A person who, for any period within the preceding six months, was employed as an employee or contract employee of the Department of Health and Human Services, and in the six months immediately preceding termination of State employment, participated personally in either the award or management of a Department contract with the vendor, or made regulatory or licensing decisions that directly applied to the vendor."

SECTION 14.(b) Subsection (a) of this section becomes effective November 1, 2015, and applies to contracts entered into on or after that date.

SECTION 15. Legislative Oversight of Medicaid and NC Health Choice Programs. – Chapter 120 of the General Statutes is amended by adding the following new Article:

"Article 23B.

"Joint Legislative Oversight Committee on Medicaid and NC Health Choice.

"**§ 120-209. Creation and membership of Joint Legislative Oversight Committee on Medicaid and NC Health Choice.**

(a) The Joint Legislative Oversight Committee on Medicaid and NC Health Choice is established. The Committee consists of 14 members as follows:

(1) Seven members of the Senate appointed by the President Pro Tempore of the Senate, at least two of whom are members of the minority party.

(2) Seven members of the House of Representatives appointed by the Speaker of the House of Representatives, at least two of whom are members of the minority party.

(b) Terms on the Committee are for two years and begin on the convening of the General Assembly in each odd-numbered year, except that initial appointments begin on the date of appointment. Members may complete a term of service on the Committee even if they do not seek reelection or are not reelected to the General Assembly, but resignation or removal from service in the General Assembly constitutes resignation or removal from service on the Committee.

(c) A member continues to serve until a successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment.

"**§ 120-209.1. Purpose and powers of Committee.**

(a) The Joint Legislative Oversight Committee on Medicaid and NC Health Choice shall examine budgeting, financing, administrative, and operational issues related to the Medicaid and NC Health Choice programs administered by the Department of Health and Human Services.

(b) The Committee may make periodic reports, including recommendations, to a regular session of the General Assembly on issues related to Medicaid and NC Health Choice programs.

"**§ 120-209.2. Organization of Committee.**

(a) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Joint Legislative Oversight Committee on Medicaid and NC Health Choice. The Committee shall meet upon the joint call of the cochairs.

(b) A quorum of the Committee is eight members. No action may be taken except by a majority vote at a meeting at which a quorum is present.

(c) Members of the Committee receive subsistence and travel expenses, as provided in G.S. 120-3.1. The Committee may contract for consultants or hire employees in accordance with G.S. 120-32.02. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Directors of Legislative Assistants of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee.

(d) The Committee cochairs may establish subcommittees for the purpose of examining issues relating to its Committee charge.

"**§ 120-209.3. Additional powers.**

The Joint Legislative Oversight Committee on Medicaid and NC Health Choice, while in discharge of official duties, shall have access to any paper or document and may compel the attendance of any State official or employee before the Committee or secure any evidence under G.S. 120-19. In addition, G.S. 120-19.1 through G.S. 120-19.4 shall apply to the proceedings of the Committee as if it were a joint committee of the General Assembly.

"**§ 120-209.4. Reports to Committee.**

Whenever the Department of Health and Human Services, or any division within the Department, is required by law to report to the General Assembly or to any of its permanent, study, or oversight committees or subcommittees on matters relating to the Medicaid and NC Health Choice programs, the Department shall transmit a copy of the report to the cochairs of the Joint Legislative Oversight Committee on Medicaid and NC Health Choice."

SECTION 16. G.S. 120-208.1(a)(2)b. is repealed.

SECTION 17. Jurisdiction for legislative oversight of the Medicaid and NC Health Choice programs is transferred from the Joint Legislative Oversight Committee on Health and Human Services to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice. However, both Committees have concurrent jurisdiction over issues related to mental health, developmental disabilities, and substance abuse services covered by the Medicaid and NC Health Choice programs. Any reports related to the Medicaid or NC Health Choice programs shall be provided to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice.

SECTION 18. G.S. 108A-54.1A reads as rewritten:

"**§ 108A-54.1A. Amendments to Medicaid State Plan and Medicaid Waivers.**

(a) ~~No provision in the Medicaid State Plan or in a Medicaid Waiver may expand or otherwise alter the scope or purpose of the Medicaid program from that authorized by law enacted by the General Assembly. For purposes of this section, the term "amendments to the State Plan" includes State Plan amendments, Waivers, and Waiver amendments.~~The Department of Health and Human Services is expressly authorized and required to take any and all necessary action to amend the State Plan and waivers in order to keep the program within the certified budget, except as provided in G.S. 108A-54(f). For purposes of this section, the term "amendments to the State Plan" includes State Plan amendments, Waivers, and Waiver amendments.

~~(b) The Department may submit amendments to the State Plan only as required under any of the following circumstances:~~

~~(1) A law enacted by the General Assembly directs the Department to submit an amendment to the State Plan.~~

~~(2) A law enacted by the General Assembly makes a change to the Medicaid Program that requires approval by the federal government.~~

~~(3) A change in federal law, including regulatory law, or a change in the interpretation of federal law by the federal government requires an amendment to the State Plan.~~

~~(4) A change made by the Department to the Medicaid Program requires an amendment to the State Plan, if the change was within the authority granted to the Department by State law.~~

~~(5) An amendment to the State Plan is required in response to an order of a court of competent jurisdiction.~~

~~(6) An amendment to the State Plan is required to ensure continued federal financial participation.~~

~~(c) Amendments to the State Plan submitted to the federal government for approval shall contain only those changes that are allowed by the authority for submitting an amendment to the State Plan in subsection (b) of this section.~~

(d) No fewer than 10 days prior to submitting an amendment to the State Plan to the federal government, the Department shall post the amendment on its Web site and notify the members of the Joint Legislative Oversight Committee on ~~Health and Human Services~~ Medicaid and NC Health Choice and the Fiscal Research Division that the amendment has been posted. For any amendments to the State Plan that add or eliminate an optional service, the notice required by this subsection shall be 90 days. This notice requirement shall not apply to draft or proposed amendments submitted to the federal government for comments but not submitted for approval. ~~The amendment shall remain posted on the Department's Web site at least until the plan has been approved, rejected, or withdrawn. If the authority for submitting the amendment to the State Plan is pursuant to subdivision (3), (4), (5), or (6) of subsection (b) of this section, then, prior to submitting an amendment to the federal government, the Department shall submit to the General Assembly members receiving notice under this subsection and to the Fiscal Research Division an explanation of the amendment, the need for the amendment, and the federal time limits required for implementation of the amendment.~~

~~(e) The Department shall submit an amendment to the State Plan to the federal government by a date sufficient to provide the federal government adequate time to review and approve the amendment so the amendment may be effective by the date required by the directing authority in subsection (b) of this section. Additionally, if a change is made to the Medicaid program by the General Assembly and that change requires an amendment to the State Plan, then the amendment shall be submitted at least 90 days prior to the effective date of the change as provided in the legislation.~~

(f) Any public notice required under 42 C.F.R. 447.205 shall, in addition to any other posting requirements under federal law, be posted on the Department's Web site. Upon posting such a public notice, the Department shall notify the members of the Joint Legislative Oversight Committee on Medicaid and NC Health Choice and the Fiscal Research Division that the public notice has been posted. Public notices shall remain posted on the Department's Web site."

SECTION 19. G.S. 108A-54.2(d) is repealed.

SECTION 20. G.S. 126-5(c1) is amended by adding new subdivisions to read:

"§ **126-5. Employees subject to Chapter; exemptions.**

…

(c1) Except as to the provisions of Articles 6 and 7 of this Chapter, the provisions of this Chapter shall not apply to:

…

(33) Employees of the Division of Health Benefits of the Department of Health and Human Services.

(34) Employees of the Division of Medical Assistance of the Department of Health and Human Services hired on or after October 1, 2015."

SECTION 21. Funds appropriated in House Bill 97, 2015 Regular Session, to the Department of Health and Human Services, Division of Medical Assistance, for Medicaid transformation shall be used to implement this act. Upon the establishment of a budget code for the Division of Health Benefits, the Division of Medical Assistance shall transfer these funds to the Division of Health Benefits to be used to implement this act.

SECTION 22. If House Bill 97, 2015 Regular Session, becomes law, then Section 12H.25 of that act is repealed.

SECTION 23. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22nd day of September, 2015.

Became law upon approval of the Governor at 1:15 p.m. on the 23rd day of September, 2015.

Session Law 2015-246 **H.B. 44**

AN ACT TO REFORM VARIOUS PROVISIONS OF THE LAW RELATED TO LOCAL GOVERNMENT.

The General Assembly of North Carolina enacts:

NOTICE TO CHRONIC VIOLATORS

SECTION 1.(a) G.S. 160A-200 is repealed.

SECTION 1.(b) G.S. 160A-200.1 reads as rewritten:

"§ **160A-200.1. Annual notice to chronic violators of public nuisance or overgrown vegetation ordinance.**

(a) A city may notify a chronic violator of the city's public nuisance ordinance that, if the violator's property is found to be in violation of the ordinance, the city shall, without further notice in the calendar year in which notice is given, take action to remedy the violation, and the expense of the action shall become a lien upon the property and shall be collected as unpaid taxes.

(b) The notice shall be sent by registered or certified mail. When service is attempted by registered or certified mail, a copy of the notice may also be sent by regular mail. Service shall be deemed sufficient if the registered or certified mail is unclaimed or refused, but the regular mail is not returned by the post office within 10 days after the mailing. If service by regular mail is used, a copy of the notice shall be posted in a conspicuous place on the premises affected. ~~A chronic violator is a person who owns property whereupon, in the previous calendar year, the city gave notice of violation at least three times under any provision of the public nuisance ordinance.~~

(c) A city may also give notice to a chronic violator of the city's overgrown vegetation ordinance in accordance with this section.

(d) For purposes of this section, a chronic violator is a person who owns property whereupon, in the previous calendar year, the city gave notice of violation at least three times under any provision of the public nuisance ordinance."

AUTHORIZE CITIES TO REGULATE CERTAIN STRUCTURES THAT UNREASONABLY RESTRICT THE PUBLIC'S RIGHT TO USE THE STATE'S OCEAN BEACHES

SECTION 1.5. G.S. 160A-205 reads as rewritten:

"§ **160A-205. Cities enforce ordinances within public trust areas.**

(a) Notwithstanding the provisions of G.S. 113-131 or any other provision of law, a city may, by ordinance, define, prohibit, regulate, or abate acts, omissions, or conditions upon the State's ocean beaches and prevent or abate any unreasonable restriction of the public's rights to use the State's ocean beaches. In addition, a city may, in the interest of promoting the health, safety, and welfare of the public, regulate, restrict, or prohibit the placement, maintenance, location, or use of structures that are uninhabitable and without water and sewer services for more than 120 days, as determined by the city with notice provided to the owner of record of the determination by certified mail at the time of the determination, equipment, personal property, or debris upon the State's ocean beaches. A city may enforce any ordinance adopted pursuant to this section or any other provision of law upon the State's ocean beaches located within or adjacent to the city's jurisdictional boundaries to the same extent that a city may enforce ordinances within the city's jurisdictional boundaries. A city may enforce an ordinance adopted pursuant to this section by any remedy provided for in G.S. 160A-175. For purposes of this section, the term "ocean beaches" has the same meaning as in G.S. 77-20(e).

(b) Nothing in this section shall be construed to (i) limit the authority of the State or any State agency to regulate the State's ocean beaches as authorized by G.S. 113-131, or common law as interpreted and applied by the courts of this State; (ii) limit any other authority granted to cities by the State to regulate the State's ocean beaches; (iii) deny the existence of the

authority recognized in this section prior to the date this section becomes effective; (iv) impair the right of the people of this State to the customary free use and enjoyment of the State's ocean beaches, which rights remain reserved to the people of this State as provided in G.S. 77-20(d); (v) change or modify the riparian, littoral, or other ownership rights of owners of property bounded by the Atlantic Ocean; or (vi) apply to the removal of permanent residential or commercial structures and appurtenances thereto from the State's ocean ~~beaches.~~beaches, except as provided in subsection (a) of this section."

PROHIBIT CITIES AND COUNTIES FROM REQUIRING COMPLIANCE WITH VOLUNTARY REGULATIONS AND RULES ADOPTED BY STATE DEPARTMENTS OR AGENCIES

SECTION 2.(a) Article 6 of Chapter 153A of the General Statutes is amended by adding a new section to read as follows:

"**§ 153A-145.6. Requiring compliance with voluntary State regulations and rules prohibited.**

(a) If a State department or agency declares a regulation or rule to be voluntary or the General Assembly delays the effective date of a regulation or rule proposed or adopted by the Environmental Management Commission, or any other board or commission, a county shall not require or enforce compliance with the applicable regulation or rule, including any regulation or rule previously or hereafter incorporated as a condition or contractual obligation imposed by, agreed upon, or accepted by the county in any zoning, land use, subdivision, or other developmental approval, including, without limitation, a development permit issuance, development agreement, site-specific development plan, or phased development plan.

(b) This section shall apply to the following regulations and rules:

(1) Those currently in effect.

(2) Those repealed or otherwise expired.

(3) Those temporarily or permanently held in abeyance.

(4) Those adopted but not yet effective.

(c) This section shall not apply to any water usage restrictions during either extreme or exceptional drought conditions as determined by the Drought Management Advisory Council pursuant to G.S. 143-355.1."

SECTION 2.(b) Article 8 of Chapter 160A of the General Statutes is amended by adding a new section to read as follows:

"**§ 160A-205.1. Requiring compliance with voluntary State regulations and rules prohibited.**

(a) If a State department or agency declares a regulation or rule to be voluntary or the General Assembly delays the effective date of a regulation or rule proposed or adopted by the Environmental Management Commission, or any other board or commission, a city shall not require or enforce compliance with the applicable regulation or rule, including any regulation or rule previously or hereafter incorporated as a condition or contractual obligation imposed by, agreed upon, or accepted by the city in any zoning, land use, subdivision, or other developmental approval, including, without limitation, a development permit issuance, development agreement, site-specific development plan, or phased development plan.

(b) This section shall apply to the following regulations and rules:

(1) Those currently in effect.

(2) Those repealed or otherwise expired.

(3) Those temporarily or permanently held in abeyance.

(4) Those adopted but not yet effective.

(c) This section shall not apply to any water usage restrictions during either extreme or exceptional drought conditions as determined by the Drought Management Advisory Council pursuant to G.S. 143-355.1."

LOCAL PUBLIC HEALTH MAINTENANCE OF EFFORT MONIES

SECTION 2.5.(a) G.S. 130A-34.4(a)(2) is repealed.

SECTION 2.5.(b) This section becomes effective July 1, 2016.

DEVELOPMENTS LOCATED IN THE CITY AND THE COUNTY

SECTION 3. G.S. 160A-365 reads as rewritten:

"§ **160A-365. Enforcement of ordinances.**

(a) Subject to the provisions of the ordinance, any ordinance adopted pursuant to authority conferred by this Article may be enforced by any remedy provided by G.S. 160A-175.

(b) When any ordinance adopted pursuant to authority conferred by this Article is to be applied or enforced in any area outside the territorial jurisdiction of the city as described in G.S. 160A-360(a), the city and the property owner shall certify that the application or enforcement of the city ordinance is not under coercion or otherwise based upon any representation by the city that the city's approval of any land use planning would be withheld from the property owner without the application or enforcement of the city ordinance outside the territorial jurisdiction of the city. The certification may be evidenced by a signed statement of the parties on any approved plat recorded in accordance with this Article."

WELL DRILLING CHANGES

SECTION 3.5.(a) G.S. 87-97 reads as rewritten:

"§ **87-97. Permitting, inspection, and testing of private drinking water wells.**

(a) Mandatory Local Well Programs. – Each county, through the local health department that serves the county, shall implement a private drinking water well permitting, inspection, and testing program. Local health departments shall administer the program and enforce the minimum well construction, permitting, inspection, repair, and testing requirements set out in this Article and rules adopted pursuant to this Article. No person shall unduly delay or refuse to permit a well that can be constructed or repaired and operated in compliance with the requirements set out in this Article and rules adopted pursuant to this Article.

(a1) Use of Standard Forms. – Local well programs shall use the standard forms created by the Department for all required submittals and shall not create their own ~~forms unless the local program submits a petition for rule-making to the Environmental Management Commission, and the Commission by rule finds that conditions or circumstances unique to the area served by the local well program constitute a threat to public health that will be mitigated by use of a local form different from the form used by the Department.~~forms.

(b) Permit Required. – Except for those wells required to be permitted by the Environmental Management Commission pursuant to G.S. 87-88, no person shall:

(1) Construct or assist in the construction of a private drinking water well unless a construction permit has been obtained from the local health department.

(2) Repair or assist in the repair of a private drinking water well unless a repair permit has been obtained from the local health department, except that a permit shall not be required for the repair or replacement of a pump or tank.

(b1) Permit to Include Authorization for Electrical. – When a permit is issued under this section, that permit shall also be deemed to include authorization for the installation, construction, maintenance, or repair of electrical wiring, devices, appliances, or equipment by a person certified as a well contractor under Article 7A of this Chapter when running electrical wires from the well pump to the pressure switch. The local health department shall be responsible for notifying the appropriate building inspector of the issuance of the well permit.

(c) Permit Not Required for Maintenance or Pump Repair or Replacement. – A repair permit shall not be required for any private drinking water well maintenance work that does not involve breaking or opening the well seal. A repair permit shall not be required for any private drinking water well repair work that involves only the repair or replacement of a pump or tank.

(d) Well Site Evaluation. – The local health department shall conduct a field investigation to evaluate the site on which a private drinking water well is proposed to be located before issuing a permit pursuant to this section. The field investigation shall determine whether there is any abandoned well located on the site, and if so, the construction permit shall

be conditioned upon the proper closure of all abandoned wells located on the site in accordance with the requirements of this Article and rules adopted pursuant to this Article. If a private drinking water well is proposed to be located on a site on which a wastewater system subject to the requirements of Article 11 of Chapter 130A of the General Statutes is located or proposed to be located, the application for a construction permit shall be accompanied by a plat or site plan, as defined in G.S. 130A-334.

If the well location marked on the map submitted with an application to a local well program is also marked with a stake or similar marker on the property, then the local well program may not require the contractor to be on site during the on-site predrill inspection, as long as the contractor is available by telephone to answer questions.

(e) Issuance of Permit. – ~~Within~~ In accordance with G.S. 87-97.1 and G.S. 87-97.2, within 30 days of receipt of an application to construct or repair a well, a local health department shall make a determination whether the proposed private drinking water well can be constructed or repaired and operated in compliance with this Article and rules adopted pursuant to this Article and shall issue a permit or denial accordingly. If a local health department fails to act within 30 days, the permit shall automatically be issued, and the local health department may challenge issuance of the permit as provided in Chapter 150B of the General Statutes. The local health department may impose any conditions on the issuance of a construction permit or repair permit that it determines to be necessary to ensure compliance with this Article and rules adopted pursuant to this Article. Notwithstanding any other provision of law, no permit for a well that is in compliance with this Article and the rules adopted pursuant to this Article shall be denied on the basis of a local government policy that discourages or prohibits the drilling of new wells.

(e1) Notice for Wells at Contamination Sites. – The Commission shall adopt rules governing permits issued for private drinking water wells for circumstances in which the local health department has determined that the proposed site for a private drinking water well is located within 1,000 feet of a known source of release of contamination. Rules adopted pursuant to this subsection shall provide for notice and information of the known source of release of contamination and any known risk of issuing a permit for the construction and use of a private drinking water well on such a site.

(f) Expiration and Revocation. – A construction permit or repair permit shall be valid for a period of five years except that the local health department may revoke a permit at any time if it determines that there has been a material change in any fact or circumstance upon which the permit is issued. The foregoing shall be prominently stated on the face of the permit. The validity of a construction permit or a repair permit shall not be affected by a change in ownership of the site on which a private drinking water well is proposed to be located or is located if the location of the well is unchanged and the well and the facility served by the well remain under common ownership.

(f1) Chlorination of the Well. – Upon completion of construction of a private drinking water well, the well shall be sterilized in accordance with the standards of drinking water wells established by the United States Public Health Service.

(g) Certificate of Completion. – Upon completion of construction of a private drinking water well or repair of a private drinking water well for which a permit is required under this section, the local health department shall inspect the well to determine whether it was constructed or repaired in compliance with the construction permit or repair permit. If the local health department determines that the private drinking water well has been constructed or repaired in accordance with the requirements of the construction permit or repair permit, the construction and repair requirements of this Article, and rules adopted pursuant to this Article, the local health department shall issue a certificate of completion. No person shall place a private drinking water well into service without first having obtained a certificate of completion. No person shall return a private drinking water well that has undergone repair to service without first having obtained a certificate of completion.

(h) Drinking Water Testing. – Within 30 days after it issues a certificate of completion for a newly constructed private drinking water well, the local health department shall test the water obtained from the well or ensure that the water obtained from the well has been sampled and tested by a certified laboratory in accordance with rules adopted by the Commission for Public Health. The water shall be tested for the following parameters: arsenic, barium, cadmium, chromium, copper, fluoride, lead, iron, magnesium, manganese, mercury, nitrates, nitrites, selenium, silver, sodium, zinc, pH, and bacterial indicators.

(i) Commission for Public Health to Adopt Drinking Water Testing Rules. – The Commission for Public Health shall adopt rules governing the sampling and testing of well water and the reporting of test results. The rules shall allow local health departments to designate third parties to collect and test samples and report test results. The rules shall also provide for corrective action and retesting where appropriate. The Commission for Public Health may by rule require testing for additional parameters, including volatile organic compounds, if the Commission makes a specific finding that testing for the additional parameters is necessary to protect public health. If the Commission finds that testing for certain volatile organic compounds is necessary to protect public health and initiates rule making to require testing for certain volatile organic compounds, the Commission shall consider all of the following factors in the development of the rule: (i) known current and historic land uses around well sites and associated contaminants; (ii) known contaminated sites within a given radius of a well and any known data regarding dates of contamination, geology, and other relevant factors; (iii) any GIS-based information on known contamination sources from databases available to the Department of Environment and Natural Resources; and (iv) visual on-site inspections of well sites. In addition, the rules shall require local health departments to educate citizens for whom new private drinking water wells are constructed and for citizens who contact local health departments regarding testing an existing well on all of the following:

(1) The scope of the testing required pursuant to this Article.

(2) Optional testing available pursuant to this Article.

(3) The limitations of both the required and optional testing.

(4) Minimum drinking water standards.

(j) Test Results. – The local health department shall provide test results to the owner of the newly constructed private drinking water well and, to the extent practicable, to any leaseholder of a dwelling unit or other facility served by the well at the time the water is sampled. The local health department shall include with any test results provided to an owner of a private drinking water well, information regarding the scope of the required and optional testing as established by rules adopted pursuant to subsection (i) of this section.

(k) Registry of Permits and Test Results. – Each local health department shall maintain a registry of all private drinking water wells for which a construction permit or repair permit is issued that is searchable by address or addresses served by the well. The registry shall specify the physical location of each private drinking water well and shall include the results of all tests of water from each well. The local health department shall retain a record of the results of all tests of water from a private drinking water well until the well is properly closed in accordance with the requirements of this Article and rules adopted pursuant to this Article.

(l) Authority Not Limited. – This section shall not be construed to limit any authority of local boards of health, local health departments, the Department of Health and Human Services, or the Commission for Public Health to protect public health."

SECTION 3.5.(b) Article 7A of Chapter 87 of the General Statutes is amended by adding a new section to read:

"§ **87-98.14. Reciprocity.**

To the extent that other states provide for the licensing or certification of well contractors, the Commission shall permit those individuals who present valid proof of licensure or certification in good standing in one or more of those states to sit for examination for a license of the same or equivalent classification in North Carolina without delay, upon satisfactory proof furnished to the Commission that the qualifications of the applicant are equal to the

qualifications of holders of similar licenses in North Carolina and upon payment of the required fee."

SECTION 3.5.(c) Article 7 of Chapter 87 of the General Statutes is amended by adding a new section to read:

"**§ 87-97.1. Issuance of permit for irrigation water well.**

(a) A property owner may apply for, and be issued, a permit for an irrigation water well, whether the property is connected to, or served by, a public water system. The application shall be in accordance with G.S. 87-97 and shall specifically state that the irrigation water well will not be interconnected to plumbing required that is connected to any public water system and will be used for irrigation or other nonpotable purposes only.

(b) This section shall not apply if the property is connected to, or may be served by, a public water system that the public authority or unit of government operating the public water system is being assisted by the Local Government Commission.

(c) For purposes of this section, "irrigation water well" shall mean any water well that is not interconnected to any plumbing required to be connected to any public water system and that produces water that is used for irrigation or other nonpotable purposes only."

SECTION 3.5.(d) Article 7 of Chapter 87 of the General Statutes is amended by adding a new section to read:

"**§ 87-97.2. Issuance of permit for property within service area of a public water system.**

(a) Notwithstanding G.S. 130A-55(16), 153A-284, 160A-317, 162A-6(a)(14d), and 162A-14(2), a property owner may apply for, and be issued, a permit for a private drinking water well to serve any undeveloped or unimproved property located so as to be served by a public water system.

(b) Notwithstanding G.S. 130A-55(16), 153A-284, 160A-317, 162A-6(a)(14d), and 162A-14(2), a property owner of developed or improved property located so as to be served by a public water system may apply for, and be issued, a permit for a private drinking water well if the public water system has not yet installed water lines directly available to the property or otherwise cannot provide water service to the property at the time the property owner desires water service.

(c) Upon compliance with this Article, the property owner receiving a permit pursuant to subsection (a) or (b) of this section shall not be required to connect to the public water system for so long as the permitted private drinking water well remains compliant and in use. A property owner may opt to connect to the public water system if the property owner so desires. If the property owner opts to connect, the property owner may continue to operate the private drinking water well if that well is not interconnected to any plumbing connected to the public water system and that produces water that is used for irrigation or other nonpotable purposes only.

(d) Nothing in this section shall require a property owner to install a private drinking water well if the property is located so as to be served by a public water system and the public water system is willing to provide service to the property.

(e) This section shall not apply, and a public water system may mandate connection to that public water system, in any of the following situations:

(1) The private drinking water well serving the property has failed and cannot be repaired.

(2) The property is located in an area where the drinking water removed by the private drinking water well is contaminated or likely to become contaminated due to nearby contamination.

(3) The public authority or unit of government operating the public water system is being assisted by the Local Government Commission.

(4) The public authority or unit of government operating the public water system is in the process of expanding or repairing the public water system and is actively making progress to having water lines installed directly available to provide water service to that property within the 24 months of

the time the property owner applies for the private drinking water well permit."

SECTION 3.5.(e) G.S. 153A-284 reads as rewritten:

"§ **153A-284. Power to require connections.**

(a) A county may require the owner of developed property on which there are situated one or more residential dwelling units or commercial establishments located so as to be served by a water line or sewer collection line owned, leased as lessee, or operated by the county or on behalf of the county to connect the owner's premises with the water or sewer line and may fix charges for these connections.

(b) In the case of improved property that would qualify for the issuance of a building permit for the construction of one or more residential dwelling units or commercial establishments and where the county has installed water or sewer lines or a combination thereof directly available to the property, the county may require payment of a periodic availability charge, not to exceed the minimum periodic service charge for properties that are connected.

(c) In accordance with G.S. 87-97.1, when developed property is located so as to be served by a county water line and the property owner has connected to that water line, the property owner may continue to use any private water well located on the property for nonpotable purposes as long as the water well is not interconnected to the county water line and the county shall not require the owner of any such water well to abandon, cap, or otherwise compromise the integrity of the water well."

SECTION 3.5.(f) G.S. 160A-317 is amended by adding a new subsection to read:

"(d) In accordance with G.S. 87-97.1, when developed property is located so as to be served by a city water line and the property owner has connected to that water line, the property owner may continue to use any private water well located on the property for nonpotable purposes as long as the water well is not interconnected to the city water line and the city shall not require the owner of any such water well to abandon, cap, or otherwise compromise the integrity of the water well."

SECTION 3.5.(g) G.S. 130A-55(16)a. reads as rewritten:

"a. To require the owners of developed property on which there are situated one or more residential dwelling units or commercial establishments located within the jurisdiction of the district and within a reasonable distance of any waterline or sewer collection line owned, leased as lessee, or operated by the district to connect the property with the waterline, sewer connection line, or both and fix charges for the connections. The power granted by this subdivision may be exercised by a district only to the extent that the service, whether water, sewer, or a combination thereof, to be provided by the district is not then being provided to the improved property by any other political subdivision or by a public utility regulated by the North Carolina Utilities Commission pursuant to Chapter 62 of the General Statutes. In the case of improved property that would qualify for the issuance of a building permit for the construction of one or more residential dwelling units or commercial establishments and where the district has installed water or sewer lines or a combination thereof directly available to the property, the district may require payment of a periodic availability charge, not to exceed the minimum periodic service charge for properties that are connected. In accordance with G.S. 87-97.1, when developed property is located so as to be served by a sanitary district water line and the property owner has connected to that water line, the property owner may continue to use any private water well located on the property for nonpotable purposes as long as the water well is not interconnected to the sanitary district water line and the sanitary district shall not

require the owner of any such water well to abandon, cap, or otherwise compromise the integrity of the water well."

SECTION 3.5.(h) G.S. 162A-6(a)(14d) reads as rewritten:

"(14d) To require the owners of developed property on which there are situated one or more residential dwelling units or commercial establishments located within the jurisdiction of the authority and within a reasonable distance of any waterline or sewer collection line owned, leased as lessee, or operated by the authority to connect the property with the waterline, sewer connection line, or both and fix charges for the connections. The power granted by this subdivision may be exercised by an authority only to the extent that the service, whether water, sewer, or a combination thereof, to be provided by the authority is not then being provided to the improved property by any other political subdivision or by a public utility regulated by the North Carolina Utilities Commission pursuant to Chapter 62 of the General Statutes. In the case of improved property that would qualify for the issuance of a building permit for the construction of one or more residential dwelling units or commercial establishments and where the authority has installed water or sewer lines or a combination thereof directly available to the property, the authority may require payment of a periodic availability charge, not to exceed the minimum periodic service charge for properties that are connected. In accordance with G.S. 87-97.1, when developed property is located so as to be served by an authority water line and the property owner has connected to that water line, the property owner may continue to use any private water well located on the property for nonpotable purposes as long as the water well is not interconnected to the sanitary district water line and the sanitary district shall not require the owner of any such water well to abandon, cap, or otherwise compromise the integrity of the water well. This subdivision applies only to a water and sewer authority whose membership includes part or all of a county that has a population of at least 40,000 according to the most recent annual population estimates certified by the State Budget Officer."

SECTION 3.5.(i) G.S. 162A-14(2)d. reads as rewritten:

"d. For requiring the owners of developed property on which there are situated one or more residential dwelling units or commercial establishments located within the corporate limits of the political subdivision and located within a reasonable distance of any waterline or sewer connection line owned, leased as lessee, or operated by the authority to connect to the line and collecting, on behalf of the authority, charges for the connections and requiring, as a condition to the issuance of any development permit or building permit by the political subdivision, evidence that any impact fee by the authority has been paid by or on behalf of the applicant for the permit. In accordance with G.S. 87-97.1, when developed property is located so as to be served by the authority's water line and the property owner has connected to that water line, the property owner may continue to use any private water well located on the property for nonpotable purposes as long as the water well is not interconnected to the authority's water line and the authority shall not require the owner of any such water well to abandon, cap, or otherwise compromise the integrity of the water well."

SECTION 3.5.(j) Subsections (c) through (i) of this section become effective August 1, 2016. The remainder of this section becomes effective December 1, 2015, and

applies to permits and licenses issued on or after that date. G.S. 87-97.2(e)(4), as enacted by subsection (d) of this section, expires on July 1, 2017.

REGULATION OF SIGNAGE

SECTION 4.(a) G.S. 153A-340 is amended by adding a new subsection to read:

"(n) Fence wraps displaying signage when affixed to perimeter fencing at a construction site are exempt from zoning regulation pertaining to signage under this Article until the certificate of occupancy is issued for the final portion of any construction at that site or 24 months from the time the fence wrap was installed, whichever is shorter. If construction is not completed at the end of 24 months from the time the fence wrap was installed, the county may regulate the signage but shall continue to allow fence wrapping materials to be affixed to the perimeter fencing. No fence wrap affixed pursuant to this subsection may display any advertising other than advertising sponsored by a person directly involved in the construction project and for which monetary compensation for the advertisement is not paid or required."

SECTION 4.(b) G.S. 160A-381 is amended by adding a new subsection to read:

"(j) Fence wraps displaying signage when affixed to perimeter fencing at a construction site are exempt from zoning regulation pertaining to signage under this Article until the certificate of occupancy is issued for the final portion of any construction at that site or 24 months from the time the fence wrap was installed, whichever is shorter. If construction is not completed at the end of 24 months from the time the fence wrap was installed, the city may regulate the signage but shall continue to allow fence wrapping materials to be affixed to the perimeter fencing. No fence wrap affixed pursuant to this subsection may display any advertising other than advertising sponsored by a person directly involved in the construction project and for which monetary compensation for the advertisement is not paid or required."

PERMIT CHOICE

SECTION 5.(a) G.S. 143-755 reads as rewritten:

"§ **143-755. Permit choice.**

(a) If a permit applicant submits a permit application for any type of development and a rule or ordinance changes between the time the permit application was submitted and a permit decision is made, the permit applicant may choose which version of the rule or ordinance will apply to the permit.

(b) This section applies to all development permits issued by the State and by local governments.

~~(c) This section shall not apply to any zoning permit.~~"

SECTION 5.(b) This section is effective when this act becomes law and applies to permits for which a permit decision has not been made by that date.

PREAUDIT CERTIFICATIONS

SECTION 6.(a) G.S. 159-28 reads as rewritten:

"§ **159-28. Budgetary accounting for appropriations.**

(a) Incurring Obligations. – No obligation may be incurred in a program, function, or activity accounted for in a fund included in the budget ordinance unless the budget ordinance includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year. No obligation may be incurred for a capital project or a grant project authorized by a project ordinance unless that project ordinance includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay the sums obligated by the transaction. Nothing in this section shall require a contract to be reduced to writing.

(a1) Preaudit Requirement. – If an obligation is ~~evidenced by~~reduced to a written contract or written agreement requiring the payment of ~~money~~ money, or is evidenced by a written purchase order for supplies and materials, the written contract, agreement, or purchase order shall include on its face a certificate stating that the instrument has been preaudited to

assure compliance with ~~this~~ subsection ~~unless the obligation or a document related to the obligation has been approved by the Local Government Commission, in which case no certificate shall be required.~~ (a) of this section. The certificate, which shall be signed by the finance ~~officer~~ officer, or any deputy finance officer approved for this purpose by the governing board, shall take substantially the following form:

"This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

_____

(Signature of finance officer)."

~~Certificates in the form prescribed by G.S. 153-130 or 160-411 as those sections read on June 30, 1973, or by G.S. 159-28(b) as that section read on June 30, 1975, are sufficient until supplies of forms in existence on June 30, 1975, are exhausted.~~

(a2) Failure to Preaudit. – An obligation incurred in violation of ~~this subsection~~subsection (a) or (a1) of this section is invalid and may not be enforced. The finance officer shall establish procedures to assure compliance with this ~~subsection.~~section, in accordance with any rules adopted by the Local Government Commission.

(b) Disbursements. – When a bill, invoice, or other claim against a local government or public authority is presented, the finance officer shall either approve or disapprove the necessary disbursement. If the claim involves a program, function, or activity accounted for in a fund included in the budget ordinance or a capital project or a grant project authorized by a project ordinance, the finance officer may approve the claim only if both of the following apply:

(1) ~~He~~ The finance officer determines the amount to be ~~payable and~~payable.

(2) The budget ordinance or a project ordinance includes an appropriation authorizing the expenditure and either (i) an encumbrance has been previously created for the transaction or (ii) an unencumbered balance remains in the appropriation sufficient to pay the amount to be disbursed.

The finance officer may approve a bill, invoice, or other claim requiring disbursement from an intragovernmental service fund or trust or agency fund not included in the budget ordinance, only if the amount claimed is determined to be payable. A bill, invoice, or other claim may not be paid unless it has been approved by the finance officer or, under subsection (c) of this section, by the governing board. The finance officer shall establish procedures to assure compliance with this ~~subsection.~~subsection, in accordance with any rules adopted by the Local Government Commission.

(c) Governing Board Approval of Bills, Invoices, or Claims. – The governing board may, as permitted by this subsection, approve a bill, invoice, or other claim against the local government or public authority that has been disapproved by the finance officer. ~~It~~ The governing board may not approve a claim for which no appropriation appears in the budget ordinance or in a project ordinance, or for which the appropriation contains no encumbrance and the unencumbered balance is less than the amount to be paid. The governing board shall approve payment by formal resolution stating the board's reasons for allowing the bill, invoice, or other claim. The resolution shall be entered in the minutes together with the names of those voting in the affirmative. The chairman of the ~~board~~ board, or some other member designated for this ~~purpose~~ purpose, shall sign the certificate on the check or draft given in payment of the bill, invoice, or other claim. If payment results in a violation of law, each member of the board voting to allow payment is jointly and severally liable for the full amount of the check or draft given in payment.

(d) Payment. – A local government or public authority may not pay a bill, invoice, salary, or other claim except by any of the following methods:

(1) ~~a check~~Check or draft on an official ~~depository,~~depository.

(2) ~~a bank~~Bank wire transfer from an official ~~depository,~~depository.

(3) ~~or an electronic~~Electronic payment or an electronic funds transfer originated by the local government or public authority through an official depository.

(4) Cash, if the local government has adopted an ordinance authorizing the use of cash, and specifying the limits of the use of cash.

(d1) Except as provided in this ~~subsection~~ section, each check or draft on an official depository shall bear on its face a certificate signed by the finance officer or a deputy finance officer approved for this purpose by the governing board (or signed by the chairman or some other member of the board pursuant to subsection (c) of this section). The certificate shall take substantially the following form:

"This disbursement has been approved as required by the Local Government Budget and Fiscal Control Act.

_____

(Signature of finance officer)."

(d2) An electronic payment or electronic funds transfer ~~must~~ shall be ~~subjected~~subject to the ~~pre-audit process. Execution~~preaudit process in accordance with this section and any rules adopted by the Local Government Commission. The rules so adopted shall address execution of ~~the~~ electronic payment or electronic funds transfer ~~shall~~and how to indicate that the finance officer or duly appointed deputy finance officer has performed the ~~pre-audit~~ preaudit process ~~as required by G.S. 159-28(a).~~in accordance with this section. A finance officer or duly appointed deputy finance officer shall be presumed in compliance with this section if the finance officer or duly appointed deputy finance officer complies with the rules adopted by the Local Government Commission.

~~Certificates in the form prescribed by G.S. 153-131 or 160-411.1 as those sections read on June 30, 1973, or by G.S. 159-28(a) as that section read on June 30, 1975, are sufficient until supplies in existence on June 30, 1975, are exhausted.~~

~~No certificate is required on payroll checks or drafts on an imprest account in an official depository, if the check or draft depositing the funds in the imprest account carried a signed certificate.~~

~~As used in this subsection, the term "electronic payment" means payment by charge card, credit card, debit card, or by electronic funds transfer, and the term "electronic funds transfer" means a transfer of funds initiated by using an electronic terminal, a telephone, a computer, or magnetic tape to instruct or authorize a financial institution or its agent to credit or debit an account.~~

(e) Penalties. – If an officer or employee of a local government or public authority incurs an obligation or pays out or causes to be paid out any funds in violation of this section, ~~he~~ that officer or employee, and the sureties on ~~his~~ any official bond for that officer or employee, are liable for any sums so committed or disbursed. If the finance officer or any ~~properly designated~~duly appointed deputy finance officer gives a false certificate to any contract, agreement, purchase order, check, draft, or other document, ~~he~~ the finance officer or duly appointed deputy finance officer, and the sureties on ~~his~~ any official ~~bond~~ bond, are liable for any sums illegally committed or disbursed thereby. The governing board shall determine, by resolution, if payment from the official bond shall be sought and if the governing body will seek a judgment from the finance officer or duly appointed deputy finance officer for any deficiencies in the amount.

(f) The certifications required by subsections (a1) and (d1) of this section shall not apply to any of the following:

(1) An obligation or a document related to the obligation has been approved by the Local Government Commission.

(2) Payroll expenditures, including all benefits for employees of the local government.

(3) Electronic payments, as specified in rules adopted by the Local Government Commission.

(g) As used in this section, the following terms shall have the following meanings:

(1) Electronic funds transfer. – A transfer of funds initiated by using an electronic terminal, a telephone, a computer, or magnetic tape to instruct or authorize a financial institution or its agent to credit or debit an account.

(2) Electronic payment. – Payment by charge card, credit card, debit card, gas card, procurement card, or electronic funds transfer."

SECTION 6.(b) G.S. 115C-441 reads as rewritten:

"§ **115C-441. Budgetary accounting for appropriations.**

(a) Incurring Obligations. – Except as set forth below, no obligation may be incurred by a local school administrative unit unless the budget resolution includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year. Nothing in this section shall require a contract to be reduced to writing.

(a1) Preaudit Requirement. – If an obligation is ~~evidenced by~~reduced to a written contract or written agreement requiring the payment of ~~money or by~~money, or is evidenced by a purchase order for supplies and materials, the written contract, agreement, or purchase order shall include on its face a certificate stating that the instrument has been preaudited to assure compliance with subsection (a) of this section. The certificate, which shall be signed by the finance officer, shall take substantially the following form:

"This instrument has been preaudited in the manner required by the School Budget and Fiscal Control Act.

_____

(Date)

_____

(Signature of finance officer)"

(a2) Failure to Preaudit. – An obligation incurred in violation of subsection (a) or (a1) of this section is invalid and may not be enforced. The finance officer shall establish procedures to assure compliance with this ~~section.~~section, in accordance with any rules adopted by the Local Government Commission.

(b) Disbursements. – When a bill, invoice, or other claim against a local school administrative unit is presented, the finance officer shall either approve or disapprove the necessary disbursement. The finance officer may approve the claim only ~~if he determines the amount~~if all of the following apply:

(1) The amount claimed is determined to be ~~payable,~~payable.

(2) ~~the~~ The budget resolution includes an appropriation authorizing the ~~expenditure and either~~expenditure.

(3) Either (i) an encumbrance has been previously created for the transaction or (ii) an unencumbered balance remains in the appropriation sufficient to pay the amount to be disbursed.

A bill, invoice, or other claim may not be paid unless it has been approved by the finance officer or, under subsection (c) of this section, by the board of education. The finance officer shall establish procedures to assure compliance with this subsection, in accordance with any rules adopted by the Local Government Commission.

(c) Board of Education Approval of Bills, Invoices, or Claims. – The board of education may, as permitted by this subsection, approve a bill, invoice, or other claim against the local school administrative unit that has been disapproved by the finance officer. ~~It~~ The board of education may not approve a claim for which no appropriation appears in the budget resolution, or for which the appropriation contains no encumbrance and the unencumbered balance is less than the amount to be paid. The board of education shall approve payment by formal resolution stating the board's reasons for allowing the bill, invoice, or other claim. The resolution shall be entered in the minutes together with the names of those voting in the affirmative. The chairman of the ~~board~~ board, or some other member designated for this ~~purpose~~ purpose, shall sign the certificate on the check or draft given in payment of the bill, invoice, or other claim. If payment results in a violation of law, each member of the board

voting to allow payment is jointly and severally liable for the full amount of the check or draft given in payment.

(c1) Continuing Contracts for Capital Outlay. – ~~An~~ A local school administrative unit may enter into a contract for capital outlay expenditures, some portion or all of which is to be performed ~~and/or~~or paid in ensuing fiscal years, without the budget resolution including an appropriation for the entire obligation, ~~provided:~~provided all of the following apply:

a. The budget resolution includes an appropriation authorizing the current fiscal year's portion of the ~~obligation;~~obligation.

b. An unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal ~~year; and~~year.

c. Contracts for capital outlay expenditures are approved by a resolution adopted by the board of county commissioners, which resolution when adopted shall bind the board of county commissioners to appropriate sufficient funds in ensuing fiscal years to meet the amounts to be paid under the contract in those years.

(d) Payment. – A local school administrative unit may not pay a bill, invoice, salary, or other claim except by any of the following methods:

(1) ~~a check~~Check or draft on an official ~~depository,~~depository.

(2) ~~by a bank~~Bank wire transfer from an official ~~depository, or by a warrant~~depository.

(3) Electronic payment or an electronic funds transfer originated by the local school administrative unit through an official depository.

(4) Cash, if the local school administrative unit has adopted a policy authorizing the use of cash, and specifying the limits of the use of cash.

(5) Warrant on the State Treasurer.

(d1) Except as provided in ~~this subsection~~subsection (d) of this section, each check or draft on an official depository shall bear on its face a certificate signed by the finance officer or signed by the chairman or some other member of the board pursuant to subsection (c) of this section. The certificate shall take substantially the following form:

"This disbursement has been approved as required by the School Budget and Fiscal Control Act.

_____

(Signature of finance officer)"

No certificate is required on payroll checks or drafts or on State warrants.

(d2) An electronic payment or electronic funds transfer shall be subject to the preaudit process in accordance with this section and any rules adopted by the Local Government Commission. The rules so adopted shall address execution of electronic payment or electronic funds transfer and how to indicate that the finance officer has performed the preaudit process in accordance with this section. A finance officer shall be presumed in compliance with this section if the finance officer complies with the rules adopted by the Local Government Commission.

(e) Penalties. – If an officer or employee of a local school administrative unit incurs an obligation or pays out or causes to be paid out any funds in violation of this section, ~~he~~ that officer or employee, and the sureties on ~~his~~ any official bond for that officer or employee, are liable for any sums so committed or disbursed. If the finance officer gives a false certificate to any contract, agreement, purchase order, check, draft, or other document, ~~he~~ the finance officer and the sureties on ~~his~~ any official bond are liable for any sums illegally committed or disbursed thereby.

(f) The certifications required by subsections (a1) and (d1) of this section shall not apply to any of the following:

(1) An obligation or a document related to the obligation has been approved by the Local Government Commission.

(2) Payroll expenditures, including all benefits for employees of the local government.

(3) Electronic payments, as specified in rules adopted by the Local Government Commission.

(g) As used in this section, the following terms shall have the following meanings:

(1) Electronic funds transfer. – A transfer of funds initiated by using an electronic terminal, a telephone, a computer, or magnetic tape to instruct or authorize a financial institution or its agent to credit or debit an account.

(2) Electronic payment. – Payment by charge card, credit card, debit card, gas card, procurement card, or electronic funds transfer."

SECTION 6.(c) This section becomes effective October 1, 2015, and applies to expenditures incurred on or after that date.

VERIFICATION OF ESCHEATS REPORTS

SECTION 7.(a) G.S. 116B-72 is amended by adding a new subsection to read:

"(g) Any examination under this section may include the Treasurer utilizing any and all reliable external data, including electronic databases deemed relevant by the Treasurer."

SECTION 7.(b) This section is effective when this act becomes law and applies to any examination pending on or after that date.

LOCAL REGULATION OF BEEHIVES

SECTION 8. Article 55 of Chapter 106 of the General Statutes is amended by adding a new section to read:

"§ **106-645. Limitations on local government regulation of hives.**

(a) Notwithstanding Article 6 of Chapter 153A of the General Statutes, no county shall adopt or continue in effect any ordinance or resolution that prohibits any person or entity from owning or possessing five or fewer hives.

(b) Notwithstanding Article 8 of Chapter 160A of the General Statutes, a city may adopt an ordinance to regulate hives in accordance with this subsection. The city shall comply with all of the following:

(1) Any ordinance shall permit up to five hives on a single parcel within the land use planning jurisdiction of the city.

(2) Any ordinance shall require that the hive be placed at ground level or securely attached to an anchor or stand. If the hive is securely attached to an anchor or stand, the city may permit the anchor or stand to be permanently attached to a roof surface.

(3) Any ordinance may include regulation of the placement of the hive on the parcel, including setbacks from the property line and from other hives.

(4) Any ordinance may require removal of the hive if the owner no longer maintains the hive or if removal is necessary to protect the health, safety, and welfare of the public.

(c) For purposes of this section, the term "hive" has the same definition as in G.S. 106-635(15)."

LEASES OF PROPERTY BY LOCAL GOVERNMENTS FOR COMMUNICATION TOWERS

SECTION 9. G.S. 160A-272 reads as rewritten:

"§ **160A-272. Lease or rental of property.**

(a) Any property owned by a city may be leased or rented for such terms and upon such conditions as the council may determine, but not for longer than 10 years (except as otherwise provided ~~herein)~~ in subsection (b1) of this section) and only if the council determines that the property will not be needed by the city for the term of the lease. In determining the term of a proposed lease, periods that may be added to the original term by options to renew or extend shall be included.

(a1) Property may be rented or leased only pursuant to a resolution of the council authorizing the execution of the lease or rental agreement adopted at a regular council meeting upon ~~10~~ 30 days' public notice. Notice shall be given by publication describing the property to be leased or rented, stating the annual rental or lease payments, and announcing the council's intent to authorize the lease or rental at its next regular meeting.

(b) No public notice as required by subsection (a1) of this section need be given for resolutions authorizing leases or rentals for terms of one year or less, and the council may delegate to the city manager or some other city administrative officer authority to lease or rent city property for terms of one year or less.

(b1) Leases for terms of more than 10 years shall be treated as a sale of property and may be executed by following any of the procedures authorized for sale of real property.

(c) ~~The~~Notwithstanding subsection (b1) of this section, the council may approve a lease without treating that lease as a sale of property for any of the following reasons:

(1) ~~for~~For the siting and operation of a renewable energy facility, as that term is defined in G.S. 62-133.8(a)(7), for a term up to 25 ~~years without treating the lease as a sale of property and without giving notice by publication of the intended lease.~~years.

(2) For the siting and operation of a tower, as that term is defined in G.S. 146-29.2(a)(7), for communication purposes for a term up to 25 years."

LOCAL REVIEW OF PROTOTYPE FRANCHISE FOOD ESTABLISHMENTS

SECTION 10. G.S. 130A-248 is amended by adding a new subsection to read:

"(e1) Plans for a franchised or chain food establishment that have been reviewed and approved by the Department shall not require further review and approval under this section by any local health department. The local health department may suggest revisions to a reviewed and approved plan to the Department. The local health department shall not impose any of the suggestion revisions on the owner or operator without written approval from the Department."

NOTICE TO PROPERTY OWNERS PRIOR TO CONSTRUCTION

SECTION 12.(a) Article 23 of Chapter 153A of the General Statutes is amended by adding a new section to read:

"§ **153A-457. Notice prior to construction.**

(a) A county shall notify the property owners and adjacent property owners prior to commencement of any construction project by the county.

(b) Notice under this section shall be in writing at least 15 days prior to the commencement of construction, except in any of the following instances:

(1) If the construction is a repair of an emergency nature, the notice may be given by any means, including verbally, that the county has for contacting the property owner within a reasonable time prior to, or after, commencement of the repair.

(2) The property owner requests action of the county that requires construction activity.

(3) The property owner consents to less than 15 days' notice.

(4) Notice of the construction project is given in any open meeting of the county prior to the commencement of the construction project."

SECTION 12.(b) Article 21 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"§ **160A-499.4. Notice prior to construction.**

(a) A city shall notify the property owners and adjacent property owners prior to commencement of any construction project by the city.

(b) Notice under this section shall be in writing at least 15 days prior to the commencement of construction, except in any of the following instances:

(1) If the construction is a repair of an emergency nature, the notice may be given by any means, including verbally, that the city has for contacting the

property owner within a reasonable time prior to, or after, commencement of the repair.

(2) The property owner requests action of the city that requires construction activity.

(3) The property owner consents to less than 15 days' notice.

(4) Notice of the construction project is given in any open meeting of the city prior to the commencement of the construction project."

SECTION 12.(c) This section becomes effective October 1, 2015, and applies to construction commenced on or after that date.

RIPARIAN BUFFER REFORM

SECTION 13.1.(a) Subsection (e1) of G.S. 143-214.23 is repealed.

SECTION 13.1.(b) Part 1 of Article 21 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"**§ 143-214.23A. Limitations on local government riparian buffer requirements.**

(a) As used in this section:

(1) "Local government ordinance" means any action by a local government carrying the effect of law approved before or after October 1, 2015, whether by ordinance, comprehensive plan, policy, resolution, or other measure.

(2) "Protection of water quality" means nutrient removal, pollutant removal, stream bank protection, or protection of an endangered species as required by federal law.

(3) "Riparian buffer area" means an area subject to a riparian buffer requirement.

(4) "Riparian buffer requirement" means a landward setback from surface waters.

(b) Except as provided in this section, a local government may not enact, implement, or enforce a local government ordinance that establishes a riparian buffer requirement that exceeds riparian buffer requirements necessary to comply with or implement federal or State law or a condition of a permit, certificate, or other approval issued by a federal or State agency.

(c) Subsection (b) of this section shall not apply to any local government ordinance that establishes a riparian buffer requirement enacted prior to August 1, 1997, if (i) the ordinance included findings that the requirement was imposed for purposes that include the protection of aesthetics, fish and wildlife habitat, and recreational use by maintaining water temperature, healthy tree canopy and understory, and the protection of the natural shoreline through minimization of erosion and potential chemical pollution in addition to the protection of water quality and the prevention of excess nutrient runoff, and (ii) the ordinance would permit small or temporary structures within 50 feet of the water body and docks and piers within and along the edge of the water body under certain circumstances.

(d) A local government may request from the Commission the authority to enact, implement, and enforce a local government ordinance that establishes a riparian buffer requirement for the protection of water quality that exceeds riparian buffer requirements for the protection of water quality necessary to comply with or implement federal or State law or a condition of a permit, certificate, or other approval issued by a federal or State agency. To do so, a local government shall submit to the Commission an application requesting this authority that includes the local government ordinance, including the riparian buffer requirement for the protection of water quality, scientific studies of the local environmental and physical conditions that support the necessity of the riparian buffer requirement for the protection of water quality, and any other information requested by the Commission. Within 90 days after the Commission receives a complete application, the Commission shall review the application and notify the local government whether the application has been approved, approved with modifications, or disapproved. The Commission shall not approve a local government ordinance that establishes a riparian buffer requirement for the protection of water quality unless the Commission finds

that the scientific evidence presented by the local government supports the necessity of the riparian buffer requirement for the protection of water quality.

(e) Cities and counties shall not treat the land within a riparian buffer area as if the land is the property of the State or any of its subdivisions unless the land or an interest therein has been acquired by the State or its subdivisions by a conveyance or by eminent domain. Land within a riparian buffer area in which neither the State nor its subdivisions holds any property interest may be used by the property owner to satisfy any other development-related regulatory requirements based on property size, including, but not limited to, residential density and nonresidential intensity calculations and yields, tree conservation purposes, open space or conservation area requirements, setbacks, perimeter buffers, and lot area requirements.

(f) When riparian buffer requirements are included within a lot, cities and counties shall require that the riparian buffer area be shown on the recorded plat. Nothing in this subsection shall be construed to require that the riparian buffer area be surveyed. When riparian buffer requirements are placed outside of lots in portions of a subdivision that are designated as common areas or open space and neither the State nor its subdivisions holds any property interest in that riparian buffer area, the local government shall attribute to each lot abutting the riparian buffer area a proportionate share based on the area of all lots abutting the riparian buffer area for purposes of development-related regulatory requirements based on property size, including, but not limited to, residential density and nonresidential intensity calculations and yields, tree conservation purposes, open space or conservation area requirements, setbacks, perimeter buffers, and lot area requirements.

(g) The Commission may adopt rules to implement this section."

SECTION 13.1.(c) The definitions set out in G.S. 143-214.23A(a), as enacted by Section 13.1(b) of this act, shall apply to this section. Notwithstanding G.S. 143-214.23A(b), as enacted by Section 13.1(b) of this act, a local government ordinance that establishes a riparian buffer requirement for the protection of water quality that exceeds riparian buffer requirements necessary to comply with or implement federal or State law or a condition of a permit, certificate, or other approval issued by a federal or State agency that is in effect on October 1, 2015, may remain in effect and enforceable until January 1, 2017. If the local government ordinance is authorized by the Environmental Management Commission pursuant to G.S. 143-214.23A(d), as enacted by Section 13.1(b) of this act, on or before January 1, 2017, the ordinance may continue to be in effect and enforceable. If the local government ordinance is not authorized by the Environmental Management Commission pursuant to G.S. 143-214.23A(d), as enacted by Section 13.1(b) of this act, on or before January 1, 2017, the ordinance shall no longer be in effect or enforceable.

SECTION 13.1.(d) This section becomes effective October 1, 2015.

SECTION 13.2.(a) The Environmental Management Commission, with the assistance of the Department of Environment and Natural Resources, shall examine ways to provide regulatory relief from the impacts of riparian buffer rules adopted to implement the State's Riparian Buffer Protection Program for parcels of land that were platted on or before the effective date of the applicable riparian buffer rule. The Commission shall specifically examine ways to fairly provide properties with relief where a change in use has occurred that would otherwise trigger the requirements of the riparian buffer rules. Such relief would be determined on a case-by-case basis and provide relief to successor owners. For purposes of this study, a change in use that would otherwise trigger the requirements of the riparian buffer rules shall not include either of the following circumstances:

(1) Developing from a vacant condition to a use allowed by the current local regulations, unless the local regulations have been changed at the request of the property owner since the date the buffer rule was applied; the parcel was recorded prior to the effective date of the applicable buffer rule; and the allowable use is for any nonfarming or nonagricultural purpose.

(2) The property configuration has not been altered except as a result of either an eminent domain action or a recombination involving not more than three

parcels, all of which were recorded before the effective date of the applicable buffer rule.

The Commission may also consider and recommend other circumstances that should not constitute a change in use that would otherwise trigger the requirements of the riparian buffer rules. No later than April 1, 2016, the Commission shall report the results of its study, including any recommendations, to the Environmental Review Commission.

SECTION 13.2.(b) This section becomes effective October 1, 2015.

SECTION 13.3.(a) As used in this section, "coastal wetlands" means any salt marsh or other marsh subject to regular or occasional flooding by tides, including wind tides, whether or not the tidewaters reach the marshland areas through natural or artificial watercourses, provided this shall not include hurricane or tropical storm tides.

SECTION 13.3.(b) For purposes of implementing 15A NCAC 02B .0233 (Neuse River Basin: Nutrient Sensitive Waters Management Strategy: Protection and Maintenance of Existing Riparian Buffers) and 15A NCAC 02B .0259 (Tar-Pamlico River Basin: Nutrient Sensitive Waters Management Strategy: Protection and Maintenance of Existing Riparian Buffers), Zone 1 of a protective riparian buffer for coastal wetlands shall begin at the most landward limit of the normal high water level or the normal water level, as appropriate.

SECTION 13.3.(c) The Environmental Management Commission shall adopt temporary rules to amend its rules consistent with this section.

SECTION 13.3.(d) This section becomes effective October 1, 2015.

SECTION 13.4.(a) The Environmental Management Commission shall amend its rules for the protection of existing riparian buffers to provide for the case-by-case modification of the requirement for maintaining woody vegetation in the riparian buffer area upon a showing by a landowner that alternative measures will provide equal or greater water quality protection.

SECTION 13.4.(b) The Environmental Management Commission shall adopt temporary rules to amend its rules consistent with this section.

SECTION 13.4.(c) This section becomes effective October 1, 2015.

ZONING DENSITY CREDITS

SECTION 16. G.S. 160A-381(a) reads as rewritten:

"(a) For the purpose of promoting health, safety, morals, or the general welfare of the community, any city may adopt zoning and development regulation ordinances. These ordinances may be adopted as part of a unified development ordinance or as a separate ordinance. A zoning ordinance may regulate and restrict the height, number of stories and size of buildings and other structures, the percentage of lots that may be occupied, the size of yards, courts and other open spaces, the density of population, the location and use of buildings, structures and land. The ordinance ~~may~~ shall provide density credits or severable development rights for dedicated rights-of-way pursuant to G.S. 136-66.10 or G.S. 136-66.11."

CLARIFY AUTHORITY OF COUNTIES AND CITIES TO EXPAND ON DEFINITION OF BEDROOM

SECTION 18.(a) G.S. 153A-346 reads as rewritten:

"§ **153A-346. Conflict with other laws.**

(a) When regulations made under authority of this Part require a greater width or size of yards or courts, or require a lower height of a building or fewer number of stories, or require a greater percentage of a lot to be left unoccupied, or impose other higher standards than are required in any other statute or local ordinance or regulation, the regulations made under authority of this Part govern. When the provisions of any other statute or local ordinance or regulation require a greater width or size of yards or courts, or require a lower height of a building or a fewer number of stories, or require a greater percentage of a lot to be left unoccupied, or impose other higher standards than are required by regulations made under authority of this Part, the provisions of the other statute or local ordinance or regulation govern.

(b) When adopting regulations under this Part, a county may not use a definition of dwelling unit, bedroom, or sleeping unit that is more expansive than any definition of the same in another statute or in a rule adopted by a State agency."

SECTION 18.(b) G.S. 160A-390 reads as rewritten:

"§ **160A-390. Conflict with other laws.**

(a) When regulations made under authority of this Part require a greater width or size of yards or courts, or require a lower height of a building or fewer number of stories, or require a greater percentage of a lot to be left unoccupied, or impose other higher standards than are required in any other statute or local ordinance or regulation, regulations made under authority of this Part shall govern. When the provisions of any other statute or local ordinance or regulation require a greater width or size of yards or courts, or require a lower height of a building or a fewer number of stories, or require a greater percentage of a lot to be left unoccupied, or impose other higher standards than are required by the regulations made under authority of this Part, the provisions of that statute or local ordinance or regulation shall govern.

(b) When adopting regulations under this Part, a city may not use a definition of dwelling unit, bedroom, or sleeping unit that is more expansive than any definition of the same in another statute or in a rule adopted by a State agency."

DEVELOPMENT AGREEMENTS

SECTION 19.(a) G.S. 153A-349.4 reads as rewritten:

"§ **153A-349.4. Developed property ~~must contain certain number of acres;~~ criteria; permissible durations of agreements.**

(a) A local government may enter into a development agreement with a developer for the development of property as provided in this ~~Part, provided the property contains 25 acres or more of developable property (exclusive of wetlands, mandatory buffers, unbuildable slopes, and other portions of the property which may be precluded from development at the time of application).~~ Part for developable property of any size, including property that is subject to an executed brownfields agreement pursuant to Part 5 of Article 9 of Chapter 130A of the General Statutes. Development agreements shall be of a reasonable term specified in the ~~agreement, provided they may not be for a term exceeding 20 years.~~agreement.

~~(b) Notwithstanding the acreage requirements of subsection (a) of this section, a local government may enter into a development agreement with a developer for the development of property as provided in this Part for developable property of any size (exclusive of wetlands, mandatory buffers, unbuildable slopes, and other portions of the property which may be precluded from development at the time of application), if the developable property that would be subject to the development agreement is subject to an executed brownfields agreement pursuant to Part 5 of Article 9 of Chapter 130A of the General Statutes. Development agreements shall be of a term specified in the agreement, provided they may not be for a term exceeding 20 years.~~"

SECTION 19.(b) G.S. 160A-400.23 reads as rewritten:

"§ **160A-400.23. Developed property ~~must contain certain number of acres;~~ criteria; permissible durations of agreements.**

(a) A local government may enter into a development agreement with a developer for the development of property as provided in this ~~Part, provided the property contains 25 acres or more of developable property (exclusive of wetlands, mandatory buffers, unbuildable slopes, and other portions of the property which may be precluded from development at the time of application).~~ Part for developable property of any size, including property that is subject to an executed brownfields agreement pursuant to Part 5 of Article 9 of Chapter 130A of the General Statutes. Development agreements shall be of a reasonable term specified in the ~~agreement, provided they may not be for a term exceeding 20 years.~~agreement.

~~(b) Notwithstanding the acreage requirements of subsection (a) of this section, a local government may enter into a development agreement with a developer for the development of property as provided in this Part for developable property of any size (exclusive of wetlands,~~

~~mandatory buffers, unbuildable slopes, and other portions of the property which may be precluded from development at the time of application), if the developable property that would be subject to the development agreement is subject to an executed brownfields agreement pursuant to Part 5 of Article 9 of Chapter 130A of the General Statutes. Development agreements shall be of a term specified in the agreement, provided they may not be for a term exceeding 20 years.~~"

SECTION 19.(c) G.S. 153A-349.3 reads as rewritten:

"§ **153A-349.3. Local governments authorized to enter into development agreements; approval of governing body required.**

(a) A local government may establish procedures and requirements, as provided in this Part, to consider and enter into development agreements with developers. A development agreement must be approved by the governing body of a local government by ordinance.

(b) The development agreement may, by ordinance, be incorporated, in whole or in part, into any planning, zoning, or subdivision ordinance adopted by the local government."

SECTION 19.(d) G.S. 160A-400.22 reads as rewritten:

"§ **160A-400.22. Local governments authorized to enter into development agreements; approval of governing body required.**

(a) A local government may establish procedures and requirements, as provided in this Part, to consider and enter into development agreements with developers. A development agreement must be approved by the governing body of a local government by ordinance.

(b) The development agreement may, by ordinance, be incorporated, in whole or in part, into any planning, zoning, or subdivision ordinance adopted by the local government."

SECTION 19.(e) This section becomes effective October 1, 2015, and applies to development agreements entered into on or after that date.

SECTION 20. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end the provisions of this act are severable.

SECTION 21. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 21st day of September, 2015.

Became law upon approval of the Governor at 4:30 p.m. on the 23rd day of September, 2015.

Session Law 2015-247 **H.B. 173**

AN ACT TO AMEND VARIOUS CRIMINAL LAWS FOR THE PURPOSE OF IMPROVING TRIAL COURT EFFICIENCY.

The General Assembly of North Carolina enacts:

PART I. EXTEND THE PERIOD OF TIME TO AVOID THE COURT COSTS FOR FAILURE TO PAY

SECTION 1.(a) G.S. 7A-304(a) reads as rewritten:

"(a) In every criminal case in the superior or district court, wherein the defendant is convicted, or enters a plea of guilty or nolo contendere, or when costs are assessed against the prosecuting witness, the following costs shall be assessed and collected. No costs may be assessed when a case is dismissed. Only upon entry of a written order, supported by findings of fact and conclusions of law, determining that there is just cause, the court may (i) waive costs assessed under this section or (ii) waive or reduce costs assessed under subdivision (7), (8), (8a), (11), (12), or (13) of this section.

…

(6) For support of the General Court of Justice, the sum of two hundred dollars ($200.00) is payable by a defendant who fails to appear to answer the charge as scheduled, unless within 20 days after the scheduled appearance, the person either appears in court to answer the charge or disposes of the charge pursuant to G.S. 7A-146, and the sum of fifty dollars ($50.00) is payable by a defendant who fails to pay a fine, penalty, or costs within ~~20 days~~ 40 days of the date specified in the court's judgment. Upon a showing to the court that the defendant failed to appear because of an error or omission of a judicial official, a prosecutor, or a law-enforcement officer, the court shall waive the fee for failure to appear. These fees shall be remitted to the State Treasurer.

…."

SECTION 1.(b) G.S. 20-24.2(a) reads as rewritten:

"(a) The court must report to the Division the name of any person charged with a motor vehicle offense under this Chapter who:

(1) Fails to appear to answer the charge as scheduled, unless within 20 days after the scheduled appearance, he either appears in court to answer the charge or disposes of the charge pursuant to G.S. 7A-146; or

(2) Fails to pay a fine, penalty, or costs within ~~20 days~~ 40 days of the date specified in the court's judgment."

SECTION 1.(c) This section becomes effective December 1, 2015, except that a failure to pay after 20 days occurring before the effective date of this act is not abated or affected by this act and the statutes that would be applicable but for this act remain applicable to that failure to pay.

PART II. DIRECT THE ADMINISTRATIVE OFFICE OF THE COURTS TO REPORT ON CERTAIN ORDERS OF REMAND FROM SUPERIOR COURT

SECTION 2. The Administrative Office of the Courts, in consultation with the Conference of Clerks of Superior Court, shall make any necessary modifications to its information systems to maintain records of all cases in which the defendant in a criminal case withdraws an appeal for trial de novo in superior court and the superior court judge has signed an order remanding the case to the district court and shall report on those remanded cases to the chairs of the Senate Appropriations Committee on Justice and Public Safety, the chairs of the House Appropriations Committee on Justice and Public Safety, and the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by February 1 of each year. The report shall (i) include the total number of remanded cases and also the total number of those cases for which the court has remitted costs and (ii) aggregate those totals by the district in which they were granted and by the name of each judge ordering remand. The Administrative Office of the Courts may obtain any information that may be needed from individual clerks of superior court in order to make the modifications necessary to maintain the records required under this section.

PART III. REVISE THE LAW AUTHORIZING A CHIEF DISTRICT COURT JUDGE TO DESIGNATE CERTAIN MAGISTRATES TO APPOINT COUNSEL/AUTHORIZE MAGISTRATES TO ACCEPT GUILTY PLEAS AND ENTER JUDGMENT FOR OFFENSE OF INTOXICATED AND DISRUPTIVE IN PUBLIC

SECTION 3.(a) G.S. 7A-146 reads as rewritten:

"§ **7A-146. Administrative authority and duties of chief district judge.**

The chief district judge, subject to the general supervision of the Chief Justice of the Supreme Court, has administrative supervision and authority over the operation of the district courts and magistrates in his district. These powers and duties include, but are not limited to, the following:

…

(11) Designating certain magistrates to appoint counsel and accept waivers of counsel pursuant to Article 36 of this Chapter. This designation ~~may only be given to magistrates who are duly licensed attorneys and~~ does not give any magistrate the authority ~~to: (i)~~ to appoint counsel or accept waivers of counsel for potentially capital offenses, as defined by rules adopted by the Office of Indigent Defense ~~Services; or (ii) accept a waiver of counsel.~~Services.

…."

SECTION 3.(b) G.S. 7A-292 reads as rewritten:

"§ **7A-292. Additional powers of magistrates.**

In addition to the jurisdiction and powers assigned in this Chapter to the magistrate in civil and criminal actions, each magistrate has the following additional powers:

…

(15) When authorized by the chief district judge, as permitted in G.S. 7A-146(11), to provide for appointment of counsel and acceptance of waivers of counsel pursuant to Article 36 of this Chapter.

…."

SECTION 3.(c) G.S. 14-444 reads as rewritten:

"§ **14-444. Intoxicated and disruptive in public.**

(a) It shall be unlawful for any person in a public place to be intoxicated and disruptive in any of the following ways:

(1) Blocking or otherwise interfering with traffic on a highway or public vehicular area, or

(2) Blocking or lying across or otherwise preventing or interfering with access to or passage across a sidewalk or entrance to a building, or

(3) Grabbing, shoving, pushing or fighting others or challenging others to fight, or

(4) Cursing or shouting at or otherwise rudely insulting others, or

(5) Begging for money or other property.

(b) Any person who violates this section shall be guilty of a Class 3 misdemeanor. ~~Notwithstanding the provisions of G.S. 7A-273(1), a magistrate is not empowered to accept a guilty plea and enter judgment for this offense.~~"

PART IV. AMENDMENT TO ADDRESS AND CLARIFY PROBATION REVOCATION APPEALS

SECTION 4. G.S. 15A-1347 is amended by adding a new subsection to read:

"(c) If a defendant appeals an activation of a sentence as a result of a finding of a violation of probation by the district or superior court, probation supervision will continue under the same conditions until the termination date of the supervision period or disposition of the appeal, whichever comes first."

PART V. CONFORM STATE LAW WITH THE UNITED STATES SUPREME COURT DECISIONS IN HALL V. FLORIDA AND BRUMFIELD V. CAIN

SECTION 5. G.S. 15A-2005 reads as rewritten:

"§ **15A-2005. ~~Mentally retarded defendants;~~ Intellectual disability; death sentence prohibited.**

(a) (1) The following definitions apply in this section:

a. ~~Mentally retarded. Significantly~~ Intellectual disability. – A condition marked by significantly subaverage general intellectual functioning, existing concurrently with significant limitations in adaptive functioning, both of which were manifested before the age of 18.

b. Significant limitations in adaptive functioning. – Significant limitations in two or more of the following adaptive skill areas: communication, self-care, home living, social skills, community use, self-direction, health and safety, functional academics, leisure skills and work skills.

c. Significantly subaverage general intellectual functioning. – An intelligence quotient of 70 or below.

(2) The defendant has the burden of proving significantly subaverage general intellectual functioning, significant limitations in adaptive functioning, and that ~~mental retardation~~ intellectual disability was manifested before the age of 18. An intelligence quotient of 70 or below on an individually administered, scientifically recognized standardized intelligence quotient test administered by a licensed psychiatrist or psychologist is evidence of significantly subaverage general intellectual functioning; however, it is not sufficient, without evidence of significant limitations in adaptive functioning and without evidence of manifestation before the age of 18, to establish that the defendant ~~is mentally retarded.~~has an intellectual disability. An intelligence quotient of 70, as described in this subdivision, is approximate and a higher score resulting from the application of the standard error of measurement to an intelligence quotient of 70 shall not preclude the defendant from being able to present additional evidence of intellectual disability, including testimony regarding adaptive deficits. Accepted clinical standards for diagnosing significant limitations in intellectual functioning and adaptive behavior shall be applied in the determination of intellectual disability.

(b) Notwithstanding any provision of law to the contrary, no defendant ~~who is mentally retarded~~ with an intellectual disability shall be sentenced to death.

(c) Upon motion of the defendant, supported by appropriate affidavits, the court may order a pretrial hearing to determine if the defendant ~~is mentally retarded.~~ has an intellectual disability. The court shall order such a hearing with the consent of the State. The defendant has the burden of production and persuasion to demonstrate ~~mental retardation~~ intellectual disability by clear and convincing evidence. If the court determines that the defendant ~~to be mentally retarded,~~ has an intellectual disability, the court shall declare the case noncapital, and the State may not seek the death penalty against the defendant.

(d) The pretrial determination of the court shall not preclude the defendant from raising any legal defense during the trial.

(e) If the court does not find that the defendant ~~to be mentally retarded~~ has an intellectual disability in the pretrial proceeding, upon the introduction of evidence ~~of the defendant's mental retardation~~ raising the issue of intellectual disability during the sentencing hearing, the court shall submit a special issue to the jury as to whether the defendant ~~is mentally retarded~~ has an intellectual disability as defined in this section. This special issue shall be considered and answered by the jury prior to the consideration of aggravating or mitigating factors and the determination of sentence. If the jury determines that the defendant ~~to be mentally retarded,~~ has an intellectual disability, the court shall declare the case noncapital and the defendant shall be sentenced to life imprisonment.

(f) The defendant has the burden of production and persuasion to demonstrate ~~mental retardation~~ intellectual disability to the jury by a preponderance of the evidence.

(g) If the jury determines that the defendant ~~is not mentally retarded~~ does not have an intellectual disability as defined by this section, the jury may consider any evidence of ~~mental retardation~~ intellectual disability presented during the sentencing hearing when determining aggravating or mitigating factors and the defendant's sentence.

(h) The provisions of this section do not preclude the sentencing of ~~a mentally retarded~~ an offender with an intellectual disability to any other sentence authorized by G.S. 14-17 for the crime of murder in the first degree."

PART VII. MAKE CONFORMING CHANGE TO PETITION FOR JUDICIAL REVIEW

SECTION 7. G.S. 7B-323(f) reads as rewritten:

"(f) A party may appeal the district court's decision under ~~G.S. 7A-27(c).~~G.S. 7A-27(b)(2)."

PART VIII. EXPUNCTION INFORMATION MAY BE TRANSMITTED ELECTRONICALLY OR BY FACSIMILE

SECTION 8. G.S. 15A-150 reads as rewritten:

"§ **15A-150. Notification requirements.**

(a) Notification to AOC. – The clerk of superior court in each county in North Carolina shall, as soon as practicable after each term of court, file with the Administrative Office of the Courts the names of the following:

(1) Persons granted an expunction under this Article.
(2) Persons granted a conditional discharge under G.S. 14-50.29.
(3) Persons granted a conditional discharge under G.S. 90-96 or G.S. 90-113.14.
(4) Repealed by Session Laws 2010-174, s. 7, effective October 1, 2010.
(5) Persons granted a conditional discharge under G.S. 14-204.

(b) Notification to Other State and Local Agencies. – ~~The~~ Unless otherwise instructed by the Administrative Office of the Courts pursuant to an agreement entered into under subsection (e) of this section for the electronic or facsimile transmission of information, the clerk of superior court in each county in North Carolina shall send a certified copy of an order granting an expunction to a person named in subsection (a) of this section to all of the agencies listed in this subsection. An agency receiving an order under this subsection shall expunge from its records all entries made as a result of the charge or conviction ordered expunged, except as provided in G.S. 15A-151. The list of agencies is as follows:

(1) The sheriff, chief of police, or other arresting agency.
(2) When applicable, the Division of Motor Vehicles and the Division of Adult Correction of the Department of Public Safety.
(3) Any State or local agency identified by the petition as bearing record of the offense that has been expunged.
(4) The Department of Public Safety.

(c) Notification to FBI. – The Department of Public Safety shall forward the order received under this section to the Federal Bureau of Investigation.

(d) Notification to Private Entities. – A State agency that receives a certified copy of an order under this section shall notify any private entity with which it has a licensing agreement for bulk extracts of data from the agency criminal record database to delete the record in question. The private entity shall notify any other entity to which it subsequently provides in a bulk extract data from the agency criminal database to delete the record in question from its database.

(e) The Director of the Administrative Office of the Courts may enter into an agreement with any of the State agencies listed in subsection (b) of this section for electronic or facsimile transmission of any information that must be provided under this section."

PART IX. DOUBLING OF BOND IS PERMISSIVE RATHER THAN MANDATORY FOR CERTAIN DEFENDANTS

SECTION 9.(a) G.S. 15A-534(d3) reads as rewritten:

"(d3) When conditions of pretrial release are being determined for a defendant who is charged with an offense and the defendant is currently on pretrial release for a prior offense, the

judicial official ~~shall~~ may require the execution of a secured appearance bond in an amount at least double the amount of the most recent previous secured or unsecured bond for the charges or, if no bond has yet been required for the charges, in the amount of at least one thousand dollars ($1,000)."

SECTION 9.(b) This section becomes effective October 1, 2015, and applies to conditions of pretrial release imposed on or after that date.

PART X. DISPOSITION OF CERTAIN PHYSICAL EVIDENCE THAT MAY CONTAIN BIOLOGICAL EVIDENCE

SECTION 10.(a) G.S. 15A-268(a5) reads as rewritten:

"(a5) The duty to preserve may not be waived knowingly and voluntarily by a defendant, without a court ~~proceeding.~~hearing, which may include any other hearing associated with the disposition of the case."

SECTION 10.(b) G.S. 15A-268(a6) reads as rewritten:

"(a6) The evidence described by subsection (a1) of this section shall be preserved for the following period:

(1) For conviction resulting in a sentence of death, until execution.

(2) For conviction resulting in a sentence of life without parole, until the death of the convicted person.

(3) For conviction of any homicide, sex offense, assault, kidnapping, burglary, robbery, arson or burning, for which a Class B1-E felony punishment is imposed, the evidence shall be preserved during the period of incarceration and mandatory supervised release, including sex offender registration pursuant to Article 27A of Chapter 14 of the General Statutes, except in cases where the person convicted entered and was convicted on a plea of guilty, in which case the evidence shall be preserved for the earlier of three years from the date of conviction or until released.

(4) Biological evidence collected as part of a criminal investigation of any homicide or rape, in which no charges are filed, shall be preserved for the period of time that the crime remains unsolved.

(5) A custodial agency in custody of biological evidence unrelated to a criminal investigation or prosecution referenced by subdivision (1), (2), (3), or (4) of this subsection may dispose of the evidence in accordance with the rules of the agency.

(6) Notwithstanding the retention requirements in subdivisions (1) through (5) of this subsection, at any time after collection and prior to or at the time of disposition of the case at the trial court level, if the evidence collected as part of the criminal investigation is of a size, bulk, or physical character as to render retention impracticable or should be returned to its rightful owner, the State may petition the court for retention of samples of the biological evidence in lieu of the actual physical evidence. After giving any defendant charged in connection with the case an opportunity to be heard, the court may order that the collecting agency take reasonable measures to remove or preserve for retention portions of evidence likely to contain biological evidence related to the offense through cuttings, swabs, or other means consistent with Crime Laboratory minimum guidelines in a quantity sufficient to permit DNA testing before returning or disposing of the evidence."

SECTION 10.(c) This section becomes effective October 1, 2015.

PART XI. AMEND THE RULES OF EVIDENCE TO ALLOW A CERTIFICATION BY THE CUSTODIAN OF A BUSINESS RECORD TO SHOW THE AUTHENTICITY OF THE RECORD IN LIEU OF OFFERING THE CUSTODIAN'S IN-PERSON TESTIMONY

SECTION 11.(a) Rule 803(6) of the Rules of Evidence, Chapter 8C of the General Statutes, reads as rewritten:

"**Rule 803. Hearsay exceptions; availability of declarant immaterial.**

The following are not excluded by the hearsay rule, even though the declarant is available as a witness:

…

(6) Records of Regularly Conducted Activity. – A memorandum, report, record, or data compilation, in any form, of acts, events, conditions, opinions, or diagnoses, made at or near the time by, or from information transmitted by, a person with knowledge, if (i) kept in the course of a regularly conducted business ~~activity,~~ activity and ~~if~~ (ii) it was the regular practice of that business activity to make the memorandum, report, record, or data compilation, all as shown by the testimony of the custodian or other qualified witness, or by affidavit or by document under seal under Rule 902 of the Rules of Evidence made by the custodian or witness, unless the source of information or the method or circumstances of preparation indicate lack of trustworthiness. Authentication of evidence by affidavit shall be confined to the records of nonparties, and the proponent of that evidence shall give advance notice to all other parties of intent to offer the evidence with authentication by affidavit. The term "business" as used in this paragraph includes business, institution, association, profession, occupation, and calling of every kind, whether or not conducted for profit."

SECTION 11.(b) This section becomes effective October 1, 2015.

PART XIII. BAIL BOND CONTINUING EDUCATION

SECTION 13.(a) G.S. 58-71-1 reads as rewritten:

"§ **58-71-1. Definitions.**

The following definitions apply in this Article:

…

(1a) Approved provider. – A person or entity whose certificate of authority issued by the Commissioner to provide either bail bond continuing education or prelicensing courses in this state in accordance with G.S. 58-71-72 was in effect on May 15, 2015, and remains in effect. The certificate of authority issued by the Commissioner to any such person or entity is not transferable or assignable to any other person or entity nor are the benefits or any part thereof transferable or assignable to any other person or entity.

…."

SECTION 13.(b) G.S. 58-71-71 reads as rewritten:

"§ **58-71-71. Examination; educational requirements; penalties.**

(a) In order to be eligible to take the examination required to be licensed as a runner or bail bondsman under G.S. 58-71-70, each person shall complete at least 12 hours of education as provided by ~~the North Carolina Bail Agents Association~~ an approved provider in subjects pertinent to the duties and responsibilities of a runner or bail bondsman, including all laws and regulations related to being a runner or bail bondsman.

(b) Each year every licensee shall complete at least three hours of continuing education as provided by ~~the North Carolina Bail Agents Association~~ an approved provider in subjects related to the duties and responsibilities of a runner or bail bondsman before renewal of the license. This continuing education shall not include a written or oral examination. A person

who receives his first license on or after January 1 of any year does not have to comply with this subsection until the period between his first and second license renewals.

…

(d) Educational courses offered by ~~the North Carolina Bail Agents Association~~ an approved provider under this section must be approved by the Commissioner before they may be offered. Before approving a course, the Commissioner must be satisfied that the course will enhance the professional competence and professional responsibility of bail bondsmen and runners. ~~The North Carolina Bail Agents Association~~ Approved providers shall not offer, sponsor, or conduct any course under this section unless the Commissioner has given authorization to do so. The Commissioner shall not authorize educational courses to be offered solely online.

…."

SECTION 13.(c) This section becomes effective October 1, 2015.

PART XIV. EFFECTIVE DATE

SECTION 14. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 21st day of September, 2015.

Became law upon approval of the Governor at 4:30 p.m. on the 23rd day of September, 2015.

Session Law 2015-248 **H.B. 334**

AN ACT TO MAKE CHANGES TO VARIOUS CHARTER SCHOOL STATUTES AND OTHER EDUCATION STATUTES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 115C-218 reads as rewritten:

"§ **115C-218. Purpose of charter ~~schools and~~ schools; establishment of North Carolina Charter Schools Advisory ~~Board.~~Board and North Carolina Office of Charter Schools.**

(a) Purpose of Charter Schools. – The purpose of this Article is to authorize a system of charter schools to provide opportunities for teachers, parents, pupils, and community members to establish and maintain schools that operate independently of existing schools, as a method to accomplish all of the following:

(1) Improve student learning;

(2) Increase learning opportunities for all students, with special emphasis on expanded learning experiences for students who are identified as at risk of academic failure or academically gifted;

(3) Encourage the use of different and innovative teaching methods;

(4) Create new professional opportunities for teachers, including the opportunities to be responsible for the learning program at the school site;

(5) Provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system; and

(6) Hold the schools established under this Article accountable for meeting measurable student achievement results, and provide the schools with a method to change from rule-based to performance-based accountability systems.

(b) North Carolina Charter Schools Advisory Board. –

(1) Advisory Board. – There is created the North Carolina Charter Schools Advisory Board, hereinafter referred to in this Article as the Advisory

Board. The Advisory Board shall be located administratively within the Department of Public Instruction and shall report to the State Board of Education.

(2) Membership. – The State Superintendent of Public Instruction, or the Superintendent's designee, shall be the secretary of the Advisory Board and a nonvoting member. The Chair of the State Board of Education shall appoint a member of the State Board to serve as a nonvoting member of the Advisory Board. The Advisory Board shall consist of the following 11 voting members:

a. Three members appointed by the Governor, including the chair of the Advisory Board.

b. Three members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, in accordance with G.S. 120-121.

c. Three members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, in accordance with G.S. 120-121.

d. One member appointed by the State Board of ~~Education.~~Education who is not a current member of the State Board of Education and who is a charter school advocate in North Carolina.

e. The Lieutenant Governor or the Lieutenant Governor's designee.

(3) Covered board. – The Advisory Board shall be treated as a board for purposes of Chapter 138A of the General Statutes.

(4) Qualifications of members. – Members appointed to the Advisory Board shall collectively possess strong experience and expertise in public and nonprofit governance, management and finance, assessment, curriculum and instruction, public charter schools, and public education law. All appointed members of the Advisory Board shall have demonstrated an understanding of and a commitment to charter schools as a strategy for strengthening public education.

(5) Terms of office and vacancy appointments. – Appointed members shall serve four-year terms of office beginning on July 1. No appointed member shall serve more than eight consecutive years. Vacancy appointments shall be made by the appointing authority for the remainder of the term of office.

(6) Presiding officers and quorum. – The Advisory Board shall annually elect a vice-chair from among its membership. The chair shall preside over the Advisory Board's meetings. In the absence of the chair, the vice-chair shall preside over the Advisory Board's meetings. A majority of the Advisory Board constitutes a quorum.

(7) Meetings. – Meetings of the Advisory Board shall be held upon the call of the chair or the vice-chair with the approval of the chair.

(8) Expenses. – Members of the Advisory Board shall be reimbursed for travel and subsistence expenses at the rates allowed to State officers and employees by G.S. 138-6(a).

(9) Removal. – Any appointed member of the Advisory Board may be removed by a vote of at least two-thirds of the members of the Advisory Board at any duly held meeting for any cause that renders the member incapable or unfit to discharge the duties of the office.

(10) Powers and duties. – The Advisory Board shall have the following duties:

a. To make recommendations to the State Board of Education on the adoption of rules regarding all aspects of charter school operation, including time lines, standards, and criteria for acceptance and

approval of applications, monitoring of charter schools, and grounds for revocation of charters.

b. To review applications and make recommendations to the State Board for final approval of charter applications.

c. To make recommendations to the State Board on actions regarding a charter school, including renewals of charters, nonrenewals of charters, and revocations of charters.

d. To undertake any other duties and responsibilities as assigned by the State Board.

(11) Duties of the chair of the Advisory Board. – In addition to any other duties prescribed in this Article, the chair of the Advisory Board, or the chair's designee, shall advocate for the recommendations of the Advisory Board at meetings of the State Board upon the request of the State Board.

(c) North Carolina Office of Charter Schools. –

(1) Establishment of the North Carolina Office of Charter Schools. – There is established the North Carolina Office of Charter Schools, hereinafter referred to in this Article as the Office of Charter Schools. The Office of Charter Schools shall be administratively located in the Department of Public Instruction, subject to the supervision, direction, and control of the State Board of Education. The Office of Charter Schools shall consist of an executive director appointed by the State Board of Education and such other professional, administrative, technical, and clerical personnel as may be necessary to assist the Office of Charter Schools in carrying out its powers and duties.

(2) Executive Director. – The Executive Director shall report to and serve at the pleasure of the State Board of Education at a salary established by the State Board within the funds appropriated for this purpose. The duties of the Executive Director shall include presenting the recommendations of the Advisory Board at meetings of the State Board upon the request of the State Board.

(3) Powers and duties. – The Office of Charter Schools shall have the following powers and duties:

a. Serve as staff to the Advisory Board and fulfill any task and duties assigned to it by the Advisory Board.

b. Provide technical assistance and guidance to charter schools operating within the State.

c. Provide technical assistance and guidance to nonprofit corporations seeking to operate charter schools within the State.

d. Provide or arrange for training for charter schools that have received preliminary approval from the State Board.

e. Assist approved charter schools and charter schools seeking approval from the State Board in coordinating services with the Department of Public Instruction.

f. Other duties as assigned by the State Board.

(4) Agency cooperation. – All State agencies and departments shall cooperate with the Office of Charter Schools in carrying out its powers and duties as necessary in accordance with this Article."

SECTION 1.(b) Within 90 days of the date this act becomes law, the State Board of Education shall appoint an executive director of the Office of Charter Schools. The initial appointment of the Executive Director shall be upon the recommendation to the State Board of Education by a search committee comprised of the Lieutenant Governor, who will serve as chair of the committee, the vice-chair of the State Board of Education, and one other member of the State Board of Education appointed by the State Board of Education.

SECTION 1.(c) This section is effective when it becomes law. The Chair of the State Board of Education shall make the appointment to the North Carolina Charter Schools Advisory Board of the nonvoting member as required by G.S. 115C-218(b)(2), as amended by this act, within 45 days of the date this act becomes law. The State Board of Education shall make the appointment to the North Carolina Charter Schools Advisory Board of a member meeting the qualifications of G.S. 115C-218(b)(2), as amended by this act, within 45 days of the date this act becomes law.

SECTION 2. G.S. 115C-218.1(b)(13) reads as rewritten:

"(13) The number of students to be served, which number shall be at least ~~65,~~80, and the minimum number of teachers to be employed at the school, which number shall be at least three. However, the charter school may serve fewer than ~~65~~ 80 students or employ fewer than three teachers if the application contains a compelling reason, such as the school would serve a geographically remote and small student population."

SECTION 3.(a) G.S. 115C-218.1(b) reads as rewritten:

"(b) The application shall contain at least the following information:

…

(15) The process for conducting a weighted lottery that reflects the mission of the school if the school desires to use a weighted lottery."

SECTION 3.(b) G.S. 115C-218.45(e) reads as rewritten:

"(e) Except as otherwise provided by law or the mission of the school as set out in the charter, the school shall not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, athletic ability, ~~disability, race, creed, national origin, religion, or ancestry.~~ or disability. A charter school shall not limit admission to students on the basis of race, creed, national origin, religion, or ancestry. A charter school whose mission is single-sex education may limit admission on the basis of sex. Within one year after the charter school begins operation, the charter school shall make efforts for the population of the school to reasonably reflect the racial and ethnic composition of the general population residing within the local school administrative unit in which the school is located or the racial and ethnic composition of the special population that the school seeks to serve residing within the local school administrative unit in which the school is located. The school shall be subject to any court-ordered desegregation plan in effect for the local school administrative unit."

SECTION 3.(c) G.S. 115C-218.45 is amended by adding a new subsection to read:

"(g1) If a procedure for a weighted lottery reflecting the mission of the school has been approved by the State Board as part of the charter, and a lottery is needed under subsection (h) of this section, the lottery shall be conducted according to the procedure in the charter."

SECTION 4.(a) Article 14A of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-218.2. Opportunity to correct applications; opportunity to address Advisory Board.**

(a) The State Board of Education and the Advisory Board shall provide timely notification to an applicant of any format issues or incomplete information in the initial application and provide the applicant at least five business days to correct those issues in the initial application. If the applicant submits the corrections within the five business days, equal consideration shall be given to that application.

(b) Before taking action regarding a charter school or charter school applicant, including recommendations on preliminary or final approval of charter applications, renewals of charters, nonrenewals of charters, and revocations of charters, the Advisory Board or a committee of the Advisory Board shall provide an opportunity for the applicant or charter board member to address the Advisory Board or its committee, if present, at a meeting."

SECTION 4.(b) The Advisory Board shall make recommendations on guidance for implementation of this section to the State Board. The State Board shall develop guidance for implementation of this section no later than October 15, 2015.

SECTION 5. G.S. 115C-218.5 reads as rewritten:

"§ **115C-218.5. Final approval of applications for charter schools.**

(a) The State Board may grant final approval of an application if it finds the following:

(1) The application meets the requirements set out in this Article and such other requirements as may be adopted by the State Board of Education.

(2) The applicant has the ability to operate the school and would be likely to operate the school in an educationally and economically sound manner.

(3) Granting the application would achieve one or more of the purposes set out in ~~G.S. 115C-269.1.~~G.S. 115C-218.

In reviewing applications for the establishment of charter schools within a local school administrative unit, the State Board is encouraged to give preference to applications that demonstrate the capability to provide comprehensive learning experiences to students identified by the applicants as at risk of academic failure.

(b) The State Board shall make final decisions on the approval or denial of applications by August 15 of a calendar year on all applications it receives prior to a date established by the Office of Charter Schools for receipt of applications in that application cycle. The State Board may make the final decision for approval contingent upon the successful completion of a planning period prior to enrollment of students.

(c) The State Board of Education may authorize a school before the applicant has secured its space, equipment, facilities, and personnel if the applicant indicates the authority is necessary for it to raise working capital. The State Board shall not allocate any funds to the school until the school has obtained space.

(d) The State Board of Education may grant the initial charter for a period not to exceed 10 years. The State Board of Education ~~may~~ shall renew the charter upon the request of the chartering entity for subsequent periods of 10 ~~years each. The renewal may be for less than 10 years if any~~ years, unless one of the following applies:

(1) The charter school has not provided financially sound audits for the prior three years.

(2) The charter school's student academic outcomes for the past three years have not been comparable to the academic outcomes of students in the local school administrative unit in which the charter school is located.

(3) The charter school is ~~not~~ not, at the time of the request for renewal of the charter, substantially in compliance with State law, federal law, the school's own bylaws, or the provisions set forth in its charter granted by the State Board of Education.

The State Board of Education shall review the operations of each charter school at least once every five years to ensure that the school is meeting the expected academic, financial, and governance standards.

(e) A material revision of the provisions of a charter application shall be made only upon the approval of the State Board of Education.

Except as provided in subsection (f) of this section, enrollment growth shall be considered a material revision of the charter application, and the State Board may approve such additional enrollment growth of greater than twenty percent (20%) only if the State Board finds all of the following:

(1) The actual enrollment of the charter school is within ten percent (10%) of its maximum authorized enrollment.

(2) The charter school has commitments for ninety percent (90%) of the requested maximum growth.

(3) The charter school is not currently identified as low-performing.

(4) The charter school meets generally accepted standards of fiscal management.

(5) ~~It is otherwise appropriate to approve the enrollment growth.~~The charter school is, at the time of the request for the enrollment increase, substantially

in compliance with State law, federal law, the charter school's own bylaws, and the provisions set forth in its charter granted by the State Board.

(f) It shall not be considered a material revision of a charter application and shall not require prior approval of the State Board for a charter school to do any of the following:

(1) Increase its enrollment during the charter school's second year of operation and annually thereafter by up to twenty percent (20%) of the school's previous year's enrollment.

(2) Increase its enrollment during the charter school's second year of operation and annually thereafter in accordance with planned growth as authorized in its charter.

(3) Expand to offer one grade higher or lower than the charter school currently offers if the charter school has (i) operated for at least three ~~years and~~ years, (ii) has not been identified as having inadequate performance as provided in ~~G.S. 115C-218.95(b).~~G.S.115C-218.95(b), and (iii) has been in financial compliance as required by the State Board of Education.

(4) Expand to offer one grade higher or lower than the charter school currently offers if the charter school meets all of the following criteria:

a. The charter school's student academic outcomes for the year prior to the expansion must have been at least comparable to the academic outcomes of students in the local school administrative unit in which the charter school is located.

b. The charter school has provided financially sound audits for the year prior to the expansion.

c. The charter school is in compliance with State law, federal law, the school's own bylaws, or the provisions set forth in its charter granted by the State Board of Education.

d. The charter school has been in operation for less than three years.

The charter school shall provide documentation of the requirements of this subdivision to the State Board of Education. The charter school shall be permitted to expand to offer the higher or lower grade unless the State Board of Education finds that the charter school has failed to meet the requirements of this subdivision or other exceptional circumstances exist which justify not permitting the grade expansion."

SECTION 6.(a) G.S. 115C-218.15 reads as rewritten:

"§ **115C-218.15. Charter school operation.**

(a) A charter school that is approved by the State shall be a public school within the local school administrative unit in which it is located. All charter schools shall be accountable to the State Board for ensuring compliance with applicable laws and the provisions of their charters.

(b) A charter school shall be operated by a private nonprofit corporation that shall have received federal tax-exempt status no later than 24 months following final approval of the application. The board of directors of the charter schools shall adopt a conflict of interest and anti-nepotism policy that includes, at a minimum, the following:

(1) The requirements of Chapter 55A of the General Statutes related to conflicts of interest.

(2) A requirement that before any immediate family, as defined in G.S. 115C-12.2, of any member of the board of directors or a charter school employee with supervisory authority shall be employed or engaged as an employee, independent contractor, or otherwise by the board of directors in any capacity, such proposed employment or engagement shall be (i) disclosed to the board of directors and (ii) approved by the board of directors in a duly called open-session meeting. The burden of disclosure of such a conflict of interest shall be on the applicable board member or employee

with supervisory authority. If the requirements of this subsection are complied with, the charter school may employ immediate family of any member of the board of directors or a charter school employee with supervisory authority.

(3) A requirement that a person shall not be disqualified from serving as a member of a charter school's board of directors because of the existence of a conflict of interest, so long as the person's actions comply with the school's conflict of interest policy established as provided in this subsection and applicable law.

(c) A charter school shall operate under the written charter signed by the State Board and the applicant. A charter school is not required to enter into any other contract. The charter shall incorporate the information provided in the application, as modified during the charter approval process, and any terms and conditions imposed on the charter school by the State Board of Education. No other terms may be imposed on the charter school as a condition for receipt of local funds.

(d) The board of directors of the charter school shall decide matters related to the operation of the school, including budgeting, curriculum, and operating procedures.

(e) The board of directors of the private nonprofit corporation operating the charter school may have members who reside outside of the State. However, the State Board of Education may require by policy that a majority of the board of directors and all officers of the board of directors reside within the State."

SECTION 6.(b) G.S. 115C-47 is amended by adding a new subdivision to read:

"(17a) To adopt anti-nepotism policies. – Local boards of education shall adopt policies requiring that before any immediate family, as defined in G.S. 115C-12.2, of any board of education member or central office staff administrator, including directors, supervisors, specialists, staff officers, assistant superintendents, area superintendents, superintendents, or principals, shall be employed or engaged as an employee, independent contractor, or otherwise by the board of education in any capacity, such proposed employment or engagement shall be (i) disclosed to the board of education and (ii) approved by the board of education in a duly called open-session meeting. The burden of disclosure of such a conflict of interest shall be on the applicable board member or central office staff administrator."

SECTION 6.(c) This section becomes effective March 1, 2016.

SECTION 7. G.S. 115C-218.50 reads as rewritten:

"§ **115C-218.50. Charter school nonsectarian.**

(a) A charter school shall be nonsectarian in its programs, admission policies, employment practices, and all other ~~operations and shall not charge tuition or fees, except that a charter school may charge any fees that are charged by the local school administrative unit in which the charter school is located.~~ operations. A charter school shall not be affiliated with a nonpublic sectarian school or a religious institution.

(b) A charter school shall not charge tuition or fees except as follows:

(1) A charter school may charge any fees that are charged by the local school administrative unit in which the charter school is located.

(2) A charter school, upon approval by the board of directors of the charter school, may establish fees for extracurricular activities, except those fees shall not exceed the fees for the same extracurricular activities charged by a local school administrative unit in which forty percent (40%) or more of the students enrolled in the charter school reside."

SECTION 8.(a) G.S. 115C-218.100(a) reads as rewritten:

"(a) Funds Reserved for Closure Proceedings. – A charter school ~~shall maintain,~~ that has elected to participate in the North Carolina Retirement System pursuant to G.S. 135-5.3 shall,

for as long as the charter school continues to participate in the North Carolina Retirement System, maintain for the purposes of ensuring payment of expenses related to closure proceedings in the event of a voluntary or involuntary dissolution of the charter school, one or more of the options set forth in this subsection. The minimum aggregate value of the options chosen by the charter school shall be fifty thousand dollars ($50,000). The State Board of Education shall not allocate any funds under G.S. 115C-218.105 to a charter school unless the school has provided documentation to the State Board that the charter school has met the requirements of this subsection. Permissible options to satisfy the requirements of this subsection include one or more of the following:

(1) An escrow account.
(2) A letter of credit.
(3) A bond.
(4) A deed of trust."

SECTION 8.(b) The State Board of Education shall study and develop a proposed policy regarding circumstances in which a charter school, approved by the State Board pursuant to G.S. 115C-218.5, should be subject to a minimum value requirement of fifty thousand dollars ($50,000) for the purposes of ensuring payment of expenses related to closure proceedings. The State Board shall also consider whether certain charter schools should be provided with a total or partial waiver of such a requirement and shall examine criteria for potentially eligible charter schools, such as the years of operation of the charter school, proven compliance with finance, governance, academic requirements of its charter, State law, and State Board policy requirements, as well as appropriate documentation to show the charter school's financial health and sustainability.

SECTION 8.(c) By February 15, 2016, the State Board of Education shall report to the Joint Legislative Education Oversight Committee on the results of the study and a proposed policy as required by subsection (b) of this section, including any legislative recommendations.

SECTION 8.(d) If House Bill 97, 2015 Regular Session, becomes law, Section 8.28 of that bill is repealed.

SECTION 8.(e) This section is effective when it becomes law. Subsection (a) of this section applies to charter schools that submitted applications for an initial charter or the renewal of a charter to the State Board of Education on or after August 2, 2014.

SECTION 9.(a) By January 15, 2016, upon written recommendations made by the Charter Schools Advisory Board (Advisory Board), the State Board of Education shall amend the process and rules for replication of high-quality charter schools established in North Carolina State Board of Education Policy TCS-U-016 (Fast Track Replication of High Quality Charter Schools) to authorize consideration for fast-track replication of a charter application from a board of directors of a North Carolina nonprofit corporation who agrees to contract with an education management organization or charter management organization currently operating a charter school or schools in the State for at least a year, regardless of whether the board of directors has previously operated a charter school within the State. The State Board of Education shall report to the Joint Legislative Education Oversight Committee by February 15, 2016, on the amendment to the process and rules for charter school replication as required by this section.

SECTION 9.(b) By January 15, 2016, the Advisory Board shall study and make recommendations on a process for allocating allotments made pursuant to G.S. 115C-218.105 for schools which increase enrollment pursuant to G.S. 115C-218.5(f), as amended by this act, to the State Board of Education. The State Board of Education shall review the Advisory Board's recommendations and shall report to the Joint Legislative Education Oversight Committee by February 15, 2016, on recommendations for policy or legislation needed for that process.

SECTION 9.(c) By January 15, 2016, upon written recommendations made by the Advisory Board, the State Board of Education shall adopt a policy on the process for determining whether a school is in substantial compliance as required under

G.S. 115C-218.5(d)(3), (e), and (f) as amended by this act. The State Board of Education shall report to the Joint Legislative Education Oversight Committee by February 15, 2016, on the adoption of the policies required by this section.

SECTION 9.(d) By January 15, 2016, upon written recommendations made by the Advisory Board, the State Board of Education shall adopt a policy on the submission of certain proposed rules and other guidance related to charter schools for review by the Advisory Board and a requirement for the Advisory Board to provide recommendations to the State Board of Education on covered matters. The State Board of Education shall report to the Joint Legislative Education Oversight Committee by February 15, 2016, on the adoption of the policies required by this section.

SECTION 10.(a) G.S. 115C-112.6(c) reads as rewritten:

"(c) Student ~~Reevaluation.~~ Continuing Eligibility. – After an eligible student's initial receipt of a scholarship, the Authority shall ensure that the ~~student is reevaluated~~student's continuing eligibility is assessed at least every three years by ~~the local educational agency in order to verify that the student continues to be a child with a disability.~~one of the following:

(1) The local educational agency. – The local school educational agency shall assess if the child continues to be a child with a disability and verify the outcome on a form to be provided to the Authority.

(2) A licensed psychologist with a school psychology focus. – The psychologist shall assess, after review of appropriate medical and educational records, if the education and related services received by the student in the nonpublic school setting have improved the child's educational performance and if the student would continue to benefit from placement in the nonpublic school setting. The psychologist shall verify the outcome of the assessment on a form to be provided to the Authority."

SECTION 10.(b) G.S. 115C-112.9(2) reads as rewritten:

"(2) Provide ~~reevaluations~~ assessments for continuing eligibility to identified children with disabilities receiving scholarships as provided in Part 1H of this Article at the request of the parent or guardian to ensure compliance with G.S. 115C-112.6(c)."

SECTION 10.(c) This section is effective when it becomes law and applies to students required to be assessed on or after January 1, 2015.

SECTION 11. Sections 2, 3, 4, 5, and 7 of this act apply beginning with the 2015-2016 school year. Except as otherwise provided, the remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 16th day of September, 2015.

Became law upon approval of the Governor at 4:30 p.m. on the 23rd day of September, 2015.

Session Law 2015-249 **S.B. 400**

AN ACT TO GIVE PRIORITY ACCESS TO CIVIC ORGANIZATIONS THAT WORK WITH STUDENTS SUCH AS THE BOY SCOUTS AND GIRL SCOUTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-206 reads as rewritten:

"§ **115C-206. State Board of Education; duties; responsibilities.**

The Superintendent of Public Instruction shall prepare and present to the State Board of Education recommendations for general guidelines for encouraging increased community involvement in the public schools and use of public school facilities. These recommendations shall include, but shall not be limited to provisions for:

(1) The use of public school facilities by governmental, charitable or civic organizations for activities within the community.

(2) The utilization of the talents and abilities of volunteers within the community for the enhancement of public school programs including tutoring, counseling and cultural programs and projects.

(3) Increased communications between the staff and faculty of the public schools, other community institutions and agencies, and citizens in the community.

(4) Local boards of education are to be directed to give priority in the use of school facilities to any youth group listed in Title 36 of the United States Code as a patriotic society, such as the Boy Scouts of America, and its affiliated North Carolina groups and councils, and the Girl Scouts of the United States of America, and its affiliated North Carolina groups and councils, in order to encourage schools to facilitate access for students to participate in activities provided by these groups at times other than instructional time during the school day for the purposes of encouraging civic education.

Based on the recommendations of the Superintendent of Public Instruction, the State Board of Education shall adopt appropriate policies and guidelines for encouraging increased community involvement in the public schools and use of the public school facilities."

SECTION 2. G.S. 115C-207 reads as rewritten:

"§ **115C-207. Authority and responsibility of local boards of education.**

Every local board of education that uses State funds to implement programs under this Article shall:

(1) Develop programs and plans for increased community involvement in the public schools based upon policies and guidelines adopted by the State Board of Education.

(1a) Develop policies and programs designed to encourage the use of community-based academic booster organizations, which may be known as Community Achievement Network – Developing Our Educational Resources (CAN DOER) organizations, to provide tutoring and other appropriate services to encourage and support student academic achievement.

(1b) Develop policies and/or procedures for approving the use of volunteer organizations and for approving the use of individual volunteers.

(1c) Develop policies and/or procedures designed to make information available to parents and students about what tutoring and other academic support services are available to students in the community or through school volunteers or other community organizations.

(2) Develop programs and plans for increased community use of public school facilities based upon policies and guidelines adopted by the State Board of Education

(3) Establish rules governing the implementation of such programs and plans in its public schools and submit these rules along with adopted programs and plans to the State Board of Education for approval by the State Board of Education.

(4) Give priority in the use of school facilities to any youth group listed in Title 36 of the United States Code as a patriotic society, such as the Boy Scouts of America, and its affiliated North Carolina groups and councils, and the Girl Scouts of the United States of America, and its affiliated North Carolina groups and councils, in order to encourage schools to facilitate access for students to participate in activities provided by these groups at times other than instructional time during the school day for the purposes of encouraging

civic education. If the local board of education denies priority access to a patriotic society listed in Title 36 of the United States Code, the local board shall provide reasons for the denial in writing to the requesting entity.

Programs and plans developed by a local board of education may provide for the establishment of one or more community schools advisory councils for the public schools under the board's jurisdiction and for the employment of one or more community schools coordinators. The local board of education shall establish the terms and conditions of employment for the community schools coordinators.

Every local board of education using State funds to implement a community schools program under this Article may enter into agreements with other local boards of education, agencies and institutions for the joint development of plans and programs and the joint expenditure of these State funds."

SECTION 3. G.S. 115C-218.75 is amended by adding a new subsection to read:

"(d) Access for Youth Groups. – Charter schools are encouraged to facilitate access for students to participate in activities provided by any youth group listed in Title 36 of the United States Code as a patriotic society, such as the Boy Scouts of America, and its affiliated North Carolina groups and councils, and the Girl Scouts of the United States of America, and its affiliated North Carolina groups and councils. Student participation in any activities offered by these organizations shall not interfere with instructional time during the school day for the purposes of encouraging civic education."

SECTION 4. G.S. 115C-238.66 is amended by adding a new subdivision to read:

"(13) Access for youth groups. – Regional schools are encouraged to facilitate access for students to participate in activities provided by any youth group listed in Title 36 of the United States Code as a patriotic society, such as the Boy Scouts of America, and its affiliated North Carolina groups and councils, and the Girl Scouts of the United States of America, and its affiliated North Carolina groups and councils. Student participation in any activities offered by these organizations shall not interfere with instructional time during the school day for the purposes of encouraging civic education."

SECTION 5. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 17th day of September, 2015.

Became law upon approval of the Governor at 11:00 a.m. on the 25th day of September, 2015.

Session Law 2015-250 **H.B. 792**

AN ACT TO PROTECT THE PUBLIC FROM REVENGE POSTING ONLINE BY MAKING IT A CRIMINAL OFFENSE TO DISCLOSE CERTAIN IMAGES IN WHICH THERE IS A REASONABLE EXPECTATION OF PRIVACY AND TO MAKE INDECENT EXPOSURE THAT OCCURS ON PRIVATE PREMISES A CRIMINAL OFFENSE.

The General Assembly of North Carolina enacts:

SECTION 1. Article 26 of Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-190.5A. Disclosure of private images.**

(a) Definitions. – The following definitions apply in this section:

(1) Disclose. – Transfer, publish, distribute, or reproduce.

(2) Image. – A photograph, film, videotape, recording, digital, or other reproduction.

(3) Intimate parts. – Any of the following naked human parts: (i) male or female genitals, (ii) male or female pubic area, (iii) male or female anus, or (iv) the nipple of a female over the age of 12.

(4) Personal relationship. – As defined in G.S. 50B-1(b).

(5) Reasonable expectation of privacy. – When a depicted person has consented to the disclosure of an image within the context of a personal relationship and the depicted person reasonably believes that the disclosure will not go beyond that relationship.

(6) Sexual conduct. – Includes any of the following:

a. Vaginal, anal, or oral intercourse, whether actual or simulated, normal or perverted.

b. Masturbation, excretory functions, or lewd exhibition of uncovered genitals.

c. An act or condition that depicts torture, physical restraint by being fettered or bound, or flagellation of or by a nude person or a person clad in undergarments or in revealing or bizarre costume.

(b) Offense. – A person is guilty of disclosure of private images if all of the following apply:

(1) The person knowingly discloses an image of another person with the intent to do either of the following:

a. Coerce, harass, intimidate, demean, humiliate, or cause financial loss to the depicted person.

b. Cause others to coerce, harass, intimidate, demean, humiliate, or cause financial loss to the depicted person.

(2) The depicted person is identifiable from the disclosed image itself or information offered in connection with the image.

(3) The depicted person's intimate parts are exposed or the depicted person is engaged in sexual conduct in the disclosed image.

(4) The person discloses the image without the affirmative consent of the depicted person.

(5) The person discloses the image under circumstances such that the person knew or should have known that the depicted person had a reasonable expectation of privacy.

(c) Penalty. – A violation of this section shall be punishable as follows:

(1) For an offense by a person who is 18 years of age or older at the time of the offense, the violation is a Class H felony.

(2) For a first offense by a person who is under 18 years of age at the time of the offense, the violation is a Class 1 misdemeanor.

(3) For a second or subsequent offense by a person who is under the age of 18 at the time of the offense, the violation is a Class H felony.

(d) Exceptions. – This section does not apply to any of the following:

(1) Images involving voluntary exposure in public or commercial settings.

(2) Disclosures made in the public interest, including, but not limited to, the reporting of unlawful conduct or the lawful and common practices of law enforcement, criminal reporting, legal proceedings, medical treatment, or scientific or educational activities.

(3) Providers of an interactive computer service, as defined in 47 U.S.C. § 230(f), for images provided by another person.

(e) Destruction of Image. – In addition to any penalty or other damages, the court may award the destruction of any image made in violation of this section.

(f) Other Sanctions or Remedies Not Precluded. – A violation of this section is an offense additional to other civil and criminal provisions and is not intended to repeal or preclude any other sanctions or remedies.

(g) Civil Action. – In addition to any other remedies at law or in equity, including an order by the court to destroy any image disclosed in violation of this section, any person whose image is disclosed, or used, as described in subsection (b) of this section, has a civil cause of action against any person who discloses or uses the image and is entitled to recover from the other person any of the following:

(1) Actual damages, but not less than liquidated damages, to be computed at the rate of one thousand dollars ($1,000) per day for each day of the violation or in the amount of ten thousand dollars ($10,000), whichever is higher.

(2) Punitive damages.

(3) A reasonable attorneys' fee and other litigation costs reasonably incurred.

The civil cause of action may be brought no more than one year after the initial discovery of the disclosure, but in no event may the action be commenced more than seven years from the most recent disclosure of the private image."

SECTION 1.1. G.S. 1-54 is amended by adding a new subsection to read:

"(11) No suit, action, or proceeding under G.S. 14-190.5A(g) shall be brought or maintained against any person unless such suit, action, or proceeding is commenced within one year after the initial discovery of the disclosure, but in no event may the action be commenced more than seven years from the most recent disclosure of the private image."

SECTION 1.5. The Joint Legislative Oversight Committee on Justice and Public Safety shall study the issue of improper disclosure of images of people superimposed onto other images exposing intimate parts or depicting sexual conduct. The study shall include whether any existing crimes or civil actions currently apply and whether G.S. 14-190.5A, as enacted by this act, should be amended to include superimposed images. The Joint Legislative Oversight Committee on Justice and Public Safety shall report its findings and any recommendations to the General Assembly by April 1, 2016.

SECTION 2. G.S. 14-190.9 is amended by adding a new subsection to read:

"(a2) Unless the conduct is prohibited by another law providing greater punishment, any person who shall willfully expose the private parts of his or her person in the presence of anyone other than a consenting adult on the private premises of another or so near thereto as to be seen from such private premises for the purpose of arousing or gratifying sexual desire is guilty of a Class 2 misdemeanor."

SECTION 2.1. G.S. 14-190.9 is amended by adding a new subsection to read:

"(a5) Unless the conduct is prohibited by another law providing greater punishment, any person located in a private place who shall willfully expose the private parts of his or her person with the knowing intent to be seen by a person in a public place shall be guilty of a Class 2 misdemeanor."

SECTION 2.3. G.S. 14-190.9 is amended by adding a new subsection to read:

"(a4) Unless the conduct is punishable by another law providing greater punishment, any person at least 18 years of age who shall willfully expose the private parts of his or her person in a private residence of which they are not a resident and in the presence of any other person less than 16 years of age who is a resident of that private residence shall be guilty of a Class 2 misdemeanor."

SECTION 3. This act becomes effective December 1, 2015, and applies to offenses committed on or after that date and to actions initiated on or after that date.

In the General Assembly read three times and ratified this the 17th day of September, 2015.

Became law upon approval of the Governor at 11:00 a.m. on the 25th day of September, 2015.

Session Law 2015-251 **S.B. 258**

AN ACT TO REQUIRE THAT IN FILLING VACANCIES IN THE OFFICE OF SHERIFF OF WASHINGTON COUNTY THE PERSON RECOMMENDED BY THE PARTY EXECUTIVE COMMITTEE OF THE VACATING MEMBER SHALL BE APPOINTED.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 162-5.1 reads as rewritten:

"§ **162-5.1. Vacancy filled in certain counties; duties performed by coroner or chief deputy.**

If any vacancy occurs in the office of sheriff, the coroner of the county shall execute all process directed to the sheriff until the board shall elect a sheriff to supply the vacancy for the residue of the term, who shall possess the same qualifications, enter into the same bond, and be subject to removal, as the sheriff regularly elected. If the sheriff were elected as a nominee of a political party, the board of commissioners shall consult the county executive committee of that political party before filling the vacancy, and shall elect the person recommended by the county executive committee of that party, if the party makes a recommendation within 30 days of the occurrence of the vacancy. If the board should fail to fill such vacancy, the coroner shall continue to discharge the duties of sheriff until it shall be filled.

In those counties where the office of coroner has been abolished, the chief deputy sheriff, or if there is no chief deputy, then the senior deputy in years of service, shall perform all the duties of the sheriff until the county commissioners appoint some person to fill the unexpired term. In all counties the regular deputy sheriffs shall, during the interim of the vacancy, continue to perform their duties with full authority.

This section shall apply only in the following counties: Alamance, Alexander, Alleghany, Avery, Beaufort, Brunswick, Buncombe, Burke, Cabarrus, Caldwell, Carteret, Cherokee, Clay, Cleveland, Davidson, Davie, Edgecombe, Forsyth, Gaston, Graham, Guilford, Haywood, Henderson, Hyde, Jackson, Lee, Lincoln, Madison, McDowell, Mecklenburg, Moore, New Hanover, Onslow, Pender, Polk, Randolph, Richmond, Rockingham, Rutherford, Sampson, Stokes, Surry, Transylvania, Wake, Washington, Wayne, and Yancey."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of September, 2015.

Became law on the date it was ratified.

Session Law 2015-252 **H.B. 488**

AN ACT TO CLARIFY THE APPOINTMENTS TO THE BOARD OF TRUSTEES OF CENTRAL CAROLINA COMMUNITY COLLEGE.

The General Assembly of North Carolina enacts:

SECTION 1. S.L. 2013-263 is repealed.

SECTION 2. G.S. 115D-12(a) reads as rewritten:

"(a) Each community college established or operated pursuant to this Chapter shall be governed by a board of trustees consisting of ~~13 members, or of additional members if selected according to the special procedure prescribed by the third paragraph of this subsection,~~ 16 members who shall be selected by the following agencies. No member of the General Assembly may be appointed to a local board of trustees for a community college.

Group One – four trustees, elected ~~by the board of education of the public school administrative unit located in the administrative area of the institution. If there are two or more public school administrative units, whether city or county units, or both, located within the administrative area, the trustees shall be elected jointly by all of the boards of education of those units, each board having one vote in the election of each trustee, except as provided in~~

~~G.S. 115D-59.~~ jointly by the local boards of education with the authority to nominate trustees as follows:

(1) The Chatham County Board of Education shall nominate one person to serve as trustee with a term commencing July 1, 2016, and quadrennially thereafter.

(2) The Harnett County Board of Education shall nominate one person to serve as trustee with a term commencing July 1, 2017, and quadrennially thereafter.

(3) The Lee County Board of Education shall nominate two persons to serve as trustees as follows:

a. The appointment of one trustee for a term commencing July 1, 2015, and quadrennially thereafter.

b. The appointment of one trustee for a term commencing July 1, 2018, and quadrennially thereafter.

(4) Approval of a nominee by at least one of the other two boards of education shall constitute selection of the trustee.

(5) If a nominee is not approved by at least one other board of education, the nominating board of education may nominate other persons until at least one other board of education approves the board of education's nominee.

No board of education shall elect a member of the board of education or any person employed by the board of education to serve as a trustee, however, any such person currently serving on a board of trustees shall be permitted to fulfill the unexpired portion of the trustee's current term.

Group Two – ~~four~~ eight trustees, elected ~~by the board of commissioners of the county in which the institution is located. Provided, however, if the administrative area of the institution is composed of two or more counties, the trustees shall be elected jointly by the boards of commissioners of all those counties, each board having one vote in the election of each trustee. Provided, also, the county commissioners of the county in which the community college has established a satellite campus may elect an additional two members if the board of trustees of the community college agrees.~~ as follows:

(1) Four members elected by the Lee County Commissioners as follows:

a. The appointment of one trustee for a term commencing July 1, 2015, and quadrennially thereafter.

b. The appointment of one trustee for a term commencing July 1, 2016, and quadrennially thereafter.

c. The appointment of one trustee for a term commencing July 1, 2017, and quadrennially thereafter.

d. The appointment of one trustee for a term commencing July 1, 2018, and quadrennially thereafter.

(2) Two members elected by the Chatham County Commissioners for terms commencing July 1, 2017, and quadrennially thereafter.

(3) Two members elected by the Harnett County Commissioners as follows:

a. The appointment of one trustee for a term commencing July 1, 2016, and quadrennially thereafter.

b. The appointment of one trustee for a term commencing July 1, 2017, and quadrennially thereafter.

No more than one trustee from Group Two may be a member of a board of county ~~commissioners.~~ commissioners of a given county. Should the ~~boards of education or the~~ boards of commissioners involved be unable to agree on one or more trustees the senior resident superior court judge in the superior court district or set of districts as defined in G.S. 7A-41.1 where the institution is located shall fill the position or positions by appointment.

Group Three – four trustees, appointed by the Governor.

Group Four – the president of the student government or the chairman of the executive board of the student body of each community college established pursuant to this Chapter shall be an ex officio nonvoting member of the board of trustees of each said institution."

SECTION 3. This act applies only to Central Carolina Community College.

SECTION 4. This act is effective when it becomes law and applies to appointments to terms beginning on or after July 1, 2015.

In the General Assembly read three times and ratified this the 28th day of September, 2015.

Became law on the date it was ratified.

Session Law 2015-253 **H.B. 527**

AN ACT TO PROVIDE THAT REGULAR MUNICIPAL ELECTIONS IN THE MUNICIPALITIES OF STANLY COUNTY SHALL BE HELD IN EVEN-NUMBERED YEARS; TO EXTEND THE TERM OF OFFICE FOR THE MAYOR OF THE CITY OF ALBEMARLE FROM TWO YEARS TO FOUR YEARS; TO AMEND THE CHARTER OF THE CITY OF RALEIGH TO AUTHORIZE THE CITY TO SELL, EXCHANGE, OR OTHERWISE TRANSFER REAL PROPERTY; TO CLARIFY THE BOARD VOTING RULES FOR THE ELIZABETH CITY-PASQUOTANK BOARD OF EDUCATION; AND TO ADD DARE, GATES, AND HYDE COUNTIES TO THE LIST OF COUNTIES COVERED BY G.S. 153A-15.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Section 3.1 of the Charter of the City of Albemarle, being Chapter 259 of the Session Laws of 1979, as amended by Ordinance 95-18 adopted by the City Council, reads as rewritten:

"Section 3.1. Regular Municipal Elections; Conduct and Method of Election. ~~Regular municipal elections for Mayor shall be held in the City in 1979 and every two years thereafter and~~Elections shall be conducted in accordance with the uniform municipal election laws of North Carolina. The Mayor and members of the City Council shall be elected according to the partisan primary and elections method for statewide office as provided in ~~G.S. 163-291.~~G.S. 163-1."

SECTION 1.(b) Section 3.2 of the Charter of the City of Albemarle, being Chapter 259 of the Session Laws of 1979, as amended by Chapter 881 of the 1987 Session Laws and Ordinance 95-18 adopted by the City Council, reads as rewritten:

"Section 3.2. Election of Mayor and Council Members. At the regular municipal election in 2015, there shall be nominated and elected a Mayor for a term of five years. At the regular municipal election in ~~1991~~ 2020 and every ~~two~~ four years thereafter, there shall be nominated and elected a ~~Mayor.~~Mayor to serve for a term of four years.

~~At the regular municipal election to be held in 1995, members of the City Council shall be nominated and elected as follows. The member of Council from District 1 and the member of Council from District 3 shall be nominated and elected by and from the qualified voters of the electoral district to serve for a four year term. The member of Council from District 2 and the member of Council from District 4 shall be nominated and elected by and from the qualified voters of the electoral district to serve for a two year term. Three members of Council shall be nominated and elected at large by and from the qualified voters of the City. The two at large members of Council receiving the highest number of votes in the regular municipal election shall be elected to serve for a four year term. The at large member of Council receiving the next highest number of votes in the regular municipal election shall be elected to serve for a two year term.~~

The City Council shall consist of seven members, each residing in and elected from districts. At the regular municipal election held in 2015, members of the Council from District 1, District 3, and the two members elected at-large in the 2011 regular municipal election shall

each be elected to a term of five years. The members of the Council from District 2, District 4, and the member elected at-large in the 2013 regular municipal election shall continue to serve until 2018.

At the regular municipal election held in ~~1997,~~2018 and every four years thereafter, the member of Council from District 2, the member of Council from District 4, and the member of Council elected at large in the ~~1995~~2013 regular municipal election ~~to serve a two-year term~~ shall be nominated and elected to serve a four year term.

At the regular municipal election held in ~~1999~~ 2020 and every four years thereafter, the member of Council from District 1, the member of Council from District 3, and the two members of Council elected at large in the ~~1995~~2015 regular municipal election ~~to serve a four year term~~ shall be nominated and elected to serve for a four year term."

SECTION 2. Chapter III of the Charter of the Town of Badin, being Chapter 894 of the Session Laws of 1989, reads as rewritten:

"**CHAPTER III.**

"**GOVERNING BODY.**

…

"Sec. 3.3. Term of office of Council members. ~~The initial members of the Council shall be elected in 1990 at the same time as the general election for county officers, and the procedure shall be as generally provided for election of municipal officers in an odd-numbered year, except that the filing period shall open as soon as the results of the incorporation referendum are certified, and shall end at 12:00 noon on the third Friday after that date. The initial district members are elected for three-year terms, their successors shall be elected in 1993 and quadrennially thereafter for four-year terms. In 1990, the at-large candidate receiving the highest number of votes is elected to a three-year term, and the two at-large candidates receiving the next highest numbers of votes are elected to one-year terms. In 1991 and quadrennially thereafter, two at-large members are elected for four-year terms. In 1993 and quadrennially thereafter, one at-large member is elected for a four-year term. Initial town officers shall take office on the Monday following the canvassing of the returns of their election, at a time and place designated by any three of them.~~In 2015, the two at-large members shall serve for terms of five years, and their successors shall serve terms of four years. Each of the resident district members and the at-large members whose terms expire in 2017 shall continue to serve until 2018, and their successors shall be elected to serve terms of four years. Regular municipal elections shall be held in each even-numbered year thereafter in accordance with Chapter IV of this Charter.

"Sec. 3.4. Selection of Mayor: term of office. The members of the Town Council shall, from among their members, elect the Mayor at their organizational meeting to serve a two-year term, except that the Mayor elected in ~~1990~~ 2015 shall serve a ~~one-year~~three-year term."

SECTION 3.(a) Article III of the Charter of the City of Locust, being Chapter 246 of the Session Laws of 1973, as amended by Chapter 41 of the 1977 Session Laws, reads as rewritten:

"…

"Sec. 3.2. Mayor and Mayor Pro Tempore. The Mayor shall be a resident and qualified voter of the City of Locust and shall be elected by the qualified voters of the City of Locust, and he shall hold office for two (2) ~~years.~~years, except that the Mayor elected in 2015 shall serve a term of three years, but the Mayor's successors shall serve terms of two years. In the case of a vacancy in the office of Mayor, the City Council shall by appointment fill the vacancy for the unexpired term. The Mayor shall be the official head of the City government and shall preside at all meetings of the City Council. When there is an equal division upon any question, or in the appointment of officers, by the Council, the Mayor shall determine the matter by his vote, and shall vote in no other case. The Mayor shall exercise such powers and perform such duties as are or may be conferred upon him by the general laws of North Carolina, by this Charter, and by the ordinances of the City. The City Council shall choose one of its number to act as Mayor Pro Tempore, and he shall perform the duties of the Mayor in the Mayor's absence

or disability. The Mayor Pro Tempore as such shall have no fixed term of office, but shall serve in such capacity at the pleasure of the remaining members of the Council.

"Sec. 3.3. Composition of City Council. Beginning with the election to be held on November ~~8, 1977,~~3, 2015, the City Council shall consist of seven (7) members to be elected by and from the qualified voters of the city voting at large in the manner provided by Article IV.

…."

SECTION 3.(b) Section 4.1 of the Charter of the City of Locust, being Chapter 246 of the Session Laws of 1973, as amended by Chapter 41 of the 1977 Session Laws, reads as rewritten:

"Sec. 4.1. Regular Municipal Elections. Regular municipal elections shall be held on the Tuesday after the first Monday in November of each ~~odd-numbered year which began in 1973.~~even-numbered year except as provided in this section. In the regular election in ~~1977~~ 2015, ~~there shall be elected three (3) councilmen. The three (3) candidates receiving the highest number of votes shall be elected for terms of four (4) years. In the regular election of 1979, there shall be elected four (4) councilmen, and the four (4) candidates receiving the highest number of votes shall be elected for four (4) years.~~four members shall be elected for terms of five years, and the three members whose terms expire in 2017 shall continue to serve until 2018. Thereafter as the terms of members expire, their successors shall be elected for terms of four (4) years."

SECTION 4.(a) Section 3.3 of the Charter of the Village of Misenheimer, being Chapter 268 of the Session Laws of 2003, as amended by Chapter 19 of the 2004 Session Laws, reads as rewritten:

"Section 3.3. Manner of Electing Village Council; Term of Office. The qualified voters of the entire Village shall elect the members of the Village Council, and, except as provided in this section, they shall serve four-year terms. In ~~2005, the three candidates receiving the highest numbers of votes shall be elected to four-year terms, and the two candidates receiving the next highest numbers of votes shall be elected to two-year terms.~~2015, two members shall be elected for five-year terms, and the three members whose terms expire in 2017 shall continue to serve until 2018. In ~~2007,~~2020, and quadrennially thereafter, two members shall be elected to four-year terms. In ~~2009,~~2018, and quadrennially thereafter, three members shall be elected to four-year terms."

SECTION 4.(b) Section 3.4 of the Charter of the Village of Misenheimer, being Chapter 268 of the Session Laws of 2003, reads as rewritten:

"Section 3.4. **Manner of Electing Mayor; Term of Office; Duties.** At the organizational meeting following each municipal election, the Village Council shall elect one of its members as Mayor, and the Mayor shall serve at the pleasure of the Village ~~Council.~~Council, provided that the Mayor elected in 2015 shall serve pursuant to the manner provided in Section 3.3 of this Charter. The Mayor shall be the official head of Village government and shall preside at all meetings of the Village Council. The Mayor shall exercise such powers and duties as conferred by the general laws of this State and this Charter and as directed by the Village Council. In the case of a vacancy in the office of Mayor, the remaining members of the Village Council shall choose from their membership a person to serve as Mayor for the unexpired term."

SECTION 5. Section 3 of the Charter of the Town of New London, being Chapter 91 of the Private Laws of 1907, as amended by Chapter 131 of the 2001 Session Laws, reads as rewritten:

"Sec. 3. The officers of the town shall consist of a mayor and five commissioners, and they shall be elected to four-year terms by the qualified voters of the entire town, except as provided otherwise in this section. ~~In 2001, and quadrennially thereafter, a mayor shall be elected to a four-year term. In 2001, for the position of commissioner, the two persons receiving the highest numbers of votes shall be elected to four-year terms and the three persons receiving the next highest numbers of votes shall be elected to two-year terms.~~The Mayor whose term expires in 2017 shall continue to serve until 2018. In 2018, and quadrennially thereafter, the Mayor shall

be elected for a term of four years. In 2015, three commissioners shall be elected for five-year terms, and the two commissioners whose terms expire in 2017 shall continue to serve until 2018. In ~~2003,~~2020, and quadrennially thereafter, three persons shall be elected to four-year terms. In ~~2005,~~2018, and quadrennially thereafter, two persons shall be elected to four-year terms."

SECTION 6. Section 12 of the Charter of the Town of Norwood, being Chapter 212 of the Private Laws of 1905, as amended by Chapter 15 of the Session Laws of 2001, reads as rewritten:

"Sec. 12. The Commissioners and Mayor shall be elected to four-year terms by the qualified voters of the entire Town, except as provided otherwise in this section. ~~In 2001, and quadrennially thereafter, a Mayor shall be elected to a four-year term. In 2001, for the position of Commissioner, the two persons receiving the highest numbers of votes shall be elected to four-year terms and the three persons receiving the next highest numbers of votes shall be elected to two-year terms.~~The Mayor whose term expires in 2017 shall continue to serve until 2018. In 2018, and quadrennially thereafter, the Mayor shall be elected for a term of four years. In 2015, three commissioners shall be elected for five-year terms, and the two commissioners whose terms expire in 2017 shall continue to serve until 2018. In ~~2003,~~2020, and quadrennially thereafter, three persons shall be elected to four-year terms. In ~~2005,~~2018, and quadrennially thereafter, two persons shall be elected to four-year terms."

SECTION 7. Section 15 of the Charter of the Town of Oakboro, being Chapter 51 of the Private Laws of 1915, as amended by ordinance adopted by the Town Board, reads as rewritten:

"Sec. 15. That the Mayor of the town of Oakboro shall hold office for the term of two years and until its successor is elected and ~~qualified.~~qualified, except that in 2015, the Mayor elected shall serve a term of three years, but the Mayor's successors shall serve terms of two years. ~~At the regular municipal election held in 2009, the three members of the Board elected who have the highest total of votes shall serve for a four-year term.~~ Those members of the Board who have the lowest total number of votes shall serve for a two-year term. At the regular election held in 2011, and every four years thereafter, members of the Board who were elected for two-year terms in the election of 2009, shall be elected to serve for a four-year term. In 2015, three members of the Board shall be elected for five-year terms, and the two members whose terms expire in 2017 shall continue to serve until 2018. In 2020, and quadrennially thereafter, three persons shall be elected to four-year terms. In 2018, and quadrennially thereafter, two persons shall be elected to four-year terms. That in the absence of any officer of the town, or during sickness of any of the officers, the commissioners may appoint a man to fill the office during his absence or during his inability, and no longer. If the absence be caused by resignation, the board may appoint an officer to fill the unexpired term."

SECTION 8. Article III of the Charter of the Town of Red Cross, being Chapter 56 of the Session Laws of 2002, reads as rewritten:

"ARTICLE III. GOVERNING BODY.

…

"Section 3.3. **Manner of Electing Town Council; Term of Office.** The qualified voters of the entire Town shall elect the members of the Town Council and, except as provided in this section, they shall be elected to four-year terms. In ~~2003, the two candidates receiving the highest number of votes shall be elected to four-year terms and the two candidates receiving the next highest number of votes shall be elected to two-year terms.~~2015, two members shall be elected for five-year terms, and the two members whose terms expire in 2017 shall continue to serve until 2018. In ~~2005,~~2018, and biennially thereafter, two members shall be elected to four-year terms.

"Section 3.4. **Manner of Electing Mayor; Term of Office; Duties.** The qualified voters of the entire Town shall elect the Mayor. In 2015, the Mayor shall be elected to serve a term of five years. In ~~2003,~~2020, and quadrennially thereafter, the Mayor shall be elected for a term of four years.

…."

SECTION 9.(a) Section 3 of the Charter of the Town of Richfield, being Chapter 204 of the Private Laws of 1915, as amended by Chapter 1066 of the 1953 Session Laws, Chapter 527 of the 1961 Session Laws, and by resolution adopted by the Town Board of Commissioners, reads as rewritten:

"Section 3. That the officers of said town shall consist of a mayor and five commissioners, to be elected ~~for staggered 4-year terms , and a marshal and secretary and treasurer, to be appointed every two years by the commissioners.~~as provided in Section 4 of this Charter."

SECTION 9.(b) Section 4 of the Charter of the Town of Richfield, being Chapter 204 of the Private Laws of 1915, as amended by Chapter 1066 of the 1953 Session Laws, and Chapter 527 of the 1961 Session Laws, reads as rewritten:

"Section 4. ~~That there shall be a convention held in said town for the purpose of electing a mayor and five commissioners. The said convention shall be called on the first Tuesday after the first Monday in May, 1915, and every two years thereafter.~~The Mayor whose term expires in 2017 shall continue to serve until 2018. In 2018, and quadrennially thereafter, the Mayor shall be elected for a term of four years. In 2015, the three members elected shall serve terms of five years, and their successors shall serve terms of four years. The two members whose terms expire in 2017 shall continue to serve until 2018, and their successors shall serve terms of four years. Notice of said ~~convention~~ election shall be posted at four public places within said town at least thirty days prior to the holding of the ~~convention~~ election and all citizens residing within the corporate limits of said town who are qualified voters in Stanly County and who have resided in said town for a period of ninety (90) days before said ~~convention~~ election shall be allowed to vote."

SECTION 9.(c) Section 15 of the Charter of the Town of Richfield, being Chapter 204 of the Private Laws of 1915, as amended by Chapter 1066 of the 1953 Session Laws, reads as rewritten:

"Section 15. That the officers elected in said town at any ~~convention~~ election shall hold office for the term of four years and until their successors are elected and qualified, and that during the absence of any officer of the town or the sickness of any officer or officers, the commissioners may appoint a man to fill the vacancy during his or their absence, or during his or their inability to fill the same, and no longer. If the absence be caused by resignation, the board of commissioners shall appoint an officer to fill said vacancy or unexpired term."

SECTION 10. Section 3 of the Charter of the Town of Stanfield, being Chapter 1210 of the Session Laws of 1955, as amended by Chapter 485 of the 1957 Session Laws and Ordinance 2009-3 adopted by the Town Commissioners, reads as rewritten:

"Sec. 3. MUNICIPAL GOVERNMENT. That the government of the Town of Stanfield shall be vested in a mayor and a board of five commissioners and such other officers as may be provided for in the Municipal Incorporation Act of North Carolina. The mayor and board of commissioners shall be quadrennially elected by the qualified voters of the town, ~~shall~~ provided that the Mayor whose term expires in 2017 shall continue to serve until 2018. In 2018, and quadrennially thereafter, the Mayor shall serve a term of four years. At the regular municipal election to be held in 2009, the mayor and two members of the Board elected who have the highest total of votes shall serve for a four-year term. The three members of the Board who have the lowest total number of votes shall serve for a two-year term. At the regular municipal election held in 2011, and every four years thereafter, members of the board who were elected for two-year terms in the election of 2009 shall be elected to serve for a four-year term. In 2015, three members of the Board shall be elected for five-year terms, and the two members whose terms expire in 2017 shall continue to serve until 2018. In 2020, and quadrennially thereafter, three persons shall be elected to four-year terms. In 2018, and quadrennially thereafter, two persons shall be elected to four-year terms. The Mayor and board of commissioners shall take such oaths of office as provided by ~~law,~~law and shall have such rights, powers, duties and responsibilities as provided in ~~Article 2 of~~ Chapter ~~160~~ 160A of the General Statutes of North Carolina relating to municipal officers."

SECTION 11. Section 22 of the Charter of the City of Raleigh, being Chapter 1184 of the 1949 Session Laws, as amended, is amended by adding the following new subsection:

"(88). Conveyance of Real Property. When the City Council determines that a sale or disposition of real property will advance or further any Council adopted economic development, transportation, urban revitalization, community development, or other City policy, the City may, in addition to other authorized means, sell, exchange, or transfer the fee or any lesser interest in real property, either by public sale or by negotiated private sale. Any conveyance under this section may be made only pursuant to a resolution of the City Council authorizing the conveyance. Notice of the proposed transaction shall be given at least 10 days prior to adoption of the resolution by generally authorized legal advertising methods, and the notice shall generally describe: (i) the property involved; (ii) the nature of the interest to be conveyed; and (iii) all of the material terms of the proposed transaction. The notice shall give the time and place of the City Council meeting where the proposed transaction will be considered and shall announce the Council's intention to authorize the proposed transaction."

SECTION 12. Section 3 of Chapter 29 of the 1967 Session Laws, as amended by Chapter 8 of the 1977 Session Laws and by Section 9(b) of S.L. 2005-305, reads as rewritten:

"Sec. 3. Three members of the Board shall be residents within the Elizabeth City Township, hereinafter referred to as "inside members", and three members of the Board shall be residents of the other townships outside Elizabeth City Township, hereinafter referred to as "outside members". The remaining member shall hereinafter be referred to as the "at-large member" and shall be a county resident with no residence required within a particular township area.

Candidates for membership on the Board shall file for office at the same time and on the same terms and conditions as candidates for other county offices. Candidates shall file, based upon residency, for any available "inside member" seats, "outside member" seats, or the "at-large member" seat that they qualify for by virtue of the residency at the time of filing. However, there shall be no primary, and filed candidates for each type of available seat shall be placed on the general election ballot to be voted on by all qualified voters of the county. Each voter shall have the right to vote in each race for "inside member" seats, "outside members" seats, or the "at-large member" seat up to the number of open seats up for election as to each particular type of seat, but may not cast more than one vote for each candidate. The election shall be held on a nonpartisan plurality basis with the candidates receiving the highest number of votes for each type of seat filling the available open seat or seats in descending order of their vote totals. Candidates elected shall take office the first Monday in December, and shall serve a four-year term.

All vacancies shall be filled by appointment by the remainder of the Board within 60 days, and the person so appointed shall serve the remainder of the unexpired term.

Terms shall be staggered, with two "inside member" seats and two "outside member" seats being elected in 2006 and every four years thereafter, and one "inside member" seat, one "outside member" seat, and the "at-large member" seat being elected in 2008 and every four years thereafter.

~~The Elizabeth City-Pasquotank Board of Education shall elect a chairman and vice chairman to preside over its meetings, and the vice chairman shall be entitled to vote in all matters being considered by said Board but neither the chairman nor the vice chairman shall have the authority to cast a vote to create a tie vote and then vote again to break the tie.~~ The Elizabeth City-Pasquotank Board of Education shall elect a chair to preside over its meetings and a vice-chair to preside over its meetings in the chair's absence. The chair shall not vote on any matters being considered by said Board, unless there is a tie vote, in which case the chair shall cast the deciding vote. When the chair is present at a meeting, the vice-chair shall be entitled to vote on all matters being considered by said Board. When the vice-chair is presiding over a meeting in the chair's absence, the vice-chair shall not vote on any matters being considered by said Board, unless there is a tie vote, in which case the vice-chair shall cast the

deciding vote. Neither the chair nor the vice-chair shall have the authority to cast a vote to create a tie vote and then vote again to break the tie.

The Elizabeth City-Pasquotank Board of Education shall control, administer and operate all of the public schools in Pasquotank County, including the public schools now located in the Elizabeth City Administrative Unit, as well as the public schools now located in the Pasquotank County Administrative Unit. The Elizabeth City-Pasquotank Board of Education shall exercise all the powers, authority and duties as are now exercised and performed by city and county boards of education and as provided by Chapter 115 of the General Statutes, as revised and amended, and as the same may hereafter be revised and amended. All members of the said Board shall hold their offices until their successors are elected and qualified."

SECTION 13. G.S. 153A-15 reads as rewritten:

"§ **153A-15. Consent of board of commissioners necessary in certain counties before land may be condemned or acquired by a unit of local government outside the county.**

(a) Notwithstanding the provisions of Chapter 40A of the General Statutes or any other general law or local act conferring the power of eminent domain, before final judgment may be entered in any action of condemnation initiated by a county, city or town, special district, or other unit of local government which is located wholly or primarily outside another county, whereby the condemnor seeks to acquire property located in the other county, the condemnor shall furnish proof that the county board of commissioners of the county where the land is located has consented to the taking.

(b) Notwithstanding the provisions of G.S. 153A-158, 160A-240.1, 130A-55, or any other general law or local act conferring the power to acquire real property, before any county, city or town, special district, or other unit of local government which is located wholly or primarily outside another county acquires any real property located in the other county by exchange, purchase or lease, it must have the approval of the county board of commissioners of the county where the land is located.

(c) This section applies to Alamance, Alleghany, Anson, Ashe, Bertie, Bladen, Brunswick, Burke, Buncombe, Cabarrus, Caldwell, Camden, Carteret, Caswell, Catawba, Chatham, Cherokee, Clay, Cleveland, Columbus, Craven, Cumberland, Currituck, Dare, Davidson, Davie, Duplin, Durham, Edgecombe, Forsyth, Franklin, Gaston, Gates, Graham, Granville, Greene, Guilford, Halifax, Harnett, Haywood, Henderson, Hoke, Hyde, Iredell, Jackson, Johnston, Jones, Lee, Lenoir, Lincoln, Macon, Madison, Martin, McDowell, Mecklenburg, Montgomery, Nash, New Hanover, Northampton, Onslow, Orange, Pamlico, Pasquotank, Pender, Perquimans, Person, Pitt, Polk, Richmond, Robeson, Rockingham, Rowan, Rutherford, Sampson, Scotland, Stanly, Stokes, Surry, Swain, Transylvania, Union, Vance, Wake, Warren, Watauga, Wayne, Wilkes, and Yancey Counties only.

(d) This section does not apply as to any condemnation or acquisition of real property or an interest in real property by a city where the property to be condemned or acquired is within the corporate limits of that city."

SECTION 14. Notwithstanding any other provision of law to the contrary and except as otherwise provided by federal law, municipal elections held pursuant to this act may be combined on the same official ballot as other ballot items for elections held at the same time.

SECTION 15. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of September, 2015.

Became law on the date it was ratified.

Session Law 2015-254 **H.B. 272**

AN ACT TO APPOINT PERSONS TO VARIOUS PUBLIC OFFICES UPON THE RECOMMENDATION OF THE SPEAKER OF THE HOUSE OF REPRESENTATIVES,

THE PRESIDENT PRO TEMPORE OF THE SENATE, AND THE MINORITY LEADER OF THE SENATE.

Whereas, G.S. 120-121 authorizes the General Assembly to make certain appointments to public offices upon the recommendation of the Speaker of the House of Representatives and the President Pro Tempore of the Senate; and

Whereas, the Speaker of the House of Representatives and the President Pro Tempore of the Senate have made recommendations; and

Whereas, G.S. 143B-168.12 authorizes the General Assembly to appoint a member of the public to the Board of Directors of the North Carolina Partnership for Children, Inc., upon recommendation of the Minority Leader of the Senate; and

Whereas, the Minority Leader of the Senate has made a recommendation; Now, therefore,

The General Assembly of North Carolina enacts:

PART I. SPEAKER'S APPOINTMENTS

SECTION 1.1. Effective October 1, 2015, Lavonda Daniels of Durham County is appointed to the African-American Heritage Commission for a term expiring on September 30, 2018.

SECTION 1.2. Harold T. Owen of Alamance County is appointed to the North Carolina Arboretum Board of Directors for a term expiring on June 30, 2016, to fill the unexpired term of Lucas S. Jack.

SECTION 1.3. Thomas C. Hege of Davidson County is appointed to the Agricultural Finance Authority for a term expiring on June 30, 2018.

SECTION 1.4. John Thompson of Robeson County and John Walsh of Iredell County are appointed to the Alarm Systems Licensing Board for terms expiring on June 30, 2018.

SECTION 1.5. Effective October 1, 2015, Dr. Karen McCulloch of Orange County and Dr. Erwin Manalo of Pitt County are appointed to the North Carolina Brain Injury Advisory Council for terms expiring on September 30, 2019.

SECTION 1.6. Kent Jackson of Wake County is appointed to the State Building Commission for a term expiring on June 30, 2018.

SECTION 1.7. Heather L. Bosher of Cumberland County is appointed to the North Carolina Cemetery Commission for a term expiring on June 30, 2017, to fill the unexpired term of Richard Lagatore.

SECTION 1.8. Kieran Shanahan of Wake County and R. Doyle Parrish of Wake County are appointed to the Centennial Authority for terms expiring on June 30, 2019.

SECTION 1.9. Anthony Helton of Rutherford County is appointed to the North Carolina Charter Schools Advisory Board for a term expiring on June 30, 2019.

SECTION 1.10.(a) Vickie H. Koch of Wake County is appointed to the Childcare Commission for a term expiring June 30, 2016, to fill the unexpired term of Susan Creech.

SECTION 1.10.(b) Glenda Weinert of Buncombe County and Lisa Humphreys of Wake County are appointed to the Childcare Commission for terms expiring on June 30, 2017.

SECTION 1.11. Dr. Richard K. Davis, Jr., of Catawba County is appointed to the State Board of Chiropractic Examiners for a term expiring on June 30, 2017.

SECTION 1.12. Effective August 1, 2015, J. Frank Bragg of Mecklenburg County is appointed to the Clean Water Management Trust Fund Board of Trustees for a term expiring on July 31, 2017.

SECTION 1.13. Lawrence F. Baldwin of Carteret County is appointed to the Coastal Resources Commission for a term expiring on June 30, 2018.

SECTION 1.14. Mark A. Smith of Guilford County and Nathan A. Matthews of Catawba County are appointed to the North Carolina Code Officials Qualifications Board for terms expiring on June 30, 2019.

SECTION 1.15. Baldwin R. Mitchell, Jr., of Wilson County is appointed to the North Carolina State Board of Cosmetic Art Examiners for a term expiring on June 20, 2018.

SECTION 1.16. Tammy Huffman West of Catawba County is appointed to the Crime Victims Compensation Commission for a term expiring on June 30, 2019.

SECTION 1.17. R. Steven Johnson of Wake County, Richard W. Parks of Nash County, Angela L. Williams of Guilford County, and David L. Dail of Caswell County are appointed to the North Carolina Criminal Justice Education and Training Standards Commission for terms expiring on June 30, 2017.

SECTION 1.18. Ronnie D. Edwards of Henderson County and Norlan Graves of Halifax County are appointed to the Criminal Justice Information Network Governing Board for terms expiring on June 30, 2019.

SECTION 1.19. Helene Edwards of Cumberland County is appointed to the North Carolina Board of Dietetics/Nutrition for a term expiring on June 30, 2018.

SECTION 1.20. Tyler B. Morris of Wake County and Bradley Lail of Catawba County are appointed to the Disciplinary Hearing Commission of the North Carolina State Bar for terms expiring on June 30, 2018.

SECTION 1.21. Effective October 1, 2015, Lorrie Dollar of Wake County is appointed to the Dispute Resolution Commission for a term expiring on September 30, 2018.

SECTION 1.22. Effective September 1, 2015, Mary Lopez Carter of Orange County, Erica S. Gallion of Harnett County, and the Honorable Robert M. Wilkins of Randolph County are appointed to the Domestic Violence Commission for terms expiring on August 31, 2017.

SECTION 1.23. Effective January 1, 2016, Kevin T. Stanley of Mecklenburg County is appointed to the North Carolina Emergency Medical Services Advisory Council for a term expiring on December 31, 2019.

SECTION 1.24. Clyde E. "Butch" Smith of Polk County is appointed to the Environmental Management Commission for a term expiring on June 30, 2019.

SECTION 1.25. Robert "Scott" Clontz of Iredell County is appointed to the Board of Directors of the North Carolina Global TransPark Authority for a term expiring on June 30, 2019.

SECTION 1.26. Joseph B. Ramsey, Jr., of Wake County is appointed to the Home Inspector Licensure Board for a term expiring on July 1, 2019.

SECTION 1.27. Tom Smith of Wake County, James E. Nance of Stanly County, Paul S. Jaber of Nash County, and James W. Oglesby of Buncombe County are appointed to the North Carolina Housing Finance Agency Board of Directors for terms expiring on June 30, 2017.

SECTION 1.28. Effective September 1, 2015, Daniel W. Kornelis of Forsyth County, Roger L. Earnhardt of Wake County, Scott Dedman of Buncombe County, Brian Coyle of Wake County, and Melody Smith of Wake County are appointed to the North Carolina Housing Partnership for terms expiring on August 31, 2018.

SECTION 1.29. Lisa P. Shock of Orange County is appointed to the Board of Directors of the North Carolina Institute of Medicine for a term expiring on January 1, 2018, to fill the unexpired term of Ronald Maddox.

SECTION 1.30. Effective October 1, 2015, Jeffrey M. Edwards of Granville County is appointed to the North Carolina Irrigation Contractors' Licensing Board for a term expiring on September 30, 2018.

SECTION 1.31. Matthew A. Grindstaff of Mitchell County, Ashley M. Honeycutt of Wake County, Wanda Moore of New Hanover County, Karen A. McCall of Durham County, Ryan S. Swanson of Wake County, Representative Becky Carney of Mecklenburg County, Representative Dan Bishop of Mecklenburg County, and Representative Larry Yarborough of Granville County are appointed to the Justus-Warren Heart Disease and Stroke Prevention Task Force for terms expiring on June 30, 2017.

SECTION 1.32. Effective January 1, 2016, Rafe Rountree of Martin County is appointed to the North Carolina Locksmith Licensing Board for a term expiring on December 31, 2018.

SECTION 1.33. Dean J. Jordan of Wake County is appointed to the Judicial Standards Commission for a term expiring December 31, 2020, to fill the unexpired term of James Testa.

SECTION 1.34. Ashley "Luke" Foster of Wake County, Nina S. Walker of Moore County, and Douglas S. Ramsey of Alexander County are appointed to the North Carolina Manufactured Housing Board for a term expiring on June 30, 2018.

SECTION 1.35. Melissa Ann Smith of Guilford County and Renee D. Hays of Wake County are appointed to the North Carolina Board of Massage and Bodywork Therapy for terms expiring on June 30, 2018.

SECTION 1.36.(a) Charles "Wayne" Dixon of Yadkin County is appointed to the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services for a term expiring on June 30, 2017, to fill the unexpired term of Justin Brackett.

SECTION 1.36.(b) Dr. Peggy S. Terhune of Randolph County, Ann Shaw of Randolph County, and Roger L. Dillard, Jr., of Forsyth County are appointed to the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services for terms expiring on June 30, 2018.

SECTION 1.37. R. Gene Davis of Wake County and Mary Jo Cresimore of Wake County are appointed to the Board of Trustees of the North Carolina Museum of Art for a term expiring on June 30, 2017.

SECTION 1.38. Gregory F. Hauser of Mecklenburg County is appointed to the 911 Board for a term expiring on December 31, 2018, to fill the unexpired term of Johnny T. Cole.

SECTION 1.39. Effective January 1, 2016, Patricia T. Campbell of Iredell County is appointed to the North Carolina Board of Nursing for a term expiring on December 31, 2019.

SECTION 1.40. Diana Rashash of Onslow County is appointed to the North Carolina Onsite Wastewater Contractors and Inspectors Certification Board for a term expiring on June 30, 2018.

SECTION 1.41.(a) Effective October 1, 2015, William "Larry" Stone of Cleveland County is appointed to the Outdoor Heritage Advisory Council for a term expiring on September 30, 2016.

SECTION 1.41.(b) Effective October 1, 2015, Harry M. Shaw of New Hanover County is appointed to the Outdoor Heritage Advisory Council for a term expiring on September 30, 2017.

SECTION 1.41.(c) Effective October 1, 2015, Cameron V. Boltes of Beaufort County is appointed to the Outdoor Heritage Advisory Council for a term expiring on September 30, 2018.

SECTION 1.42. Dr. Vinod K. Goel of Wake County is appointed to the North Carolina Parks and Recreation Authority for a term expiring on July 1, 2018.

SECTION 1.43. The Honorable Joy A. Jones of Johnston County is appointed to the Permanency Innovation Initiative Oversight Committee for a term expiring on June 30, 2018.

SECTION 1.44. Thomas W. Adams of Brunswick County is appointed to the North Carolina State Ports Authority for a term expiring on June 30, 2017.

SECTION 1.45. Jeremy Johnson of Pamlico County is appointed to the North Carolina Principal Fellows Commission for a term expiring on June 30, 2019.

SECTION 1.46. Marcus Benson of New Hanover County, William J. Fletcher, Jr., of Wilkes County, David C. Arndt of Surry County, and Clyde R. Cook, Jr., of Wake County are appointed to the Private Protective Services Board for terms expiring on June 30, 2018.

SECTION 1.47. Terry Wheeler of Dare County is appointed to the State Property Tax Commission for a term expiring on June 30, 2019.

SECTION 1.48. John Michael Causey of Guilford County is appointed to the Public Officers and Employees Liability Insurance Committee for a term expiring on June 30, 2019.

SECTION 1.49. The Honorable George Rountree III of New Hanover and Gervais A. Oxendine of Robeson County are appointed to the North Carolina Railroad Company Board of Directors for terms expiring on June 30, 2019.

SECTION 1.50. Tracy J. Warren of Beaufort County is appointed to the North Carolina Recreational Therapy Licensure Board for a term expiring on June 30, 2016, to fill the unexpired term of Dianne Layden.

SECTION 1.51. Effective September 1, 2015, Dr. Eric L. Olson of Durham County and Larry Bruce Simpson of Alamance County are appointed to the North Carolina Respiratory Care Board for terms expiring on August 31, 2018.

SECTION 1.52. Gayle S. Drummond of Dare County, William F. Small of Dare County, and Earl W. Willis, Jr., of Chowan County are appointed to the Roanoke Island Commission for terms expiring on June 30, 2017.

SECTION 1.53. Danny E. Britt, Jr., of Robeson County, Garth K. Dunklin of Mecklenburg County, and Stephanie M. Simpson of Wake County are appointed to the Rules Review Commission for terms expiring on June 30, 2017.

SECTION 1.54.(a) G.S. 143B-472.128(c) requires the terms of members of the Rural Infrastructure Authority to be staggered. To stagger the terms of the members appointed on November 21, 2013, to the Rural Infrastructure Authority pursuant to G.S. 143B-472.128(b)(3), the terms of those members shall be amended as follows:

(1) Lee Grantham's term expired on June 30, 2014.
(2) Darrell McCormick's term expired on June 30, 2015.
(3) Brady Dickson's term expired on June 30, 2015.
(4) Elizabeth Foster's term shall expire on June 30, 2016.
(5) Lige Daughtridge's term shall expire on June 30, 2016.

SECTION 1.54.(b) Frank A. Stewart of Gaston County is appointed to the Rural Infrastructure Authority for a term expiring on June 30, 2016, to fill the unexpired term of Elizabeth Foster.

SECTION 1.54.(c) Lee Grantham of Robeson County is appointed to the Rural Infrastructure Authority for a term expiring on June 30, 2017.

SECTION 1.54.(d) Effective July 1, 2015, the Honorable Darrell McCormick of Yadkin County and Brady Dickson of Montgomery County are appointed to the Rural Infrastructure Authority for terms expiring on June 30, 2018.

SECTION 1.55. Bradley W. Langston of Forsyth County is appointed to the North Carolina Marine Industrial Park Authority for a term expiring on June 30, 2017.

SECTION 1.56. Dr. Ellen C. Collett of Burke County and Paul Powell of Guilford County are appointed to the Board of Trustees of the North Carolina School of Science and Mathematics for terms expiring on June 30, 2017.

SECTION 1.57. Enoch Moeller of Caldwell County is appointed to the North Carolina Board of Science and Technology for a term expiring on June 30, 2017.

SECTION 1.58. Sheriff James "Alan" Norman of Cleveland County is appointed to the North Carolina Sheriffs' Education and Training Standards Commission for a term expiring on June 30, 2017.

SECTION 1.59. Dr. Warren Newton of Orange County is appointed to the Board of Trustees of the State Health Plan for Teachers and State Employees for a term expiring on June 30, 2017.

SECTION 1.60.(a) G.S. 159G-70(b) requires the terms of State Water Infrastructure Authority members to be staggered. To stagger the terms, the term of the Honorable Calvin H. Stiles of Cherokee County to the State Water Infrastructure Authority expires on July 1, 2016.

SECTION 1.60.(b) Maria S. Hunnicutt of Rutherford County is appointed to the State Water Infrastructure Authority for a term expiring on July 1, 2017.

SECTION 1.61. Michael "Greg" Patterson of Wake County is appointed to the Board of Trustees of the Teachers' and State Employees' Retirement System for a term expiring on June 30, 2017.

SECTION 1.62. Culley C. Carson IV of Wake County is appointed to the University of North Carolina Center for Public Television Board of Trustees for a term expiring on June 30, 2017.

SECTION 1.63. Roger W. Knight of Wake County is appointed to the Umstead Review Panel for a term expiring on June 30, 2017, to fill the unexpired term of Robert T. "Bob" Numbers II.

SECTION 1.64. Douglas C. McVey of Madison County is appointed to the Well Contractors Certification Commission for a term expiring on June 30, 2018.

SECTION 1.65. The Honorable Timothy L. Spear of Washington County, John A. Stone of Moore County, Dean D. Proctor of Catawba County, and Tommy Fonville of Wake County are appointed to the North Carolina Wildlife Resources Commission for terms expiring on June 30, 2017.

SECTION 1.66.(a) Raymond P. Covington of Guilford County is appointed to the North Carolina Oil and Gas Commission for a term expiring on June 30, 2016.

SECTION 1.66.(b) Dr. Karen Sullivan Glaser of Lee County is appointed to the North Carolina Oil and Gas Commission for a term expiring on June 30, 2017.

SECTION 1.66.(c) Charles Taylor of Lee County is appointed to the North Carolina Oil and Gas Commission for a term expiring on June 30, 2018.

SECTION 1.67.(a) Johnny Hutchins of Cleveland County is appointed to the North Carolina Mining Commission for a term expiring on June 30, 2019.

SECTION 1.67.(b) Samuel T. Bratton of Wake County is appointed to the North Carolina Mining Commission for a term expiring on June 30, 2020.

PART II. PRESIDENT PRO TEMPORE'S RECOMMENDATIONS

SECTION 2.1.(a) Toni Rittenburg of Craven County is appointed to the Acupuncture Licensing Board for a term expiring on June 30, 2016, to fill the unexpired term of Nancy Fuller.

SECTION 2.1.(b) Shandy Cline of Caldwell County is appointed to the Acupuncture Licensing Board for a term expiring on June 30, 2018.

SECTION 2.2. Effective October 1, 2015, Charles E. Evans of Cumberland County is appointed to the African-American Heritage Commission for a term expiring on September 30, 2018.

SECTION 2.3. R. Gerald Warren of Sampson County is appointed to the North Carolina Agricultural Finance Authority for a term expiring on July 1, 2018.

SECTION 2.4.(a) Margaret Sandrock of Harnett County is appointed to the North Carolina Appraisal Board for a term expiring on June 30, 2017, to fill the unexpired term of David Goldberg.

SECTION 2.4.(b) The Honorable Fern Haywood Shubert of Guilford County is appointed to the North Carolina Appraisal Board for a term expiring on June 30, 2018.

SECTION 2.5. Janah Fletcher of Guilford County and Kevin D. Allran of Mecklenburg County are appointed to the North Carolina Board of Athletic Trainer Examiners for terms expiring on June 30, 2018.

SECTION 2.6. Effective October 1, 2015, Ryan Harshman of Onslow County, Donna White of Wake County, and Carol S. Gouge of Davidson County are appointed to the North Carolina Brain Injury Advisory Council for terms expiring on September 30, 2019.

SECTION 2.7. Sherry Reeves of Pamlico County is appointed to the North Carolina Charter Schools Advisory Board for a term expiring on June 30, 2017.

SECTION 2.8. April Duvall of Macon County, Melanie C. Gayle of Moore County, and William C. Walton III of Pitt County are appointed to the North Carolina Child Care Commission for terms expiring on June 30, 2017.

SECTION 2.9. Philip Isley of Wake County, Patricia A. Long of Wake County, Wendell Holmes Murphy of Duplin County, Randall C. Ramsey of Carteret County, and Cassius Williams of Wake County are appointed to the Centennial Authority for terms expiring on June 30, 2019.

SECTION 2.10. Orson Scott Card of Guilford County is appointed to the University of North Carolina Center for Public Television Board of Trustees for a term expiring on June 30, 2017.

SECTION 2.11.(a) G.S. 13A-255(b) requires the terms of the members of the North Carolina Clean Water Management Trust Fund Board of Trustees to be staggered. To stagger the terms, William Toole of Gaston County is appointed to the North Carolina Clean Water Management Trust Fund Board of Trustees for a term expiring on July 1, 2016.

SECTION 2.11.(b) Johnny Martin of Wake County is appointed to the North Carolina Clean Water Management Trust Fund Board of Trustees for a term expiring on July 1, 2018.

SECTION 2.12. Phil Norris of Brunswick County is appointed to the North Carolina Coastal Resources Commission for a term expiring on June 30, 2019.

SECTION 2.13.(a) G.S. 143-151.9(b) requires the terms of the members of the North Carolina Code Qualification Board to be staggered. To stagger the terms, Kenneth D. Stafford of Alamance County is appointed to the North Carolina Code Officials Qualification Board for a term expiring on July 1, 2017.

SECTION 2.13.(b) Ray Rice of Alamance County is appointed to the North Carolina Code Officials Qualification Board for a term expiring on July 1, 2019.

SECTION 2.14. Ron Parrish of Alamance County, Richard Epley of Burke County, Teresa Jardon of Caldwell County, and Michael Slagle of Mitchell County are appointed to the North Carolina Criminal Justice Education and Training Standards Commission for terms expiring on June 30, 2017.

SECTION 2.15. Shaynee Roper of Durham County is appointed to the North Carolina Board of Dietetics/Nutrition for a term expiring on June 30, 2018.

SECTION 2.16. Randy A. Moreau of New Hanover County is appointed to the Disciplinary Hearing Commission of the North Carolina State Bar for a term expiring on June 30, 2018.

SECTION 2.17. Effective September 1, 2015, Cathy Cloninger of Gaston County, Nathaniel C. Parker of Wake County, Pamela T. Thompson of Alamance County, and Rekha J. Parikh of Wake County are appointed to the Domestic Violence Commission for terms expiring on August 31, 2017.

SECTION 2.18. Effective December 1, 2015, D. Anthony Blackman of Wake County is appointed to the Economic Investment Committee for a term expiring on November 30, 2017.

SECTION 2.19. Effective January 1, 2016, Senator Dan Soucek of Watauga County is appointed to the Education Commission of the States for a term expiring on December 31, 2017.

SECTION 2.20. Effective January 1, 2016, James R. Gusler of Caswell County is appointed to the North Carolina Emergency Medical Services Advisory Council for a term expiring on December 31, 2019.

SECTION 2.21. Effective August 1, 2015, David W. Anderson of Johnston County and Charles M. Elam of Pender County are appointed to the North Carolina Environmental Management Commission for terms expiring on July 31, 2019.

SECTION 2.22. Craig Olive of Johnston County is appointed to the North Carolina Board of Funeral Service for a term expiring on December 31, 2017.

SECTION 2.23. George Andrew of Brunswick County and Joseph W. Koletar of Brunswick County are appointed to the Board of Directors of the North Carolina Global TransPark Authority for terms expiring on June 30, 2019.

SECTION 2.24. Fred J. Herndon of Durham County is appointed to the North Carolina Home Inspector Licensure Board for a term expiring on June 30, 2019.

SECTION 2.25. Alton Stancil Barnes of Edgecombe County and Dean Carpenter of Gaston County are appointed to the North Carolina Housing Finance Agency Board of Directors for terms expiring June 30, 2017.

SECTION 2.26. Effective July 1, 2014, Ross Beamon of Wake County is appointed to the North Carolina Human Resources Commission for a term expiring on June 30, 2018.

SECTION 2.27.(a) Effective January 1, 2016, David Sousa of Wake County, Sarah R. Jordan of Watauga County, and Paul R. Cunningham of Pitt County are appointed to the North Carolina Institute of Medicine Board of Directors for terms expiring on December 31, 2019.

SECTION 2.27.(b) Leonard A. Ellis of Mitchell County is appointed to the North Carolina Institute of Medicine Board of Directors for a term expiring on December 31, 2017, to fill the unexpired term of Matthew T. Johnson.

SECTION 2.28. Effective October 1, 2015, Charles A. Allen of Cumberland County is appointed to the North Carolina Irrigation Contractors' Licensing Board for a term expiring on September 30, 2018.

SECTION 2.29.(a) Lauren Pruett of Davidson County is appointed to the North Carolina Interpreter and Transliterator Licensing Board for a term expiring on June 30, 2017.

SECTION 2.29.(b) Jeffrey Trader of Johnston County and Kim Calabretta of Wake County are appointed to the North Carolina Interpreter and Transliterator Licensing Board for a term expiring on June 30, 2018.

SECTION 2.30. Senator Ronald J. Rabin of Harnett County, Senator Chad Barefoot of Wake County, Senator Kathy Harrington of Gaston County, Helen Brann of Person County, Shonda Corbett of Wake County, David Huang of Orange County, Chris Dobbins of Gaston County, and Mike Patil of Orange County are appointed to the Justus-Warren Heart Disease and Stroke Prevention Task Force for terms expiring on June 30, 2017.

SECTION 2.31. Effective January 1, 2016, Rebecca Anderson of Forsyth County, Lloyd H. Jordan of Pitt County, and Lisa B. McCanna of Cabarrus County are appointed to the License to Give Trust Fund Commission for terms expiring on December 31, 2017.

SECTION 2.32. Effective January 1, 2016, K. Reid Barbee of Onslow County and Phillip Lanier of Forsyth County are appointed to the North Carolina Locksmith Licensing Board for terms expiring on December 31, 2018.

SECTION 2.33. Effective October 1, 2015, the Honorable Hugh Webster of Alamance County is appointed to the North Carolina Manufactured Housing Board expiring on September 30, 2018.

SECTION 2.34. Johnnie Robbins of Dare County is appointed to the North Carolina Marine Industrial Park Authority for a term expiring on June 30, 2017.

SECTION 2.35. Kimberly L. Turk of Durham County is appointed to the North Carolina Board of Massage and Bodywork Therapy for a term expiring on June 30, 2017, to fill the unexpired term of Darinda Davis.

SECTION 2.36. Melissa Gott of New Hanover County is appointed to the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services for a term expiring on June 30, 2018.

SECTION 2.37. Shreita Powers of Forsyth County and Cindy Marrelli of Wake County are appointed to the Board of Trustees of the North Carolina Museum of Art for terms expiring on June 30, 2017.

SECTION 2.38. Glenn Hines of Currituck County is appointed to the North Carolina On-Site Wastewater Contractors and Inspectors Certification Board for a term expiring on June 30, 2018.

SECTION 2.39.(a) Effective October 1, 2015, Owen D. Andrews of Craven County is appointed to the North Carolina Outdoor Heritage Advisory Council for a term expiring on September 30, 2016.

SECTION 2.39.(b) Effective October 1, 2015, Kevin Howell of Henderson County is appointed to the North Carolina Outdoor Heritage Advisory Council for a term expiring on September 30, 2017.

SECTION 2.39.(c) Effective October 1, 2015, Arthur Dick of Guilford County is appointed to the North Carolina Outdoor Heritage Advisory Council for a term expiring on September 30, 2018.

SECTION 2.40.(a) Chad R. Brown of Gaston County is appointed to the North Carolina Parks and Recreation Authority for a term expiring on June 30, 2017, to fill the unexpired term of Westin Boardeaux.

SECTION 2.40.(b) Lisa Wolff of Alamance County is appointed to the North Carolina Parks and Recreation Authority for a term expiring on June 30, 2018.

SECTION 2.41. Kristin C. O'Connor of Wake County is appointed to the Permanency Innovation Initiative Oversight Committee for a term expiring on June 30, 2018.

SECTION 2.42. Mary English Comer of Wake County is appointed to the North Carolina Principal Fellows Commission for a term expiring on June 30, 2019.

SECTION 2.43. Richard Epley of Burke County, William Macrae of Wake County, and Eric Weaver of Wake County are appointed to the Private Protective Services Board for terms expiring on June 30, 2018.

SECTION 2.44. Graham H. Atkinson of Surry County is appointed to the Public Officers and Employees Liability Insurance Commission for a term expiring on June 30, 2019.

SECTION 2.45. Michael Walters of Robeson County and Franklin Rouse of Brunswick County are appointed to the North Carolina Railroad Company Board of Directors for terms expiring on June 30, 2019.

SECTION 2.46. Effective November 1, 2015, Edward C. Bratzke of Wake County is appointed to the North Carolina Respiratory Care Board for a term expiring on October 31, 2018.

SECTION 2.47. Robert H. Quinn of Chowan County, John Robbins of Dare County, and Peregrine White of Dare County are appointed to the Roanoke Island Commission for terms expiring on June 30, 2017.

SECTION 2.48. Margaret Currin of Wake County, John Randolph Hemphill of Wake County, Jeffrey T. Hyde of Guilford County, Robert Bryan of Wake County, and Jeffrey Poley of Wake County are appointed to the Rules Review Commission for terms expiring on June 30, 2017.

SECTION 2.49. Charles M. DeVane of Bladen County is appointed to the Rural Infrastructure Authority for a term expiring on June 30, 2018.

SECTION 2.50. Samuel H. Houston of Wake County is appointed to the North Carolina Board of Science and Technology for a term expiring on June 30, 2017.

SECTION 2.51. W.M. Nichols of Wake County is appointed to the North Carolina Sheriffs' Education and Training Standards Commission for a term expiring on June 30, 2017.

SECTION 2.52. Aaron K. Thomas of Robeson County is appointed to the North Carolina State Building Commission for a term expiring on June 30, 2018.

SECTION 2.53. Dr. Aaron McKethan of Orange County is appointed to the Board of Trustees of the State Health Plan for Teachers and State Employees for a term expiring on June 30, 2017.

SECTION 2.54. Daniel Locklear of Robeson County is appointed to the North Carolina State Commission of Indian Affairs for a term expiring on June 30, 2017.

SECTION 2.55. Erica S. Gallion of Harnett County is appointed to the State Judicial Council for a term expiring on December 31, 2018.

SECTION 2.56. William Peaslee of Wake County is appointed to the State Property Tax Commission for a term expiring on June 30, 2019.

SECTION 2.57. Pat Joyce of Carteret County is appointed to the North Carolina State Ports Authority for a term expiring on June 30, 2017.

SECTION 2.58. Warren "Lentz" Brewer of New Hanover County is appointed to the Board of Trustees of the Teachers' and State Employees' Retirement System for a term expiring on June 30, 2017.

SECTION 2.59. Jim Walker of Gaston County is appointed to the North Carolina Turnpike Authority Board for a term expiring on January 14, 2019.

SECTION 2.60. Daniel Ortiz of Sampson County is appointed to the Well Contractors Certification Commission for a term expiring on June 30, 2018.

SECTION 2.61. Mark Craig of Guilford County, Landon Zimmer of New Hanover County, Garry Spence of Mecklenburg County, and Thomas Berry of Guilford County are appointed to the North Carolina Wildlife Resources Commission for terms expiring on June 30, 2017.

SECTION 2.62.(a) Brian K. North of Guilford County is appointed to the North Carolina Mining Commission for a term expiring on June 30, 2017.

SECTION 2.62.(b) Douglas Boyette II of Wake County is appointed to the North Carolina Mining Commission for a term expiring on June 30, 2021.

SECTION 2.63.(a) Kirk D. Smith of Lee County is appointed to the North Carolina Oil and Gas Commission for a term expiring on June 30, 2016.

SECTION 2.63.(b) John T. Lucey Jr. of New Hanover County is appointed to the North Carolina Oil and Gas Commission for a term expiring on June 30, 2017.

SECTION 2.63.(c) James K. Womack of Lee County is appointed to the North Carolina Oil and Gas Commission for a term expiring on June 30, 2018.

PART III. SENATE MINORITY LEADER'S RECOMMENDATIONS

Wake County is appointed to the North Carolina Partnership for Children, Inc., Board of Directors for a term expiring on December 31, 2017.

PART IV. EFFECTIVE DATE

SECTION 4.1. Unless otherwise specified, all appointments made by this act are for terms to begin upon ratification of this act.

SECTION 4.2. This act is effective when it becomes law.

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

Became law on the date it was ratified.

Session Law 2015-255 **H.B. 531**

AN ACT TO AUTHORIZE WAYNE COUNTY TO LEVY A ONE-PERCENT ROOM OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

PART I. WAYNE COUNTY OCCUPANCY TAX

SECTION 1.1. Occupancy Tax. – (a) Authorization and Scope. – The Wayne County Board of Commissioners may levy a room occupancy tax of one percent (1%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the county that is subject to sales tax

imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax.

SECTION 1.1.(b) Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

SECTION 1.1.(c) Distribution and Use of Tax Revenue. – Wayne County shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Wayne County Tourism Development Authority. The Authority shall use one hundred percent (100%) of the funds remitted to it under this subsection to promote travel and tourism in Wayne County.

The following definitions apply in this subsection:

(1) Net proceeds. – Gross proceeds less the cost to the county of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars ($500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.

(2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.

SECTION 1.2. Tourism Development Authority. – (a) Appointment and Membership. – When the Wayne County Board of Commissioners adopts a resolution levying a room occupancy tax under this act, it shall also adopt a resolution creating a county Tourism Development Authority, which shall be a public authority under the Local Government Budget and Fiscal Control Act. The resolution shall provide for the membership of the Authority, including the members' terms of office, and for the filling of vacancies on the Authority. At least one-third of the members shall be individuals who are affiliated with businesses that collect tax in the county, and at least one-half of the members shall be individuals who are currently active in the promotion of travel and tourism in the county. The Wayne County Board of Commissioners shall designate one member of the Authority as chair and shall determine the compensation, if any, to be paid to members of the Authority.

The Authority shall meet at the call of the chair and shall adopt rules of procedure to govern its meetings. The Finance Officer for Wayne County shall be the ex officio finance officer of the Authority.

SECTION 1.2.(b) Duties. – The Authority shall expend the net proceeds of the tax levied under this act for the purposes provided in this act. The Authority shall promote travel, tourism, and conventions in the county and sponsor tourist-related events and activities in the county.

SECTION 1.2.(c) Reports. – The Authority shall report quarterly and at the close of the fiscal year to the Wayne County Board of Commissioners on its receipts and expenditures for the preceding quarter and for the year in such detail as the Board may require.

PART VI. ADMINISTRATIVE PROVISIONS

SECTION 6.1. G.S. 153A-155(g) reads as rewritten:

"(g) Applicability. – Subsection (c) of this section applies to all counties and county districts that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection (c) supersedes that provision. The remainder of this section applies only to Alleghany, Anson, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell, Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin, Durham, Edgecombe, Forsyth, Franklin, Granville, Halifax, Haywood, Henderson, Jackson, Madison, Martin, McDowell, Montgomery, Moore, Nash, New Hanover, Northampton, Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham, Rowan, Rutherford, Sampson, Scotland, Stanly, Swain, Transylvania, Tyrrell, Vance, Washington,

Wayne, and Wilson Counties, to New Hanover County District U, to Surry County District S, to Watauga County District U, to Wilkes County District K, to Yadkin County District Y, and to the Township of Averasboro in Harnett County and the Ocracoke Township Taxing District."

PART VII. EFFECTIVE DATE

SECTION 7. This act is effective when it becomes law.

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

Became law on the date it was ratified.

Session Law 2015-256 **H.B. 504**

AN ACT TO AUTHORIZE MOORE COUNTY TO LEVY AN ADDITIONAL OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

SECTION 1. Section 2 of S.L. 2011-113 reads as rewritten:

"**SECTION 2.** Occupancy tax. – (a) Authorization and Scope. – The Board of Commissioners of Moore County may levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the county that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). This tax is in addition to any State or local sales tax. ~~This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious organizations when furnished in furtherance of their nonprofit purpose.~~

"**SECTION 2.(a1)** Authorization of Additional Tax. – In addition to the tax authorized by subsection (a) of this section, the Moore County Board of Commissioners may levy an additional room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of accommodations taxable under subsection (a) of this section. The levy, collection, administration, and repeal of the tax authorized by this subsection shall be in accordance with the provisions of this section. Moore County may not levy a tax under this subsection unless it also levies the tax authorized under subsection (a) of this section.

"**SECTION 2.(b)** Administration. – A tax levied under this section shall be levied, administered, collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax levied under this section.

"**SECTION 2.(c)** Definitions. – The following definitions apply in this act:

(1) Net proceeds. – Gross proceeds less the cost to the county of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars ($500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross proceeds collected each year.

(2) Promote travel and tourism. – To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.

(3) Tourism-related expenditures. – Expenditures that, in the judgment of the Moore County Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the county or to attract tourists or business travelers to the county. The term includes tourism-related capital expenditures.

"**SECTION 2.(d)** Distribution and Use of Tax Revenue. – Moore County shall, on a quarterly basis, remit to the Moore County Tourism Development Authority the net proceeds of the occupancy tax. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Moore County and shall use the remainder for tourism-related expenditures."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of September, 2015.

Became law on the date it was ratified.

Session Law 2015-257 **H.B. 526**

AN ACT TO DEANNEX CERTAIN DESCRIBED PROPERTY FROM THE CITY OF LOCUST AND ANNEX THAT SAME DESCRIBED PROPERTY INTO THE TOWN OF STANFIELD.

The General Assembly of North Carolina enacts:

SECTION 1. The corporate limits of the City of Locust are decreased by deannexing the following described tract, and the corporate limits of the Town of Stanfield are increased by annexing the following described tract: Stanly County tax record number 28800, containing 5.04 acres, more or less, located on Renee Ford Road, recorded in Plat Book 211, Page 260, Stanly County Register of Deeds.

SECTION 2. This act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 30th day of September, 2015.

Became law on the date it was ratified.

Session Law 2015-258 **H.B. 373**

AN ACT TO ESTABLISH PROCEDURES FOR THE CONDUCT OF THE 2016 PRIMARIES, INCLUDING THE PRESIDENTIAL PREFERENCE PRIMARY, AND TO MAKE CHANGES TO THE CAMPAIGN FINANCE LAWS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Conduct of 2016 Presidential Preference Primary Election. – Notwithstanding Article 18A of Chapter 163 of the General Statutes, the 2016 presidential preference primary election shall be conducted as provided in this act.

SECTION 1.(b) Primary Date. – On March 15, 2016, the voters of this State shall be given an opportunity to express the voters' preference for the person to be the presidential candidate of the voters' political party.

SECTION 1.(c) Qualifications and Registration of Voters. – Any person otherwise qualified who will become qualified by age to vote in the general election held in 2016 shall be entitled to register and vote in the 2016 presidential preference primary. Such persons may register not earlier than 60 days nor later than the last day for making application to register under G.S. 163-82.6 prior to the said primary. In addition, persons who will become qualified by age to register and vote in the 2016 general election who do not register during the special period may register to vote after such period as if the person was qualified on the basis of age, but until the person is qualified by age to vote, the person may vote only in primary elections.

SECTION 1.(d) Conduct of Election. – The 2016 presidential preference primary election shall be conducted and canvassed by the same authority and in the manner provided by law for the conduct and canvassing of the primary election for the office of Governor and all other offices enumerated in G.S. 163-182.4(b) and under the same provisions stipulated in G.S. 163-182.5(c). The State Board of Elections shall have authority to adopt rules and

regulations, not inconsistent with provisions contained herein, pursuant to the administration of this act.

SECTION 1.(e) Nomination of Presidential Candidates by State Board of Elections. – No later than December 16, 2015, the chair of each political party shall submit to the State Board of Elections a list of its presidential candidates to be placed on the 2016 presidential preference primary ballot. The list must be comprised of candidates whose candidacy is generally advocated and recognized in the news media throughout the United States or in North Carolina, unless any such candidate executes and files with the chair of the political party an affidavit stating without qualification that the candidate is not and does not intend to become a candidate for nomination in the 2016 North Carolina presidential preference primary election. The State Board of Elections shall prepare and publish a list of the names of the presidential candidates submitted. The State Board of Elections shall convene in Raleigh on January 5, 2016. At the meeting required by this section, the State Board of Elections shall nominate as presidential primary candidates all candidates affiliated with a political party, recognized pursuant to the provisions of Article 9 of Chapter 163 of the General Statutes, who have been submitted to the State Board of Elections. Additionally, the State Board of Elections, by vote of at least three of its members in the affirmative, may nominate as a presidential primary candidate any other person affiliated with a political party that it finds is generally advocated and recognized in the news media throughout the United States or in North Carolina as candidates for the nomination by that party. Immediately upon completion of these requirements, the Board shall release to the news media all such nominees selected. Provided, however, nothing shall prohibit the partial selection of nominees prior to the meeting required by this section, if all provisions herein have been complied with.

SECTION 1.(f) Nomination of Presidential Candidates by Petition. – Any person seeking the endorsement by the national political party for the office of President of the United States in 2016, or any group organized in this State on behalf of, and with the consent of, such person, may file with the State Board of Elections petitions signed by 10,000 persons who, at the time of the signing, are registered and qualified voters in this State and are affiliated, by such registration, with the same political party as the candidate for whom the petitions are filed. Such petitions shall be presented to the county board of elections 10 days before the filing deadline and shall be certified promptly by the chair of the board of elections of the county in which the signatures were obtained and shall be filed by the petitioners with the State Board of Elections no later than 5:00 P.M. on January 4, 2016.

The petitions must state the name of the candidate for nomination, along with a letter of approval signed by such candidate. Said petitions must also state the name and address of the chair of any such group organized to circulate petitions authorized under this section. The requirements of G.S. 163-221 prohibiting signing the name of another to a petition shall apply to any submitted petition. The requirement of the respective chair of county boards of elections shall be the same as now required under the provisions of G.S. 163-96 as those requirements relate to the chair of the county board of elections.

The State Board of Elections shall forthwith determine the sufficiency of petitions filed with it and shall immediately communicate its determination to the chair of such group organized to circulate petitions. The form and style of petition shall be as prescribed by the State Board of Elections.

SECTION 1.(g) Notification to Candidates. – The State Board of Elections shall forthwith contact each person who has been nominated by the Board or by petition and notify the candidate in writing that the candidate's name will be printed as a candidate of a specified political party on the 2016 North Carolina presidential preference primary ballot. A candidate who participates in the 2016 North Carolina presidential preference primary of a particular party shall have the candidate's name placed on the general election ballot only as a nominee of that political party. The State Board of Elections shall send a copy of this act to each candidate with the notice specified above.

SECTION 1.(h) Voting in Presidential Preference Primary. – The names of all candidates in the 2016 presidential preference primary shall appear at an appropriate place on the ballot or voting machine. In addition, the State Board of Elections shall provide a category on the ballot or voting machine allowing voters in each political party to vote an "uncommitted" or "no preference" status. The voter shall be able to cast the voter's ballot for one of the presidential candidates of a political party or for an "uncommitted" or "no preference" status but shall not be permitted to vote for candidates or "uncommitted" status of a political party different from the voter's registration. Persons registered as "Unaffiliated" shall not participate in the presidential primary except as provided in G.S. 163-119.

SECTION 1.(i) Allocation of Delegate Positions. – Upon completion and certification of the primary results by the State Board of Elections, the Secretary of State shall certify the results of the 2016 presidential preference primary to the State chair of each political party. The candidate receiving the highest number of votes in the presidential preference primary of each party shall be nominated. Each political party shall require the delegate positions appointed by that party to support the candidate certified as receiving the highest number of votes until one convention nominating ballot has been taken at the 2016 national party convention, unless that candidate has withdrawn from the race and has ceased to actively seek election to the office of President of the United States in more than one state at the time the first convention nominating ballot is taken at the 2016 national party convention.

SECTION 1.(j) Conflict With National Rules. – In case of conflict between the requirements of subsection (i) of this section and the national rules of a political party, the State executive committee of that party has the authority to resolve the conflict by adopting for that party the national rules, which shall then supersede any provision in subsection (i) of this section with which it conflicts, provided that the executive committee shall take only such action under this section necessary to resolve the conflict.

SECTION 1.(k) Notification of National Committee. – It shall be the responsibility of the State chair of each political party, qualified under the laws of this State, to notify his or her party's national committee no later than December 10, 2015, of the provisions contained under this act.

SECTION 2.(a) General Primary Date. – Notwithstanding G.S. 163-1(b), the primary election in 2016 shall be conducted on the same date as the 2016 presidential preference primary, as established by subsection (b) of Section 1 of this act.

SECTION 2.(b) Filing Period. – Notwithstanding G.S. 163-106, the filing period for the 2016 primary shall open at 12:00 noon on Tuesday, December 1, 2015, and close at 12:00 noon on Monday, December 21, 2015.

SECTION 2.(c) Eligibility to File. – Notwithstanding G.S. 163-106, no person shall be permitted to file as a candidate in a party primary unless that person has been affiliated with that party for at least 75 days as of the date of that person filing such notice of candidacy. A person registered as "Unaffiliated" shall be ineligible to file as a candidate in a party primary election.

SECTION 2.(d) Second Primaries. – Notwithstanding G.S. 163-111(e), if a second primary is required under G.S. 163-111, the appropriate board of elections, State or county, shall order that it be held May 24, 2016, if any of the offices for which a second primary is required are for a candidate for the office of United States Senate or member of the United States House of Representatives. Otherwise, the second primary shall be held May 3, 2016.

There shall be no registration of voters between the dates of the first and second primaries. Persons whose qualifications to register and vote mature after the day of the first primary and before the day of the second primary may register on the day of the second primary and, when thus registered, shall be entitled to vote in the second primary. The second primary is a continuation of the first primary and any voter who files a proper and timely written affirmation of change of address within the county under the provisions of G.S. 163-82.15, in the first primary may vote in the second primary without having to refile that written affirmation if the voter is otherwise qualified to vote in the second primary. Subject

to this provision for registration, the second primary shall be held under the laws, rules, and regulations provided for the first primary.

SECTION 2.(e) Special Elections. – Any special election authorized by statute or local act that is set for May 2016 shall be placed on the ballot at the time of the presidential preference primary, as established by subsection (b) of Section 1 of this act, unless the unit of government calling the special election affirmatively changes the date for the special election to another date in accordance with G.S. 163-287.

SECTION 2.(f) Statement of Economic Interest. – Notwithstanding G.S. 138A-22, the statement of economic interest required of any candidate for elective office subject to Article 2 of Chapter 138A of the General Statutes shall be filed with the State Ethics Commission on or before February 1, 2016.

SECTION 2.(g) Campaign Finance Reports. – Notwithstanding Article 22A of Chapter 163 of the General Statutes, the following changes shall be made to the required campaign finance reports:

(1) The report for the first quarter shall be due Monday, March 7, 2016, and shall cover the period through February 29, 2016.

(2) The report for the second quarter shall also cover March 2016.

SECTION 2.(h) Temporary Orders. – In order to accommodate the scheduling of the 2016 primary before the Tuesday after the first Monday in May, the State Board of Elections may issue temporary orders that may change, modify, delete, amend, or add to any statute contained in Chapter 163 of the General Statutes, any rules contained in Title 8 of the North Carolina Administrative Code, or any other election regulation or guideline that may affect the 2016 primary elections. These temporary orders shall only be effective for the 2016 primary elections.

SECTION 2.(i) Orders, Not Rules. – Orders issued under this section are not rules subject to the provisions of Chapter 150B of the General Statutes. Orders issued under this section shall be published in the North Carolina Register upon issuance.

SECTION 2.(j) Expiration of Orders. – Any orders issued under this section become void 10 days after the final certification of all 2016 primary elections. This section expires 10 days after the final certification of all 2016 primary elections.

SECTION 2.(k) Definition. – As used in this section, "order" also includes guidelines and directives.

SECTION 3.(a) Article 22A of Chapter 163 of the General Statutes is amended by adding a new section to read:

"**§ 163-278.8B. Affiliated party committees.**

(a) The leader of each political party caucus of the North Carolina House of Representatives and the Senate may establish a separate, affiliated party committee to support the election of candidates of that leader's political party. The affiliated party committee is deemed a political party for purposes of this Article.

(b) Each affiliated party committee shall:

(1) Adopt bylaws to include, at a minimum, the designation of a treasurer.

(2) Conduct campaigns for candidates who are members of the leader's political party or manage daily operations of the affiliated party committee.

(3) Establish a bank account.

(4) Raise and expend funds. Such funds may not be expended or committed to be expended except when authorized by the leader of the affiliated party committee.

(c) Notwithstanding any other provision of law to the contrary, an affiliated party committee shall be entitled to use the name, abbreviation, and symbol of the political party of its leader.

(d) For purposes of this section, the term "leader" shall mean the currently elected President Pro Tempore of the Senate, the currently elected Speaker of the House of Representatives, or the currently elected minority leader of either house of the General

Assembly, until another person is designated by a political party caucus of members of either house to succeed to one of the aforesaid positions, at which time the newly designated designee becomes the leader for purposes of this section."

SECTION 3.(b) G.S. 163-278.6 reads as rewritten:

"§ **163-278.6. Definitions.**

When used in this Article:

…

(6) The terms "contribute" or "contribution" mean any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge or subscription of money or anything of value whatsoever, made to, or in coordination with, a candidate to support or oppose the nomination or election of one or more clearly identified candidates, to a political committee, to a political party, to an affiliated party committee, or to a referendum committee, whether or not made in an election year, and any contract, agreement, or other obligation to make a contribution. An expenditure forgiven by a person or entity to whom it is owed shall be reported as a contribution from that person or entity. These terms include, without limitation, such contributions as labor or personal services, postage, publication of campaign literature or materials, in-kind transfers, loans or use of any supplies, office machinery, vehicles, aircraft, office space, or similar or related services, goods, or personal or real property. These terms also include, without limitation, the proceeds of sale of services, campaign literature and materials, wearing apparel, tickets or admission prices to campaign events such as rallies or dinners, and the proceeds of sale of any campaign-related services or goods. Notwithstanding the foregoing meanings of "contribution," the word shall not be construed to include services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate, political committee, or referendum committee. The term "contribution" does not include an "independent expenditure." If:

a. Any individual, person, committee, association, or any other organization or group of individuals, including but not limited to, a political organization (as defined in section 527(e)(1) of the Internal Revenue Code of 1986) makes, or contracts to make, any disbursement for any electioneering communication, as defined in this section; and

b. That disbursement is coordinated with a candidate, an authorized political committee of that candidate, a State or local political party or committee of that party, an affiliated party committee, or an agent or official of any such candidate, party, or committee

that disbursement or contracting shall be treated as a contribution to the candidate supported by the electioneering communication or that candidate's party and as an expenditure by that candidate or that candidate's party.

…

(8k) The term "electioneering communication" does not include any of the following:

a. A communication appearing in a news story, commentary, or editorial distributed through the facilities of any broadcasting station, unless those facilities are owned or controlled by any political party, affiliated party committee, political committee, or candidate.

b. A communication that constitutes an expenditure or independent expenditure under this Article.

c. A communication that constitutes a candidate debate or forum conducted pursuant to rules adopted by the Board or that solely promotes that debate or forum and is made by or on behalf of the person sponsoring the debate or forum.

d. A communication made while the General Assembly is in session which, incidental to advocacy for or against a specific piece of legislation pending before the General Assembly, urges the audience to communicate with a member or members of the General Assembly concerning that piece of legislation or a solicitation of others as defined in G.S. 120C-100(a)(13) properly reported under Chapter 120C of the General Statutes.

e. A communication that meets all of the following criteria:

1. Does not mention any election, candidacy, political party, opposing candidate, or voting by the general public.
2. Does not take a position on the candidate's character or qualifications and fitness for office.
3. Proposes a commercial transaction.

f. A public opinion poll conducted by a news medium, as defined in G.S. 8-53.11(a)(3), conducted by an organization whose primary purpose is to conduct or publish public opinion polls, or contracted for by a person to be conducted by an organization whose primary purpose is to conduct or publish public opinion polls. This sub-subdivision shall not apply to a push poll. For the purpose of this sub-subdivision, "push poll" shall mean the political campaign technique in which an individual or organization attempts to influence or alter the view of respondents under the guise of conducting a public opinion poll.

g. A communication made by a news medium, as defined in G.S. 8-53.11(a)(3), if the communication is in print.

…

(14) The term "political committee" means a combination of two or more individuals, such as any person, committee, association, organization, or other entity that makes, or accepts anything of value to make, contributions or expenditures and has one or more of the following characteristics:

a. Is controlled by a candidate;

b. Is a political party or executive committee of a political party or is controlled by a political party or executive committee of a political party;

c. Is created by a corporation, business entity, insurance company, labor union, or professional association pursuant to G.S. 163-278.19(b); or

d. Has the major purpose to support or oppose the nomination or election of one or more clearly identified candidates.

e. Is an affiliated party committee.

Supporting or opposing the election of clearly identified candidates includes supporting or opposing the candidates of a clearly identified political party.

If the entity qualifies as a "political committee" under sub-subdivision a., b., c., or d. of this subdivision, it continues to be a political committee if it receives contributions or makes expenditures or maintains assets or liabilities. A political committee ceases to exist when it winds up its operations, disposes of its assets, and files its final report.

The term "political committee" includes the campaign of a candidate who serves as his or her own treasurer.

Special definitions of "political action committee" and "candidate campaign committee" that apply only in Part 1A of this Article are set forth in G.S. 163-278.38Z.

(15) The term "political party" means any political party organized or operating in this State, whether or not that party is recognized under the provisions of G.S. 163-96. A special definition of "political party organization" that applies only in Part 1A of this Article is set forth in G.S. 163-278.38Z. An affiliated party committee is deemed a political party for this Article as set forth in G.S. 163-278.8B.

...."

SECTION 3.(c) G.S. 163-278.7(b) reads as rewritten:

"(b) Each appointed treasurer shall file with the Board at the time required by G.S. 163-278.9(a)(1) a statement of organization that includes:

(1) The Name, Address and Purpose of the Candidate, Political Committee, or Referendum Committee. – When the political committee or referendum committee is created pursuant to G.S. 163-278.19(b), the name shall be or include the name of the corporation, insurance company, business entity, labor union or professional association whose officials, employees, or members established the committee. When the political committee or referendum committee is not created pursuant to G.S. 163-278.19(b), the name shall be or include the economic interest, if identifiable, principally represented by the committee's organizers or intended to be advanced by use of the committee's receipts.

(2) The names, addresses, and relationships of affiliated or connected candidates, political committees, referendum committees, political parties, affiliated party committees, or similar organizations;

(3) The territorial area, scope, or jurisdiction of the candidate, political committee, or referendum committee;

(4) The name, address, and position with the candidate or political committee of the custodian of books and accounts;

(5) The name and party affiliation of the candidate(s) whom the committee is supporting or opposing, and the office(s) involved;

(5a) The name of the referendum(s) which the referendum committee is supporting or opposing, and whether the committee is supporting or opposing the referendum;

(6) The name of the political ~~committee or~~committee, political party or affiliated party committee being supported or opposed if the committee is supporting the ticket of a particular ~~political~~ candidate or political party;

(7) A listing of all banks, safety deposit boxes, or other depositories used, including the names and numbers of all accounts maintained and the numbers of all such safety deposit boxes used, provided that the Board shall keep any account number included in any report filed after March 1, 2003, and required by this Article confidential except as necessary to conduct an audit or investigation, except as required by a court of competent jurisdiction, or unless confidentiality is waived by the treasurer. Disclosure of an account number in violation of this subdivision shall not give rise to a civil cause of action. This limitation of liability does not apply to the disclosure of account numbers in violation of this subdivision as a result of gross negligence, wanton conduct, or intentional wrongdoing that would otherwise be actionable.

(8) The name or names and address or addresses of any assistant treasurers appointed by the treasurer. Such assistant treasurers shall be authorized to act in the name of the candidate, political committee, or referendum

committee and shall be fully responsible for any act or acts committed by the assistant treasurer. The treasurer shall be fully liable for any violation of this Article committed by any assistant treasurer; and

(9) Any other information which might be requested by the Board that deals with the campaign organization of the candidate or referendum committee."

SECTION 3.(d) G.S. 163-278.8A reads as rewritten:

"§ **163-278.8A. (For effective date and applicability, see Editor's note) Campaign sales by political party executive committees.**

(a) Exempt Purchase Price Not Treated as "Contribution." – Notwithstanding the provisions of G.S. 163-278.6(6), the purchase price of goods or services sold by a political party executive committee or affiliated party committee as provided in subsection (b) of this section shall not be treated as a "contribution" for purposes of account-keeping under G.S. 163-278.8, for purposes of the reporting of contributions under G.S. 163-278.11, or for the purpose of the limit on contributions under G.S. 163-278.13. The treasurer is not required to obtain, maintain, or report the name or other identifying information of the purchaser of the goods or services, as long as the requirements of subsection (b) of this section are satisfied. However, the proceeds from the sales of those goods and services shall be treated as contributions for other purposes, and expenditures of those proceeds shall be reported as expenditures under this Article.

(b) Exempt Purchase Price. – A purchase price for goods or services sold by a political party executive committee or affiliated party committee qualifies for the exemption provided in subsection (a) of this section as long as the sale of the goods or services adheres to a plan that the treasurer has submitted to and that has been approved in writing by the Executive Director of the State Board of Elections. The Executive Director shall approve the treasurer's plan upon and only upon finding that all the following requirements are satisfied:

(1) That the price to be charged for the goods or services is reasonably close to the market price for the goods or services.

(2) That the total amount to be raised from sales under all plans by the committee does not exceed ten thousand dollars ($10,000) per election cycle.

(3) That no purchaser makes total purchases under the plan that exceed fifty dollars ($50.00).

(4) That the treasurer include in the report under G.S. 163-278.11, covering the relevant time period, all of the following:

a. A description of the plan.

b. The amount raised from sales under the plan.

c. The number of purchases made.

(5) That the treasurer shall include in the appropriate report under G.S. 163-278.11 any in-kind contribution made to the political party ~~executive committee~~ in providing the goods or services sold under the plan and that no in-kind contribution accepted as part of the plan violates any provision of this Article.

The Executive Director may require a format for submission of a plan, but that format shall not place undue paperwork burdens upon the treasurer. As used in this subdivision, the term "election cycle" has the same meaning as in G.S. 163-278.6(7c)."

SECTION 3.(e) G.S. 163-278.9 reads as rewritten:

"§ **163-278.9. Statements filed with Board.**

(a) Except as provided in G.S. 163-278.10A, the treasurer of each candidate and of each political committee shall file with the Board under certification of the treasurer as true and correct to the best of the knowledge of that officer the following reports:

(1) Organizational Report. – The appointment of the treasurer as required by G.S. 163-278.7(a), the statement of organization required by G.S. 163-278.7(b), and a report of all contributions and expenditures not previously reported shall be filed with the Board no later than the tenth day

following the day the candidate files notice of candidacy or the tenth day following the organization of the political committee, whichever occurs first. Any candidate whose campaign is being conducted by a political committee which is handling all contributions and expenditures for his campaign shall file a statement with the Board stating such fact at the time required herein for the organizational report. Thereafter, the candidate's political committee shall be responsible for filing all reports required by law.

(2) Repealed by Session Laws 1999-31, s. 7(a), effective January 1, 2000.

(3) (4) Repealed by Session Laws 1997-515, s. 1.

(4a) 48-Hour Report. – A political ~~committee or~~ committee, political party or affiliated party committee that receives a contribution or transfer of funds shall disclose within 48 hours of receipt a contribution or transfer of one thousand dollars ($1,000) or more received before an election but after the period covered by the last report due before that election. The disclosure shall be by report to the State Board of Elections identifying the source and amount of the funds. The State Board of Elections shall specify the form and manner of making the report, including the reporting of in-kind contributions.

(5) Repealed by Session Laws 1985, c. 164, s. 1.

(5a) Quarterly Reports. – During even-numbered years during which there is an election for that candidate or in which the campaign committee is supporting or opposing a candidate, the treasurer shall file a report by mailing or otherwise delivering it to the Board no later than seven working days after the end of each calendar quarter covering the prior calendar quarter, except that:

a. The report for the first quarter shall also cover the period in April through the seventeenth day before the primary, the first quarter report shall be due seven days after that date, and the second quarter report shall not include that period if a first quarter report was required to be filed; and

b. The report for the third quarter shall also cover the period in October through the seventeenth day before the election, the third quarter report shall be due seven days after that date, and the fourth quarter report shall not include that period if a third quarter report was required to be filed.

(6) Semiannual Reports. – If contributions are received or expenditures made for which no reports are otherwise required by this Article, any and all such contributions and expenditures shall be reported by the last Friday in July, covering the period through the last day of June, and shall be reported by the last Friday in January, covering the period through the last day of December.

(b) Except as otherwise provided in this Article, each report shall be current within seven days prior to the date the report is due and shall list all contributions received and expenditures made which have not been previously reported.

(c) Repealed by Session Laws 1985, c. 164, s. 6.1.

(d) Candidates and committees for municipal offices are not subject to subsections (a), (b) and (c) of this section, unless they make contributions or expenditures concerning elections covered by this Part. Reports for those candidates and committees are covered by Part 2 of this Article.

(e) Notwithstanding subsections (a) through (c) of this section, any political party (including a State, district, county, or precinct committee thereof) which is required to file reports under those subsections and under the Federal Election Campaign Act of 1971, as amended (2 U.S.C. 434), shall instead of filing the reports required by those subsections, file with the State Board of Elections:

(1) The organizational report required by subsection (a)(1) of this section, and

(2) A copy of each report required to be filed under 2 U.S.C. 434, such copy to be filed on the same day as the federal report is required to be filed.

(f) Any report filed under subsection (e) of this section may include matter required by the federal law but not required by this Article.

(g) Any report filed under subsection (e) of this section must contain all the information required by G.S. 163-278.11, notwithstanding that the federal law may set a higher reporting threshold.

(h) Any report filed under subsection (e) of this section may reflect the cumulative totals required by G.S. 163-278.11 in an attachment, if the federal law does not permit such information in the body of the report.

(i) Any report or attachment filed under subsection (e) of this section must be certified.

(j) **(Effective until January 1, 2017)** Treasurers for the following entities shall electronically file each report required by this section that shows a cumulative total for the election cycle in excess of five thousand dollars ($5,000) in contributions, in expenditures, or in loans, according to rules adopted by the State Board of Elections:

(1) A candidate for statewide office;

(2) A State, district, county, or precinct executive committee of a political party, or an affiliated party committee, if the committee makes contributions or independent expenditures in excess of five thousand dollars ($5,000) that affect contests for statewide office;

(3) A political committee that makes contributions in excess of five thousand dollars ($5,000) to candidates for statewide office or makes independent expenditures in excess of five thousand dollars ($5,000) that affect contests for statewide office.

The State Board of Elections shall provide the software necessary to file an electronic report to a treasurer required to file an electronic report at no cost to the treasurer.

(j) **(Effective January 1, 2017)** Treasurers for each of the following entities shall electronically file each report required by this section that shows a cumulative total for the election cycle in excess of the stated amount in contributions, in expenditures, or in loans, according to rules adopted by the State Board of Elections:

(1) A candidate for statewide office, if more than five thousand dollars ($5,000).

(2) A State, district, county, or precinct executive committee of a political party, or an affiliated party committee, if the committee makes contributions or independent expenditures in excess of five thousand dollars ($5,000) that affect contests for statewide office.

(3) A political committee that makes contributions in excess of five thousand dollars ($5,000) to candidates for statewide office or makes independent expenditures in excess of five thousand dollars ($5,000) that affect contests for statewide office.

(4) All other political committees, if more than ten thousand dollars ($10,000).

The State Board of Elections shall provide the software necessary to file an electronic report to a treasurer required to file an electronic report at no cost to the treasurer.

(k) All reports under this section must be filed by a treasurer or assistant treasurer who has completed all training as to the duties of the office required by G.S. 163-278.7(f)."

SECTION 3.(f) G.S. 163-278.10A(b) reads as rewritten:

"(b) The exemption from reporting in subsection (a) of this section applies to political party committees and affiliated party committees under the same terms as for candidates, except that the term "to further the candidate's campaign" does not relate to a political party committee's or an affiliated party committee's exemption, and all contributions, expenditures, and loans during an election shall be counted against the threshold amount for a political party ~~committee's threshold amount.~~committee or an affiliated committee."

SECTION 3.(g) G.S. 163-278.11(b) reads as rewritten:

"(b) Statements shall reflect anything of value paid for or contributed by any person or individual, both as a contribution and expenditure. A political party executive committee or affiliated party committee that makes an expenditure that benefits a candidate or group of candidates shall report the expenditure, including the date, amount, and purpose of the expenditure and the name of and office sought by the candidate or candidates on whose behalf the expenditure was made. A candidate who benefits from the expenditure shall report the expenditure or the proportionate share of the expenditure from which the candidate benefitted as an in-kind contribution if the candidate or the candidate's committee has coordinated with the political party executive committee or affiliated party committee concerning the expenditure."

SECTION 3.(h) G.S. 163-278.13(e) reads as rewritten:

"(e) This section shall not apply to any national, State, district or county executive committee of any political ~~party.~~party or an affiliated party committee. For the purposes of this section only, the term "political party" means only those political parties officially recognized under G.S. 163-96."

SECTION 3.(i) G.S. 163-278.13B(c)(5) reads as rewritten:

"(5) No limited contributor shall solicit a contribution from any individual or political committee on behalf of a limited contributee. This subdivision does not apply to a limited contributor soliciting a contribution on behalf of a political party executive committee or an affiliated party committee if the solicitation is solely for a separate segregated fund kept by the political party or affiliated party committee limited to use for activities that are not candidate-specific, including generic voter registration and get-out-the-vote efforts, pollings, mailings, and other general activities and advertising that do not refer to a specific individual candidate."

SECTION 3.(j) G.S. 163-278.14(a) reads as rewritten:

"(a) No individual, political committee, or other entity shall make any contribution anonymously or in the name of another. No candidate, political committee, referendum committee, political party, affiliated party committee, or treasurer shall knowingly accept any contribution made by any individual or person in the name of another individual or person or made anonymously. If a candidate, political committee, referendum committee, political party, affiliated party committee, or treasurer receives anonymous contributions or contributions determined to have been made in the name of another, he shall pay the money over to the Board, by check, and all such moneys received by the Board shall be deposited in the Civil Penalty and Forfeiture Fund of the State of North Carolina. This subsection shall not apply to any contribution by an individual with the lawful authority to act on behalf of another individual, whether through power of attorney, trustee, or other lawful authority."

SECTION 3.(k) G.S. 163-278.14A(b)(1) reads as rewritten:

"(1) Appears in a news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, or magazine, unless those facilities are owned or controlled by any political party, affiliated party committee, or political committee;"

SECTION 3.(l) G.S. 163-278.15(a) reads as rewritten:

"(a) No candidate, political committee, political party, affiliated party committee, or treasurer shall accept any contribution made by any corporation, foreign or domestic, regardless of whether such corporation does business in the State of North Carolina, or made by any business entity, labor union, professional association, or insurance company. This section does not apply with regard to entities permitted to make contributions by G.S. 163-278.19(f)."

SECTION 3.(m) G.S. 163-278.16B(a)(4) reads as rewritten:

"(4) Contributions to a national, State, or district or county committee of a political party or a caucus of the political ~~party.~~party or an affiliated party committee."

SECTION 3.(n) G.S. 163-278.18(a) reads as rewritten:

"(a) No media and no supplier of materials or services shall charge or require a candidate, treasurer, political party, affiliated party committee, or individual to pay a charge for advertising, materials, space, or services purchased for or in support of or in opposition to any candidate, political committee, or political party that is higher than the normal charge it requires other customers to pay for comparable advertising, materials, space, or services purchased for other purposes."

SECTION 3.(o) G.S. 163-278.19(a1) reads as rewritten:

"(a1) A transfer of funds shall be deemed to have been a contribution made indirectly if it is made to any ~~committee~~ committee, affiliated party committee, or political party account, whether inside or outside this State, with the intent or purpose of being exchanged in whole or in part for any other funds to be contributed or expended in an election for North Carolina office or to offset any other funds contributed or expended in an election for North Carolina office."

SECTION 3.(p) G.S. 163-278.19B reads as rewritten:

"§ **163-278.19B. Political party headquarters building funds.**

Notwithstanding the provisions of G.S. 163-278.19, a person prohibited by that section from making a contribution may donate to political parties and affiliated party committees and political parties and affiliated party committees may accept from such a person money and other things of value donated to a political party headquarters building fund. Donations to the political party headquarters building fund shall be subject to all the following rules:

(1) The donations solicited and accepted are designated to the political party headquarters building fund.

(2) Potential donors to that fund are advised that all donations will be exclusively for the political party headquarters building fund.

(3) The political party or affiliated party committee establishes a separate segregated bank account into which shall be deposited only donations for the political party headquarters building fund from persons prohibited by G.S. 163-278.19 from making contributions.

(4) The donations deposited in the separate segregated bank account for the political party headquarters building fund will be spent only to purchase a principal headquarters building, to construct a principal headquarters building, to renovate a principal headquarters building, to pay a mortgage on a principal headquarters building, to repay donors if a principal headquarters building is not purchased, constructed, or renovated, or to pay building rent or monthly or bimonthly utility expenses incurred to operate the principal headquarters building. Donations deposited into that account shall be used solely for the purposes set forth in the preceding sentence, and specifically shall not be used for headquarters equipment other than fixtures, personnel compensation, or travel or fundraising expenses or requirements of any kind. Notwithstanding the above, personnel compensation and in-kind benefits may be paid to no more than three personnel whose functions are primarily administrative in nature, such as providing accounting, payroll, or campaign finance reporting services, for the party and whose job functions require no more than ten percent (10%) of work time to be spent on political advocacy each calendar year

(5) The political party executive committee or affiliated party committee shall report donations to and spending by a political party headquarters building fund on every report required to be made by G.S. 163-278.9. If a committee is excused from making general campaign finance reports under G.S. 163-278.10A, that committee shall nonetheless report donations in any amount to and spending in any amount by the political party headquarters building fund at the times required for reports in G.S. 163-278.9.

If all the criteria set forth in subdivisions (1) through (5) of this section are complied with, then donations to and spending by a political party headquarters building fund do not constitute contributions or expenditures as defined in G.S. 163-278.6. If those criteria are complied with, then donations may be made to a political party headquarters building fund."

SECTION 3.(q) G.S. 163-278.38Z reads as rewritten:

"§ **163-278.38Z. Definitions.**

As used in this Part:

…

(5) "Political action committee" has the same meaning as "political committee" in G.S. 163-278.6(14), except that "political action committee" does not include any political ~~party or~~party, political party ~~organization.~~organization, or affiliated party committee.

(6) "Political party organization" means any political party executive committee or any political committee that operates under the direction of a political party executive committee or political party ~~chair.~~chair, or any affiliated party committee.

…."

SECTION 4. Sections 1 and 2 of this act are effective when this act becomes law and apply only to the 2016 primary cycle. The remainder of this act is effective when it becomes law and applies to contributions and expenditures made on or after that date.

In the General Assembly read three times and ratified this the 24th day of September, 2015.

Became law upon approval of the Governor at 4:25 a.m. on the 30th day of September, 2015.

Session Law 2015-259 **H.B. 117**

AN ACT TO ENACT THE NORTH CAROLINA COMPETES ACT.

The General Assembly of North Carolina enacts:

PART I. JDIG MODIFICATIONS

SECTION 1.(a) G.S. 143B-437.51 is amended by adding a new subdivision to read:

"§ **143B-437.51. Definitions.**

The following definitions apply in this Part:

(1) Agreement. – A community economic development agreement under G.S. 143B-437.57.

(2) Base period. – The period of time set by the Committee during which new employees are to be hired for the positions on which the grant is based.

(3) Business. – A corporation, sole proprietorship, cooperative association, partnership, S corporation, limited liability company, nonprofit corporation, or other form of business organization, located either within or outside this State.

(4) Committee. – The Economic Investment Committee established pursuant to G.S. 143B-437.54.

(4a) Development tier. – The classification assigned to an area pursuant to G.S. 143B-437.08.

(5) Eligible position. – A position created by a business and filled by a new full-time employee in this State during the base period.

(6) Full-time employee. – A person who is employed for consideration for at least 35 hours a week, whose wages are subject to withholding under Article 4A of Chapter 105 of the General Statutes, and who is determined by the

Committee to be employed in a permanent position according to criteria it develops in consultation with the Attorney General. The term does not include any person who works as an independent contractor or on a consulting basis for the business.

(6a) High-yield project. – A project for which the agreement requires that a business invest at least five hundred million dollars ($500,000,000) in private funds and create at least 1,750 eligible positions.

(7) New employee. – A full-time employee who represents a net increase in the number of the business's employees statewide.

(8) Overdue tax debt. – Defined in G.S. 105-243.1.

(9) Related member. – Defined in G.S. 105-130.7A.

(10) Withholdings. – The amount withheld by a business from the wages of employees in eligible positions under Article 4A of Chapter 105 of the General Statutes."

SECTION 1.(b) G.S. 143B-437.52 reads as rewritten:

"§ **143B-437.52. Job Development Investment Grant Program.**

(a) Program. – There is established the Job Development Investment Grant Program to be administered by the Economic Investment Committee. In order to foster job creation and investment in the economy of this State, the Committee may enter into agreements with businesses to provide grants in accordance with the provisions of this Part. The Committee, in consultation with the Attorney General, shall develop criteria to be used in determining whether the conditions of this section are satisfied and whether the project described in the application is otherwise consistent with the purposes of this Part. Before entering into an agreement, the Committee must find that all the following conditions are met:

(1) The project proposed by the business will create, during the term of the agreement, a net increase in employment in this State by the business.

(2) The project will benefit the people of this State by increasing opportunities for employment and by strengthening this State's economy by, for example, providing worker training opportunities, constructing and enhancing critical infrastructure, increasing development in strategically important industries, or increasing the State and local tax base.

(3) The project is consistent with economic development goals for the State and for the area where it will be located.

(4) A grant under this Part is necessary for the completion of the project in this State.

(5) The total benefits of the project to the State outweigh its costs and render the grant appropriate for the project.

(6) For a project located in a development tier three area, the affected local governments have participated in recruitment and offered incentives in a manner appropriate to the project.

(b) Priority. – In selecting between applicants, a project that is located in an Eco-Industrial Park certified under G.S. 143B-437.08 has priority over a comparable project that is not located in a certified Eco-Industrial Park.

(c) ~~Awards. –~~Award Limitations. – The following limitations apply to grants awarded under this Part:

(1) Maximum liability. – The maximum amount of total annual liability for grants awarded in any single calendar year under this Part, including amounts transferred to the Utility Account pursuant to G.S. 143B-437.61, is ~~fifteen~~ twenty million dollars ~~($15,000,000).~~ ($20,000,000) for a year in which no grants are awarded for a high-yield project and is thirty-five million dollars ($35,000,000) for a year in which a grant is awarded for a high-yield project. No agreement may be entered into that, when considered together with other existing agreements governing grants awarded during a

single calendar year, could cause the State's potential total annual liability for grants awarded in a single calendar year to exceed ~~this~~ the applicable amount. The Department shall make every effort to ensure that the average percentage of withholdings of eligible positions for grants awarded under this Part does not exceed the average of the range provided in G.S. 143B-437.56(a).

(2) Semiannual commitment limitations. – Of the amount authorized in subdivision (1) of this subsection, no more than fifty percent (50%), excluding roll-over amounts, may be awarded in any single calendar semiannual period. A roll-over amount is any amount from a previous semiannual period in the same calendar year that was not awarded as a grant. The limitation of this subdivision does not apply to a grant awarded to a high-yield project.

(d) Measuring Employment. – For the purposes of subdivision (a)(1) of this section and G.S. 143B-437.51(5), 143B-437.51(7), and 143B-437.57(a)(11), the Committee may designate that the increase or maintenance of employment is measured at the level of a division or another operating unit of a business, rather than at the business level, if both of the following conditions are met:

(1) The Committee makes an explicit finding that the designation is necessary to secure the project in this State.

(2) The agreement contains terms to ensure that the business does not create eligible positions by transferring or shifting to the project existing positions from another project of the business or a related member of the business."

SECTION 1.(c) G.S. 143B-437.53 reads as rewritten:

"§ **143B-437.53. Eligible projects.**

(a) Minimum Number of Eligible Positions. – A business may apply to the Committee for a grant for any project that creates the minimum number of eligible positions as set out in the table below. If the project will be located in more than one development tier area, the location with the highest development tier area designation determines the minimum number of eligible positions that must be created.

Development Tier Area	Number of Eligible Positions
Tier One	10
Tier Two	20
Tier Three	~~20~~50

…."

SECTION 1.(d) G.S. 143B-437.55(c) reads as rewritten:

"(c) Annual Reports. – The Committee shall publish a report on the Job Development Investment Grant Program on or before April 30 of each year. The Committee shall submit the report electronically to the House of Representatives Finance Committee, the Senate Finance Committee, the House of Representatives Appropriations Subcommittee on Natural and Economic Resources, the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division. The report shall include the following:

…

(11) A listing of all businesses making an application under this Part and an explanation of whether each business ultimately located the project in this State regardless of whether the business was awarded a grant for the project under this Part.

(11a) A listing, itemized by development tier, of the number of offers that have been calculated, estimated, or extended but were not accepted and the total award value of the offers.

…."

SECTION 1.(e) G.S. 143B-437.56 reads as rewritten:

"§ **143B-437.56. Calculation of minimum and maximum grants; factors considered.**

(a) Subject to the ~~limitations~~ provisions of ~~subsection~~ subsections (a1) and (d) of this section, the amount of the grant awarded in each case shall be a percentage of the withholdings of eligible ~~positions. The percentage shall be no less than ten percent (10%) and no more than seventy-five percent (75%) of the withholdings of the eligible~~ positions for a period of years. The percentage shall be no more than eighty percent (80%) for a development tier one area and no more than seventy-five percent (75%) for any other area. If the project will be located in more than one area designation, the location with the highest area designation determines the maximum percentage to be used. The percentage used to determine the amount of the grant shall be based on criteria developed by the Committee, in consultation with the Attorney General, after considering at least the following:

(1) The number of eligible positions to be created.
(2) The expected duration of those positions.
(3) The type of contribution the business can make to the long-term growth of the State's economy.
(4) The amount of other financial assistance the project will receive from the State or local governments.
(5) The total dollar investment the business is making in the project.
(6) Whether the project utilizes existing infrastructure and resources in the community.
(7) Whether the project is located in a development zone.
(8) The number of eligible positions that would be filled by residents of a development zone.
(9) The extent to which the project will mitigate unemployment in the State and locality.

(a1) Notwithstanding the percentage specified by subsection (a) of this section, if the project is a high-yield project, the business has met the investment and job creation requirements, and, for three consecutive years, the business has met all terms of the agreement, the amount of the grant awarded shall be no more than one hundred percent (100%) of the withholdings of eligible positions for each consecutive year the business maintains the minimum job creation requirement and meets all terms of the agreement. A business receiving an enhanced percentage of the withholdings of eligible positions under this subsection that fails to maintain the minimum job creation requirement or meet all terms of the agreement will be disqualified from receiving the enhanced percentage and will have the applicable percentage set forth in subsection (a) of this section applied in the year in which the failure occurs and all remaining years of the grant term.

(b) The term of the grant shall not exceed ~~12 years starting with the first year a grant payment is made.~~ the duration listed in this subsection. The first grant payment must be made within six years after the date on which the grant was awarded. The number of years in the base period for which grant payments may be made shall not exceed five years.

(1) For high-yield projects in which the business receives the enhanced percentage pursuant to subsection (a1) of this section, 20 years starting with the first year a grant payment is made. If a business is disqualified from the enhanced percentage in one of the first 12 years, the term of the grant shall not exceed 12 years starting with the first year a grant payment is made. If a business is disqualified from receiving the enhanced percentage after the first 12 years, the term of the grant ends in the year the disqualification occurs.
(2) For all other projects, 12 years starting with the first year a grant payment is made.

(c) The grant may be based only on eligible positions created during the base period.

(d) For any eligible position that is located in a development tier three area, seventy-five percent (75%) of the annual grant approved for disbursement shall be payable to

the business, and twenty-five percent (25%) shall be payable to the Utility Account pursuant to G.S. 143B-437.61. For any eligible position that is located in a development tier two area, ~~eighty-five percent (85%)~~ ninety percent (90%) of the annual grant approved for disbursement shall be payable to the business, and ~~fifteen percent (15%)~~ ten percent (10%) shall be payable to the Utility Account pursuant to G.S. 143B-437.61. A position is located in the development tier area that has been assigned to the county in which the project is located at the time the application is filed with the Committee. This subsection does not apply to a high-yield project in years in which the business receives the enhanced percentage pursuant to subsection (a1) of this section.

(e) A business that is receiving any other grant by operation of State law may not receive an amount as a grant pursuant to this Part that, when combined with any other grants, exceeds ~~seventy-five percent (75%)~~the applicable maximum percentage of the withholdings of the business, as provided in subsections (a) and (a1) of this section, unless the Committee makes an explicit finding that the additional grant is necessary to secure the project.

(f) The amount of a grant associated with any specific eligible position, including any amount transferred to the Utility Account pursuant to G.S. 143B-437.61, may not exceed six thousand five hundred dollars ($6,500) in any year."

SECTION 1.(f) G.S. 143B-437.57(a) reads as rewritten:

"(a) Terms. – Each community economic development agreement shall include at least the following:

…

(10) A provision that requires the business to maintain operations at the project location or another location approved by the Committee for at least one hundred fifty percent (150%) of the term of the grant and a provision to ~~permit~~ require the Committee to recapture ~~all or part~~ an appropriate portion of the grant ~~at its discretion~~ if the business does not remain at the site for the required term.

(11) A provision that requires the business to maintain employment levels in this State at the greater of the level of ~~the year immediately preceding the base period.~~employment on the date of the application or the level of employment on the date of the award.

…."

SECTION 1.(g) G.S. 143B-437.62 reads as rewritten:

"§ **143B-437.62. Expiration.**

The authority of the Committee to award new grants expires January 1, ~~2016.~~2019."

SECTION 1.(h) Section 15.19(a1) of S.L. 2013-360 reads as rewritten:

"**SECTION 15.19.(a1)** Notwithstanding G.S. 143B-437.52(c), for the ~~2013-2015 fiscal biennium,~~ period from July 1, 2013, to December 31, 2015, the maximum total liability for grants awarded, including amounts transferred to the Utility Account pursuant to G.S. 143B-437.61, is ~~twenty-two million five hundred thousand dollars ($22,500,000) and, for the period from July 1, 2015, to December 31, 2015, the maximum total liability for grants awarded, including amounts transferred to the Utility Account pursuant to G.S. 143B-437.61, is seven million five hundred thousand dollars ($7,500,000).~~ thirty-five million dollars ($35,000,000) if no grant is awarded for a high-yield project and is fifty million dollars ($50,000,000) if a grant is awarded for a high-yield project. No agreement may be entered into that, when considered together with other existing agreements governing grants awarded during an applicable time period provided in this subsection, could cause the State's potential total annual liability for grants awarded in that time period to exceed the designated maximum amount."

SECTION 1.(i) The Department of Commerce shall study the factors that have contributed to the termination of grants awarded pursuant to Part 2G of Article 10 of Chapter 143B of the General Statutes. In conducting the study required by this subsection, the Department shall examine the efforts of other states that have permitted similar economic

development programs to incent businesses to create jobs for the purpose of determining best practices for remediating underperformance of participating businesses in order to lower the incidence of community economic development agreements under G.S. 143B-437.57 ending in termination. The Department shall submit the report to the House of Representatives Finance Committee, the Senate Finance Committee, the House of Representatives Committee on Agriculture and Natural and Economic Resources, the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division no later than March 1, 2016.

SECTION 1.(j) Subsections (d) and (h) of this section are effective when this act becomes law. The remainder of this section becomes effective July 1, 2015, and applies to awards made under Part 2G of Article 10 of Chapter 143B of the General Statutes on or after that date.

PART II. ONE NC MODIFICATIONS

SECTION 2.(a) G.S. 143B-437.72(c) reads as rewritten:

"(c) Local Government Grant Agreement. – An agreement between the State and one or more local governments shall contain the following provisions:

(1) A commitment on the part of the local government to match the funds allocated by the ~~State.~~ State, as provided in this subdivision. A local match may include cash, fee waivers, in-kind services, the donation of assets, the provision of infrastructure, or a combination of these.

a. For a local government in a development tier one area, as defined in G.S. 143B-437.08, the State shall provide no more than three dollars ($3.00) for every one dollar ($1.00) provided by the local government.

b. For a local government in a development tier two area, as defined in G.S. 143B-437.08, the State shall provide no more than two dollars ($2.00) for every one dollar ($1.00) provided by the local government.

c. For a local government in a development tier three area, as defined in G.S. 143B-437.08, the State shall provide no more than one dollar ($1.00) for every one dollar ($1.00) provided by the local government.

…."

SECTION 2.(b) This section is effective when this act becomes law.

PART III. DATACENTER INFRASTRUCTURE ACT

SECTION 3.(a) G.S. 105-164.3 reads as rewritten:

"§ **105-164.3. Definitions.**

The following definitions apply in this Article:

…

(33c) Qualifying datacenter. – A datacenter that satisfies each of the following conditions:

a. The datacenter meets the wage standard and health insurance requirements of G.S. 143B-437.08A.

b. The Secretary of Commerce has made a written determination that at least seventy-five million dollars ($75,000,000) in private funds has been or will be invested by one or more owners, users, or tenants of the datacenter within five years of the date the owner, user, or tenant of the datacenter makes its first real or tangible property investment in the datacenter on or after January 1, 2012. Investments in real or tangible property in the datacenter made prior to January 1, 2012, may not be included in the investment required by this subdivision.

~~(33a)~~(33d) Real property contractor. – A person that contracts to perform construction, reconstruction, installation, repair, or any other service with respect to real property and to furnish tangible personal property to be installed or applied to real property in connection with the contract and the labor to install or apply the tangible personal property that becomes part of real property. The term includes a general contractor, a subcontractor, or a builder for purposes of G.S. 105-164.4H.

~~(33b)~~(33e) Related member. – Defined in G.S. 105-130.7A.

~~(33c)~~(33f) Remote sale. – A sale of tangible personal property or digital property ordered by mail, by telephone, via the Internet, or by another similar method, to a purchaser who is in this State at the time the order is remitted, from a retailer who receives the order in another state and delivers the property or causes it to be delivered to a person in this State. It is presumed that a resident of this State who remits an order was in this State at the time the order was remitted.

…."

SECTION 3.(b) G.S. 105-164.13 is amended by adding a new subdivision to read:

"(55a) Sales of electricity for use at a qualifying datacenter and datacenter support equipment to be located and used at the qualifying datacenter. As used in this subdivision, "datacenter support equipment" is property that is capitalized for tax purposes under the Code and is used for one of the following purposes:

a. The provision of a service or function included in the business of an owner, user, or tenant of the datacenter.

b. The generation, transformation, transmission, distribution, or management of electricity, including exterior substations, generators, transformers, unit substations, uninterruptible power supply systems, batteries, power distribution units, remote power panels, and other capital equipment used for these purposes.

c. HVAC and mechanical systems, including chillers, cooling towers, air handlers, pumps, and other capital equipment used for these purposes.

d. Hardware and software for distributed and mainframe computers and servers, data storage devices, network connectivity equipment, and peripheral components and equipment.

e. To provide related computer engineering or computer science research.

If the level of investment required by G.S. 105-164.3(33c) is not timely made, the exemption provided under this subdivision is forfeited. If the level of investment required by G.S. 105-164.3(33c) is timely made but any specific datacenter support equipment is not located and used at the qualifying datacenter, the exemption provided for such datacenter support equipment under this subdivision is forfeited. If the level of investment required by G.S. 105-164.3(33c) is timely made but any portion of electricity is not used at the qualifying datacenter, the exemption provided for such electricity under this subdivision is forfeited. A taxpayer that forfeits an exemption under this subdivision is liable for all past taxes avoided as a result of the forfeited exemption, computed from the date the taxes would have been due if the exemption had not been allowed, plus interest at the rate established under G.S. 105-241.21. If the forfeiture is triggered due to the lack of a timely investment required by G.S. 105-164.3(33c), interest is computed from the date the taxes would have been due if the exemption had not been allowed. For all other forfeitures, interest is computed from the

time as of which the datacenter support equipment or electricity was put to a disqualifying use. The past taxes and interest are due 30 days after the date the exemption is forfeited. A taxpayer that fails to pay the past taxes and interest by the due date is subject to the provisions of G.S. 105-236."

SECTION 3.(c) This section becomes effective January 1, 2016, and applies to sales made on or after that date.

PART IV. SALES TAX RELATIVE TO AVIATION

SECTION 4.1.(a) G.S. 105-164.3 is amended by adding the following new subdivisions to read:

"§ **105-164.3. Definitions.**

The following definitions apply in this Article:

…

(1h) Aviation gasoline. – Defined in G.S. 105-449.60.

…

(16b) Jet fuel. – Defined in G.S. 105-449.60.

…."

S**ECTION 4.1.(b)** G.S. 105-164.4(a) is amended by adding a new subdivision to read:

"(a) A privilege tax is imposed on a retailer engaged in business in the State at the percentage rates of the retailer's net taxable sales or gross receipts, listed in this subsection. The general rate of tax is four and three-quarters percent (4.75%). The percentage rates are as follows:

…

(15) The combined general rate applies to the gross receipts derived from the sale of aviation gasoline and jet fuel."

SECTION 4.1.(c) G.S. 105-164.13 is amended by adding a new subdivision to read:

"§ **105-164.13. Retail sales and use tax.**

The sale at retail and the use, storage, or consumption in this State of the following tangible personal property, digital property, and services are specifically exempted from the tax imposed by this Article:

…

Motor Fuels Group.

…

(11a) Sales of diesel fuel to railroad companies for use in rolling stock other than motor vehicles. The definitions in G.S. 105-333 apply in this subdivision.

(11b) Sales of aviation gasoline and jet fuel to an interstate air business for use in a commercial aircraft. For purposes of this subdivision, the term "commercial aircraft" has the same meaning as defined in subdivision (45a) of this subsection. This subdivision expires January 1, 2020.

…."

SECTION 4.1.(d) Part 8 of Article V of Chapter 105 of the General Statutes is amended by adding a new section to read:

"**§ 105-164.44M. Transfer to Division of Aviation.**

The net proceeds of the tax collected on aviation gasoline and jet fuel under G.S. 105-164.4 must be transferred within 75 days after the end of each fiscal year to the Highway Fund. This amount is annually appropriated from the Highway Fund to the Division of Aviation of the Department of Transportation for prioritized capital improvements to public airports and time-sensitive aviation capital improvement projects for economic development purposes."

SECTION 4.1.(e) Notwithstanding G.S. 105-164.14A(a)(1), an interstate passenger air carrier is allowed a refund of the sales and use tax paid by it on fuel in excess of

one million two hundred fifty thousand dollars ($1,250,000) for the period beginning July 1, 2015, and ending December 31, 2015.

SECTION 4.1.(f) Subsections (a) through (d) of this section become effective January 1, 2016, and apply to sales made on or after that date. The remainder of this section is effective when this act becomes law.

SECTION 4.2.(a) G.S. 105-164.3, as amended by Section 3 of this act, is amended by adding the following new subdivisions to read:

"§ **105-164.3. Definitions.**

The following definitions apply in this Article:

…

(33a) Qualified aircraft. – An aircraft with a maximum take-off weight of more than 9,000 pounds but not in excess of 15,000 pounds.

(33b) Qualified jet engine. – An engine certified pursuant to Part 33 of Title 14 of the Code of Federal Regulations.

…."

SECTION 4.2.(b) G.S. 105-164.4(a) reads as rewritten:

"§ **105-164.4. Tax imposed on retailers.**

(a) A privilege tax is imposed on a retailer engaged in business in the State at the percentage rates of the retailer's net taxable sales or gross receipts, listed in this subsection. The general rate of tax is four and three-quarters percent (4.75%). The percentage rates are as follows:

(1a) The general rate applies to the sales price of each ~~manufactured home~~ of the following items sold at retail, including all accessories attached to ~~the manufactured home~~ the item when it is delivered to the ~~purchaser.~~purchaser:

a. A manufactured home.

b. A modular home. The sale of a modular home to a modular homebuilder is considered a retail sale. A person who sells a modular home at retail is allowed a credit against the tax imposed by this subdivision for sales or use tax paid to another state on tangible personal property incorporated in the modular home. The retail sale of a modular home occurs when a modular home manufacturer sells a modular home to a modular homebuilder or directly to the end user of the modular home.

c. An aircraft. The maximum tax is two thousand five hundred dollars ($2,500) per article.

d. A qualified jet engine.

(1b) The rate of three percent (3%) applies to the sales price of each ~~aircraft or~~ boat sold at retail, including all accessories attached to the ~~item~~ boat when it is delivered to the purchaser. The maximum tax is one thousand five hundred dollars ($1,500) per article.

…

~~(8) The general rate applies to the sales price of each modular home sold at retail, including all accessories attached to the modular home when it is delivered to the purchaser. The sale of a modular home to a modular homebuilder is considered a retail sale. A person who sells a modular home at retail is allowed a credit against the tax imposed by this subdivision for sales or use tax paid to another state on tangible personal property incorporated in the modular home. The retail sale of a modular home occurs when a modular home manufacturer sells a modular home to a modular homebuilder or directly to the end user of the modular home.~~

…."

SECTION 4.2.(c) G.S. 105-164.4I(b) is amended by adding a new subdivision to read:

"(b) Exemptions. – The tax imposed by this section does not apply to the sales price of or the gross receipts derived from a service contract applicable to any of the following items:

(1) An item exempt from tax under this Article, other than a motor vehicle exempt from tax under G.S. 105-164.13(32).

(2) A transmission, distribution, or other network asset contained on utility-owned land, right-of-way, or easement.

(3) An item purchased by a professional motorsports racing team for which the team may receive a sales tax refund under G.S. 105-164.14A(5).

(4) An item subject to tax under Article 5F of Chapter 105 of the General Statutes.

(5) A qualified aircraft or a qualified jet engine."

SECTION 4.2.(d) G.S. 105-164.13 is amended by adding a new subdivision to read:

"§ **105-164.13. Retail sales and use tax.**

The sale at retail and the use, storage, or consumption in this State of the following tangible personal property, digital property, and services are specifically exempted from the tax imposed by this Article:

…

(45d) Parts and accessories for use in the repair or maintenance of a qualified aircraft or a qualified jet engine.

…."

SECTION 4.2.(e) G.S. 105-164.27A is amended by adding a new subsection to read:

"(a2) Qualified Jet Engine. – A person who purchases a qualified jet engine may apply to the Secretary for a direct pay permit for the purchase of a qualified jet engine. A direct pay permit issued for a qualified jet engine does not apply to any purchase other than the purchase of a qualified jet engine. The maximum use tax on a qualified jet engine is two thousand five hundred dollars ($2,500). A person who purchases a qualified jet engine under a direct pay permit must file a return and pay the tax due monthly to the Secretary."

SECTION 4.2.(f) G.S. 105-467(a) reads as rewritten:

"(a) Sales Tax. – The sales tax that may be imposed under this Article is limited to a tax at the rate of one percent (1%) of the following:

(1) A retailer's net taxable sales and gross receipts that are subject to the general rate of sales tax imposed by the State under G.S. 105-164.4 except the tax does not apply to the sales price of ~~a manufactured home or a modular home.~~an item taxable under G.S. 105-164.4(a)(1a).

…."

SECTION 4.2.(g) This Part becomes effective October 1, 2015, and applies to sales made on or after that date.

PART V. EXEMPT MOTOR VEHICLE SERVICE CONTRACTS FROM SALES TAX

SECTION 5.(a) G.S. 105-164.4I(b)(1) reads as rewritten:

"(b) Exemptions. – The tax imposed by this section does not apply to the sales price of or the gross receipts derived from a service contract applicable to any of the following items:

(1) An item exempt from tax under this ~~Article, other than a motor vehicle exempt from tax under G.S. 105-164.13(32).~~Article."

SECTION 5.(b) G.S. 105-164.13 is amended by adding a new subdivision to read:

"§ **105-164.13. Retail sales and use tax.**

The sale at retail and the use, storage, or consumption in this State of the following tangible personal property, digital property, and services are specifically exempted from the tax imposed by this Article:

…

(62a) A replacement item, a repair part, or repair, maintenance, and installation services to maintain or repair tangible personal property or a motor vehicle pursuant to a manufacturer's warranty or a dealer's warranty. For purposes of this subdivision, the following definitions apply:

a. Dealer's warranty. – An explicit warranty the seller of an item extends to the purchaser of the item as part of the purchase price of the item.

b. Manufacturer's warranty. – An explicit warranty the manufacturer of an item extends to the purchaser of the item as part of the purchase price of the item."

SECTION 5.(c) If House Bill 97, 2015 Regular Session of the General Assembly, becomes law, then G.S. 105-164.13(61a), as enacted by Section 32.18(e) of House Bill 97, 2015 Regular Session of the General Assembly, and G.S. 105-164.13(62), as amended by S.L. 2015-6 and by House Bill 97, 2015 Regular Session of the General Assembly, read as rewritten:

"§ **105-164.13. Retail sales and use tax.**

The sale at retail and the use, storage, or consumption in this State of the following tangible personal property, digital property, and services are specifically exempted from the tax imposed by this Article:

…

(61a) Repair, maintenance, and installation services provided for an ~~item~~ item, other than a motor vehicle, for which a service contract on the item is exempt from tax under G.S. 105-164.4I. Repair, maintenance, and installation services provided for a motor vehicle are subject to tax, except as provided under subdivision (62a) of this subsection.

…

(62) An item or repair, maintenance, and installation services used to maintain or repair tangible personal property ~~or a motor vehicle~~ pursuant to a service contract taxable under this Article if the purchaser of the contract is not charged for the ~~item~~item or services. This exemption does not apply to an item or repair, maintenance, and installation services provided for a motor vehicle pursuant to a service contract exempt from tax under this Article unless the purchaser of the contract is not charged for the item or services. For purposes of this exemption, the term "item" does not include a tool, equipment, supply, or similar tangible personal property used to complete the maintenance or repair and that is not deemed to be a component or repair part of the tangible personal property ~~or motor vehicle~~ for which a service contract is sold to a purchaser."

SECTION 5.(d) G.S. 105-187.3(a) reads as rewritten:

"(a) Tax Base. – The tax imposed by this Article is applied to the sum of the retail value of a motor vehicle for which a certificate of title is issued and any fee regulated by G.S. 20-101.1. The tax does not apply to the sales price of a service ~~contract. The sales price of a service contract is subject to the sales tax imposed under Article 5 of this Chapter.~~contract, provided the charge is separately stated on the bill of sale or other similar document given to the purchaser at the time of the sale."

SECTION 5.(e) G.S. 105-187.5(a) reads as rewritten:

"(a) Election. – A retailer may elect not to pay the tax imposed by this Article at the rate set in G.S. 105-187.3 when applying for a certificate of title for a motor vehicle purchased by the retailer for lease or rental. A retailer who makes this election shall pay a tax on the gross receipts of the lease or rental of the vehicle. The portion of a lease or rental billing or payment that represents any amount applicable to the sales price of ~~or sales tax on~~ a service contract ~~sold at retail that is subject to the tax imposed by Article 5 of this Chapter and sourced to this State~~ as defined in G.S. 105-164.3 should not be included in the gross receipts subject to the tax

imposed by this Article. ~~The amount of the lease or rental billing or payment applicable to the sales price of or sales tax on a service contract sold at retail subject to the tax imposed by Article 5 of this Chapter and sourced to the State~~ The charge should be separately stated on documentation given to the purchaser at the time the lease or rental agreement goes into effect, or on the monthly billing statement or other documentation given to the purchaser. Where a retailer fails to separately state any portion of a lease or rental billing or payment that represents an amount applicable to the sale price of a service contract, the amount is deemed to be part of the gross receipts of a lease or rental of a vehicle. Like the tax imposed by G.S. 105-187.3, this alternate tax is a tax on the privilege of using the highways of this State. The tax is imposed on a retailer, but is to be added to the lease or rental price of a motor vehicle and thereby be paid by the person who leases or rents the vehicle."

SECTION 5.(f) This section becomes effective March 1, 2016, and applies to service contracts purchased on or after date, if House Bill 97 of the 2015 Regular Session of the General Assembly is enacted.

PART VI. EXTEND SALES TAX PREFERENCES FOR MOTORSPORTS PARTS AND FUEL

SECTION 6.(a) G.S. 105-164.3 is amended by adding a new subdivision to read:

"§ **105-164.3. Definitions.**

The following definitions apply in this Article:

…

(25a) Operator. – A person provided with the lease or rental of tangible personal property or a motor vehicle to operate, drive, or maneuver the tangible personal property or motor vehicle and whose presence, skill, knowledge, and expertise are necessary to bring about a desired or appropriate effect. The person must do more than calibrate, test, analyze, research, probe, or monitor the tangible personal property or motor vehicle.

…."

SECTION 6.(b) G.S. 105-164.13 is amended by adding a new subdivision to read:

"§ **105-164.13. Retail sales and use tax.**

The sale at retail and the use, storage, or consumption in this State of the following tangible personal property, digital property, and services are specifically exempted from the tax imposed by this Article:

…

(65) The sale of an engine provided with an operator to a professional motorsports racing team or a related member of a team for use in competition in a sanctioned race series. This subdivision expires January 1, 2020."

SECTION 6.(c) G.S. 105-164.4I(b)(3) reads as rewritten:

"(b) Exemptions. – The tax imposed by this section does not apply to the sales price of or the gross receipts derived from a service contract applicable to any of the following items:

…

(3) ~~An~~ A transmission, an engine, rear-end gears, and any other item purchased by a professional motorsports racing team or a related member of a team for which the team may receive a sales tax refund under ~~G.S. 105-164.14A(5).~~G.S. 105-164.14A(a)(5). This subdivision expires January 1, 2020."

SECTION 6.(d) G.S. 105-164.14A(a) reads as rewritten:

"(a) Refund. – The following taxpayers are allowed an annual refund of sales and use taxes paid under this Article:

…

(4) Motorsports team or sanctioning body. – A professional motorsports racing team, a motorsports sanctioning body, or a related member of such a team or

body is allowed a refund of the sales and use tax paid by it in this State on aviation fuel that is used to travel to or from a motorsports event in this State, to travel to a motorsports event in another state from a location in this State, or to travel to this State from a motorsports event in another state. For purposes of this subdivision, a "motorsports event" includes a motorsports race, a motorsports sponsor event, and motorsports testing. This subdivision is repealed for purchases made on or after ~~January 1, 2016.~~January 1, 2020.

(5) Professional motorsports team. – A professional motorsports racing team or a related member of a team is allowed a refund of fifty percent (50%) of the sales and use tax paid by it in this State on tangible personal property, other than tires or accessories, that comprises any part of a professional motorsports vehicle. For purposes of this subdivision, "motorsports accessories" includes instrumentation, telemetry, consumables, and paint. This subdivision is repealed for purchases made on or after ~~January 1, 2016.~~January 1, 2020.

…."

SECTION 6.(e) This section is effective when this act becomes law. Subsection (c) of this section applies retroactively to service contracts purchased on or after January 1, 2014.

PART VII. TAX COMPLIANCE AND TAX FRAUD PREVENTION

SECTION 7.1.(a) G.S. 105-163.7 reads as rewritten:

"§ **105-163.7. Statement to employees; information to Secretary.**

(a) Report to Employee. – Every employer required to deduct and withhold from an employee's wages under G.S. 105-163.2 shall furnish to the employee in respect to the remuneration paid by the employer to such employee during the calendar year, on or before January 31 of the succeeding year, or, if the employment is terminated before the close of the calendar year, within 30 days after the date on which the last payment of remuneration is made, duplicate copies of a written statement showing the following:

(1) The employer's name, address, and taxpayer identification number.

(2) The employee's ~~name~~ name, address, and social security number.

(3) The total amount of ~~wages.~~wages or remuneration made.

(4) The total amount deducted and withheld under G.S. 105-163.2.

(b) ~~The Secretary may require an employer to include information not listed in subsection (a) on the employer's written statement to an employee and to file the statement at a time not required by subsection (a).~~ Report to Secretary. – Every employer shall file an annual report with the Secretary that contains the information given on each of the employer's written statements to an ~~employee and other information required by the Secretary.~~ employee. The Secretary may require additional information to be included on the report, provided the Secretary has given a minimum of 90 days' notice of the additional information required. The annual report is due on ~~the same date the employer's federal information return of federal income taxes withheld from wages is due under the Code.~~ or before January 31 of the succeeding year and must be filed in an electronic format as prescribed by the Secretary. The Secretary may, upon a showing of good cause, waive the electronic submission requirement. The report required by this subsection is in lieu of the report required by G.S. 105-154."

SECTION 7.1.(b) G.S. 105-236(a)(10) reads as rewritten:

"§ **105-236. Penalties; situs of violations; penalty disposition.**

(a) Penalties. – The following civil penalties and criminal offenses apply:

…

(10) Failure to File Informational Returns. –

a. Repealed by Session Laws 1998-212, s. 29A.14(m), effective January 1, 1999.

b. The Secretary may request a person who fails to file timely statements of payment to another person with respect to wages,

dividends, rents, or interest paid to that person to file the statements by a certain date. If the payer fails to file the statements by that date, the amounts claimed on the payer's income tax return as deductions for salaries and wages, or rents or interest shall be disallowed to the extent that the payer failed to comply with the Secretary's request with respect to the statements.

c. For failure to file with the Secretary an informational return required by ~~Article 36C or 36D~~ Article 4A, 36C, or 36D of this Chapter by the date the return is due, there shall be assessed a penalty of fifty dollars ($50.00)."

SECTION 7.1.(c) G.S. 105-163.2A(b) reads as rewritten:

"(b) Withholding Required. – A pension payer required to withhold federal taxes under section 3405 of the Code on a pension payment to a resident of this State must deduct and withhold from the payment the State income taxes payable on the payment. Liability for withholding and paying taxes under this section on a pension payment falls on the person who would be liable under section 3405 of the Code for withholding federal taxes on the payment.

Except as otherwise provided in this section, the provisions of this Article apply to a pension payer's pension payment to a resident of this State as if it were an employer's payment of wages to an employee. The pension payer must file a return, pay the withheld taxes, and report the amount withheld in the time and manner required under G.S. 105-163.6 and G.S. 105-163.7 as if the pension payment were wages. If a pension payer has more than one arrangement under which it may make pension payments to a resident of this State, each arrangement must be treated separately under this section."

SECTION 7.1.(d) G.S. 105-163.2B reads as rewritten:

"§ **105-163.2B. North Carolina State Lottery Commission must withhold taxes.**

The North Carolina State Lottery Commission, established by Chapter 18C of the General Statutes, must deduct and withhold State income taxes from the payment of winnings in an amount of six hundred dollars ($600.00) or more. The amount of taxes to be withheld is a percentage of the winnings. The percentage is the individual income tax rate in G.S. 105-153.7. The Commission must file a return, pay the withheld taxes, and report the amount withheld in the time and manner required under G.S. 105-163.6 and G.S. 105-163.7 as if the winnings were wages. The taxes the Commission withholds are held in trust for the Secretary."

SECTION 7.1.(e) G.S. 105-163.3 reads as rewritten:

"§ **105-163.3. Certain payers must withhold taxes.**

…

~~(c) Returns. A payer must file a return with the Secretary and pay the withheld taxes to the Secretary in accordance with the requirements in G.S. 105-163.6.~~

(d) Returns, Annual ~~Statement~~ Statement, and Report. – A payer required to deduct and withhold from a contractor's compensation under this section must file a return, pay the withheld taxes, and report the amount withheld in the time and manner required under G.S. 105-163.6 and G.S. 105-163.7 as if the compensation were wages.~~give the contractor a written statement that sets out the following information and any other information required by the Secretary:~~

~~(1) The payer's name, address, and taxpayer identification number.~~

~~(2) The contractor's name, address, and taxpayer identification number.~~

~~(3) The total amount of compensation paid during the calendar year.~~

~~(4) The total amount deducted and withheld under this section during the calendar year.~~

~~This statement is due by January 31 following the end of the calendar year, unless the personal services for which the payer is paying are completed before the end of the calendar year and the contractor requests the statement when the services are completed. In this circumstance, the statement is due within 45 days after the payer's last payment of compensation to the contractor.~~

~~Each payer shall file with the Secretary an annual report that compiles the information contained in each of the payer's statements to contractors and any other information required by the Secretary in the manner required by the Secretary. This report is due on the date prescribed by the Secretary and is in lieu of the information report required by G.S. 105-154.~~

…."

SECTION 7.1.(f) Subsection (b) of this section is effective for taxable years beginning on or after January 1, 2016, and applies to information returns required to be filed with the Secretary in 2017 for the 2016 taxable year. The remainder of this section is effective for taxable years beginning on or after January 1, 2015, and applies to information returns required to be filed with the Secretary in 2016 for the 2015 taxable year.

SECTION 7.2. G.S. 105-237 reads as rewritten:

"§ **105-237. ~~Waiver of penalties;~~Waiver; installment payments.**

(a) Waiver. – The Secretary may, upon making a record of the reasons therefor, ~~reduce~~ do the following:

(1) Reduce or waive any penalties provided for in this Subchapter.

(2) Reduce or waive any interest provided for in this Subchapter on taxes imposed prior to or during a period for which a taxpayer has declared bankruptcy under Chapter 7 or Chapter 13 of Title 11 of the United States Code.

(b) Installment Payments. – After a proposed assessment of a tax becomes final, the Secretary may enter into an agreement with the taxpayer for payment of the tax in installments if the Secretary determines that the agreement will facilitate collection of the tax. The agreement may include a waiver of penalties but may not include a waiver of liability for tax or interest due. The Secretary may modify or terminate the agreement if one or more of the following findings is made:

(1) Information provided by the taxpayer in support of the agreement was inaccurate or incomplete.

(2) Collection of tax to which the agreement applies is in jeopardy.

(3) The taxpayer's financial condition has changed.

(4) The taxpayer has failed to pay an installment when due or to pay another tax when due.

(5) The taxpayer has failed to provide information requested by the Secretary.

The Secretary must give a taxpayer who has entered into an installment agreement at least 30 days' written notice before modifying or terminating the agreement on the grounds that the taxpayer's financial condition has changed unless the taxpayer failed to disclose or concealed assets or income when the agreement was made or the taxpayer has acquired assets since the agreement was made that can satisfy all or part of the tax liability. A notice must specify the basis for the Secretary's finding of a change in the taxpayer's financial condition."

SECTION 7.3.(a) Article 9 of Subchapter I of Chapter 105 of the General Statutes is amended by adding a new section to read:

"**§ 105-251.2. Compliance information requests.**

(a) Occupational Licensing Board. – An occupational licensing board must give information to the Secretary when the Secretary requests the information. The Secretary may not request the information more than one time per calendar year. The Secretary may request the board to provide on a return, a report, or otherwise, a licensee's name, license number, tax identification number, business address, and any other information pertaining to the licensee in possession of the board that the Secretary deems necessary to determine the licensee's compliance with this Chapter. For purposes of this subsection, the term "occupational licensing board" has the same meaning as defined in G.S. 93B-1.

(b) Alcohol Vendor. – An alcohol vendor must give information to the Secretary when the Secretary requests the information. The Secretary may not request the information more than one time per calendar year. The Secretary may request the alcohol vendor to provide on a return, a report, or otherwise, for a permittee to which the alcohol vendor provides alcohol, a

permittee's name, license number, and business address and any other information pertaining to the permittee in possession of the alcohol vendor that the Secretary deems necessary to determine the pemittee's compliance with this Chapter. This subsection applies to the following alcohol vendors:

(1) An ABC store in the ABC system, as defined in G.S. 18B-101.
(2) A wine wholesaler, as defined in G.S. 18B-1201.
(3) A wholesaler, as defined in G.S. 18B-1301.
(4) The holder of an unfortified winery permit, a fortified winery permit, a brewery permit, or a distillery permit under G.S. 18B-1100."

SECTION 7.3.(b) Beginning March 1, 2016, and every six months thereafter, the Department of Revenue and the Government Data Analytics Center must make written progress reports to the Revenue Laws Study Committee on the following:

(1) Prevention or reduction of the occurrence of stolen identities and refund fraud.
(2) Elimination of fraudulent returns.
(3) Tax compliance by business professionals and alcohol vendors.
(4) Coordination of efforts between the Department of Revenue and the Government Data Analytics Center to identify and integrate into the Department's operations and procedures the most effective and accurate processes and scalable tools available to reduce refund fraud, payment of fraudulent returns, and business tax compliance.

SECTION 7.3.(c) Subsection (a) of this section becomes effective July 1, 2016. The remainder of this section is effective when this act becomes law.

PART VIII. EFFECTIVE DATE

SECTION 8. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 24th day of September, 2015.

Became law upon approval of the Governor at 11:38 a.m. on the 30th day of September, 2015.

Session Law 2015-260 **H.B. 495**

AN ACT ENHANCING THE EFFECTIVENESS AND EFFICIENCY OF STATE GOVERNMENT BY MODERNIZING THE STATE'S SYSTEM OF HUMAN RESOURCES MANAGEMENT.

The General Assembly of North Carolina enacts:

PART I. CAREER STATE EMPLOYEES

SECTION 1. G.S. 126-1.1 reads as rewritten:

"§ **126-1.1. Career State employee defined.**

(a) For the purposes of this Chapter, unless the context clearly indicates otherwise, "career State employee" means a State employee or an employee of a local entity who is covered by this Chapter pursuant to G.S. 126-5(a)(2) who:

(1) Is in a permanent ~~position,~~position with a permanent appointment, and
(2) Has been continuously employed by the State of North Carolina or a local entity as provided in G.S. 126-5(a)(2) in a position subject to the North Carolina Human Resources Act for the immediate ~~24~~ 12 preceding months.

(b) As used in this Chapter, "probationary State employee" means a State employee who is in a probationary appointment and is exempt from the provisions of the North Carolina

Human Resources Act only because the employee has not been continuously employed by the State for the time period required by subsection (a) or (c) of this section.

(c) Notwithstanding the provisions of subsection (a) above, employees who are hired by a State agency, department or university in a sworn law enforcement position and who are required to complete a formal training program prior to assuming law enforcement duties with the hiring agency, department or university shall become career State employees only after being employed by the agency, department or university for 24 continuous months."

PART II. STATE HUMAN RESOURCES COMMISSION CHANGES

SECTION 2. G.S. 126-4 reads as rewritten:

"§ **126-4. Powers and duties of State Human Resources Commission.**

Subject to the approval of the Governor, the State Human Resources Commission shall establish policies and rules governing each of the following:

…

(10) Programs of employee assistance, productivity incentives, equal opportunity, safety and health as required by Part 1 of Article 63 of Chapter 143 of the General Statutes, and such other programs and procedures as may be necessary to promote efficiency of administration and provide for a fair and modern system of personnel administration. ~~This subdivision may not be construed to authorize the establishment of an incentive pay program.~~

…."

PART IV. OTHER MODERNIZING AND CONFORMING CHANGES

SECTION 4. G.S. 126-6.2(a) reads as rewritten:

"(a) Beginning January 1, 1998, and ~~quarterly~~ annually thereafter, the head of each State agency, department, or institution employing State employees subject to the North Carolina Human Resources Act shall report to the Office of State Human Resources on the following:

(1) The costs associated with the defense or settlement of administrative grievances and lawsuits filed by current or former State employees and applicants for State employment, including the costs of settlements, attorneys' fees, litigation expenses, damages, or awards incurred by the respective State agencies, departments, and institutions. The report shall include an explanation of the fiscal impact of these costs upon the operations of the State agency, department, or institution.

(2) Any other human resources functions or actions as may be requested by the Director of the Office of State Human Resources in order for the Office to evaluate the efficiency, productivity, and compliance of a State agency, department, or institution with policies, including, but not limited to, the compensation of State employees, voluntary shared-leave programs, equal employment opportunity plans and programs, and work options programs."

PART V. ORGANIZATIONAL AND EMPLOYEE POLICY CHANGES

SECTION 5.1. G.S. 126-7.1 reads as rewritten:

"§ **126-7.1. Posting requirement; State employees receive priority consideration; reduction-in-force; Work First ~~hiring.~~hiring; reorganization through reduction.**

(a) All vacancies for which any State agency, department, or institution openly recruit shall be posted in a place readily accessible to employees within at least the following:

(1) The personnel office of the agency, department, or institution having the vacancy; and

(2) The particular work unit of the agency, department, or institution having the vacancy.

If the decision is made, initially or at any time while the vacancy remains open, to receive applicants from outside the recruiting agency, department, or institution, the vacancy shall also be listed on a website maintained by the Office of State Human Resources for the purpose of informing current State employees and the public of such vacancy. The State agency, department, or institution may not receive approval from the Office of State Human Resources to fill a job vacancy if the agency, department, or institution cannot prove to the satisfaction of the Office of State Human Resources that it complied with these posting requirements. The agency, department, or institution which hires any person in violation of these posting requirements shall pay such person when employment is discontinued as a result of such violation for the work performed during the period of time between his initial employment and separation.

(b) State employees to be affected by a reduction in force shall be notified of the reduction in force as soon as practicable, and in any event, no less than 30 days prior to the effective date of the reduction in force.

(c) The State Human Resources Commission shall adopt rules ~~to provide that~~governing the priority and salary rights of State employees separated from State employment as the result of reductions in force who accept a position in State government to provide that the employee shall be paid a salary no higher than the maximum of the salary grade of the position accepted.

(d) Subsection (a) of this section does not apply to vacancies which must be filled immediately to prevent work stoppage or the protection of the public health, safety, or security.

(e) If a State employee subject to this section:

(1) Applies for another position of State employment that would constitute a promotion; and

(2) Has substantially equal qualifications as an applicant who is not a State employee;

then the State employee shall receive priority consideration over the applicant who is not a State employee. This priority consideration shall not apply when the only applicants considered for the vacancy are current State employees.

(f) If a State employee who has been separated due to reduction in force or who has been given notice of imminent separation due to reduction in force:

(1) Applies for another position of State employment equal to or lower in salary grade than the position held by the employee at the time of notification or separation; and

(2) Has substantially equal qualifications as any other applicant;

then within all State agencies, the State employee who has been notified of or separated due to a reduction in force shall receive priority consideration over all other applicants. This priority shall remain in effect for a period of 12 months from the date the employee receives notification of separation by reduction in force. State employees separated due to reduction in force shall receive higher priority than other applicants with employment or reemployment priorities, except that the reemployment priority created by G.S. 126-5(e)(1) shall be considered as equal.

(f1) If a State employee who has been separated due to reduction in force or who has been given notice of imminent separation due to reduction in force accepts or rejects an offer for a position of State employment that is equal to or higher than the position held or equal to or higher than the salary earned by the employee at the time of separation or notification, then the employee's acceptance or rejection of that offer shall satisfy and terminate the one-time, 12-month priority granted by subsection (f) of this section.

(f2) If a State employee who has been separated due to reduction in force or who has been given notice of imminent separation due to reduction in force and who applies for a position equal to or higher than the position held by the employee at the time of separation or notification, but declines an interview for the position for which the employee applied, then the employee's rejection of an offer of the interview for the position shall satisfy and terminate the

one-time, 12-month priority granted by subsection (f) of this section. The State Human Resources Commission shall adopt a policy to carry out this subsection.

(g) "Qualifications" within the meaning of subsection (e) of this section shall consist of:

(1) Training or education;

(2) Years of experience; and

(3) Other skills, knowledge, and abilities that bear a reasonable functional relationship to the abilities and skills required in the job vacancy applied for.

(h) Each State agency, department, and institution is encouraged to hire into State government employment qualified applicants who are current or former Work First Program participants.

(i) Each State agency, department, institution, university, community college, and local education agency shall verify, in accordance with the Basic Pilot Program administered by the United States Department of Homeland Security pursuant to 8 U.S.C. § 1101, et seq, each individual's legal status or authorization to work in the United States after hiring the individual as an employee to work in the United States.

(j) A department or office listed in G.S. 126-5(d)(1) or (2) may reorganize and restructure its positions through a voluntary separation process, in accordance with a policy approved by the State Human Resources Commission and subject to funding and approval by the Office of State Budget and Management."

SECTION 5.2. G.S. 126-8.1(c) reads as rewritten:

"(c) The ~~Department of Administration~~ Office of State Human Resources may adopt such rules and regulations as are reasonable and necessary to carry out the provisions of this section, with the approval of the Governor."

SECTION 5.3. G.S. 126-14.2 reads as rewritten:

"§ **126-14.2. Political hirings limited.**

(a) It is the policy of this State that State departments, agencies, and institutions select ~~from the pool of~~ the most qualified persons for State government employment based upon job-related qualifications of applicants for employment using fair and valid selection criteria.

(b) All State departments, agencies, and institutions shall select the most qualified person from the pool of ~~the most~~ qualified persons for State government employment without regard to political affiliation or political influence. For the purposes of this section, ~~the "most qualified~~ "qualified persons" shall mean each of the State employees or applicants for initial State employment who:

(1) Have timely applied for a position in State government;

(2) Have the essential qualifications for that position; and

(3) Are determined to be substantially more qualified as compared to other applicants for the position, after applying fair and valid job selection criteria, in accordance with G.S. 126-5(e), G.S. 126-7.1, Articles 6 and 13 of this Chapter, and State personnel policies approved by the State Human Resources Commission.

(c) It is a violation of this section if:

(1) The complaining State employee or applicant for initial State employment timely applied for the State government position in question;

(2) The complaining State employee or applicant for initial State employment was not hired into the position;

(3) The complaining State employee or applicant for initial State employment was among ~~the most~~ qualified persons applying for the position as defined in this Chapter;

(4) The successful applicant for the position was not among ~~the most~~ qualified persons applying for the position; and

(5) The hiring decision was based upon political affiliation or political influence.

(d) The provisions of this section shall not apply to positions exempt from this Chapter, except that this section does apply to exempt managerial positions as defined by G.S. 126-5(b)(2)."

SECTION 5.5. G.S. 126-24 reads as rewritten:

"§ **126-24. Confidential information in personnel files; access to such information.**

All other information contained in a personnel file is confidential and shall not be open for inspection and examination except to the following persons:

(1) The employee, applicant for employment, former employee, or his properly authorized agent, who may examine his own personnel file in its entirety except for (i) letters of reference solicited prior to employment, or (ii) information concerning a medical disability, mental or physical, that a prudent physician would not divulge to a patient. An employee's medical record may be disclosed to a licensed physician designated in writing by the employee;

(2) The supervisor of the employee;

(2a) A potential State or local government supervisor, during the interview process, only with regard to performance management documents;

(3) Members of the General Assembly who may inspect and examine personnel records under the authority of G.S. 120-19;

(4) A party by authority of a proper court order may inspect and examine a particular confidential portion of a State employee's personnel file; and

(5) An official of an agency of the federal government, State government or any political subdivision thereof. Such an official may inspect any personnel records when such inspection is deemed by the department head of the employee whose record is to be inspected or, in the case of an applicant for employment or a former employee, by the department head of the agency in which the record is maintained as necessary and essential to the pursuance of a proper function of said agency; provided, however, that such information shall not be divulged for purposes of assisting in a criminal prosecution, nor for purposes of assisting in a tax investigation.

Notwithstanding any other provision of this Chapter, any department head may, in his discretion, inform any person or corporation of any promotion, demotion, suspension, reinstatement, transfer, separation, dismissal, employment or nonemployment of any applicant, employee or former employee employed by or assigned to his department or whose personnel file is maintained in his department and the reasons therefor and may allow the personnel file of such person or any portion thereof to be inspected and examined by any person or corporation when such department head shall determine that the release of such information or the inspection and examination of such file or portion thereof is essential to maintaining the integrity of such department or to maintaining the level or quality of services provided by such department; provided that prior to releasing such information or making such file or portion thereof available as provided herein, such department head shall prepare a memorandum setting forth the circumstances which the department head deems to require such disclosure and the information to be disclosed. The memorandum shall be retained in the files of said department head and shall be a public record."

PART VI. EFFECTIVE DATE

SECTION 6. Part I of this act becomes effective October 1, 2015, and applies to employees hired before, on or after that date. Part V of this act becomes effective October 1, 2015, and applies to employees separated on or after that date. The remainder of this act is effective when it becomes law.

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

Became law upon approval of the Governor at 4:00 p.m. on the 30th day of September, 2015.

Session Law 2015-261 **H.B. 730**

AN ACT TO CREATE A NEXT GENERATION 911 RESERVE FUND TO IMPLEMENT NEXT GENERATION 911; TO REQUIRE PSAPS TO IMPLEMENT NEXT GENERATION 911; TO AUTHORIZE THE 911 BOARD TO ESTABLISH PURCHASING AGREEMENTS FOR STATEWIDE PROCUREMENT; TO ALLOW THE PSAP GRANT ACCOUNT TO BE USED FOR EXPENSES USED TO ENHANCE 911 SERVICE; TO AMEND THE LIMITATION OF LIABILITY FOR THE 911 SYSTEM; TO UPDATE THE 911 STATUTES TO INCLUDE NEW TECHNOLOGY; AND TO MAKE A TECHNICAL CORRECTION.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 62A-40 reads as rewritten:

"§ **62A-40. Definitions.**

The following definitions apply in this Article.

…

(4a) 911 system provider. – An entity that provides a 911 system to a PSAP.

~~(4a)~~(4b) Back-up PSAP. – The capability to operate as part of the 911 System and all other features of its associated primary PSAP. The term includes a back-up PSAP that receives 911 calls only when they are transferred from the primary PSAP or on an alternate routing basis when calls cannot be completed to the primary PSAP.

…

(14a) Next generation 911 system. – An IP-enabled emergency communications system using Internet Protocol, or any other available technology, to enable the user of a communications service to reach an appropriate PSAP by sending the digits 911 via dialing, text, or short message service (SMS), or any other technological means.

(14b) Next generation 911 system provider. – An entity that provides a next generation or IP-enabled 911 system to a PSAP."

SECTION 1.(b) G.S. 62A-42(a)(1) reads as rewritten:

"(1) To develop the 911 State Plan. In developing and updating the plan, the 911 Board must monitor trends in ~~voice~~ communications service technology utilized for the 911 system and in enhanced 911 service technology, investigate and incorporate GIS mapping and other resources into the plan, ensure individual PSAP plans incorporate a back-up PSAP, and formulate strategies for the efficient and effective delivery of enhanced 911 service."

SECTION 1.(c) G.S. 62A-42(b) reads as rewritten:

"(b) Prohibition. – In no event shall the 911 Board or any other State agency ~~lease,~~ construct, operate, or own a communications network for the purpose of providing 911 service. The 911 Board may pay private sector vendors for provisioning a communications network for the purpose of providing citizens access to 911 ~~service.~~services and completing call-taking processes through one or more PSAPs."

SECTION 1.(d) G.S. 62A-44 reads as rewritten:

"§ **62A-44. 911 Fund.**

(a) Fund. – The 911 Fund is created as an interest-bearing special revenue fund within the State treasury. The 911 Board administers the Fund. The 911 Board must credit to the 911 Fund all revenues remitted to it from the service charge imposed by G.S. 62A-43 on ~~voice~~ communications service connections in the State. Revenue in the Fund may only be used as provided in this Article.

(b) Allocation of Revenues. – The 911 Board may deduct and retain for its administrative expenses a percentage of the total service charges remitted to it under G.S. 62A-43 for deposit in the 911 Fund. The percentage may not exceed two percent (2%). The percentage is one percent (1%) unless the 911 Board sets the percentage at a different amount. The 911 Board must monitor the amount of funds required to meet its financial commitment to provide technical assistance to primary PSAPs and set the rate at an amount that enables the 911 Board to meet this commitment. The 911 Board must allocate ten percent (10%) of the total service charges to the Next Generation 911 Reserve Fund to be administered as provided in G.S. 62A-47. The remaining revenues remitted to the 911 Board for deposit in the 911 Fund are allocated as follows:

(1) A percentage of the funds remitted by CMRS providers, other than the funds remitted by the Department of Revenue from prepaid wireless telecommunications service, to the 911 Fund are allocated for reimbursements to CMRS providers pursuant to G.S. 62A-45.

(2) A percentage of the funds remitted by CMRS providers, all funds remitted by the Department of Revenue from prepaid wireless telecommunications service, and all funds remitted by all other ~~voice~~ communications service providers are allocated for monthly distributions to primary PSAPs pursuant to G.S. 62A-46 and grants to PSAPs pursuant to G.S. 62A-47.

(3) The percentage of the funds remitted by CMRS providers allocated to CMRS providers and PSAPs shall be set by the 911 Board and may be adjusted by the 911 Board as necessary to ensure full cost recovery for CMRS providers and, to the extent there are excess funds, for distributions to primary PSAPs.

…."

SECTION 1.(e) G.S. 62A-46(a)(3) is amended by adding a new sub-subdivision to read:

"e1. Any expenditure authorized by the 911 Board for statewide 911 projects or the next generation 911 system."

SECTION 1.(f) G.S. 62A-47 reads as rewritten:

"§ **62A-47. PSAP Grant and Statewide 911 Projects ~~Account.~~Account; Next Generation 911 Reserve Fund.**

(a) Account and Fund Established. – A PSAP Grant and Statewide 911 Projects Account is established within the 911 Fund for the purpose of making grants to PSAPs in rural and other high-cost areas and funding projects that provide statewide benefits for 911 service. The PSAP Grant and Statewide 911 Projects Account consists of revenue allocated by the 911 Board under G.S. 62A-45(c) and G.S. 62A-46. The Next Generation 911 Reserve Fund is established as a special fund for the purpose of funding the implementation of the next generation 911 systems as approved by the 911 Board.

(b) PSAP Grant and Statewide 911 Projects Grant Application. – A PSAP may apply to the 911 Board for a grant from the PSAP Grant and Statewide 911 Projects Account. An application must be submitted in the manner prescribed by the 911 Board. The 911 Board may approve a grant application and enter into a grant agreement with a PSAP if it determines all of the following:

(1) The costs estimated in the application are reasonable and have been or will be incurred for the purpose of promoting a cost-effective and efficient 911 system.

(2) The expenses to be incurred by the applicant are consistent with the 911 State Plan.

(3) There are sufficient funds available in the fiscal year in which the grant funds will be distributed.

(4) The costs ~~are authorized PSAP costs under G.S. 62A-46(c), or the costs are~~ for consolidating one or more PSAPs with a primary PSAP, ~~or~~ the relocation

costs of primary PSAPs, or capital expenditures that enhance the 911 system, including costs not authorized under G.S. 62A-46(c) and construction costs.

(c) PSAP Grant and Statewide 911 Projects Grant Agreement. – A ~~grant~~PSAP Grant and Statewide 911 Projects agreement between the 911 Board and a PSAP must include the purpose of the grant, the time frame for implementing the project or program funded by the grant, the amount of the grant, and a provision for repaying grant funds if the PSAP fails to comply with any of the terms of the grant. The amount of the grant may vary among grantees. If the grant is intended to promote the deployment of enhanced 911 service in a rural area of the State, the grant agreement must specify how the funds will assist with this goal. The 911 Board must publish one or more notices each fiscal year advertising the availability of grants from the PSAP Grant and Statewide 911 Projects Account and detailing the application process, including the deadline for submitting applications, any required documents specifying costs, either incurred or anticipated, and evidence demonstrating the need for the grant. Any grant funds awarded to PSAPs under this section are in addition to any funds reimbursed under G.S. 62A-46.

(d) Statewide 911 Projects. – The 911 Board may use funds from the PSAP Grant and Statewide 911 Projects Account and funds from the Next Generation 911 Reserve Fund for a statewide project if the Board determines the project meets all of the following requirements:

(1) The project is consistent with the 911 plan.

(2) The project is cost-effective and efficient when compared to the aggregated costs incurred by primary PSAPs for implementing individual projects.

(3) The project is an eligible expense under G.S. 62A-46(c).

(4) The project will have statewide benefit for 911 service.

(e) Next Generation 911 Fund. – The 911 Board may use funds from the Next Generation 911 Fund to fund the implementation of next generation 911 systems. Notwithstanding Article 8 of Chapter 143C of the General Statutes, the 911 Board may expend funds from the Next Generation 911 Fund to provide for a single data network to serve PSAPs. The 911 Board may provide funds directly to PSAPs to implement next generation 911 systems. By October 1 of each year, the 911 Board must report to the Joint Legislative Commission on Governmental Operations on the expenditures from the Next Generation 911 Fund for the prior fiscal year and on the planned expenditures from the Fund for the current fiscal year."

SECTION 2. G.S. 62A-42(a)(4) reads as rewritten:

"(4) To establish cooperative purchasing agreements or other contracts for the procurement of goods and services, to establish policies and procedures to fund advisory services and training for PSAPs, to set operating standards for PSAPs and back-up PSAPs, and to provide funds in accordance with these policies, procedures, and standards."

SECTION 3. G.S. 62A-53 reads as rewritten:

"§ **62A-53. Limitation of liability.**

(a) Except in cases of wanton or willful misconduct, a ~~voice~~ communications service ~~provider~~ provider, and a 911 system provider or next generation 911 system provider, and ~~its~~ their employees, directors, officers, vendors, and agents are not liable for any damages in a civil action resulting from death or injury to any person or from damage to property incurred by any person in connection with developing, adopting, implementing, maintaining, or operating the 911 system or in complying with emergency-related information requests from State or local government officials. This section does not apply to actions arising out of the operation or ownership of a motor vehicle. The acts and omissions described in this section include, but are not limited to, the following:

(1) The release of subscriber information related to emergency calls or emergency services.

(2) The use or provision of 911 service, E911 service, or next generation 911 service.

(3) Other matters related to 911 service, E911 service, or next generation 911 service.

(b) In any civil action by a user of 911 services or next generation 911 services arising from an act or an omission by a PSAP, and the officers, directors, employees, vendors, agents, and authorizing government entity of the PSAP, in the performance of any lawful and prescribed actions pertaining to their assigned job duties as a 911 or public safety telecommunicator or dispatcher at a PSAP or at any public safety agency to which 911 calls are transferred from a primary PSAP for dispatch of appropriate public safety agencies, the plaintiff's burden of proof shall be by clear and convincing evidence."

SECTION 4.(a) G.S. 62A-40 reads as rewritten:

"§ **62A-40. Definitions.**

The following definitions apply in this Article.

…

(4) 911 system. – An emergency ~~telephone~~ communications system using any available technology that does all of the following:

a. Enables the user of a ~~voice~~ communications service connection to reach a PSAP by dialing the digits 911.

b. Provides enhanced 911 service.

…

(6a) Communications service. – Any of the following:

a. The transmission, conveyance, or routing of real-time communications to a point or between or among points by or through any electronic, radio, satellite, cable, optical, microwave, wireline, wireless, Internet protocol, or other medium or method, regardless of the protocol used.

b. The ability to receive and terminate voice calls, messages, videos, data, or other forms of communication to, from, and between the public switched telephone network, wireless networks, IP-enabled networks, or any other communications network.

c. Interconnected VoIP service.

(6b) Communications service connection. – Each telephone number or trunk assigned to a residential or commercial subscriber by a communications service provider, without regard to technology deployed.

(6c) Communications service provider. – An entity that provides communications service to a subscriber.

…

(17) Proprietary information. – Subscriber lists, technology descriptions, technical information, or trade secrets that are developed, produced, or received internally by a ~~voice~~ communications service provider or by a ~~voice~~ communications service provider's employees, directors, officers, or agents.

…

(20) Subscriber. – A person who purchases a ~~voice~~ communications service and is able to receive it or use it periodically over time.

(21) Voice communications service. – Any of the following:

a. The transmission, conveyance, or routing of real-time, two-way voice communications to a point or between or among points by or through any electronic, radio, satellite, cable, optical, microwave, wireline, wireless, or other medium or method, regardless of the protocol used.

b. The ability to receive and terminate voice calls to and from the public switched telephone network.

c. Interconnected VoIP service.

~~(22) Voice communications service connection. – Each telephone number assigned to a residential or commercial subscriber by a voice communications service provider, without regard to technology deployed.~~

~~(23) Voice communications service provider. – An entity that provides voice communications service to a subscriber.~~

…."

SECTION 4.(b) G.S. 62A-42(a)(8) reads as rewritten:

"(8) To undertake its duties in a manner that is competitively and technologically neutral as to all ~~voice~~ communications service providers."

SECTION 4.(c) G.S. 62A-43 reads as rewritten:

"§ **62A-43. Service charge for 911 service.**

(a) Charge Imposed. – A monthly 911 service charge is imposed on each active ~~voice~~ communications service connection that ~~is capable of accessing~~provides access to the 911 ~~system.~~system through a voice communications service. The service charge for service other than prepaid wireless telecommunications service is seventy cents (70¢) or a lower amount set by the 911 Board under subsection (d) of this section. The service charge is payable by the subscriber to the ~~voice communications service provider.~~provider of the voice communications service. The provider may list the service charge separately from other charges on the bill. Partial payments made by a subscriber are applied first to the amount the subscriber owes the provider for the voice communications service.

…

(c) Remittance to 911 Board. – A ~~voice~~ communications service provider must remit the service charges collected by it under subsection (a) of this section to the 911 Board. The provider must remit the collected service charges by the end of the calendar month following the month the provider received the charges from its subscribers. A provider may deduct and retain from the service charges it receives from its subscribers and remits to the 911 Board an administrative allowance equal to the greater of one percent (1%) of the amount of service charges remitted or fifty dollars ($50.00) a month.

(d) Adjustment of Charge. – The 911 Board must monitor the revenues generated by the service charges imposed by this section. If the 911 Board determines that the rates produce revenue that exceeds or is less than the amount needed, the 911 Board may adjust the rates. The rates must ensure full cost recovery for ~~voice~~ communications service providers and for primary PSAPs over a reasonable period of time. The 911 Board must set the service charge for prepaid wireless telecommunications service at the same rate as the monthly service charge for nonprepaid service. A change in the rate becomes effective only on July 1. The 911 Board must notify providers of a change in the rates at least 90 days before the change becomes effective. The 911 Board must notify the Department of Revenue of a change in the rate for prepaid wireless telecommunications service at least 90 days before the change becomes effective. The Department of Revenue must provide notice of a change in the rate for prepaid wireless telecommunications service at least 45 days before the change becomes effective only on the Department's Web site.

(e) Collection. – A ~~voice~~ communications service provider has no obligation to take any legal action to enforce the collection of the service charge billed to a subscriber. The 911 Board may initiate a collection action, and reasonable costs and attorneys' fees associated with that collection action may be assessed against the subscriber. At the request of the 911 Board, but no more than annually, a ~~voice~~ communications service provider must report to the 911 Board the amount of the provider's uncollected service charges. The 911 Board may request, to the extent permitted by federal privacy laws, the name, address, and telephone number of a subscriber who refuses to pay the 911 service charge.

…."

SECTION 4.(d) G.S. 62A-44(b)(2) reads as rewritten:

"(2) A percentage of the funds remitted by CMRS providers, all funds remitted by the Department of Revenue from prepaid wireless telecommunications service, and all funds remitted by all other ~~voice~~ communications service providers are allocated for monthly distributions to primary PSAPs pursuant to G.S. 62A-46 and grants to PSAPs pursuant to G.S. 62A-47."

SECTION 4.(e) G.S. 62A-46(c)(3) reads as rewritten:

"(3) Charges associated with the service supplier's 911 service and other service supplier recurring charges. The PSAP providing 911 service is responsible to the ~~voice~~ communications service provider for all 911 installation, service, equipment, operation, and maintenance charges owed to the ~~voice~~ communications service provider. A PSAP may contract with a ~~voice~~ communications service provider on terms agreed to by the PSAP and the provider."

SECTION 4.(f) G.S. 62A-48 reads as rewritten:

"§ **62A-48. Recovery of unauthorized use of funds.**

The 911 Board must give written notice of violation to any ~~voice~~ communications service provider or PSAP found by the 911 Board to be using monies from the 911 Fund for purposes not authorized by this Article. Upon receipt of notice, the ~~voice~~ communications service provider or PSAP must cease making any unauthorized expenditures. The ~~voice~~ communications service provider or PSAP may petition the 911 Board for a hearing on the question of whether the expenditures were unauthorized, and the 911 Board must grant the request within a reasonable period of time. If, after the hearing, the 911 Board concludes the expenditures were in fact unauthorized, the 911 Board may require the ~~voice~~ communications service provider or PSAP to refund the monies improperly spent within 90 days. Money received under this section must be credited to the 911 Fund. If a ~~voice~~ communications service provider or PSAP does not cease making unauthorized expenditures or refuses to refund improperly spent money, the 911 Board must suspend funding to the provider or PSAP until corrective action is taken."

SECTION 4.(g) G.S. 62A-51 reads as rewritten:

"§ **62A-51. Subscriber records.**

Each CMRS provider must provide its 10,000 number groups to a PSAP upon request. This information remains the property of the disclosing CMRS provider and must be used only in providing emergency response services to 911 calls. CMRS ~~voice~~ communications service provider connection information obtained by PSAP personnel for public safety purposes is not public information under Chapter 132 of the General Statutes. No person may disclose or use, for any purpose other than the 911 system, information contained in the database of the telephone network portion of a 911 system."

SECTION 4.(h) G.S. 62A-52 reads as rewritten:

"§ **62A-52. Proprietary information.**

All proprietary information submitted to the 911 Board or the State Auditor is confidential. Proprietary information submitted pursuant to this Article is not subject to disclosure under Chapter 132 of the General Statutes, and it may not be released to any person other than to the submitting ~~CMRS voice~~ communications service provider, the 911 Board, and the State Auditor without the express permission of the submitting ~~CMRS voice~~ communications service provider. Proprietary information is considered a trade secret under the Trade Secrets Protection Act, Article 24 of Chapter 66 of the General Statutes. General information collected by the 911 Board or the State Auditor may be released or published only in aggregate amounts that do not identify or allow identification of numbers of subscribers or revenues attributable to an individual ~~CMRS voice~~ communications service provider."

SECTION 5.(a) If House Bill 117, 2015 Regular Session of the General Assembly is enacted, G.S. 105-164.13(65), as enacted by Section 6(b) of House Bill 117, 2015 Regular Session of the General Assembly, reads as rewritten:

"(65) The ~~sale~~ sale, lease, or rental of an engine ~~provided with an operator~~ to a professional motorsports racing team or a related member of a team for use in competition in a sanctioned race series. For purposes of this subdivision, the term "sale" includes gross receipts derived from an agreement to provide an engine to a professional motorsports racing team or related member of a team for use in competition in a sanctioned race series, where such agreement does not meet the definition of a "service contract" as defined in G.S. 105-164.3 but may meet the definition of the term "lease or rental" as defined in G.S. 105-164.3. This subdivision expires January 1, 2020."

SECTION 5.(b) G.S. 105-164.13 is amended by adding a new subdivision to read:

"(65a) An engine or a part to build or rebuild an engine for the purpose of providing an engine under an agreement to a professional motorsports racing team or a related member of a team for use in competition in a sanctioned race series. This subdivision expires January 1, 2020."

SECTION 6. Sections 1 through 4 of this act become effective January 1, 2016. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of September, 2015.

Became law upon approval of the Governor at 4:00 p.m. on the 30th day of September, 2015.

Session Law 2015-262 **H.B. 912**

AN ACT TO EXEMPT REAL AND PERSONAL PROPERTY LOCATED ON TRIBAL LANDS FROM PROPERTY TAX REGARDLESS OF OWNERSHIP AND TO AUTHORIZE THE DEPARTMENT OF REVENUE TO ENTER INTO AN AGREEMENT WITH THE EASTERN BAND OF CHEROKEE INDIANS REGARDING THE TAXATION OF TOBACCO PRODUCTS, AND TO AMEND THE REQUIREMENTS FOR DISTILLERY PERMIT HOLDERS TO SELL SPIRITUOUS LIQUOR DISTILLED ON PREMISES TO VISITORS OF THE DISTILLERY.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 105-275 is amended by adding a new subdivision to read:

"§ **105-275. Property classified and excluded from the tax base.**

The following classes of property are designated special classes under Article V, Sec. 2(2), of the North Carolina Constitution and are excluded from tax:

…

(48) Real and personal property located on lands held in trust by the United States for the Eastern Band of Cherokee Indians, regardless of ownership."

SECTION 1.(b) Article 1 of Chapter 1E is amended by adding a new section to read:

"**§ 1E-2. County services.**

A county is not compelled to provide services on lands held in trust by the United States for the Eastern Band of Cherokee Indians unless there is an agreement between the Eastern Band of Cherokee Indians and the county describing each party's responsibilities and any compensation for services provided. The agreement must be approved by the Tribal Council of the Eastern Band of Cherokee Indians and signed by the Principal Chief of the Eastern Band of Cherokee Indians on behalf of the Eastern Band of Cherokee Indians and must be signed by the chair of the board of county commissioners on behalf of the county. The agreement may be effective for a definite period of time or an indefinite period of time, as specified in the agreement."

SECTION 1.(c) This section is effective July 1, 2016, and subsection (a) of this section applies to for taxes imposed for taxable years beginning on or after July 1, 2016.

SECTION 2. The Department of Revenue may enter into an agreement with the Eastern Band of Cherokee Indians in regards to the excise tax on tobacco products administered under Article 2A of Chapter 105 of the General Statutes. The agreement must be approved by the Tribal Council of the Eastern Band of Cherokee Indians and signed by the Principal Chief of the Eastern Band of Cherokee Indians on behalf of the Eastern Band of Cherokee Indians and must be signed by the Secretary of Revenue on behalf of the Department of Revenue. The agreement may be effective for a definite period of time or an indefinite period, as specified in the agreement.

SECTION 3.(a) G.S. 18B-1105(a)(4), as amended by S.L. 2015-98, reads as rewritten:

"(4) Sell spirituous liquor distilled at the distillery in closed containers to visitors who tour the distillery for consumption off the ~~premises if the distillery manufactures less than 100,000 proof gallons per year.~~ premises. Sales under this subdivision are allowed only in a county where the establishment of a county or municipal ABC store has been approved pursuant to G.S. 18B 602(g) and are subject to the time and day restrictions in G.S. 18B 802. Spirituous liquor sold under this subdivision shall (i) be listed as a code item for sale in the State, (ii) be sold at the price set by the Commission for the code item pursuant to G.S. 18B 804(b), and (iii) have affixed to its bottle a sticker that bears the words "North Carolina Distillery Tour Commemorative Spirit" in addition to any other labeling requirements set by law. Consumers purchasing spirituous liquor under this subdivision are limited to purchasing, and the selling distillery is limited to selling to each consumer, no more than one bottle of spirituous liquor per 12 month period. The distillery shall use a commonly adopted standard point of sale system to maintain searchable electronic records captured at the point of sale, to include the purchaser's name, drivers license number, and date of birth for at least 12 months from the date of purchase. The Commission shall adopt rules regulating the retail sale of spirituous liquor under this subdivision."

SECTION 3.(b) G.S. 18B-804 is amended by adding a new subsection to read:

"(b1) Price of Spirituous Liquor Sold at Distillery. – When the holder of a distillery permit sells spirituous liquor distilled at the distillery pursuant to G.S. 18B-1105(a)(4), the retail price of the spirituous liquor shall be the uniform State price set by subsection (a) of this section. However, the holder of the distillery permit shall not be required to remit the components of the price set forth by subdivisions (2), (3), (5), (6), (6a), (6b), and (7) of subsection (b) of this section."

SECTION 4. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of September, 2015.

Became law upon approval of the Governor at 4:00 p.m. on the 30th day of September, 2015.

Session Law 2015-263 **S.B. 513**

AN ACT TO PROVIDE REGULATORY RELIEF TO THE AGRICULTURAL COMMUNITY OF NORTH CAROLINA BY PROVIDING FOR VARIOUS TRANSPORTATION AND ENVIRONMENTAL REFORMS AND BY MAKING VARIOUS OTHER STATUTORY CHANGES.

The General Assembly of North Carolina enacts:

REVISE HORSE INDUSTRY PROMOTION ACT TO INCREASE CAPS ON DURATION AND AMOUNT OF AN ASSESSMENT

SECTION 1. G.S. 106-823 reads as rewritten:

"§ **106-823. Referendum.**

(a) The Council may conduct a referendum among horse owners upon the question of whether an assessment shall be levied consistent with this Article.

(b) The Council shall determine all of the following:

(1) The amount of the proposed assessment, not to exceed ~~two dollars ($2.00)~~four dollars ($4.00) per ton of commercial horse feed.

(2) The period for which the assessment shall be levied, not to exceed ~~three~~10 years.

(3) The time and place of the referendum.

(4) Procedures for conducting the referendum and counting votes.

(5) Any other matters pertaining to the referendum.

…."

CONFORM COMPENSATION PAID TO AN H-2A AGRICULTURAL WORKER TO FEDERAL WAGE WITHHOLDING STANDARDS

SECTION 2.(a) G.S. 105-163.3(b) reads as rewritten:

"(b) Exemptions. – The withholding requirement does not apply to the following:

(1) Compensation that is subject to the withholding requirement of G.S. 105-163.2.

(2) Compensation paid to an ordained or licensed member of the clergy.

(3) Compensation paid to an entity exempt from tax under G.S. 105-130.11.

(4) Compensation paid to an alien, as described by 8 U.S.C. § 1101(a)(15)(H)(ii)(a), that is not subject to federal income tax withholding under section 1441 of the Code."

SECTION 2.(b) This section is effective for taxable years beginning on or after January 1, 2015.

ESTABLISH POLICY SUPPORTING SOUND SCIENCE IN AGRICULTURE

SECTION 3. Article 1 of Chapter 106 of the General Statutes is amended by adding a new section to read:

"**§ 106-26.3. Declaration of policy supporting sound science in agriculture.**

The General Assembly hereby finds and declares that it shall be the policy of this State to support and promote sound science in agriculture. For purposes of this section, "sound science in agriculture" means the use of science-based agricultural practices, technologies, or biological systems supported by research or otherwise demonstrated to lead to broad outcomes-based improvements, including such critical outcomes as increasing agricultural productivity and improving human health through access to safe, nutritious, affordable food and other agricultural products, including organically produced foods and products, while enhancing agricultural and surrounding environmental conditions through the stewardship of water, soil, air quality, biodiversity, and wildlife habitat. Further, the General Assembly finds and declares that it is in the interest of the people of this State to use sound science in agriculture to meet the needs of the present and to improve the ability of future generations to meet their own needs, while advancing progress toward environmental and economic goals and the well-being of agricultural producers and rural communities."

MODIFY OVERSIZE VEHICLE PERMIT TIME RESTRICTIONS

SECTION 4.(a) 19A NCAC 02D .0607 (Permits-Weight, Dimensions and Limitations). – Until the effective date of the revised permanent rule that the Department of Transportation is required to adopt pursuant to Section 4(d) of this act, the Department shall implement 19A NCAC 02D .0607 (Permits-Weight, Dimensions and Limitations) as provided in subsections (b) and (c) of this section.

SECTION 4.(b) Implementation. – Notwithstanding subdivision (h)(1) of 19A NCAC 02D .0607 (Permits-Weight, Dimensions and Limitations), the Secretary of

Transportation shall allow movement of a permitted oversize vehicle between sunrise and sunset Monday through Sunday. However, a 16-foot-wide mobile or modular home unit with a maximum three-inch gutter edge is restricted to travel from 9:00 A.M. to 2:30 P.M. Monday through Sunday. A 16-foot-wide unit is authorized to continue operation after 2:30 P.M., but not beyond sunset, when traveling on an approved route as determined by an engineering study and the unit is being exported out-of-state.

SECTION 4.(c) Implementation. – Notwithstanding subdivision (h)(2) of 19A NCAC 02D .0607 (Permits-Weight, Dimensions and Limitations), the Secretary of Transportation shall only prohibit movement of a permitted oversize vehicle and vehicle combination after noon on the weekday preceding the three holidays of Independence Day, Thanksgiving Day, and Christmas Day until noon on the weekday following a holiday. If the observed holiday falls on the weekend, travel is restricted from noon on the preceding Friday until noon on the following Monday.

SECTION 4.(d) Additional Rule-Making Authority. – The Department of Transportation shall adopt rules to amend 19A NCAC 02D .0607 (Permits-Weight, Dimensions and Limitations) consistent with subsections (b) and (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Department pursuant to this section shall be substantively identical to the provisions of subsections (b) and (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 4.(e) Effective Date. – Subsections (b) and (c) of this section expire on the date that rules adopted pursuant to subsection (d) of this act become effective.

ALLOW OVERSIZE TRANSPORTATION OF HAY BALES

SECTION 5. G.S. 20-116 is amended by adding a new subsection to read:

"§ **20-116. Size of vehicles and loads.**

…

(o) Any vehicle carrying baled hay from place to place on the same farm, from one farm to another, from farm to market, or from market to farm that does not exceed 12 feet in width may be operated on the highways of this State. Vehicles carrying baled hay that exceed 10 feet in width may only be operated under the following conditions:

(1) The vehicle may only be operated during daylight hours.

(2) The vehicle shall display a red flag or a flashing warning light on both the rear and front ends. The flags or lights shall be attached to the equipment as to be visible from both directions at all times while being operated on the public highway for not less than 300 feet."

AMEND RIGHT-OF-CENTER REQUIREMENTS FOR CERTAIN AGRICULTURAL VEHICLES

SECTION 6.(a) G.S. 20-116(j) reads as rewritten:

"(j) Nothing in this section shall be construed to prevent the operation of self-propelled grain combines or other self-propelled farm equipment with or without implements, not exceeding 25 feet in width on any highway, unless the operation violates a provision of this subsection. Farm equipment includes a vehicle that is designed exclusively to transport compressed seed cotton from a farm to a gin and has a self-loading bed. Combines or equipment which exceed 10 feet in width may be operated only if they meet all of the conditions listed in this subsection. A violation of one or more of these conditions does not constitute negligence per se.

(1) The equipment may only be operated during daylight hours.

(2) The equipment must display a red flag on front and rear ends or a flashing warning light. The flags or lights shall be attached to the equipment as to be

visible from both directions at all times while being operated on the public highway for not less than 300 feet.

(3) Equipment covered by this section, which by necessity must travel more than 10 miles or where by nature of the terrain or obstacles the flags or lights referred to in subdivision (2) of this subsection are not visible from both directions for 300 feet at any point along the proposed route, must be preceded at a distance of 300 feet and followed at a distance of 300 feet by a flagman in a vehicle having mounted thereon an appropriate warning light or flag. No flagman in a vehicle shall be required pursuant to this subdivision if the equipment is being moved under its own power or on a trailer from any field to another field, or from the normal place of storage of the vehicle to any field, for no more than ten miles and if visible from both directions for 300 feet at any point along the proposed route.

(4) Every piece of equipment so operated shall operate to the right of the center line ~~when meeting traffic coming from the opposite direction and at all other times when possible and practical.~~unless the combined width of the traveling lane and the accessible shoulder is less than the width of the equipment.

…."

SECTION 6.(b) G.S. 20-146 is amended by adding a new subsection to read:

"§ **20-146. Drive on right side of highway; exceptions.**

(a) Upon all highways of sufficient width a vehicle shall be driven upon the right half of the highway except as follows:

(1) When overtaking and passing another vehicle proceeding in the same direction under the rules governing such movement;

(2) When an obstruction exists making it necessary to drive to the left of the center of the highway; provided, any person so doing shall yield the right-of-way to all vehicles traveling in the proper direction upon the unobstructed portion of the highway within such distance as to constitute an immediate hazard;

(3) Upon a highway divided into three marked lanes for traffic under the rules applicable thereon; or

(4) Upon a highway designated and signposted for one-way traffic.

(a1) Self-propelled grain combines or other self-propelled farm equipment shall be operated to the right of the centerline except as provided in G.S. 20-116(j)(4).

(b) Upon all highways any vehicle proceeding at less than the legal maximum speed limit shall be driven in the right-hand lane then available for thru traffic, or as close as practicable to the right-hand curb or edge of the highway, except when overtaking and passing another vehicle proceeding in the same direction or when preparing for a left turn.

…."

AMEND DEFINITION OF "AGRICULTURAL SPREADER VEHICLE," INCREASE SPEED LIMIT FOR AGRICULTURAL SPREADER VEHICLES

SECTION 7. G.S. 20-51 reads as rewritten:

"§ **20-51. Exempt from registration.**

The following shall be exempt from the requirement of registration and certificate of title:

…

(16) A vehicle that meets all of the following conditions is exempt from the requirement of registration and certificate of title. The provisions of G.S. 105-449.117 continue to apply to the vehicle and to the person in whose name the vehicle would be registered.

a. Is an agricultural spreader vehicle. An "agricultural spreader vehicle" is a vehicle that is designed for off-highway use on a farm to spread

feed, fertilizer, seed, lime, or other agricultural ~~products on a field.~~products.

b. Is driven on the highway only for the purpose of going from the location of its supply source for fertilizer or other products to and from a farm.

c. Does not exceed a speed of ~~35~~45 miles per hour.

d. Does not drive outside a radius of 50 miles from the location of its supply source for fertilizer and other products.

e. Is driven by a person who has a license appropriate for the class of the vehicle.

f. Is insured under a motor vehicle liability policy in the amount required under G.S. 20-309.

g. Displays a valid federal safety inspection decal if the vehicle has a gross vehicle weight rating of at least 10,001 pounds.

…."

ALLOW ALL-TERRAIN VEHICLES AND UTILITY VEHICLES USED FOR AGRICULTURAL PURPOSES TO OPERATE ON PUBLIC ROADS

SECTION 8. G.S. 20-171.22 reads as rewritten:

"§ **20-171.22. Exceptions.**

(a) The provisions of this Part do not apply to any owner, operator, lessor, or renter of a farm or ranch, or that person's employees or immediate family or household members, when operating an all-terrain vehicle while engaged in farming operations.

(a1) Any person may operate an all-terrain vehicle or utility vehicle on a public street or highway while engaged in farming operations.

(b) The provisions of this Part do not apply to any person using an all-terrain vehicle for hunting or trapping purposes if the person is otherwise lawfully engaged in those activities.

(c) The provisions of G.S. 20-171.19(a1) do not apply to any person 16 years of age or older if the person is otherwise lawfully using the all-terrain vehicle on any ocean beach area where such vehicles are allowed by law. As used in this subsection, "ocean beach area" means the area adjacent to the ocean and ocean inlets that is subject to public trust rights. Natural indicators of the landward extent of the ocean beaches include, but are not limited to, the first line of stable, natural vegetation; the toe of the frontal dune; and the storm trash line."

CLARIFY THE ROAD WEIGHT LIMITATION EXCEPTIONS FOR TRANSPORTATION OF AGRICULTURAL PRODUCTS AND SUPPLIES

SECTION 9.(a) G.S. 20-118(c)(12) reads as rewritten:

"(12) Subsections (b) and (e) of this section do not apply to a vehicle or vehicle combination that meets all of the conditions set out below:

a. Is transporting any of the following items within 150 miles of the point of origination:

1. ~~Agriculture~~ Agriculture, dairy, and crop products transported from a farm or holding facility to a processing ~~plant~~ plant, feed mill, or market.

2. Water, fertilizer, pesticides, seeds, fuel, or animal waste transported to or from a ~~farm by a farm vehicle as defined in G.S. 20-37.16(e)(3).~~farm.

3. Meats, livestock, or live poultry transported from the farm where they were raised to a processing plant or market.

3a. Feed or feed ingredients that ~~is~~ are used in the feeding of poultry or livestock and transported from a storage facility, holding facility, or mill to a farm.

4. Forest products originating and transported from a farm or woodlands to market with delay interruption or delay for further packaging or processing after initiating transport.
5. Wood residuals, including wood chips, sawdust, mulch, or tree bark from any site.
6. Raw logs to market.
7. Trees grown as Christmas trees from field, farm, stand, or grove to a processing point.

…."

SECTION 9.(b) This section becomes effective October 1, 2015.

ESTABLISH MARKING AND NOTICE REQUIREMENTS FOR METEOROLOGICAL TOWERS

SECTION 10.(a) Chapter 63 of the General Statutes is amended by adding a new Article to read:

"Article 11.

"Marking and Notice of Meteorological Towers.

"**§ 63-110. Marking of meteorological towers.**

(a) As used in this Article, the term:

(1) "Height" means the distance from the base of a tower to the highest point of the tower.

(2) "Meteorological tower" means a structure that is either self-standing or supported by guy wires and ground anchors and has guy wires and accessory facilities on which equipment used to measure wind speed and direction is mounted. "Meteorological tower" does not include a structure that is affixed or located adjacent to a building, house, or barn.

(b) Except as required by federal law, rule, or regulation, any meteorological tower over 50 feet in height shall be marked and painted or otherwise constructed to be visible in clear air during daylight hours from a distance of not less than 2,000 feet. Meteorological towers shall also comply with the following additional requirements:

(1) A meteorological tower shall be painted in equal alternating bands of aviation orange and white, beginning with orange at the top of the tower.

(2) One marker ball shall be attached to the top third of each outside guy wire.

(3) Guy wires shall have a seven-foot-long safety sleeve at each anchor point that extends from the anchor point along each guy wire attached to the anchor point.

"**§ 63-111. Registration; notification; tower database; penalty.**

(a) The Department of Transportation shall adopt rules requiring any person proposing to construct a meteorological tower to register with the Department. The person proposing to construct the tower shall notify the Department of the proposal, the location and height of the proposed tower, and any other information the Department may require to ensure aviation safety and shall pay a registration fee of three hundred fifty dollars ($350.00). The rules shall require the owner of a meteorological tower to notify the Department upon removal or destruction of a tower.

(b) The Department of Transportation shall establish and maintain an electronic database that contains the location of all meteorological towers in the State by January 1, 2017. The Department may contract with a governmental entity or private entity to create and maintain the database. The Department shall make the contents of the database available on its Web site.

"**§ 63-112. Penalties.**

The Secretary of Transportation may assess a civil penalty of not more than ten thousand dollars ($10,000) per violation against any person who violates any provision of this Article."

SECTION 10.(b) This section becomes effective January 1, 2017, and applies to meteorological towers erected on or after that date.

ALLOW SHELLFISH CULTIVATION LEASES IN AREAS CONTAINING SUBMERGED AQUATIC VEGETATION

SECTION 11.(a) G.S. 113-202(b) reads as rewritten:

"(b) The Secretary may delete any part of an area proposed for lease or may condition a lease to protect the public interest with respect to the factors enumerated in subsection (a) of this section. The Secretary may not grant a new lease in an area heavily used for recreational purposes. Except as prohibited by federal law, the Secretary shall not exclude any area from leasing solely on the basis that the area contains submerged aquatic vegetation and shall make specific findings based on the standards set forth in subsection (a) of this section prior to reaching a decision not to grant or renew a lease for shellfish cultivation for any area containing submerged aquatic vegetation."

SECTION 11.(b) This section becomes effective October 1, 2015, and applies to any new shellfish cultivation leases or renewals of existing shellfish cultivation leases issued on or after that date.

PRESENT-USE VALUE MODIFICATIONS

SECTION 12.(a) G.S. 105-277.2 reads as rewritten:

"§ **105-277.2. Agricultural, horticultural, and forestland – Definitions.**

The following definitions apply in G.S. 105-277.3 through G.S. 105-277.7:

(1) Agricultural land. – Land that is a part of a farm unit that is actively engaged in the commercial production or growing of crops, plants, or animals under a sound management program. For purposes of this definition, the commercial production or growing of animals includes the rearing, feeding, training, caring, and managing of horses. Agricultural land includes woodland and wasteland that is a part of the farm unit, but the woodland and wasteland included in the unit must be appraised under the use-value schedules as woodland or wasteland. A farm unit may consist of more than one tract of agricultural land, but at least one of the tracts must meet the requirements in G.S. 105-277.3(a)(1), and each tract must be under a sound management program. If the agricultural land includes less than 20 acres of woodland, then the woodland portion is not required to be under a sound management program. Also, woodland is not required to be under a sound management program if it is determined that the highest and best use of the woodland is to diminish wind erosion of adjacent agricultural land, protect water quality of adjacent agricultural land, or serve as buffers for adjacent livestock or poultry operations.

…

(4) Individually owned. – Owned by one of the following:

a. An individual.

b. A business entity that meets all of the following conditions:

1. Its principal business is farming agricultural land, horticultural land, or forestland. When determining whether an applicant under G.S. 105-277.4 has as its principal business farming agricultural land, horticultural land, or forestland, the assessor shall presume the applicant's principal business to be farming agricultural land, horticultural land, or forestland if the applicant has been approved by another county for present-use value taxation for a qualifying property located within the other county; provided, however, the presumption afforded the applicant may be rebutted by

the assessor and shall have no bearing on the determination of whether the individual parcel of land meets one or more of the classes defined in G.S. 105-277.3(a). If the assessor is able to rebut the presumption, this shall not invalidate the determination that the applicant's principal business is farming agricultural land, horticultural land, or forestland in the other county.

2. All of its members are, directly or indirectly, individuals who are actively engaged in farming agricultural land, horticultural land, or forestland or a relative of one of the individuals who is actively engaged. An individual is indirectly a member of a business entity that owns the land if the individual is a member of a business entity or a beneficiary of a trust that is part of the ownership structure of the business entity that owns the land.
3. It is not a corporation whose shares are publicly traded, and none of its members are corporations whose shares are publicly traded.
4. If it leases the land, all of its members are individuals and are relatives. Under this condition, "principal business" and "actively engaged" include leasing.

c. A trust that meets all of the following conditions:
1. It was created by an individual who owned the land and transferred the land to the trust.
2. All of its beneficiaries are, directly or indirectly, individuals who are the creator of the trust or a relative of the creator. An individual is indirectly a beneficiary of a trust that owns the land if the individual is a beneficiary of another trust or a member of a business entity that has a beneficial interest in the trust that owns the land.

d. A testamentary trust that meets all of the following conditions:
1. It was created by an individual who transferred to the trust land that qualified in that individual's hands for classification under G.S. 105-277.3.
2. At the date of the creator's death, the creator had no relatives.
3. The trust income, less reasonable administrative expenses, is used exclusively for educational, scientific, literary, cultural, charitable, or religious purposes as defined in G.S. 105-278.3(d).

e. Tenants in common, if each tenant would qualify as an owner if the tenant were the sole owner. Tenants in common may elect to treat their individual shares as owned by them individually in accordance with G.S. 105-302(c)(9). The ownership requirements of G.S. 105-277.3(b) apply to each tenant in common who is an individual, and the ownership requirements of G.S. 105-277.3(b1) apply to each tenant in common who is a business entity or a trust.

…."

SECTION 12.(b) G.S. 105-277.4 is amended by adding a new subsection to read:

"§ **105-277.4. Agricultural, horticultural and forestland – Application; appraisal at use value; appeal; deferred taxes.**

…

(f) The Department shall publish a present-use value program guide annually and make the guide available electronically on its Web site. When making decisions regarding the

qualifications or appraisal of property under this section, the assessor shall adhere to the Department's present-use value program guide."

SECTION 12.(c) Subsection (a) of this section becomes effective July 1, 2015, and applies to taxes imposed for taxable years beginning on or after that date. The remainder of this section is effective when this act becomes law.

PROCEDURE FOR TERMINATION OR MODIFICATION OF CONSERVATION AGREEMENTS

SECTION 13.(a) Article 4 of Chapter 121 of the General Statutes is amended by adding a new section to read:

"**§ 121-39A. Termination or modification of agreements.**

(a) Easements secured by the Agricultural Development and Farmland Preservation Trust Fund, including perpetual agricultural conservation easements and forest land easements, military base protection and flyway easements regardless of funding source, or any other agricultural conservation easement that has been secured, in whole or in part, with federal funds and where at least one party to the agreement is a public body of this State, shall not be terminated or modified for the purpose of economic development.

(b) Prior to any modification or termination of a conservation agreement where at least one party to the agreement is a public body of this State, the agency requesting the conservation agreement modification or termination shall conduct a conservation benefit analysis. The criteria for the conservation benefit analysis shall be established by the agency requesting the conservation agreement modification or termination. Conservation agreements may only be modified or terminated if the conservation benefit analysis concludes that the modification or termination results in a greater benefit to conservation purposes consistent with this Article.

(c) The conservation benefit analysis conducted by the requesting agency shall be reported to the Council of State prior to the vote of the Council of State on the final decision to modify the agreement.

(d) Notwithstanding any authority given to a public body of this State, including the State, any of its agencies, any city, county, district or other political subdivision, municipal or public corporation, or any instrumentality of any of the foregoing, to release or terminate conservation easements under other law, this section shall apply to conservation agreements that are intended to be effective perpetually or that are terminated or modified prior to the period of time stipulated in the agreement, and where at least one party to the agreement is a public body of this State, including the State, any of its agencies, any city, county, district or other political subdivision, municipal or public corporation, or any instrumentality of any of the foregoing.

(e) Parties to a conservation agreement may include a provision at the time an agreement is executed requiring the consent of the grantor or the grantor's successors in interest to terminate or modify the agreement for any purpose.

(f) Any agency managing a conservation agreement program may adopt rules governing its procedure for termination or modification of a conservation agreement, provided that any such rules may be no less stringent than the requirements of this section.

(g) This section shall not apply to a condemnation action initiated by a condemnor governed by Article 6 of Chapter 40A of the General Statutes."

SECTION 13.(b) G.S. 106-744(c1) reads as rewritten:

"(c1) The Commissioner shall distribute Trust Fund monies for only the purposes under subsection (c) of this section, including transaction costs, as follows:

(1) To a private nonprofit conservation organization that matches thirty percent (30%) of the Trust Fund monies it receives with funds from sources other than the Trust Fund.

(2) To counties according to the match requirements under subsection (c2) of this section.

(3) To the Department of Agriculture and Consumer Services for the purchase of agricultural conservation easements or agreements to be held by the Department."

SECTION 13.(c) Subsection (a) of this section is effective when it becomes law and applies to conservation agreements executed on or after that date. The remainder of this section is effective when it becomes law and applies to easements or agreements in effect on that date and executed on or after that date.

TRANSFER CAPTIVE CERVID PROGRAM TO THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

SECTION 14.(a) Article 49H of Chapter 106 of the General Statutes reads as rewritten:

"Article 49H.

"~~Production and Sale~~Production, Sale, and Transportation of ~~Fallow Deer and Red Deer.~~Farmed Cervids.

"§ **106-549.97. Regulation by Department of Agriculture and Consumer Services of ~~certain~~farmed cervids produced and sold for commercial purposes; ~~certain authority of North Carolina Wildlife Resources Commission not affected;~~ definitions.**

~~(a) The Department of Agriculture and Consumer Services shall regulate the production and sale of farmed cervids. The Board of Agriculture shall adopt rules for the production and sale of farmed cervids in such a manner as to provide for close supervision of any person, firm, or corporation producing and selling farmed cervids and shall notify any such person, firm, or corporation that the activity is subject to compliance with Wildlife Resources Commission rules pursuant to G.S. 113-272.6.~~

(a1) The following definitions apply in this Article:

(1) Commission. – The North Carolina Wildlife Resources Commission.

(2) Department. – The North Carolina Department of Agriculture and Consumer Services.

(3) Farmed Cervid. – Any cervid, as defined by the USDA Standards, that is susceptible to Chronic Wasting Disease, or any other member of the Cervidae family that is not susceptible to Chronic Wasting Disease, that is held in captivity and produced, bought, or sold for commercial purposes. With regard to cervids that are susceptible to Chronic Wasting Disease, the term "farmed cervid" shall only include any cervid that was bred in captivity and has been continuously maintained within a herd that is enrolled in and complies with a USDA-approved Herd Certification Program. Any animal registered or tagged in any licensed captive cervid facility existing within the State as of July 1, 2015, is deemed to be a farmed cervid.

(4) Non-Farmed Cervid. – All animals in the family Cervidae other than farmed cervids.

(5) USDA. – The United States Department of Agriculture.

(6) USDA Standards. – The United States Department of Agriculture's Chronic Wasting Disease Program Standards, May 2014 edition, and subsequent updates.

(a2) The Department of Agriculture and Consumer Services shall regulate the production, sale, possession, and transportation, including importation and exportation, of farmed cervids. The Department shall have sole authority with regard to farmed cervids, including administration of the North Carolina Captive Cervid Herd Certification Program. The Department shall allow the sale of farmed cervids, whether alive or dead, whole or in part, including, but not limited to, the sale of antlers, antler velvet, hides, or meat from captive populations of farmed cervids. The Department shall follow the USDA Standards and the provisions set forth in 9 C.F.R. Part 55 and 9 C.F.R. Part 81 in the implementation of this

Article with regard to cervids susceptible to Chronic Wasting Disease. The Department may adopt rules to implement this Article, including, but not limited to, requirements for captivity licenses, captivity permits, transportation permits, importation permits, and exportation permits. The Department may issue new captivity licenses or permits for farmed cervid facilities that will hold cervids susceptible to Chronic Wasting Disease only if Chronic Wasting Disease-susceptible source animals are from a certified herd in accordance with USDA Standards from an existing licensed facility. Nothing in this section shall limit the Department's ability to issue new captivity licenses and permits for farmed cervid facilities that will hold cervids that are not susceptible to Chronic Wasting Disease. The Department shall not issue an importation permit for any farmed cervid from a Chronic Wasting Disease-positive, exposed, or suspect farmed cervid facility. Until such time as the USDA has adopted an approved method of testing for Chronic Wasting Disease in living cervids, cervids susceptible to Chronic Wasting Disease shall not be imported into North Carolina.

(a3) All free-ranging cervids shall be removed from any new captive cervid facility prior to stocking the facility with farmed cervids.

(a4) Hunt facilities as defined by USDA Standards are prohibited. Any farmed cervid killed on the premises of a licensed facility shall be killed only by the licensee, the owner of the facility, an employee of the facility, or a qualified veterinarian administering euthanasia.

(a5) The Department and the Commission may develop a Memorandum of Agreement authorizing joint enforcement activities. The Memorandum of Agreement may allow for enforcement activities by the Commission on captive cervid facilities in instances of illegal importation. The Memorandum of Agreement may also provide for additional enforcement activities by the Commission on captive cervid facilities where appropriate as requested by the Department.

(b) The North Carolina Wildlife Resources Commission shall regulate the possession and transportation, including importation and exportation, of non-farmed cervids pursuant to G.S. 113-272.6. No action taken by the Department shall in any way limit the authority of the Commission to regulate non-farmed cervids as wildlife resources of the State belonging to the people of the State as a whole. Nothing in this Article shall authorize the Department to regulate hunting or any activity related to hunting.

~~(c) The following definitions apply in this Article:~~

~~(1) Repealed by Session Laws 2003-344, s. 11, effective July 27, 2003.~~

~~(2) Repealed by Session Laws 2003-344, s. 11, effective July 27, 2003.~~

~~(3) Cervid or Cervidae. – All animals in the Family Cervidae (elk and deer).~~

~~(4) Farmed Cervid. – Any member of the Cervidae family, other than white-tailed deer, elk, mule deer, or black-tailed deer, that is bought and sold for commercial purposes.~~

~~(5) White-tailed deer. – A member of the species Odocoileus virginianus.~~

(d) No county, municipality, or any other unit of local government may adopt any ordinance, regulation, or law that is inconsistent with or more restrictive than the provisions of this Article. Any ordinance, regulation, or law that is currently enacted that is inconsistent with or more restrictive than the provisions of this Article is hereby repealed.

(e) In order to carry out the authority granted by this Article, the Department may enforce the rules adopted by the Wildlife Resources Commission under its prior authority pursuant to G.S. 150B-21.7, including the rules governing issuance of captivity licenses, captivity permits, transportation permits, importation permits, and exportation permits, until such time as the Department adopts rules for the implementation of this Article.

(f) The provisions of G.S. 113-129 shall not apply to the production, sale, transportation, importation, or exportation of farmed cervids under this Article, whether alive or dead, whole or in part.

(g) No live farmed cervid shall be transported on a public road within the State unless the cervid has an official form of identification approved by the State Veterinarian for this

purpose and the appropriate transportation, importation, or exportation permit issued by the Department.

(h) Any live farmed cervid that is transported on a public road within the State shall be subject to inspection by a wildlife law enforcement officer to ensure that each farmed cervid has official identification required under this Article and that the appropriate permit has been obtained from the Department.

(i) Any person transporting a live farmed cervid on a public road within the State without the appropriate farmed cervid identification and permit may be subject to a civil penalty by the Department under this Article. Each cervid that fails to meet the tagging and transportation requirements of the Department shall constitute a separate violation.

(j) The Commissioner of Agriculture may assess a civil penalty of not more than five thousand dollars ($5,000) per animal against any person who violates a provision of this Article or any rule adopted thereunder. In determining the amount of the penalty, the Commissioner shall consider the degree and extent of harm caused by the violation. The clear proceeds of civil penalties assessed pursuant to this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

"§ ~~**106-549.98. Inspection fees.**~~

~~The Commissioner may establish a fee at an hourly rate to be paid by the owner, proprietor, or operator of each slaughtering, meat-canning, salting, packing, rendering, or similar establishment for the purpose of defraying the expenses incurred in the inspection of fallow deer as required by Article 49B of Chapter 106 of the General Statutes. The Commissioner may establish a fee at an hourly rate to be paid by the owner, proprietor, or operator of each slaughtering, meat-canning, salting, packing, rendering, or similar establishment for the purpose of defraying the expenses incurred in the inspection of red deer as required by Article 49B of Chapter 106 of the General Statutes.~~"

SECTION 14.(b) G.S. 113-272.6 reads as rewritten:

"§ **113-272.6. ~~Transportation~~ Possession, Transportation, Importation, and Exportation of non-farmed ~~cervids and licensing of captive cervid facilities.~~cervids.**

(a) The Wildlife Resources Commission shall regulate the possession and transportation, including importation and exportation, ~~and possession~~ of non-farmed cervids, including game carcasses and parts of game carcasses extracted by ~~hunters.~~hunters and carcasses and parts of carcasses imported from hunt facilities as defined by USDA Standards. For purposes of this section, the term "non-farmed cervid" has the same meaning as in G.S. 106-549.97. ~~The Commission shall allow the sale of antlers, antler velvet, or hides from captive populations of cervids.~~ The Commission shall follow the USDA Standards as defined in G.S. 106-549.97 and the provisions set forth in 9 C.F.R. Part 55 and 9 C.F.R. Part 81 in the implementation of this section and shall not adopt any rule or standard that is in conflict with, in lieu of, or more restrictive than the USDA Standards. The Commission shall adopt rules to implement this section, including requirements for ~~captivity licenses, captivity permits, and transportation permits.~~transportation, importation, and exportation permits. ~~The rules adopted pursuant to this section shall establish standards of care for the transportation and possession of cervids, including requirements for fencing, tagging, record-keeping, and inspection of captive cervid facilities.~~ Notwithstanding any other provision of law, the Commission may charge a fee of up to fifty dollars ($50.00) for the processing of applications for ~~captivity licenses, captivity permits, and transportation~~transportation, importation, and exportation permits, and the renewal or modification of those ~~licenses and~~ permits. The fees collected shall be applied to the costs of administering this section.

(b) The Wildlife Resources Commission shall notify every applicant for a ~~transportation~~ permit that any permit issued is subject to the applicant's compliance with the Department of Agriculture and Consumer Services' requirements for transportation pursuant to Article 34 of Chapter 106 of the General Statutes.

(c) The Department of Agriculture and Consumer Services shall regulate the ~~production and sale~~production, sale, and transportation, including importation and exportation, of farmed

cervids for commercial purposes and the licensing of farmed cervid facilities pursuant to G.S. 106-549.97. No action taken by the Wildlife Resources Commission shall in any way limit the authority of the Department of Agriculture and Consumer Services to regulate farmed cervids.

~~(d) Notwithstanding any other provision of law, the North Carolina Wildlife Resources Commission shall issue captivity licenses, captivity permits, or transportation permits to any person possessing cervids that were held in captivity by that person prior to May 17, 2002, if the Executive Director finds that the applicant has come into compliance with all applicable rules related to the holding of cervids in captivity by January 1, 2004, and that issuance of such license or permit does not pose unreasonable risk to the conservation of wildlife resources.~~

~~(e) Any captivity license, captivity permit, or cervids held contrary to the provisions of this section may be subject to forfeiture and disposition in accordance with the provisions of G.S. 113-137 or G.S. 113-276.2.~~"

AMEND THE DEFINITION OF "NEW ANIMAL WASTE MANAGEMENT SYSTEM" AND THE APPLICATION OF SWINE WASTE MANAGEMENT SYSTEM PERFORMANCE STANDARDS

SECTION 16. Section 21 of S.L. 2013-413 reads as rewritten:

"**SECTION 21.(a)** 15A NCAC 02T .1302 ~~(Definitions).~~(Definitions) and 15A NCAC 02T .1307 (Swine Waste Management System Performance Standards). – Until the effective date of the revised permanent ~~rule~~ rules that the Environmental Management Commission is required to adopt pursuant to Section 21(c) of this act, the Commission and the Department of Environment and Natural Resources shall implement 15A NCAC 02T .1302 (Definitions) and 15A NCAC 02T .1307 (Swine Waste Management System Performance Standards) as provided in Section 21(b) of this act.

"**SECTION 21.(b)** Implementation. – Notwithstanding 15A NCAC 02T .1302 (Definitions), "new animal waste management system" means animal waste management systems which are constructed and operated at a site where no feedlot existed ~~previously, where a system serving a feedlot has been abandoned or unused for a period of four years or more and is then put back into service,~~previously or where a permit for a system has been rescinded, and is then reissued when the permittee confines animals in excess of the thresholds established in G.S. 143-215.10B. Notwithstanding subsection (a) of 15A NCAC 02T .1307 (Swine Waste Management System Performance Standards), the Swine Waste Management System Performance Standards shall:

(1) Apply to any farm facility that receives a permit for its animal waste management system that allows a level of production at the farm, as measured by steady state live weight, greater than the largest production for which the farm has received a permit in the past, and so that they also apply to any other animal waste management system otherwise subject to regulation under G.S. 143-215.10I.

(2) Not apply to any facility that meets all of the following conditions:

a. Has had no animals on site for five continuous years or more.

b. Notifies the Division of Water Resources in writing at least 60 days prior to bringing any animals back on to the site.

c. The system depopulated after January 1, 2005, and the system ceased operation no longer than 10 years prior to the current date.

d. At the time the system ceased operation, the system was in compliance with an individual permit or a general permit issued pursuant to G.S. 143-215.10C.

e. The Division of Water Resources issues an individual permit or certificate of coverage under a general permit issued pursuant to G.S. 143-215.10C for operation of the system before any animals are brought on the facility.

f. The permit for the animal waste management system does not allow production, measured by steady state live weight, to exceed the greatest steady state live weight previously permitted for the system under G.S. 143-215.10C.

g. No component of the animal waste management system and swine farm, other than an existing swine house or land application site, shall be constructed on land that is located within the 100-year floodplain.

h. The inactive animal waste management system was not closed using the expenditure of public funds and was not closed pursuant to a settlement agreement, court order, cost share agreement, or grant condition.

"**SECTION 21.(c)** Additional Rule-Making Authority. – The Environmental Management Commission shall adopt ~~a rule~~rules as promptly as practicable to amend 15A NCAC 02T .1302 (Definitions) and 15A NCAC 02T .1307 (Swine Waste Management System Performance Standards) consistent with Section 21(b) of this act. Notwithstanding G.S. 150B-19(4), the ~~rule~~ rules adopted by the Commission pursuant to this section shall be substantively identical to the provisions of Section 21(b) of this act. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

"**SECTION 21.(d)** Sunset. – Section 21(b) of this act expires on the date that rules adopted pursuant to Section 21(c) of this act become effective."

MODIFY IMPLEMENTATION OF THE ODOR CONTROL OF FEED INGREDIENT MANUFACTURING PLANTS RULE

SECTION 18.(a) Definitions. – "Odor Control of Feed Ingredient Manufacturing Plants Rule" means 15A NCAC 02D .0539 (Odor Control of Feed Ingredient Manufacturing Plants) for purposes of this section and its implementation.

SECTION 18.(b) Odor Control of Feed Ingredient Manufacturing Plants Rule. – Until the effective date of the revised permanent rule that the Environmental Management Commission is required to adopt pursuant to subsection (d) of this section, the Commission and the Department of Environment and Natural Resources shall implement the Odor Control of Feed Ingredient Manufacturing Plants Rule as provided in subsection (c) of this section.

SECTION 18.(c) Implementation. – Notwithstanding the Odor Control of Feed Ingredient Manufacturing Plants Rule, the Commission shall implement the rule as follows:

(1) Raw material shall be considered in "storage" after it has been unloaded at a facility or after it has been located at the facility for at least 36 hours.

(2) A vehicle or container holding raw material, which has not been unloaded inside or parked inside an odor controlled area within the facility, shall be unloaded for processing of the raw material prior to the expiration of the following time limits:

a. For feathers with only trace amounts of blood, such as those obtained from slaughtering houses that separate blood from offal and feathers, no later than 48 hours after being weighed upon arrival at the facility.

b. For used cooking oil in sealed tankers, no later than 96 hours after being weighed upon arrival at the facility.

SECTION 18.(d) Additional Rule-Making Authority. – The Commission shall adopt a rule to replace the Odor Control of Feed Ingredient Manufacturing Plants Rule. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this section shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in

G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 18.(e) Effective Date. – Subsection (c) of this section expires when permanent rules to replace subsection (c) of this section have become effective, as provided by subsection (d) of this section.

EXEMPT CERTAIN WETLANDS MITIGATION ACTIVITIES FROM REQUIREMENTS UNDER THE SEDIMENTATION POLLUTION CONTROL ACT

SECTION 19. G.S. 113A-52.01 reads as rewritten:

"§ **113A-52.01. Applicability of this Article.**

This Article shall not apply to the following land-disturbing activities:

(1) Activities, including the breeding and grazing of livestock, undertaken on agricultural land for the production of plants and animals useful to man, including, but not limited to:
   a. Forages and sod crops, grains and feed crops, tobacco, cotton, and peanuts.
   b. Dairy animals and dairy products.
   c. Poultry and poultry products.
   d. Livestock, including beef cattle, llamas, sheep, swine, horses, ponies, mules, and goats.
   e. Bees and apiary products.
   f. Fur producing animals.

(2) Activities undertaken on forestland for the production and harvesting of timber and timber products and conducted in accordance with best management practices set out in Forest Practice Guidelines Related to Water Quality, as adopted by the Department.

(3) Activities for which a permit is required under the Mining Act of 1971, Article 7 of Chapter 74 of the General Statutes.

(4) For the duration of an emergency, activities essential to protect human life, including activities specified in an executive order issued under G.S. 166A-19.30(a)(5).

(5) Activities undertaken to restore the wetland functions of converted wetlands to provide compensatory mitigation to offset impacts permitted under Section 404 of the Clean Water Act.

(6) Activities undertaken pursuant to Natural Resources Conservation Service standards to restore the wetlands functions of converted wetlands as defined in Title 7 Code of Federal Regulations § 12.2 (January 1, 2014 Edition)."

CLARIFY REIMBURSEMENT OF THIRD-PARTY CLAIMS FROM THE COMMERCIAL AND NONCOMMERCIAL LEAKING PETROLEUM UNDERGROUND STORAGE TANK CLEANUP FUNDS

SECTION 20.(a) G.S. 143-215.94V(e) reads as rewritten:

"(e) If the Commission concludes under subsection (d) of this section that no cleanup, no further cleanup, or no further action will be required, the Department shall not pay or reimburse any costs otherwise payable or reimbursable under this Article from either the Commercial or Noncommercial Fund, other than reasonable and necessary to conduct the risk assessment required by this section, unless:

(1) Cleanup is ordered or damages are awarded in a finally adjudicated judgment in an action against the owner or landowner. To be eligible for reimbursement of damages arising from a third-party claim for bodily injury or property damage awarded in a finally adjudicated judgment, however, an owner or operator shall (i) notify the Department of any such claim; (ii) provide the Department with all pleadings and other related documents if a

lawsuit has been filed; and (iii) provide the Department copies of any medical reports, statements, investigative reports, or certifications from licensed professionals necessary to determine that a claim for bodily injury or property damage is reasonable and necessary. Reimbursement of claims for damages arising from a third-party claim for bodily injury or property damage awarded in a finally adjudicated judgment shall be subject to the limitations set forth in G.S. 143-215.94B(b)(5) and G.S. 143-215.94D(b1)(2), as applicable, and any other provision governing third-party claims set forth in this Article.

…."

SECTION 20.(b) G.S. 143-215.94A is amended by adding three new subdivisions to read:

"§ **143-215.94A. Definitions.**

Unless a different meaning is required by the context, the following definitions shall apply throughout this Part and Part 2B of this Article:

…

(12) "Third party" means a person other than the owner or operator of an underground storage tank from which a release has occurred or employees or agents of an owner or operator. A property owner shall not be considered a third party if the property was transferred by the owner or operator of an underground storage tank in anticipation of damage due to a release.

(13) "Third-party bodily injury" or "bodily injury" when used in connection with "third-party" means specific physical bodily injury proximately resulting from exposure, explosion, or fire caused by the presence of a petroleum release and that is incurred by a person other than the owner or operator of an underground storage tank from which a release has occurred or employees or agents of an owner or operator.

(14) "Third-party property damage" or "property damage" when used in connection with "third-party" means actual physical damage or damage due to specific loss of normal use that proximately resulted from exposure, explosion, or fire caused by the presence of a petroleum release and that is incurred to property owned by a person other than the owner or operator of an underground storage tank from which a release has occurred or employees or agents of an owner or operator."

SECTION 20.(c) G.S. 143-215.94B, as amended by Section 14.16A(a) of S.L. 2015-241, reads as rewritten:

"§ **143-215.94B. Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund.**

(a) There is established under the control and direction of the Department the Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund. This Commercial Fund shall be a nonreverting revolving fund consisting of any monies appropriated for such purpose by the General Assembly or available to it from grants, other monies paid to it or recovered on behalf of the Commercial Fund, and fees paid pursuant to this Part.

(b) The Commercial Fund shall be used for the payment of the following costs up to an aggregate maximum of one million dollars ($1,000,000) per occurrence resulting from a discharge or release of a petroleum product from a commercial underground storage tank:

…

(5) Compensation to third parties for bodily injury and property damage in excess of one hundred thousand dollars ($100,000) per occurrence. Claims for third-party property damage shall be based on the rental costs of comparable property during the period of loss of use up to a maximum amount equal to the fair market value. In the case of property that is actually

destroyed as a result of a petroleum release, reimbursement shall be at an amount necessary to replace or repair the destroyed property.

…

(12) Compensation to third parties for bodily injury and property damage in excess of one hundred thousand dollars ($100,000) per occurrence caused by releases from noncommercial underground storage tanks reported to the Department prior to October 1, 2015, if the claim for compensation is made prior to July 1, 2016. Claims for third-party property damage shall be based on the rental costs of comparable property during the period of loss of use up to a maximum amount equal to the fair market value. In the case of property that is actually destroyed as a result of a petroleum release, reimbursement shall be at an amount necessary to replace or repair the destroyed property.

…."

SECTION 20.(d) This section is effective when it becomes law and applies to claims for reimbursement pending or submitted on or after that date.

AMEND DEFINITION OF MINING RELATIVE TO AGRICULTURAL ACTIVITIES

SECTION 23. G.S. 74-49(7) reads as rewritten:

"§ **74-49. Definitions.**

Wherever used or referred to in this Article, unless a different meaning clearly appears from the context:

…

(7) "Mining" ~~means:~~means any of the following:

~~a.~~ ~~The~~ (i) the breaking of the surface soil in order to facilitate or accomplish the extraction or removal of minerals, ores, or other solid ~~matter.~~

~~b.~~ ~~Any~~ matter; (ii) any activity or process constituting all or part of a process for the extraction or removal of minerals, ores, soils, and other solid matter from their original ~~location.~~

~~c.~~ ~~The~~ location; or (iii) the preparation, washing, cleaning, or other treatment of minerals, ores, or other solid matter so as to make them suitable for commercial, industrial, or construction use.

"Mining" does not include:

a. Those aspects of deep mining not having significant effect on the surface, where the affected land does not exceed one acre in area.

b. Mining operations where the affected land does not exceed one acre in area.

c. Plants engaged in processing minerals produced elsewhere and whose refuse does not affect more than one acre of land.

d. Excavation or grading when conducted solely ~~in aid of on-site farming or of~~for on-site construction for purposes other than mining.

e. Removal of overburden and mining of limited amounts of any ores or mineral solids when done only for the purpose and to the extent necessary to determine the location, quantity, or quality of any natural deposit, provided that no ores or mineral solids removed during exploratory excavation or mining are sold, processed for sale, or consumed in the regular operation of a business, and provided further that the affected land resulting from any exploratory excavation does not exceed one acre in area.

f. Excavation or grading where all of the following apply:

1. The excavation or grading is conducted to provide soil or other unconsolidated material to be used without further processing for a single off-site construction project for which

an erosion and sedimentation control plan has been approved in accordance with Article 4 of Chapter 113A of the General Statutes.

2. The affected land, including nonpublic access roads, does not exceed five acres.
3. The excavation or grading is completed within one year.
4. The excavation or grading does not involve blasting, the removal of material from rivers or streams, the disposal of off-site waste on the affected land, or the surface disposal of groundwater beyond the affected land.
5. The excavation or grading is not in violation of any local ordinance.
6. An erosion and sedimentation control plan for the excavation or grading has been approved in accordance with Article 4 of Chapter 113A of the General Statutes.

g. Excavation or grading when conducted solely for activities undertaken on agricultural land that are exempt, pursuant to G.S. 113A-52.01(1), from the requirements of Article 4 of Chapter 113A of the General Statutes."

AMEND THE HOLDING AND ADVERTISING PERIOD FOR UNCLAIMED LIVESTOCK

SECTION 24.(a) G.S. 68-20 reads as rewritten:

"§ **68-20. Notice of sale and sale where owner fails to redeem or is unknown; application of proceeds.**

If the owner fails to redeem his livestock within three days after the notice and demand as provided in G.S. 68-18 is received or within three days after the determination of the costs and damages as provided in G.S. 68-19, ~~then, upon written notice fully describing the livestock, stating the place, date, and hour of sale posted at the courthouse door and three or more public places in the township where the owner resides, and after~~ the impounder shall notify the local Sheriff's office and the Sheriff shall post a notice fully describing the livestock and stating the place, date, and hour of sale on the Web site of the Sheriff's department. After 10 days from such posting, the impounder shall sell the livestock at public auction. If the owner of the livestock remains unknown to the impounder, then, ~~30~~ three days after publication of the notice required by G.S. 68-18.1, the impounder shall ~~post at the courthouse door and three public places in the township where the livestock is impounded a written notice fully describing the livestock, and stating the place, date, and hour of sale.~~ notify the local Sheriff's office and the Sheriff shall post a notice fully describing the livestock and stating the place, date, and hour of sale on the Web site of the Sheriff's department. After ~~20~~ 10 days from such posting, the impounder shall sell the livestock at public auction. The proceeds of any such public sale shall be applied to pay the reasonable costs of impounding and maintaining the livestock and the damages to the impounder caused by the livestock. Reasonable costs of impounding shall include any fees paid pursuant to G.S. 68-18.1 in an attempt to locate the owner of the livestock. The balance, if any, shall be paid to the owner of the livestock, if known, or, if the owner is not known, then to the school fund of the county where the livestock was impounded."

SECTION 24.(b) This section is effective when this act becomes law and applies to livestock impounded on or after that date.

MODIFY DEPARTMENT OF AGRICULTURE REPORTING REQUIREMENTS

SECTION 25.(a) G.S. 106-815 is repealed.

SECTION 25.(b) G.S. 19A-62(c) reads as rewritten:

"(c) Report. – In ~~February~~ March of each year, the Department must report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division. The

report must contain information regarding all revenues and expenditures of the Spay/Neuter Account."

PRESCRIBED BURNING ACT MODIFICATIONS

SECTION 26. G.S. 106-968 reads as rewritten:

"§ **106-968. Prescribed burning.**

(a) Prior to conducting a prescribed burning, the landowner shall obtain a prescription for the prescribed burning prepared by a certified prescribed burner and filed with the North Carolina Forest Service of the Department of Agriculture and Consumer Services. A copy of the prescription shall be provided to the landowner. A copy of this prescription shall be in the possession of the responsible burner on site throughout the duration of the prescribed burning. The prescription shall include:

(1) The landowner's name and address.
(2) A description of the area to be burned.
(3) A map of the area to be burned.
(4) An estimate ~~in~~ of tons of the fuel located on the area.
(5) The objectives of the prescribed burning.
(6) A list of the acceptable weather conditions and parameters for the prescribed burning sufficient to minimize the likelihood of smoke damage and fire escaping onto adjacent areas.
(7) The name of the certified prescribed burner responsible for conducting the prescribed burning.
(8) A summary of the methods that are adequate for the particular circumstances involved to be used to start, control, and extinguish the prescribed burning.
(9) Provision for reasonable notice of the prescribed burning to be provided to nearby homes and businesses to avoid effects on health and property.

(b) The prescribed burning shall be conducted by a certified prescribed burner in accordance with a prescription that satisfies subsection (a) of this section. The certified prescribed burner shall be present on the site and shall be in charge of the burning throughout the period of the burning. A landowner may conduct a prescribed burning and be in compliance with this Article without being a certified prescribed burner if the landowner is burning a tract of forestland of 50 acres or less owned by that landowner and is following all conditions established in a prescription prepared by a certified prescribed burner.

(c) Prior to conducting a prescribed burning, the landowner or the landowner's agent shall obtain an open-burning permit under Article 78 of this Chapter from the North Carolina Forest Service of the Department of Agriculture and Consumer Services. This open-burning permit must remain in effect throughout the period of the prescribed burning. The prescribed burning shall be conducted in compliance with all the following:

(1) The terms and conditions of the open-burning permit under Article 78 of this Chapter.
(2) The State's air pollution control statutes under Article 21 and Article 21B of Chapter 143 of the General Statutes and any rules adopted pursuant to these statutes.
(3) Any applicable local ordinances relating to open burning.
(4) The ~~voluntary~~ smoke management guidelines adopted by the North Carolina Forest Service of the Department of Agriculture and Consumer Services.
(5) Any rules adopted by the North Carolina Forest Service of the Department of Agriculture and Consumer Services, to implement this Article.

(d) The North Carolina Forest Service may accept prescribed burner certification from another State or other entity for the purpose of prescribed burning under this Article."

MODIFY PENALTY FOR FAILURE TO GUARD A FIRE BY WATCHMAN

SECTION 27. G.S. 14-140.1 reads as rewritten:

"§ **14-140.1. Certain fire to be guarded by watchman.**

Any person, firm, corporation, or other legal entity who shall burn any brush, grass, or other material whereby any property may be endangered or destroyed, without keeping and maintaining a careful watchman in charge of the burning, shall be guilty of ~~a Class 3 misdemeanor~~ an infraction which may include a fine of not ~~less than ten dollars ($10.00) or~~ more than fifty dollars ($50.00). Fire escaping from the brush, grass, or other material while burning shall be prima facie evidence of violation of this provision."

CLARIFY THE PESTICIDE BOARD'S AUTHORITY TO RELICENSE AND RECERTIFY LICENSEES FOR PESTICIDE DEALERS, APPLICATORS, AND PEST CONTROL CONSULTANTS

SECTION 29.(a) G.S. 143-449 reads as rewritten:

"§ **143-449. Qualifications for pesticide dealer license; examinations.**

(a) An applicant for a license must present evidence satisfactory to the Board concerning his qualifications for such license.

(b) Each applicant shall satisfy the Board as to his responsibility in carrying on the business of a pesticide dealer. Each applicant for an original license must demonstrate upon written, or written and oral, examination to be prescribed by the Board his knowledge of pesticides, their usefulness and their hazards; his competence as a pesticide dealer; and his knowledge of the laws and regulations governing the use and sale of pesticides. A nonrefundable fee of fifty dollars ($50.00) shall be charged for each examination required by this section. This examination fee is in addition to any fee authorized pursuant to any other provision of Article 4C of Chapter 106 of the General Statutes.

(c) The Board shall by regulation:

(1) Designate what persons or class of persons shall be required to pass the examination in the case of a pesticide dealer operating more than one location, and in the case of an applicant that is a corporation, governmental unit or agency, or other organized group;

(2) Provide for license renewal ~~license examinations~~ by completion of continuing certification credit requirements as prescribed by the Board or reexaminations at intervals not more frequent than four years."

SECTION 29.(b) G.S. 143-453 reads as rewritten:

"§ **143-453. Qualifications for pesticide applicator's license; examinations.**

…

(c) The Board shall by regulation:

(1) Designate what persons or class of persons shall be required to pass the examination in the case of an applicant that is a corporation or governmental unit or agency;

(2) Provide for license renewal ~~examinations~~ by completion of continuing certification credit requirements as prescribed by the Board or reexaminations at intervals not more frequent than four years, or more frequently if found by the Board to be required to be necessary in order to qualify North Carolina's State pesticide control plan for federal approval."

SECTION 29.(c) G.S. 143-455 reads as rewritten:

"§ **143-455. Pest control consultant license.**

…

(d) Pest control consultants shall be subject to the same provisions as pesticide applicators concerning penalties for late applications for license, changes of address, transferability of licenses, continuing certification credit requirements, periodic reexamination, and examinations for corporate applicants."

CLARIFY THAT PROJECTS FOR THE PURPOSE OF COMMERCIAL RESALE OF NATURAL GAS OR PROPANE GAS ARE NOT ELIGIBLE FOR THE EXPANDED GAS PRODUCTS SERVICE TO AGRICULTURE FUND

SECTION 30. G.S. 143B-437.020(a)(3) reads as rewritten:

"§ **143B-437.020. Natural gas and propane gas for agricultural projects.**

(a) Definitions. –

…

(3) Eligible project. – A discrete and specific economic development project that would expand agricultural production or processing capabilities that requires new or expanded natural gas or propane gas service. A project intended for the purpose of commercial resale of natural gas or propane gas shall not be an eligible project."

LIMIT THE PERSONALLY IDENTIFYING INFORMATION THAT THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES MAY DISCLOSE ABOUT ITS ANIMAL HEALTH PROGRAMS

SECTION 31. G.S. 106-24.1 reads as rewritten:

"§ **106-24.1. Confidentiality of information collected and published.**

All information published by the Department of Agriculture and Consumer Services pursuant to this Part shall be classified so as to prevent the identification of information received from individual farm operators. All information generated by any federal agency received pursuant to this Part ~~from individual farm operators~~ that is confidential under federal law shall be held confidential by the Department and its employees. All information collected by the Department from ~~individual farm operators for the purposes of its animal health programs,~~ farm owners or animal owners, including, but not limited to, certificates of veterinary inspection, animal medical records, laboratory ~~reports,~~ reports received or generated from samples submitted for analysis, or other records that may be used to identify a person or private business entity subject to regulation by the Department shall not be disclosed without the permission of the owner unless the State Veterinarian determines that disclosure is necessary to prevent the spread of an animal disease or to protect the public health, or the disclosure is necessary in the implementation of these animal health programs."

ALLOW DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES TO REGISTER OUTSOURCING FACILITIES ENGAGED IN THE COMPOUNDING OF STERILE DRUGS

SECTION 32. G.S. 106-140.1, as amended by S.L. 2015-241, reads as rewritten:

"§ **106-140.1. Registration of producers of prescription drugs and devices.**

(a) On or before December 31 of each year, every person doing business in North Carolina and operating as a wholesaler, manufacturer, outsourcing facility, or repackager, as those terms are defined in subsection (j) of this section, shall register with the Commissioner his name and business location(s) in North Carolina. If said person has no business locations in North Carolina, he shall register his name and location of his corporate offices.

(b) Every person, upon first operating as a wholesaler, ~~manufacturer~~ manufacturer, outsourcing facility, or repackager in North Carolina shall immediately register with the Commissioner his name, place of business, and such establishment. If said person has no business locations in North Carolina, he shall register his name and location of his corporate offices.

(c) Every person duly registered in accordance with subsections (a) and (b) of this section shall register with the Commissioner any additional establishment that he owns or operates in the State of North Carolina prior to doing business as a manufacturer, ~~wholesaler~~wholesaler, outsourcing facility, or repackager.

(d) The Commissioner may assign a registration number to any person or any establishment registered in accordance with this section.

(e) The Commissioner shall make available for inspection to any person so requesting any registration filed pursuant to this section.

(f) The following classes of people are exempt from the registration requirements of this section:

(1) Pharmacists as defined in G.S. 90-85.3(q) holding a valid permit as defined in G.S. 90-85.3(m);

(2) Practitioners licensed or registered by law to prescribe or administer drugs and who manufacture, prepare, compound, or process drugs or devices solely for use in the course of their professional practice.

(3) Persons who manufacture, prepare, compound, or process drugs solely for use in research, teaching, or chemical analysis and not for sale.

(4) Other classes of persons the Commissioner may by rule exempt from the application of this section upon a finding that registration by these classes of persons in accordance with this section is not necessary for the protection of the public health.

(5) Wholesale distributors of prescription drugs licensed under G.S. 106-145.3.

(g) Every establishment in the State of North Carolina registered with the Commissioner pursuant to this section shall be subject to inspection pursuant to G.S. 106-140.

(h) The Commissioner shall adopt rules to implement the registration requirements of this section. These rules shall provide for an annual registration fee of one thousand dollars ($1,000) for companies operating as ~~manufacturers~~manufacturers, outsourcing facilities, or repackagers and seven hundred dollars ($700.00) for companies operating as wholesalers. The Department of Agriculture and Consumer Services shall use these funds for the implementation of the North Carolina Food, Drug and Cosmetic Act.

(i) For the purposes of this act, name means the name of the partnership if a partnership and the name of the corporation if a corporation.

(j) As used in this section:

(1) The term "manufacturer" means a person who prepares, derives, or produces a prescription drug. Pharmacists are specifically excluded from this definition if they are acting in the course of their professional practice as defined in Chapter 90 and rules adopted pursuant to it.

(2) The term "prescription drug" means a drug that under federal law is required, prior to being dispensed or delivered, to be labeled with the following statement: "Caution: Federal law prohibits dispensing without a prescription."

(3) The term "repackager" means a person who repacks, relabels, or manipulates a prescription drug which was in a unit packaged and sealed by a manufacturer. Pharmacists are specifically exempted from this definition if they are acting in the course of their professional practice as defined in Chapter 90 and rules adopted pursuant to it.

(4) The term "wholesaler" means a person acting as a jobber, wholesale merchant, salvager, or broker, or agent thereof, who sells or distributes for resale a prescription drug. Pharmacists are specifically exempted from this definition if they are acting in the course of their professional practice as defined in Chapter 90 and rules adopted pursuant to it.

(5) The term "outsourcing facility" means a manufacturer at a single geographic location or address that is engaged in the compounding of sterile drugs, has elected to register as an outsourcing facility with the Food and Drug Administration, and complies with the requirements as provided in 21 U.S.C. § 353b. Exemptions provided by 21 U.S.C. § 353b(a) with respect to labeling, new drug registration, and distribution supply chain requirements shall also apply to compounded drugs distributed in North Carolina by an outsourcing facility."

EXEMPTIONS FROM CERTAIN DEPARTMENT OF ENVIRONMENTAL AND NATURAL RESOURCES PERMITS AND WASTE ANALYSIS DURING IMMINENT THREAT OF CONTAGIOUS ANIMAL DISEASE

SECTION 33.(a) G.S. 106-399.4(a) reads as rewritten:

"(a) When determined by the State Veterinarian, in consultation with the Commissioner of Agriculture and with the approval of the Governor, that there is an imminent threat within the State of a contagious animal disease that has the potential for very serious and rapid spread, is of serious socioeconomic and public health consequence, or is of major importance in the international trade of animals and animal products, the State Veterinarian or an authorized representative may develop and implement any emergency measures and procedures that the State Veterinarian determines necessary to prevent and control the animal disease. Any emergency measure or procedure relating to composting of dead domesticated animals pursuant to this Part shall be deemed to be permitted pursuant to G.S. 143-215.1(b) and it shall not be necessary for the Department of Environment and Natural Resources to issue individual permits."

SECTION 33.(b) G.S. 143-215.10C is amended by adding a new subsection to read:

"(f2) Periodic testing of waste products as required in subdivision (6) of subsection (e) of this section, subsection (f) of this section and subsection (f1) of this section may be temporarily suspended in compliance with G.S. 106-399.4 when the State Veterinarian, in consultation with the Commissioner of Agriculture and with the approval of the Governor, determines that there is an imminent threat within the State of a contagious animal disease. The suspension of testing only applies to the animal operation types designated by the State Veterinarian, and shall be in effect for a period of time that the State Veterinarian deems necessary to prevent and control the animal disease. During the suspension of waste analysis, waste product nutrient content to be used for application of waste at no greater than agronomic rates shall be established by the 1217 Interagency Committee as created by Session Law 1995-626."

CLARIFY CONSTRUCTION OF FARM BUILDINGS ON STATE PROPERTY

SECTION 34. G.S. 143-138(b4) reads as rewritten:

"(b4) Exclusion for Certain Farm Buildings. – Building rules do not apply to (i) farm buildings that are located outside the building-rules jurisdiction of any municipality, (ii) farm buildings that are located inside the building-rules jurisdiction of any municipality if the farm buildings are greenhouses, (iii) a primitive camp, or (iv) a primitive farm building. For the purposes of this subsection:

(1) A "farm building" shall ~~include any~~ include:

a. Any structure used or associated with equine activities, including, but not limited to, the care, management, boarding, or training of horses and the instruction and training of riders. Structures that are associated with equine activities include, but are not limited to, free standing or attached sheds, barns, or other structures that are utilized to store any equipment, tools, commodities, or other items that are maintained or used in conjunction with equine activities. The specific types of equine activities, structures, and uses set forth in this subdivision are for illustrative purposes, and should not be construed to limit, in any manner, the types of activities, structures, or uses that may be considered under this subsection as exempted from building rules. A farm building that might otherwise qualify for exemption from building rules shall remain subject only to an annual safety inspection by the applicable city or county building inspection department of any grandstand, bleachers, or other spectator-seating structures in the farm building. An annual safety inspection shall include an evaluation of the overall safety of spectator-seating

structures as well as ensuring the spectator-seating structure's compliance with any building codes related to the construction of spectator-seating structures in effect at the time of the construction of the spectator-seating.

b. Any structure used for the display and sale of produce, no more than 1,000 square feet in size, open to the public for no more than 180 days per year, and certified by the Department of Agriculture and Consumer Services as a Certified Roadside Farm Market.

c. Any unoccupied structure built upon land owned by the State of North Carolina and administratively allocated to the North Carolina Department of Agriculture and Consumer Services or North Carolina State University which is used primarily for forestry production and research or agriculture production and research. The term "agriculture" has the same meaning as in G.S. 106-581.1. The term "unoccupied" does not exclude the keeping of livestock.

(1a) A "farm building" shall not lose its status as a farm building because it is used for public or private events, including, but not limited to, weddings, receptions, meetings, demonstrations of farm activities, meals, and other events that are taking place on the farm because of its farm or rural setting.

(2) A "greenhouse" is a structure that has a glass or plastic roof, has one or more glass or plastic walls, has an area over ninety-five percent (95%) of which is used to grow or cultivate plants, is built in accordance with the National Greenhouse Manufacturers Association Structural Design manual, and is not used for retail sales. Additional provisions addressing distinct life safety hazards shall be approved by the local building-rules jurisdiction.

~~(3) A "farm building" shall include any structure used for the display and sale of produce, no more than 1,000 square feet in size, open to the public for no more than 180 days per year, and certified by the Department of Agriculture and Consumer Services as a Certified Roadside Farm Market.~~

(4) A "primitive camp" shall include any structure primarily used or associated with outdoor camping activities, including structures used for educational, instructional, or recreational purposes for campers and for management training, that are (i) not greater than 4,000 square feet in size and (ii) are not intended to be occupied for more than 24 hours consecutively. "Structures primarily used or associated with outdoor camping activities" include, but are not limited to, shelters, tree stands, outhouses, sheds, rustic cabins, campfire shelters, picnic shelters, tents, tepees or other indigenous huts, support buildings used only for administrative functions and not for activities involving campers or program participants, and any other structures that are utilized to store any equipment, tools, commodities, or other items that are maintained or used in conjunction with outdoor camping activities such as hiking, fishing, hunting, or nature appreciation, regardless of material used for construction. The specific types of primitive camping activities, structures, and uses set forth in this subdivision are for illustrative purposes and should not be construed to limit, in any manner, the types of activities, structures, or uses that are exempted from building rules.

(5) A "primitive farm building" shall include any structure used for activities, instruction, training, or reenactment of traditional or heritage farming practices. "Primitive farm buildings" include, but are not limited to, sheds, barns, outhouses, doghouses, or other structures that are utilized to store any equipment, tools, commodities, livestock, or other items supporting farm management. These specific types of farming activities, structures, and uses set forth by this subdivision are for illustrative purposes and should not be

construed to limit in any manner the types of activities, structures, or uses that are exempted from building rules.

~~(6) A "farm building" shall not lose its status as a farm building because it is used for public or private events, including, but not limited to, weddings, receptions, meetings, demonstrations of farm activities, meals, and other events that are taking place on the farm because of its farm or rural setting.~~"

WILDLIFE SEARCH AND SEIZURE MODIFICATIONS

SECTION 35.(a) G.S. 113-136(k) reads as rewritten:

"(k) It is unlawful to refuse to exhibit upon request by any inspector, protector, or other law enforcement officer any item required to be carried by any law or rule as to which inspectors or protectors have enforcement jurisdiction. The items that must be exhibited include boating safety or other equipment or any license, permit, tax receipt, certificate, or identification. It is unlawful to refuse to allow inspectors, protectors, or other law enforcement officers to inspect ~~weapons, equipment, fish, or wildlife that~~weapons or equipment if the officer reasonably believes them to be possessed incident to an activity regulated by any law or rule as to which inspectors and protectors have enforcement ~~jurisdiction.~~jurisdiction and the officer has a reasonable suspicion that a violation has been committed, except that an officer may inspect a shotgun to confirm whether it is plugged or unplugged without a reasonable suspicion that a violation has been committed. It is unlawful to refuse to allow inspectors, protectors, or other law enforcement officers to inspect fish or wildlife for the purpose of ensuring compliance with bag limits and size limits. Except as authorized by G.S. 113-137, nothing in this section gives an inspector, protector, or other law enforcement officer the authority to inspect, in the absence of a person in apparent control of the item to be inspected, any of the following:

(1) Weapons.

(2) Equipment, except for equipment left unattended in the normal operation of the equipment, including, but not limited to, traps, trot lines, crab pots, and fox pens.

(3) Fish.

(4) Wildlife."

SECTION 35.(b) The Wildlife Resources Commission shall report to the Joint Legislative Oversight Committee on Justice and Public Safety no later than March 1, 2016, and annually thereafter, on the number of complaints received against Commission law enforcement officers, the subject matter of the complaints, and the geographic areas in which the complaints were filed.

SECTION 35.(c) Subsection (a) of this section becomes effective December 1, 2015, and applies to offenses committed on or after that date. The remainder of this section is effective when it becomes law.

TECHNICAL CORRECTIONS

SECTION 36.(a) G.S. 14-137, as amended by S.L. 2015-241, reads as rewritten:

"§ **14-137. Willfully or negligently setting fire to woods and fields.**

If any person, firm or corporation shall willfully or negligently set on fire, or cause to be set on fire, any woods, lands or fields, whatsoever, every such offender shall be guilty of a Class 2 misdemeanor. This section shall apply only in those counties under the protection of the Department of ~~Environmental Quality~~Agriculture and Consumer Services in its work of forest fire control. It shall not apply in the case of a landowner firing, or causing to be fired, his own open, nonwooded lands, or fields in connection with farming or building operations at the time and in the manner now provided by law: Provided, he shall have confined the fire at his own expense to said open lands or fields."

SECTION 36.(c) G.S. 69-25.5 reads as rewritten:

"§ **69-25.5. Methods of providing fire protection.**

Upon the levy of such tax, the board of county commissioners shall, to the extent of the taxes collected hereunder, provide fire protection for the district –

(1) By contracting with any incorporated city or town, with any incorporated nonprofit volunteer or community fire department, or with the Department of ~~Environment and Natural Resources~~Agriculture and Consumer Services to furnish fire protection, or

(2) By furnishing fire protection itself if the county maintains an organized fire department, or

(3) By establishing a fire department within the district, or

(4) By utilizing any two or more of the above listed methods of furnishing fire protection."

SECTION 36.(d) G.S. 143-166.13 reads as rewritten:

"§ **143-166.13. Persons entitled to benefits under Article.**

(a) The following persons who are subject to the Criminal Justice Training and Standards Act are entitled to benefits under this Article:

(1) State Government Security Officers, Department of Administration;

(2) State Correctional Officers, Division of Adult Correction of the Department of Public Safety;

(3) State Probation and Parole Officers, Division of Adult Correction of the Department of Public Safety;

(4) Sworn State Law-Enforcement Officers with the power of arrest, Division of Adult Correction of the Department of Public Safety;

(5) Sworn Law Enforcement Officers in the Medicaid Fraud Unit of the Department of Justice;

(6) State Highway Patrol Officers, Department of Public Safety;

(7) General Assembly Special Police, General Assembly;

(8) Sworn State Law-Enforcement Officers with the power of arrest, Department of Health and Human Services;

(9) Juvenile Justice Officers, Division of Juvenile Justice of the Department of Public Safety;

(10) Insurance Investigators, Department of Insurance;

(11) State Bureau of Investigation Officers and Alcohol Law Enforcement Agents, Department of Public Safety;

(12) Director and Assistant Director, License and Theft Enforcement Section, Division of Motor Vehicles, Department of Transportation;

(13) Members of License and Theft Enforcement Section, Division of Motor Vehicles, Department of Transportation, designated by the Commissioner of Motor Vehicles as either "inspectors" or uniformed weigh station personnel;

(14) Utilities Commission Transportation Inspectors and Special Investigators;

(15) North Carolina Ports Authority Police, Department of Transportation;

(16) Sworn State Law-Enforcement Officers with the power of arrest, Department of Environment and Natural Resources;

(17) Sworn State Law-Enforcement Officers with the power of arrest, Department of Public Safety.

(18) Sworn State Law-Enforcement Officers with the power of arrest, Department of Revenue.

(19) Sworn State Law-Enforcement Officers with the power of arrest, University System.

(20) Sworn State Law-Enforcement Officers with the power of arrest, Department of Agriculture and Consumer Services.

(b) The following persons are entitled to benefits under this Article regardless of whether they are subject to the Criminal Justice Training and Standards Act:

(1) Driver License Examiners injured by accident arising out of and in the course of giving a road test, Division of Motor Vehicles, Department of Transportation;

(2) Employees of the Division of Adult Correction of the Department of Public Safety injured by a direct and deliberate act of an offender supervised by the Division or while performing supervisory duties over offenders which place the employees at risk of such injury.

(c) As used in this Article, the term "eligible person" or "person" shall mean any individual listed under subsection (a) or (b) of this section."

ALLOW ALTERNATE FORMS OF DOCUMENTATION FOR PARTICIPATION IN CERTAIN AGRICULTURAL COST-SHARE PROGRAMS

SECTION 37.(a) G.S. 106-850(b)(10) reads as rewritten:

"(10) To be eligible for cost share funds under this program, each applicant must establish that ~~he or she is engaged in farming by providing any of the following to the Soil and Water Conservation Commission with his or her application:~~the applicant meets the definition of a bona fide farm as described by G.S. 153A-340(b)(2).

~~a. A copy of the farm owner's or operator's federal tax Schedule F (Form 1040) or an equivalent form for the most recent tax year showing the owner's or operator's profit or loss from farming.~~

~~b. A copy of the farm's agricultural exemption certificate issued to the farm owner or operator by the Department of Revenue.~~

~~c. For forestland actively engaged in the commercial growing of trees under a sound management program as defined in G.S. 105-277.2(6), a copy of the sound forest management plan described in G.S. 105-277.3(g).~~"

SECTION 37.(b) G.S. 139-60(c1) reads as rewritten:

"(c1) To be eligible for assistance under this program, each applicant must establish that ~~he or she is engaged in farming by providing to the Soil and Water Conservation Commission with his or her application:~~the applicant meets the definition of a bona fide farm as described by G.S. 153A-340(b)(2).

~~(1) A copy of the farm owner's or operator's federal tax Schedule F (Form 1040) or an equivalent form for the most recent tax year showing the owner's or operator's profit or loss from farming.~~

~~(2) A copy of the farm's agricultural exemption certificate issued to the farm owner or operator by the Department of Revenue.~~

~~(3) For forestland actively engaged in the commercial growing of trees under a sound management program as defined in G.S. 105-277.2(6), a copy of the sound forest management plan described in G.S. 105-277.3(g).~~"

SECTION 37.(c) This section is effective when it becomes law and applies to applications submitted or pending on or after that date.

EFFECTIVE DATE AND SEVERABILITY CLAUSE

SECTION 38.(a) If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end, the provisions of this act are severable.

SECTION 38.(b) Except as otherwise provided, this act is effective when it becomes law.

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

Became law upon approval of the Governor at 4:30 p.m. on the 30th day of September, 2015.

Session Law 2015-264 **S.B. 119**

AN ACT TO MAKE TECHNICAL CORRECTIONS TO THE GENERAL STATUTES AND SESSION LAWS, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION, AND TO MAKE ADDITIONAL TECHNICAL AND OTHER AMENDMENTS TO THE STATUTES AND SESSION LAWS.

The General Assembly of North Carolina enacts:

PART I. TECHNICAL CORRECTIONS RECOMMENDED BY THE GENERAL STATUTES COMMISSION

SECTION 1.(a) G.S. 1-267.1(d) reads as rewritten:

"(d) This section applies only to civil proceedings. Nothing in this section shall be deemed to apply to criminal proceedings, to proceedings under Chapter 15A of the General Statutes, to proceedings making a collateral attack on any judgment entered in a criminal proceeding, or ~~to appeals from orders of the trial courts pertaining~~ to civil proceedings filed by a taxpayer pursuant to G.S. 105-241.17."

SECTION 1.(b) G.S. 7A-27 reads as rewritten:

"§ **7A-27. Appeals of right from the courts of the trial divisions.**

(a) Appeal lies of right directly to the Supreme Court in any of the following cases:

(1) All cases in which the defendant is convicted of murder in the first degree and the judgment of the superior court includes a sentence of death.

(2) From any final judgment in a case designated as a mandatory complex business case pursuant to G.S. 7A-45.4 or designated as a discretionary complex business case pursuant to Rule 2.1 of the General Rules of Practice for the Superior and District Courts.

(3) From any interlocutory order of a Business Court Judge that does any of the following:

a. Affects a substantial right.

b. In effect determines the action and prevents a judgment from which an appeal might be taken.

c. Discontinues the action.

d. Grants or refuses a new trial.

(a1) Appeal lies of right directly to the Supreme Court from any order or judgment of a court, either final or interlocutory, that holds that an act of the General Assembly is facially invalid on the basis that the act violates the North Carolina Constitution or federal law. Nothing in this ~~section~~ subsection shall be deemed to apply to appeals from orders of the trial courts pertaining to criminal proceedings, to proceedings under Chapter 15A of the General Statutes, to proceedings making a collateral attack on any judgment entered in a criminal proceeding, or to appeals from orders of the trial courts pertaining to civil proceedings filed by a taxpayer pursuant to G.S. 105-241.17.

(b) ~~Appeal~~ Except as provided in subsection (a) or (a1) of this section, appeal lies of right directly to the Court of Appeals in any of the following cases:

(1) From any final judgment of a superior court, other than ~~the one described in subsection (a) of this section, or~~ one based on a plea of guilty or nolo contendere, including any final judgment entered upon review of a decision of an administrative agency, except for a final judgment entered upon review of a court martial under G.S. 127A-62.

(2) From any final judgment of a district court in a civil action.

(3) From any interlocutory order or judgment of a superior court or district court in a civil action or proceeding that does any of the following:
a. Affects a substantial right.
b. In effect determines the action and prevents a judgment from which an appeal might be taken.
c. Discontinues the action.
d. Grants or refuses a new trial.
e. Determines a claim prosecuted under G.S. 50-19.1.
f. Grants temporary injunctive relief restraining the State or a political subdivision of the State from enforcing the operation or execution of an act of the General Assembly as applied against a party in a civil action. This ~~subsection~~ sub-subdivision only applies where the State or a political subdivision of the State is a party in the civil action. This ~~subsection~~ sub-subdivision does not apply to facial challenges to an act's validity heard by a three-judge panel pursuant to G.S. 1-267.1.

(4) From any other order or judgment of the superior court from which an appeal is authorized by statute.

(c) through (e) Repealed by Session Laws 2013-411, s. 1, effective August 23, 2013."

SECTION 2. Reserved.

SECTION 3. G.S. 14-269 reads as rewritten:

"§ **14-269. Carrying concealed weapons.**

(a) It shall be unlawful for any person willfully and intentionally to carry concealed about his or her person any bowie knife, dirk, dagger, slung shot, loaded cane, metallic knuckles, razor, ~~shurikin,~~ shuriken, stun gun, or other deadly weapon of like kind, except when the person is on the person's own premises.

(a1) It shall be unlawful for any person willfully and intentionally to carry concealed about his or her person any pistol or gun except in the following circumstances:

(1) The person is on the person's own premises.
(2) The deadly weapon is a handgun, the person has a concealed handgun permit issued in accordance with Article 54B of this Chapter or considered valid under G.S. 14-415.24, and the person is carrying the concealed handgun in accordance with the scope of the concealed handgun permit as set out in G.S. 14-415.11(c).
(3) The deadly weapon is a handgun and the person is a military permittee as defined under G.S. 14-415.10(2a) who provides to the law enforcement officer proof of deployment as required under G.S. 14-415.11(a).

…

(b1) It is a defense to a prosecution under this section that:

(1) The weapon was not a firearm;
(2) The defendant was engaged in, or on the way to or from, an activity in which ~~he~~ the defendant legitimately used the weapon;
(3) The defendant possessed the weapon for that legitimate use; and
(4) The defendant did not use or attempt to use the weapon for an illegal purpose.

The burden of proving this defense is on the defendant.

…."

SECTION 4. G.S. 14-313 reads as rewritten:

"§ **14-313. Youth access to tobacco products, tobacco-derived products, vapor products, and cigarette wrapping papers.**

…

(b) Sale or distribution to persons under the age of 18 years. – If any person shall distribute, or aid, assist, or abet any other person in distributing tobacco products or cigarette

wrapping papers to any person under the age of 18 years, or if any person shall purchase tobacco products or cigarette wrapping papers on behalf of a person under the age of 18 years, the person shall be guilty of a Class 2 misdemeanor; provided, however, that it shall not be unlawful to distribute tobacco products or cigarette wrapping papers to an employee when required in the performance of the employee's duties. Retail distributors of tobacco products shall prominently display near the point of sale a sign in letters at least five-eighths of an inch high which states the following:

N.C. LAW STRICTLY PROHIBITS
THE PURCHASE OF TOBACCO PRODUCTS, TOBACCO-DERIVED PRODUCTS,
VAPOR PRODUCTS, AND CIGARETTE WRAPPING PAPERS
BY PERSONS UNDER THE AGE OF 18.
PROOF OF AGE REQUIRED.

Failure to post the required sign shall be an infraction punishable by a fine of twenty-five dollars ($25.00) for the first offense and seventy-five dollars ($75.00) for each succeeding offense.

A person engaged in the sale of tobacco products or cigarette wrapping papers shall demand proof of age from a prospective purchaser if the person has reasonable grounds to believe that the prospective purchaser is under 18 years of age. Failure to demand proof of age as required by this subsection is a Class 2 misdemeanor if in fact the prospective purchaser is under 18 years of age. Retail distributors of tobacco products or cigarette wrapping papers shall train their sales employees in the requirements of this law. Proof of any of the following shall be a defense to any action brought under this subsection:

(1) The defendant demanded, was shown, and reasonably relied upon proof of age in the case of a retailer, or any other documentary or written evidence of age in the case of a nonretailer.

(2) The defendant relied on the electronic system established and operated by the Division of Motor Vehicles pursuant to G.S. 20-37.02.

(3) The defendant relied on a biometric identification system that demonstrated (i) the purchaser's age to be at least the required age for the purchase and (ii) the purchaser had previously registered with the seller or seller's agent a drivers license, a special identification card issued under ~~G.S. 20-377.7,~~ G.S. 20-37.7, a military identification card, or a passport showing the purchaser's date of birth and bearing a physical description of the person named on the card.

…

(e) Statewide uniformity. – It is the intent of the General Assembly to prescribe this uniform system for the regulation of tobacco products and cigarette wrapping papers to ensure the eligibility for and receipt of any federal funds or grants that the State now receives or may receive relating to the provisions of ~~G.S. 14-313.~~ this section. To ensure uniformity, no political subdivisions, boards, or agencies of the State nor any county, city, municipality, municipal corporation, town, township, village, nor any department or agency thereof, may enact ordinances, rules or regulations concerning the sale, distribution, display or promotion of (i) tobacco products or cigarette wrapping papers on or after September 1, 1995, or (ii) tobacco-derived products or vapor products on or after August 1, 2013. This subsection does not apply to the regulation of vending machines, nor does it prohibit the Secretary of Revenue from adopting rules with respect to the administration of the tobacco products taxes levied under Article 2A of Chapter 105 of the General Statutes.

…."

SECTION 5. G.S. 15A-150(b) reads as rewritten:

"(b) Notification to Other State and Local Agencies. – The clerk of superior court in each county in North Carolina shall send a certified copy of an order granting an expunction to a person named in subsection (a) of this section to all of the agencies listed in this subsection. An agency receiving an order under this subsection shall expunge from its records all entries

made as a result of the charge or conviction ordered expunged, except as provided in G.S. 15A-151. The list of agencies is as follows:

(1) The sheriff, chief of police, or other arresting agency.

(2) When applicable, the Division of Motor ~~Vehicles and the Division of Adult Correction of the Department of Public Safety.~~Vehicles.

(3) Any State or local agency identified by the petition as bearing record of the offense that has been expunged.

(4) The Department of Public Safety."

SECTION 6. G.S. 15A-1340.16(f) reads as rewritten:

"(f) ~~[Notice to State Treasurer of Finding. –]~~ Notice to State Treasurer of Finding. – If the court determines that an aggravating factor under subdivision (9) of subsection (d) of this section has been proven, the court shall notify the State Treasurer of the fact of the conviction as well as the finding of the aggravating factor. The indictment charging the defendant with the underlying offense must include notice that the State seeks to prove the defendant acted in accordance with subdivision (9) of subsection (d) of this section and that the State will seek to prove that as an aggravating factor."

SECTION 7. G.S. 18B-302(d) reads as rewritten:

"(d) Defense. – It shall be a defense to a violation of subsection (a) of this section if the seller:

…

(3) Shows that at the time of purchase, the purchaser utilized a biometric identification system that demonstrated (i) the purchaser's age to be at least the required age for the purchase and (ii) the purchaser had previously registered with the seller or seller's agent a drivers license, a special identification card issued under ~~G.S. 20-377.7,~~ G.S. 20-37.7, a military identification card, or a passport showing the purchaser's date of birth and bearing a physical description of the person named on the document."

SECTION 8.(a) G.S. 20-115 reads as rewritten:

"§ **20-115. Scope and effect of regulations in this ~~title.~~Part.**

It shall be unlawful for any person to drive or move or for the owner to cause or knowingly permit to be driven or moved on any highway any vehicle or vehicles of a size or weight exceeding the limitations stated in this ~~title,~~ Part, or any vehicle or vehicles which are not so constructed or equipped as required in this ~~title,~~ Part, or the rules and regulations of the Department of Transportation adopted pursuant ~~thereto~~ to this Part and the maximum size and weight of vehicles ~~herein~~ specified in this Part shall be lawful throughout this State, and local authorities shall have no power or authority to alter ~~said~~ the limitations except as express authority may be granted in this Article."

SECTION 8.(b) G.S. 106-549.21(d) and (e) read as rewritten:

"(d) No article subject to this ~~title~~ Article shall be sold or offered for sale by any person, firm, or corporation, in intrastate commerce, under any name or other marking or labeling which is false or misleading, or in any container of a misleading form or size, but established trade names and other marking and labeling and containers which are not false or misleading, and which are approved by the Commissioner or ~~his~~ the Commissioner's authorized representative, are permitted.

(e) If the Commissioner or ~~his~~ the Commissioner's authorized representative has reason to believe that any marking or labeling or the size or form of any container in use or proposed for use with respect to any article subject to this ~~title~~ Article is false or misleading in any particular, ~~he~~ the Commissioner or the authorized representative may direct that ~~such~~ this use be withheld unless the marking, labeling, or container is modified in such a manner as ~~he may prescribe~~ the Commissioner or the authorized representative prescribes so that it will not be false or misleading. If the person, firm, or corporation using or proposing to use the marking, labeling or container does not accept the determination of the Commissioner or ~~his~~ the Commissioner's authorized representative, ~~such~~ the person, firm, or corporation may request a

hearing, but the use of the marking, labeling, or container shall, if the Commissioner so directs, be withheld pending hearing and final determination by the Commissioner. A person who uses or proposes to use the marking, labeling, or container and who does not accept the determination of the Commissioner may commence a contested case under G.S. 150B-23. If directed by the Commissioner, the marking, labeling, or container may not be used pending a final decision."

SECTION 9. G.S. 20-183.2(a1) reads as rewritten:

"(a1) Safety Inspection Exceptions. – The following vehicles shall not be subject to a safety inspection pursuant to this Article:

(1) Historic vehicles, as described in ~~G.S. 20-79.4(b)(88).~~G.S. 20-79.4(b)(90).

(2) Buses titled to a local board of education and subject to the school bus inspection requirements specified by the State Board of Education and G.S. 115C-248."

SECTION 10. G.S. 62-36B is recodified as G.S. 62-36.01.

SECTION 11. G.S. 62-110.1(c) reads as rewritten:

"(c) The Commission shall develop, publicize, and keep current an analysis of the long-range needs for expansion of facilities for the generation of electricity in North Carolina, including its estimate of the probable future growth of the use of electricity, the probable needed generating reserves, the extent, size, mix and general location of generating plants and arrangements for pooling power to the extent not regulated by the Federal Energy Regulatory Commission and other arrangements with other utilities and energy suppliers to achieve maximum efficiencies for the benefit of the people of North Carolina, and shall consider such analysis in acting upon any petition by any utility for construction. In developing such analysis, the Commission shall confer and consult with the public utilities in North Carolina, the utilities commissions or comparable agencies of neighboring states, the Federal Energy Regulatory Commission, ~~the Southern Growth Policies Board,~~ and other agencies having relevant information and may participate as it deems useful in any joint boards investigating generating plant sites or the probable need for future generating facilities. In addition to such reports as public utilities may be required by statute or rule of the Commission to file with the Commission, any such utility in North Carolina may submit to the Commission its proposals as to the future needs for electricity to serve the people of the State or the area served by such utility, and insofar as practicable, each such utility and the Attorney General may attend or be represented at any formal conference conducted by the Commission in developing a plan for the future requirements of electricity for North Carolina or this region. In the course of making the analysis and developing the plan, the Commission shall conduct one or more public hearings. Each year, the Commission shall submit to the Governor and to the appropriate committees of the General Assembly a report of its analysis and plan, the progress to date in carrying out such plan, and the program of the Commission for the ensuing year in connection with such plan."

SECTION 12.(a) G.S. 66-372(e) reads as rewritten:

"(e) All service agreements used in this State by a service agreement company shall:

(1) Not contain provisions that allow the company to cancel the agreement in its discretion other than for nonpayment of premiums or for a direct violation of the agreement by the consumer where the service agreement states that violation of the agreement would subject the agreement to cancellation;

(2) With respect to a motor vehicle service agreement as defined in ~~G.S. 66-370(b)(1),~~ G.S. 66-370(b)(5), provide for a right of assignability by the consumer to a subsequent purchaser before expiration of coverage if the subsequent purchaser meets the same criteria for motor vehicle service agreement acceptability as the original purchaser; and

(3) Contain a cancellation provision allowing the consumer to cancel at any time after purchase and receive a pro rata refund less any claims paid on the

agreement and a reasonable administrative fee, not to exceed ten percent (10%) of the amount of the pro rata refund."

SECTION 12.(b) If Senate Bill 195, 2015 Regular Session, becomes law, this section is repealed.

SECTION 13. G.S. 90-89(5) reads as rewritten:

"(5) Stimulants. – Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation that contains any quantity of the following substances having a stimulant effect on the central nervous system, including its salts, isomers, and salts of isomers:

a. Aminorex. Some trade or other names: aminoxaphen; 2-amino-5-phenyl-2-oxazoline; ~~or 4,5-dihydro-5-phenly-2-oxazolamine.~~ or 4,5-dihydro-5-phenyl-2-oxazolamine.

…

j. A compound, other than bupropion, that is structurally derived from 2-amino-1-phenyl-1-propanone by modification in any of the following ways: (i) by substitution in the phenyl ring to any extent with alkyl, alkoxy, alkylenedioxy, haloalkyl, or halide substituents, whether or not further substituted in the phenyl ring by one or more other univalent substituents; (ii) by substitution at the 3-position with an alkyl substituent; or (iii) by substitution at the nitrogen atom with alkyl or ~~diakyl~~ dialkyl groups or by inclusion of the nitrogen atom in a cyclic structure.

…."

SECTION 14.(a) G.S. 90-113.101 reads as rewritten:

"§ **90-113.101. Definitions.**

The following definitions apply in this Article:

~~(a)~~(1) Caregiver. – An individual who is a parent, legal guardian, or custodian of a person diagnosed with intractable epilepsy.

~~(b)~~(2) Caregiver Registration Card. – A registration card issued by the Department of Health and Human Services under this Article to a caregiver.

~~(c)~~(3) Database. – The Intractable Epilepsy Alternative Treatment Pilot Study database, established by the Department of Health and Human Services pursuant to this Article, to register caregivers, patients, and recommending neurologists.

~~(d)~~(4) Department. – The Department of Health and Human Services.

~~(e)~~(5) Hemp Extract. – An extract from a cannabis plant, as defined in G.S. 90-94.1(a).

~~(f)~~(6) Intractable Epilepsy. – A seizure disorder that, as determined by a neurologist, does not respond to three or more treatment options overseen by the neurologist.

~~(g)~~(7) Neurologist. – An individual who is licensed under Article 1 of Chapter 90 of the General Statutes, who is board certified in neurology, and is affiliated with the neurology department at one or more of the following universities:

(1) The University of North Carolina at Chapel Hill.
(2) East Carolina University.
(3) Duke University.
(4) Wake Forest University.

~~(h)~~(8) Patient. – A person who has been diagnosed by a neurologist with intractable epilepsy.

~~(i)~~(9) Pilot Study. – An evidence-based investigation of the safety and efficacy of treating intractable epilepsy using hemp extract conducted by one or more neurologists registered pursuant to this Article."

SECTION 14.(b) This section becomes effective July 16, 2015.

SECTION 15. G.S. 113A-153 is repealed.

SECTION 16.(a) G.S. 63A-9 reads as rewritten:

"§ **63A-9. Bonds and notes.**

…

(l) Bonds and notes are exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of bonds and notes, and franchise taxes. The interest on bonds and notes is not subject to taxation as income."

SECTION 16.(b) G.S. 115C-513 reads as rewritten:

"§ **115C-513. Special tax for certain merged school administrative units.**

…

(b) Issuance of Bonds. – The board of education of a merged school administrative unit may issue notes, bonds, or refunding bonds at one time or from time to time to pay the capital costs of school facilities as described in G.S. 159-48. The bonds shall be issued and maintained in accordance with the provisions of Articles 1, 4, 5A, 7, 9, 10, and 11 of Chapter 159 of the General Statutes, except as modified by this section.

The board of education of a merged school administrative unit shall call for a referendum authorizing the issuance of notes, bonds, and refunding bonds and the levy of a tax to pay amounts relating to these notes, bonds, or refunding bonds. The referendum may be called only with the consent of the boards of commissioners of both counties in which the merged school administrative unit is located. The referendum shall be held in the merged school administrative unit and only those qualified voters who reside in the unit may vote. The board of commissioners of each county shall have the referendum conducted by the board of elections of its county.

After issuance of the approved bonds, the merged school administrative unit shall make timely payments of principal and interest on the bonds after receipt of notification of its debt service obligation pursuant to G.S. 159-35. The provisions of G.S. 159-36 govern a failure by the merged school administrative unit to levy taxes or otherwise provide for payment of the debt.

Bonds, notes, and refunding bonds issued under this section shall be exempt from all State, county, and municipal taxation and assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of bonds, notes, and refunding bonds, and franchise taxes. The interest on bonds, notes, and refunding bonds is not subject to taxation as income.

Article 9 of the North Carolina Uniform Commercial Code, Chapter 25 of the General Statutes, does not apply to any security interest created in connection with the issuance of bonds under this section."

SECTION 16.(c) G.S. 116-183 reads as rewritten:

"§ **116-183. Acceptance of grants; exemption from taxation.**

The Board is hereby authorized, subject to the approval of the Director of the Budget, to accept grants of money or materials or property of any kind for any project from a federal agency, private agency, corporation or individual, upon such terms and conditions as such federal agency, private agency, corporation or individual may impose. The bonds issued under this Article are exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of the bonds and notes, and franchise taxes. The interest on the bonds and notes is not subject to taxation as income."

SECTION 16.(d) G.S. 116-196 reads as rewritten:

"§ **116-196. Exemption from taxation; bonds eligible for investment or deposit.**

Any bonds issued under this Article shall at all times be exempt from all taxes or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, which are levied or assessed by the State or by any county, political subdivision, agency or other instrumentality of the State, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of the bonds, and franchise taxes. The interest on the bonds is not subject to taxation as income. Bonds issued by the Board under the provisions of this Article are hereby made securities in which all public officers and public bodies of the State and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any State or municipal officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds or obligations of the State is now or may hereafter be authorized by law."

SECTION 16.(e) G.S. 116-198.39 reads as rewritten:

"§ **116-198.39. Bonds are exempt from taxation.**

Any bonds issued under this Article shall at all times be exempt from all taxes or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, which are levied or assessed by the State or by any county, political subdivision, agency, or other instrumentality of the State, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of the bonds, and franchise taxes. The interest on the bonds is not subject to taxation as income. Bonds issued by the Board under the provisions of this Article are hereby made securities in which all public officers and public bodies of the State and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees, and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any State or municipal officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds or obligations of the State is now or may hereafter be authorized by law."

SECTION 16.(f) G.S. 142-29.6 reads as rewritten:

"§ **142-29.6. Sale of refunding obligations and provisions thereof.**

…

(f) All refunding obligations shall be exempt from all State, county and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except for ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of the obligations, and franchise taxes. The interest on the refunding obligations is not subject to taxation as income."

SECTION 16.(g) G.S. 142-68 reads as rewritten:

"§ **142-68. Tax exemption.**

Any financing contract entered pursuant to this Article, and any certificates of participation relating to it, shall at all times be free from taxation by the State or any political subdivision or any of their agencies, excepting ~~estate, inheritance, and gift taxes;~~ income taxes on the gain from the transfer of the financing contract or certificates of participation; and franchise taxes. The interest component of the installment payments made by the State under the financing contract, including the interest component of any certificates of participation, is not subject to taxation as income."

SECTION 16.(h) G.S. 142-92 reads as rewritten:

"§ **142-92. Tax exemption.**

Special indebtedness shall at all times be free from taxation by the State or any political subdivision or any of their agencies, excepting ~~estate, inheritance, and gift taxes;~~ income taxes on the gain from the transfer of the indebtedness; and franchise taxes. The interest component

of any payments made by the State under special indebtedness, including the interest component of any certificates of participation, is not subject to taxation as to income."

SECTION 16.(i) G.S. 157-26 reads as rewritten:

"§ **157-26. Tax exemptions.**

An authority is a local government agency and is exempt from taxation to the same extent as a unit of local government. Property owned by an authority is exempt from taxation in accordance with Article V, § 2 of the North Carolina Constitution. Bonds and other obligations issued by an authority or its corporate agent authorized by this Article to exercise its powers are declared to be issued for a public purpose and to be public instrumentalities. These obligations are exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of the obligations, and franchise taxes. The interest on the obligations is not subject to taxation as income."

SECTION 16.(j) G.S. 159I-23 reads as rewritten:

"§ **159I-23. Tax exemption.**

All of the bonds and notes authorized by this Chapter shall be exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of the bonds and notes, and franchise taxes. The interest on the bonds and notes shall not be subject to taxation as income."

SECTION 16.(k) G.S. 160A-480.14 reads as rewritten:

"§ **160A-480.14. Taxation of revenue bonds.**

Any bonds and notes issued by the Authority under the provisions of this Part shall be exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of bonds and notes, and franchise taxes. The interest on bonds and notes issued by an Authority under the provisions of this Part shall not be subject to taxation as to income."

SECTION 16.(l) G.S. 160A-516 reads as rewritten:

"§ **160A-516. Issuance of bonds.**

…

(b) Neither the commissioners of a commission nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance of the bonds. The bonds and other obligations of the commission (and the bonds and obligations shall so state on their face) shall not be a debt of the municipality, the county, or the State and neither the municipality, the county, nor the State shall be liable on the bonds, nor in any event shall the bonds or obligations be payable out of any funds or properties other than those of the commission acquired for the purpose of this Article. The bonds shall not constitute an indebtedness of the municipality within the meaning of any constitutional or statutory debt limitation or restriction. Bonds of a commission are declared to be issued for an essential public and governmental purpose and to be public instrumentalities. The bonds are exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding ~~inheritance and gift taxes,~~ income taxes on the gain from the transfer of the bonds and notes, and franchise taxes. The interest on the bonds is not subject to taxation as income. Bonds may be issued by a commission under this Article notwithstanding any debt or other limitation prescribed in any statute. This Article without reference to other statutes of the State shall constitute full and complete authority for the authorization and issuance of bonds by the commission under this Article and this authorization and issuance shall not be subject to any conditions, restrictions, or limitations imposed by any other statute whether general, special, or local, except as provided in subsection (d) of this section."

SECTION 17. G.S. 131E-154.13 reads as rewritten:

"§ **131E-154.13. Definitions.**

The following definitions apply in this Part, unless otherwise specified:

…

(3) NC NOVA Partner Team. – The entity responsible for developing the criteria and protocols for the NC NOVA special licensure designation. The Partner Team is inclusive of representatives from the following organizations: Association for Home and Hospice Care of North Carolina, Direct Care Workers Association of North Carolina, Duke University Gerontological Nursing Program, Friends of Residents in Long Term Care, North Carolina Assisted Living Association, North Carolina Association of Long Term Care Facilities, ~~North Carolina Association of Non-Profit Homes for the Aging,~~ LeadingAge North Carolina, North Carolina Department of Health and Human Services, North Carolina Foundation for Advanced Health Programs, North Carolina Health Care Facilities Association, The Carolinas Center for Medical Excellence, and the University of North Carolina at Chapel Hill – Institute on Aging.

…."

SECTION 18. G.S. 143-228.10 reads as rewritten:

"§ **143-228.10. (See Editor's note) Definitions.**

The following definitions apply ~~to Section 6 of this act:~~in this Article:

…."

SECTION 19. G.S. 143B-431.01(d) reads as rewritten:

"(d) Limitations. – Prior to contracting with a North Carolina nonprofit corporation pursuant to this section and in order for the North Carolina nonprofit corporation to receive State funds, the following conditions shall be met:

(1) At least 45 days prior to entering into or amending in a nontechnical manner a contract authorized by this section, the Department shall submit the contract or amendment, along with a detailed explanation of the contract or amendment, to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

(2) The nonprofit corporation adheres to the following governance provisions related to its governing board:

…

e. The board is required to perform the following duties if the Department contracts pursuant to ~~G.S. 143B-431.01~~ this section for the performance of the Secretary's responsibilities under G.S. 143B-434.01:

…."

SECTION 20. G.S. 143B-927 reads as rewritten:

"§ **143B-927. Personnel of the State Bureau of Investigation.**

The Director of the State Bureau of Investigation may appoint a sufficient number of assistants who shall be competent and qualified to do the work of the Bureau. The Director shall be responsible for making all hiring and personnel decisions of the Bureau. Notwithstanding the provisions of ~~this Chapter, Chapter 143A, and Chapter 143B~~ this Chapter or Chapter 143A of the General Statutes, the Director may hire or fire personnel and transfer personnel within the Bureau."

SECTION 21. G.S. 143C-6-23(f1) reads as rewritten:

"(f) Suspension and Recovery of Funds to Grant Recipients for Noncompliance. – The Office of State Budget and Management, after consultation with the administering State agency, shall have the power to suspend disbursement of grant funds to grantees or subgrantees, to prevent further use of grant funds already disbursed, and to recover grant funds already disbursed for noncompliance with rules adopted pursuant to subsection (d) of this section. If the grant funds are a pass-through of funds granted by an agency of the United

States, then the Office of State Budget and Management must consult with the granting agency of the United States and the State agency that is the recipient of the pass-through funds prior to taking the actions authorized by this subsection.

(f1) Return of Grant Funds. – Except as otherwise required by federal law, a grantee or subgrantee shall return to the State all affected grant funds and interest earned on those funds if any of the following occurs:

(1) The funds are in the possession or control of a grantee and are not expended, made subject to an encumbrance, or disbursed to a subgrantee by August 31 immediately following the fiscal year in which the funds are appropriated by the General Assembly, or a different period set forth in the terms of the applicable appropriation or federal grant.

(2) The funds remain unexpended at the time that the grantee or subgrantee dissolves, ceases operations, or otherwise indicates that it does not intend to spend the funds.

(3) The Office of State Budget and Management seeks to recover the funds pursuant to subsection (f) of this ~~act.~~section."

SECTION 22. G.S. 150B-21.1(a)(12) is repealed.

SECTION 23. G.S. 150B-21.3(b2) reads as rewritten:

"(b2) Objection. – Any person who objects to the adoption of a permanent rule may submit written comments to the agency. If the objection is not resolved prior to adoption of the rule, a person may submit written objections to the Commission. If the Commission receives written objections from 10 or more persons, no later than 5:00 P.M. of the day following the day the Commission approves the rule, clearly requesting review by the legislature in accordance with instructions ~~contained in the notice pursuant to G.S. 150B-21.2(c)(9),~~ posted on the agency's Web site pursuant to G.S. 150B-19.1(c)(4), and the Commission approves the rule, the rule will become effective as provided in subsection (b1) of this section. The Commission shall notify the agency that the rule is subject to legislative disapproval on the day following the day it receives 10 or more written objections. When the requirements of this subsection have been met and a rule is subject to legislative disapproval, the agency may adopt the rule as a temporary rule if the rule would have met the criteria listed in G.S. 150B-21.1(a) at the time the notice of text for the permanent rule was published in the North Carolina Register. If the Commission receives objections from 10 or more persons clearly requesting review by the legislature, and the rule objected to is one of a group of related rules adopted by the agency at the same time, the agency that adopted the rule may cause any of the other rules in the group to become effective as provided in subsection (b1) of this section by submitting a written statement to that effect to the Commission before the other rules become effective."

SECTION 24. G.S. 150B-23.2(d) reads as rewritten:

"(d) ~~Wavier~~ Waiver or Refund. – The Office of Administrative Hearings shall by rule provide for the fee to be waived in a contested case in which the petition is filed in forma pauperis and supported by such proofs as are required in G.S. 1-110 and in a contested case involving a mandated federal cause of action. The Office of Administrative Hearings shall by rule provide for the fee to be refunded in a contested case in which the losing party is the State."

SECTION 25. G.S. 161-22.3 reads as rewritten:

"§ **161-22.3. Minimum standards for land records management.**

In addition to the recording and indexing procedures set forth in this Article, the register of deeds shall follow the rules specifying minimum standards and procedures in land records management adopted by the Department of Secretary of State pursuant to ~~G.S. 143-345.6(b1).~~G.S. 147-54.3(b1)."

SECTION 26. G.S. 163-275 reads as rewritten:

"§ **163-275. Certain acts declared felonies.**

Any person who shall, in connection with any primary, general or special election held in this State, do any of the acts or things declared in this section to be unlawful, shall be guilty of a Class I felony. It shall be unlawful:

(1) For any person fraudulently to cause ~~his~~ that person's name to be placed upon the registration books of more than one election precinct or fraudulently to cause or procure ~~his~~ that person's name or that of any other person to be placed upon the registration books in any precinct when ~~such~~ registration in that precinct does not qualify ~~such~~ the person to vote legally therein, or to impersonate falsely another registered voter for the purpose of voting in the stead of ~~such other voter;~~the other voter.

(2) For any person to give or promise or request or accept at any time, before or after any such primary or election, any money, property or other thing of value whatsoever in return for the vote of any ~~elector;~~elector.

(3) For any person who is an election officer, a member of an election board or other officer charged with any duty with respect to any primary or election, knowingly to make any false or fraudulent entry on any election book or any false or fraudulent returns, or knowingly to make or cause to be made any false statement on any ballot, or to do any fraudulent act or knowingly and fraudulently omit to do any act or make any report legally required of ~~such person;~~that person.

(4) For any person knowingly to swear falsely with respect to any matter pertaining to any primary or ~~election;~~election.

(5) For any person convicted of a crime which excludes ~~him~~ the person from the right of suffrage, to vote at any primary or election without having been restored to the right of citizenship in due course and by the method provided by ~~law;~~law.

(6) For any person to take corruptly the oath prescribed for ~~voters;~~voters.

(7) For any person with intent to commit a fraud to register or vote at more than one precinct or more than one time, or to induce another to do so, in the same primary or election, or to vote illegally at any primary or ~~election;~~election.

(8) For any chief judge or any clerk or copyist to make any entry or copy with intent to commit a ~~fraud;~~fraud.

(9) For any election official or other officer or person to make, certify, deliver or transmit any false returns of any primary or election, or to make any erasure, alteration, or conceal or destroy any election ballot, book, record, return or process with intent to commit a ~~fraud;~~fraud.

(10) For any person to assault any chief judge, judge of election or other election officer while in the discharge of ~~his duty~~ duties in the registration of voters or in conducting any primary or ~~election;~~election.

(11) For any person, by threats, menaces or in any other manner, to intimidate or attempt to intimidate any chief judge, judge of election or other election officer in the discharge of ~~his~~ duties in the registration of voters or in conducting any primary or ~~election;~~election.

(12) For any chief judge, judge of election, member of a board of elections, assistant, marker, or other election official, directly or indirectly, to seek, receive or accept money or the promise of money, the promise of office, or other reward or compensation from a candidate in any primary or election or from any source other than such compensation as may be provided by law for ~~his services;~~that person's services.

(13) For any person falsely to make or present any certificate or other paper to qualify any person fraudulently as a voter, or to attempt thereby to secure to

any person the privilege of voting, including declarations made under this Chapter, G.S. 20-37.7(d)(5), 20-37.7(d)(6), 130A-93.1(c), and ~~161-10(a)(8);~~161-10(a)(8).

(14) For any officer to register voters and any other individual to knowingly and willfully receive, complete, or sign an application to register from any voter contrary to the provisions of ~~G.S. 163-82.4; or~~G.S. 163-82.4.

(15) Reserved for future codification purposes.

(16) For any person falsely to make the certificate provided by G.S. 163-229(b)(2).

(17) For any person, directly or indirectly, to misrepresent the law to the public through mass mailing or any other means of communication where the intent and the effect is to intimidate or discourage potential voters from exercising their lawful right to vote.

(18) For any person, knowing that a person is not a citizen of the United States, to instruct or coerce that person to register to vote or to vote."

SECTION 27. G.S. 163-278.13(a1) reads as rewritten:

"(a1) Effective for each odd-numbered calendar year beginning in 2015, the dollar amount of the contribution limitation established by subsections (a), (b), and (c) of this subsection shall be increased as provided in this subsection. On July 1 of each even-numbered year, the State Board of Elections shall calculate from data from the Bureau of Labor Statistics of the United States Department of Labor Register the percent difference between the price index for the July 1 of the previous even-numbered year. That percentage increase shall be multiplied by the previous dollar amount contribution limit, that number added to the previous dollar amount contribution limit, and the total shall become effective with respect to contributions made or accepted on or after January 1 of the next odd-numbered year. If the amount after adjustment is not a multiple of one hundred dollars ($100.00), the total shall be rounded to the nearest multiple of one hundred dollars ($100.00). As used in this subsection the term "price index" means the average over a calendar year of the Consumer Price Index (all items – United States city average) published monthly by the Bureau of Labor Statistics. The revised amount of the dollar limit of contributions shall remain in effect for two calendar years until the next adjustment is made. The State Board of Elections shall publish the revised amount in the North Carolina Register and shall notify the ~~Reviser~~ Revisor of Statutes who shall adjust the dollar amounts in subsections (a), (b), and (c) of this section."

SECTION 28.(a) Section 2 of S.L. 2010-32 is codified as G.S. 39A-4.

SECTION 28.(b) G.S. 39A-4, as created by Section 27(a) of this act, reads as rewritten:

"§ **39A-4. Applicability; interpretation.**

(a) This Chapter applies to (i) any transfer fee covenant that is recorded after July 1, 2010; (ii) any lien that is filed to enforce a transfer fee covenant that is recorded after July 1, 2010, or purports to secure payment of a transfer fee that is recorded after July 1, 2010; and (iii) any agreement imposing a private transfer fee obligation entered into after July 1, 2010.

(b) Nothing in this ~~act~~ Chapter shall be interpreted to mean that a transfer fee covenant recorded prior to ~~the effective date of this act~~ July 1, 2010, is valid or enforceable."

SECTION 28.(c) Section 3 of S.L. 2010-32 reads as rewritten:

"**SECTION 3.** This act is effective when it becomes ~~law and applies to: (i) any transfer fee covenant that is recorded after the effective date of this act; (ii) any lien that is filed to enforce a transfer fee covenant that is recorded after the effective date of this act or purports to secure payment of a transfer fee that is recorded after the effective date of this act; and (iii) any agreement imposing a private transfer fee obligation entered into after the effective date of this act.~~law."

SECTION 29. The introductory language of Section 3 of S.L. 2014-76 reads as rewritten:

"**SECTION 3. ~~G.S.~~** ~~94-133(a)~~ G.S. 95-133(a) reads as rewritten:"

SECTION 30. Section 3.5 of S.L. 2015-35 reads as rewritten:

"**SECTION 3.5.(a)** Notwithstanding the PLAN OF MERGER OF THE IREDELL COUNTY AND STATESVILLE CITY SCHOOLS, as amended by Section 2 of S.L. 2002-18, beginning in 2016, members of the Iredell-Statesville Schools Board of Education shall be elected on a partisan basis at the time of the general election in each even-numbered year as terms expire. Candidates for election to the Iredell-Statesville Schools Board of Education shall be nominated at the same time and manner as other county officers. Members elected shall take office and qualify on the first Monday in December of the year of their election and the terms of their predecessors shall expire at that same time. Vacancies on the Iredell-Statesville Schools Board of Education for positions elected on a partisan basis shall be filled in accordance with G.S. 115C-37.1.

"**SECTION 3.5.(b)** For positions elected on a nonpartisan basis in 2012 or 2014, vacancies occurring in the membership of the ~~Iredell-States~~ Iredell-Statesville Schools Board of Education shall be filled for the unexpired term by the remaining members of the Board of Education."

SECTION 31.(a) S.L. 2015-205 is amended by adding a new Part to read:

"**PART X-A. UNIFORM TRUST CODE; CLARIFY REPORT ON TRUSTEE FEES.**

SECTION 10.5. G.S. 36C-8-802(f) reads as rewritten:

"(f) Notwithstanding subsection (c) of this section:

(1) An investment by a trustee in securities of an investment company, investment trust, or pooled investment vehicle in which the trustee or its affiliate has an investment, or to which the trustee, or its affiliate, provides services for compensation, is not presumed to be affected by a conflict between personal and fiduciary interests if the investment otherwise complies with the prudent investor rule of Article 9 of this Chapter. The investment company, investment trust, or pooled investment vehicle may compensate the trustee for providing those services out of fees charged to the trust if the trustee at least annually ~~notifies the persons entitled under G.S. 36C-8-813 to receive a copy of the trustee's annual report~~ provides notice of the rate and method by which the compensation was ~~determined;~~ determined to each beneficiary of the trust to whom the trustee owes a duty under G.S. 36C-8-813(a)(1) to provide the information described in that subdivision; and

(2) Payment made by a trustee to an attorney, broker, accountant, or agent for services performed on behalf of the trust in the ordinary course of business is not considered to be affected by a conflict between the trustee's personal and fiduciary interests if the payment is consistent with payments generally made for the same or similar services."

SECTION 31.(b) Section 11(a) of S.L. 2015-205 reads as rewritten:

"**SECTION 11.(a)** The Revisor of Statutes shall cause to be printed, as annotations to the published General Statutes, all relevant portions of the Official Commentary to the Uniform Powers of Appointment Act and of the Official Commentary to the Uniform Trust Code and all explanatory comments of the drafters of ~~those acts,~~ Part III and Parts VI through X-A of this act, as the Revisor may deem appropriate."

PART II. ADDITIONAL TECHNICAL CORRECTIONS AND OTHER AMENDMENTS

SECTION 32. G.S. 1C-1853(j), as enacted by S.L. 2015-107, reads as rewritten:

"(j) If a proceeding in a foreign court is brought by a foreign government entity based upon rules of law adopted for the benefit of the foreign government entity that are applied ex post facto to conduct of the defendant or if the action imposes liability for harms to individuals without requiring individualized proof of each element of the claim for each such individual, the court shall find that the action is fundamentally unfair and its judgment is repugnant to the

public policy of this State under ~~G.S. 1C-1853(c)(3) and (5).~~subdivisions (3) and (8) of subsection (c) of this section."

SECTION 32.5. G.S. 6-21.6(b) reads as rewritten:

"(b) Reciprocal attorneys' fees provisions in business contracts are valid and enforceable for the recovery of reasonable attorneys' fees and expenses only if all of the parties to the business contract sign by hand the business contract. ~~In any suit, action, proceeding, or arbitration primarily for the recovery of monetary damages, the award of reasonable attorneys' fees may not exceed the monetary damages awarded.~~ Signature "by hand" is not intended to prevent the application of this section to a business contract executed by either of the following:

(1) A party's electronic signature, as defined in G.S. 66-312, if the party's electronic signature originates from an affirmative action on the part of the party to evidence acceptance and execution such as typing the party's signature or writing the party's signature with a finger or stylus on a touchscreen to indicate acceptance and execution.

(2) A party's manual signature that is delivered by an electronic reproductive image thereof."

SECTION 33.(a) G.S. 7B-401.1(b), as amended by Section 22 of S.L. 2015-181, reads as rewritten:

"(b) Parents. – The juvenile's parent shall be a party unless one of the following applies:

(1) The parent's rights have been terminated.

(2) The parent has relinquished the juvenile for adoption, unless the court orders that the parent be made a party.

(3) The parent has been convicted under G.S. 14-27.21, ~~G.S.~~ 14-27.22, 14-27.23, or ~~G.S.~~ 14-27.24 for an offense that resulted in the conception of the juvenile."

SECTION 33.(b) G.S. 7B-1103(c), as amended by Section 23 of S.L. 2015-181, reads as rewritten:

"(c) No person whose actions resulted in a conviction under G.S. 14-27.21, ~~G.S.~~ 14-27.22, 14-27.23, or ~~G.S.~~ 14-27.24 and the conception of the juvenile may file a petition to terminate the parental rights of another with respect to that juvenile."

SECTION 33.(c) G.S. 7B-1104, as amended by Section 24 of S.L. 2015-181, reads as rewritten:

"§ **7B-1104. Petition or motion.**

The petition, or motion pursuant to G.S. 7B-1102, shall be verified by the petitioner or movant and shall be entitled "In Re (last name of juvenile), a minor juvenile", who shall be a party to the action, and shall set forth such of the following facts as are known; and with respect to the facts which are unknown the petitioner or movant shall so state:

…

(3) The name and address of the parents of the juvenile. If the name or address of one or both parents is unknown to the petitioner or movant, the petitioner or movant shall set forth with particularity the petitioner's or movant's efforts to ascertain the identity or whereabouts of the parent or parents. The information may be contained in an affidavit attached to the petition or motion and incorporated therein by reference. A person whose actions resulted in a conviction under G.S. 14-27.21, ~~G.S.~~ 14-27.22, 14-27.23, or ~~G.S.~~ 14-27.24 and the conception of the juvenile need not be named in the petition.

…."

SECTION 33.(d) This section becomes effective December 1, 2015, and applies to petitions filed on or after that date.

SECTION 34.(a) G.S. 7B-901(c), as enacted by S.L. 2015-136, reads as rewritten:

"(c) If the disposition order places a juvenile in the custody of a county department of social services, the court shall direct that reasonable efforts for reunification as defined in G.S. 7B-101 shall not be required if the court makes written findings of fact pertaining to any of the following:

(1) A court of competent jurisdiction has determined that aggravated circumstances exist because the parent has committed or encouraged the commission of, or allowed the continuation of, any of the following upon the juvenile:
   a. Sexual abuse.
   b. Chronic physical or emotional abuse.
   c. Torture.
   d. Abandonment.
   e. Chronic or toxic exposure to alcohol or controlled substances that causes impairment of or addiction in the juvenile.
   f. Any other act, practice, or conduct that increased the enormity or added to the injurious consequences of the abuse or neglect.

(2) A court of competent jurisdiction has terminated involuntarily the parental rights of the parent to another child of the parent.

(3) A court of competent jurisdiction has determined that (i) the parent has committed murder or voluntary manslaughter of another child of the parent; (ii) has aided, abetted, attempted, conspired, or solicited to commit murder or voluntary manslaughter of the child or another child of the parent; (iii) has committed a felony assault resulting in serious bodily injury to the child or another child of the parent; (iv) has committed sexual abuse against the child or another child of the parent; or (v) has been required to register as a sex offender on any government-administered registry."

SECTION 34.(b) This section becomes effective October 1, 2015.

SECTION 34.5. Reserved.

SECTION 35. Reserved.

SECTION 36.(a) G.S. 14-415.12A(a1), as enacted by S.L. 2015-105, reads as rewritten:

"(a1) An individual who is a qualified retired law enforcement officer and has met the standards, as approved by the North Carolina Criminal Justice Education and Training Standards Commission, for handgun qualification for active law enforcement officers within the last 12 months is deemed to have satisfied the requirement under G.S. 14-415.12(a)(4) that an applicant successfully complete an approved firearms safety and training course."

SECTION 36.(b) This section becomes effective October 1, 2015.

SECTION 36.3. If House Bill 318, 2015 Regular Session, becomes law, G.S. 15A-306, as enacted by Section 11 of that act is amended by adding a new subsection to read:

"(c) Notwithstanding subsection (a) of this section, documents described in subdivision (2) of subsection (a) of this section may be used by a law enforcement officer to assist in determining the identity or residency of a person when they are the only documents providing an indication of identity or residency available to the law enforcement officer at the time."

SECTION 37.(a) G.S. 17C-10.1, as enacted by S.L. 2015-49, reads as rewritten:

"§ **17C-10.1. Certification of military service members and veterans with law enforcement training and experience.**

(a) Notwithstanding any other provision of law, the Commission shall waive an applicant's completion of the Commission-accredited training course and issue probationary certification to a current or honorably discharged former military police officer provided the Commission, upon evaluating the individual applicant's combined training and experience pursuant to G.S. 93B-15.1(a), determines that the applicant's combined training and experience

is substantially equivalent to or exceeds the minimum expectations for employment as a law enforcement officer and the applicant satisfies all of the following conditions:

…."

SECTION 37.(b) Not later than April 1, 2016, the Criminal Justice Education and Training Standards Commission shall provide a compliance report on the implementation of G.S. 17C-10.1 to the cochairs of the Joint Legislative Oversight Committee on Justice and Public Safety and to the cochairs of the House Homeland Security, Military, and Veterans Affairs Committee.

SECTION 38.(a) G.S. 20-28(a2) reads as rewritten:

"(a2) Driving Without Reclaiming License. – A person convicted under ~~subsection (a)~~subsection (a) or (a1) of this section shall be punished as if the person had been convicted of driving without a license under G.S. 20-35 if the person demonstrates to the court that either ~~subdivisions (1) and (2), or subdivision (3) of this subsection~~ of the following is true:

(1) At the time of the offense, the person's license was revoked solely under ~~G.S. 20-16.5; and~~ G.S. 20-16.5 and one of the following applies:

~~(2)~~ a. The offense occurred more than 45 days after the effective date of a revocation order issued under G.S. 20-16.5(f) and the period of revocation was 45 days as provided under subdivision (3) of that subsection; or

b. The offense occurred more than 30 days after the effective date of the revocation order issued under any other provision of ~~G.S. 20-16.5; or~~G.S. 20-16.5.

(3) At the time of the offense the person had met the requirements of G.S. 50-13.12, or G.S. 110-142.2 and was eligible for reinstatement of the person's drivers license privilege as provided therein.

In addition, a person punished under this subsection shall be treated for drivers license and insurance rating purposes as if the person had been convicted of driving without a license under G.S. 20-35, and the conviction report sent to the Division must indicate that the person is to be so treated."

SECTION 38.(b) G.S. 20-179(c) reads as rewritten:

"(c) Determining Existence of Grossly Aggravating Factors. – At the sentencing hearing, based upon the evidence presented at trial and in the hearing, the judge, or the jury in superior court, must first determine whether there are any grossly aggravating factors in the case. Whether a prior conviction exists under subdivision (1) of this subsection, or whether a conviction exists under subdivision (d)(5) of this section, shall be matters to be determined by the judge, and not the jury, in district or superior court. If the sentencing hearing is for a case remanded back to district court from superior court, the judge shall determine whether the defendant has been convicted of any offense that was not considered at the initial sentencing hearing and impose the appropriate sentence under this section. The judge must impose the Aggravated Level One punishment under subsection (f3) of this section if it is determined that three or more grossly aggravating factors apply. The judge must impose the Level One punishment under subsection (g) of this section if it is determined that the grossly aggravating factor in subdivision (4) of this subsection applies or two of the other grossly aggravating factors apply. If the judge does not find that the aggravating factor at subdivision (4) of this subsection applies, then the judge must impose the Level Two punishment under subsection (h) of this section if it is determined that only one of the other grossly aggravating factors applies. The grossly aggravating factors are:

(1) A prior conviction for an offense involving impaired driving if:

a. The conviction occurred within seven years before the date of the offense for which the defendant is being sentenced; or

b. The conviction occurs after the date of the offense for which the defendant is presently being sentenced, but prior to or contemporaneously with the present sentencing; or

c. The conviction occurred in district court; the case was appealed to superior court; the appeal has been withdrawn, or the case has been remanded back to district court; and a new sentencing hearing has not been held pursuant to G.S. 20-38.7.

Each prior conviction is a separate grossly aggravating factor.

(2) Driving by the defendant at the time of the offense while his driver's license was revoked ~~under G.S. 20-28(a1), and the revocation was an impaired driving revocation under G.S. 20-28.2(a).~~pursuant to G.S. 20-28(a1).

…

In imposing an Aggravated Level One, a Level One, or a Level Two punishment, the judge may consider the aggravating and mitigating factors in subsections (d) and (e) in determining the appropriate sentence. If there are no grossly aggravating factors in the case, the judge must weigh all aggravating and mitigating factors and impose punishment as required by subsection (f)."

SECTION 38.(c) This section becomes effective December 1, 2015, and applies to convictions on or after that date. Prosecutions for offenses committed before the effective date of this section are not abated or affected by this section, and the statutes that would be applicable but for this section remain applicable to those prosecutions.

SECTION 38.3.(a) G.S. 20-28.9(a), as amended by Section 27.3(d) of S.L. 2015-241, reads as rewritten:

"(a) The State Surplus Property Agency is authorized to enter into a contract for a statewide service or contracts for regional services to tow, store, process, maintain, and sell motor vehicles seized pursuant to G.S. 20-28.3. All motor vehicles seized under G.S. 20-28.3 shall be subject to contracts entered into pursuant to this section. Contracts shall be let by the State Surplus Property Agency in accordance with the provisions of Article 3 of Chapter 143 of the General Statutes. ~~Nothing in this section shall be construed to prohibit the State Surplus Property Agency from entering into contracts pursuant to this section for some regions of the State while performing the work of towing, storing, processing, maintaining, and selling motor vehicles seized pursuant to G.S. 20-28.3 itself in other regions of the State.~~ All contracts shall ensure the safety of the motor vehicles while held and any funds arising from the sale of any seized motor vehicle. The contract shall require the contractor to maintain and make available to the agency a computerized up-to-date inventory of all motor vehicles held under the contract, together with an accounting of all accrued charges, the status of the vehicle, and the county school fund to which the proceeds of sale are to be paid. The contract shall provide that the contractor shall pay the towing and storage charges owed on a seized vehicle to a commercial towing company at the time the seized vehicle is obtained from the commercial towing company, with the contractor being reimbursed this expense when the vehicle is released or sold. The State Surplus Property Agency shall not enter into any contract under this section under which the State will be obligated to pay a deficiency arising from the sale of any forfeited motor vehicle."

SECTION 38.3.(b) This section becomes effective July 1, 2015.

SECTION 38.5. Reserved.

SECTION 39.(a) G.S. 20-38.7(c)(3), as enacted by Section 5 of S.L. 2015-150, reads as rewritten:

"(3) If the appeal is withdrawn and remanded pursuant to ~~G.S. 15A-1341(h),~~G.S. 15A-1431(h), the prosecutor has certified to the clerk, in writing, that the prosecutor consents to the withdrawal and remand and has no new sentencing factors to offer the court."

SECTION 39.(b) This section becomes effective December 1, 2015.

SECTION 40. G.S. 20-58.4A(i) reads as rewritten:

"(i) Mandatory Participation. – Beginning ~~January 1,~~ July 1, 2016, all individuals and lienholders who are normally engaged in the business or practice of financing motor vehicles, and who conduct at least five transactions annually, shall utilize the electronic lien system

implemented in subsection (a) of this section to record information concerning the perfection and release of a security interest in a vehicle."

SECTION 40.6.(a) G.S. 20-63(b1), as amended by subsection (a) of Section 29.40 of S.L. 2015-241, reads as rewritten:

"(b1) The following special registration plates do not have to be a "First in Flight" plate or "First in Freedom" plate as provided in subsection (b) of this section. The design of the plates that are not "First in Flight" plates or "First in Freedom" plates must be developed in accordance with G.S. 20-79.4(a3). For special plates authorized in G.S. 20-79.7 on or after July 1, 2013, the Division may not issue the plate on a background under this subsection unless it receives at least 200 applications for the plate in addition to the applications required under G.S. 20-79.4 or G.S. 20-81.12.

…

(53) Kappa Alpha Psi Fraternity."

SECTION 40.6.(b) G.S. 20-79.4(b)(105) reads as rewritten:

"(105) Kappa Alpha Psi Fraternity. – Issuable to the registered owner of a motor ~~vehicle~~vehicle who is a member of the Kappa Alpha Psi Fraternity. The plate shall bear the fraternity's symbol and name. The Division may not issue the plate authorized by this subdivision unless it receives at least 300 applications for the plate."

SECTION 40.6.(c) Nothing in G.S. 20-63(b1) or G.S. 20-79.3A(a) shall be construed as requiring an additional 200 applications for the Division of Motor Vehicles to issue a full-color background "Kappa Alpha Psi Fraternity" special registration plate in accordance with G.S. 20-63(b1), as amended by subsection (a) of this section.

SECTION 40.6.(d) This section becomes effective 90 days after S.L. 2015-241 becomes law.

SECTION 41. G.S. 20-116 is amended by adding a new subsection to read:

"(o) Notwithstanding any provision of this section to the contrary, the following may operate on the highways of this State without an oversize permit for the purpose of Department snow removal and snow removal training operations:

(1) Truck supporting snow plows with blades not exceeding 12 feet in width. A truck operated pursuant to this subdivision shall have adequate illumination when the plow is in the up and the down positions; visible signal lights; and a plow that is angled so that the minimum width is exposed to oncoming traffic during periods of travel between assignments.

(2) Motor graders not exceeding 102 inches in width, measured from the outside edge of the tires. A motor grader operated pursuant to this subdivision shall have adequate illumination when the moldboard is in the up and down positions; visible signal lights; and a moldboard that is angled not to exceed 102 inches during periods of travel between assignments."

SECTION 42.(a) G.S. 20-286(10), as amended by Section 8 of S.L. 2015-125 and by Section 1.2 of S.L. 2015-232, reads as rewritten:

"(10) Motor vehicle. – Any motor propelled vehicle, trailer or semitrailer, required to be registered under the laws of this State. This term does not include mopeds, as that term is defined in G.S. 20-4.01.

a. "New motor vehicle" means a motor vehicle that has never been the subject of a completed, successful, or conditional sale that was subsequently approved other than between new motor vehicle dealers, or between a manufacturer and a new motor vehicle dealer of the same franchise. For purposes of this subdivision, the use of a new motor vehicle by a new motor vehicle dealer for demonstration or service loaner purposes does not render the new motor vehicle a used motor vehicle, notwithstanding (i) the commencement of ~~(i)~~ the manufacturer's original warranty as a result of the franchised dealer's

use of the vehicle for demonstration or loaner ~~purposes~~ purposes, or (ii) the dealer's receipt of incentive or warranty compensation or other reimbursement or consideration from a manufacturer, factory branch, distributor, distributor branch or ~~(ii)~~from a third-party warranty, maintenance, or service contract company relating to the use of a vehicle as a demonstrator or service loaner.

b. "Used motor vehicle" means a motor vehicle other than described in paragraph (10)a above."

SECTION 42.(b) G.S. 20-79(d), as amended by Section 1.4(a) of S.L. 2015-232, reads as rewritten:

"(d) Restrictions on Use. – A dealer license plate may be displayed only on a motor vehicle that meets all of the following requirements:

(1) Is part of the inventory of the dealer.

(2) Is not consigned to the dealer.

(3) Is covered by liability insurance that meets the requirements of Article 9A of this Chapter.

(4) Is not used by the dealer in another business in which the dealer is engaged.

(5) Is driven on a highway by a person who meets one of the following descriptions:

a. Has a demonstration permit to test-drive the motor vehicle and carries the demonstration permit while driving the motor vehicle.

b. Is an officer or sales representative of the dealer and is driving the vehicle for a business purpose of the dealer.

c. Is an employee of the dealer and is driving the vehicle in the course of employment.

d. Is an employee of the dealer or of a contractor of the dealer and is driving the vehicle within a 20-mile radius of a place where the vehicle is being repaired or otherwise prepared for sale.

e. Is an employee of the dealer or of a contractor of the dealer and is transporting the vehicle to or from a vehicle auction or to the dealer's established salesroom.

f. Is an officer, sales representative, or other employee of a franchised motor vehicle dealer or is an immediate family member of an officer, sales representative, or other employee of a franchised motor vehicle dealer.

(6) A copy of the registration card for the dealer plate issued to the dealer is carried by the person operating the motor vehicle or, if the person is operating the motor vehicle in this State, the registration card is maintained on file at the dealer's address listed on the registration card, and the registration card must be able to be produced within 24 hours upon request of any law enforcement officer.

A dealer may issue a demonstration permit for a motor vehicle to a person licensed to drive that type of motor vehicle. A demonstration permit authorizes each person named in the permit to drive the motor vehicle described in the permit for up to 96 hours after the time the permit is issued. A dealer may, for good cause, renew a demonstration permit for one additional 96-hour period. A franchised motor vehicle dealer is not prohibited from using a demonstration permit pursuant to this subsection by reason of the dealer's receipt of ~~(i)~~ incentive or warranty compensation or other reimbursement or consideration from a manufacturer, factory branch, distributor, distributor branch or ~~(ii)~~from a third-party warranty, maintenance, or service contract company relating to the use of the vehicle as a demonstrator or service loaner."

SECTION 43. G.S. 45-91(5) reads as rewritten:

"(5) The obligations of mortgage servicers set forth in ~~G.S. 53-243.11.~~G.S. 53-244.110."

SECTION 44.(a) G.S. 48-3-605 is amended by adding a new subsection to read:

"(g) The office of the clerk of superior court, the district court, and the superior court shall each be a court of competent jurisdiction for the purposes of (i) judicial proceedings for accepting voluntary consents to adoption under 25 U.S.C. § 1913, (ii) making determinations as to whether there is good cause to deviate from placement preferences under 25 U.S.C. § 1915(a), or (iii) judicial proceedings for voluntary consent to adoption in conformance with the laws of any state."

SECTION 44.(b) G.S. 48-3-702(b) reads as rewritten:

"(b) The provisions of G.S. 48-3-605(b), (e), ~~and~~ (f), and (g) also apply to a relinquishment executed under this Part."

SECTION 44.5.(a) Article 36 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"**§ 58-36-87. Affiliate transfer of policies.**

Delivery by an insurer of a policy superseding a policy previously issued by the insurer at the end of the previously issued policy period is not a refusal to renew when it is delivered by:

(1) The same insurer; or

(2) An affiliate or subsidiary, as those terms are defined in G.S. 58-19-5, that has a financial strength rating, issued by an industry-recognized independent insurance rating company, which financial strength rating is at least as good as the insurer issuing the superseded policy. The provisions of G.S. 58-36-110 and G.S. 58-36-85 apply to the affiliate or subsidiary as if it were the same insurer issuing the policy."

SECTION 44.5.(b) This section expires June 30, 2016.

SECTION 45. Reserved.

SECTION 46. G.S. 62A-41(2) reads as rewritten:

"(2) Six members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives as follows:

a. An individual who is a sheriff, appointed upon the recommendation of the North Carolina Sheriffs' Association, Inc.

b. An individual who represents CMRS providers operating in North Carolina.

c. An individual who represents the North Carolina chapter of the Association of Public Safety Communications Officials (APCO).

d. Two individuals who represent local exchange carriers operating in North Carolina, one of whom represents a local exchange carrier with less than 50,000 access lines.

e. A fire chief with experience operating or supervising a PSAP or a director/manager of a fire-based PSAP, appointed upon the recommendation of the North Carolina Firemen's Association."

SECTION 47. G.S. 84-24 reads as rewritten:

"**§ 84-24. Admission to practice.**

For the purpose of examining applicants and providing rules and regulations for admission to the Bar including the issuance of license therefor, there is hereby created the Board of Law Examiners, which shall consist of 11 members of the Bar, elected by the Council, who need not be members of the Council. No teacher in any law school, however, shall be eligible. The members of the Board of Law Examiners elected from the Bar shall each hold office for a term of three years.

The Board of Law Examiners shall elect a member of the Board as chair thereof, and the Board may employ an executive secretary and provide such assistance as may be required to enable the Board to perform its duties promptly and properly. The chair and any employees shall serve for a period of time determined by the Board.

The examination shall be held in the manner and at the times as the Board of Law Examiners may determine.

The Board of Law Examiners shall have full power and authority to make or cause to be made such examinations and investigations as may be deemed by it necessary to satisfy it that the applicants for admission to the Bar possess the qualifications of character and general fitness requisite for an attorney and counselor-at-law and to this end the Board of Law Examiners shall have the power of subpoena and to summons and examine witnesses under oath and to compel their attendance and the production of books, papers and other documents and writings deemed by it to be necessary or material to the inquiry and shall also have authority to employ and provide assistance as may be required to enable it to perform its duties promptly and properly. Records, papers, and other documents containing information collected and compiled by the Board or its members or employees as a result of investigations, inquiries, or interviews conducted in connection with examinations or licensing matters, are not public records within the meaning of Chapter 132 of the General Statutes.

All applicants for admission to the Bar shall be fingerprinted to determine whether the applicant has a record of criminal conviction in this State or in any other state or jurisdiction. The information obtained as a result of the fingerprinting of an applicant shall be limited to the official use of the Board of Law Examiners in determining the character and general fitness of the applicant.

The Department of Public Safety may provide a criminal record check to the Board of Law Examiners for a person who has applied for a license through the Board. The Board shall provide to the Department of Public Safety, along with the request, the fingerprints of the applicant, any additional information required by the Department of Public Safety, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Board shall keep all information pursuant to this subsection privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

The Department of Public Safety may charge each applicant a fee for conducting the checks of criminal history records authorized by this section.

The Board of Law Examiners, subject to the approval of the Council, shall by majority vote, from time to time, make, alter, and amend such rules and regulations for admission to the Bar as in their judgment shall promote the welfare of the State and the profession: Provided, that ~~any~~ no change in the educational requirements for admission to the Bar that establishes an additional or greater requirement shall ~~not~~ become effective ~~within~~ until two years ~~from~~ after the date of the adoption of the change.

All rules and regulations, and modifications, alterations and amendments thereof, shall be recorded and promulgated as provided in G.S. 84-21 in relation to the certificate of organization and the rules and regulations of the Council.

Whenever the Council shall order the restoration of license to any person as authorized by G.S. 84-32, it shall be the duty of the Board of Law Examiners to issue a written license to the person, noting thereon that the license is issued in compliance with an order of the Council, whether the license to practice law was issued by the Board of Law Examiners or the Supreme Court in the first instance.

Appeals from the Board shall be had in accordance with rules or procedures as may be approved by the Supreme Court as may be submitted under G.S. 84-21 or as may be promulgated by the Supreme Court."

SECTION 47.5.(a) G.S. 89C-19 reads as rewritten:

"§ **89C-19. Public works; requirements where public safety involved.**

This State and its political subdivisions such as counties, cities, towns, or other political entities or legally constituted boards, commissions, public utility companies, or authorities, or officials, or employees of these entities shall not engage in the practice of engineering or land

surveying involving either public or private property where the safety of the public is directly involved without the project being under the ~~direct supervision~~ responsible charge of a professional engineer for engineering projects, or a professional land surveyor for land surveying projects, as provided for the practice of the respective professions by this Chapter.

An official or employee of the State or any political subdivision specified in this section, holding the positions set out in this section as of June 19, 1975, shall be exempt from the provisions of this section so long as such official or employee is engaged in substantially the same type of work as is involved in the present position.

Nothing in this section shall be construed to prohibit inspection, maintenance and service work done by employees of the State of North Carolina, any political subdivision of the State, or any municipality including construction, installation, servicing, and maintenance by regular full-time employees of, secondary roads and drawings incidental to work on secondary roads, streets, street lighting, traffic-control signals, police and fire alarm systems, waterworks, steam, electric and sewage treatment and disposal plants, the services of superintendents, inspectors or foremen regularly employed by the State of North Carolina or any political subdivision of the State, or municipal corporation.

The provisions in this section shall not be construed to alter or modify the requirements of Article 1 of Chapter 133 of the General Statutes."

SECTION 47.5.(b) G.S. 89C-25(7a) reads as rewritten:

"(7a) The engineering or surveying activities of a person as defined by G.S. 89C-3(5) who is engaged in manufacturing, processing, producing, or transmitting and delivering a ~~product,~~product or public utility service, and which activities are reasonably necessary and connected with the primary services performed by individuals regularly employed in the ordinary course of business by the person, provided that the engineering or surveying activity is not a holding out or an offer to the public of engineering or surveying services, as prohibited by this Chapter. The engineering and surveying services may not be offered, performed, or rendered independently from the primary services rendered by the person. For purposes of this subdivision, "activities reasonably necessary and connected with the primary service" include the following:

a. Installation or servicing of the person's product or public utility service by employees of the person conducted outside the premises of the person's business.

b. Design, acquisition, installation, or maintenance of machinery, equipment, or apparatus incidental to the manufacture or installation of the product or public utility service performed by employees of the person upon property owned, leased, or used by the person.

c. Research and development performed in connection with the manufacturing, processing, or production of the person's product or public utility service by employees of the person.

Engineering or surveying activities performed pursuant to this subdivision, where the safety of the public is directly involved, shall be under the responsible charge of a licensed professional engineer or licensed professional surveyor."

SECTION 48.(a) G.S. 90-94(3), as amended by S.L. 2015-162, reads as rewritten:

"(3) Synthetic cannabinoids. – Any quantity of any synthetic chemical compound that (i) is a cannabinoid receptor agonist and mimics the pharmacological effect of naturally occurring substances or (ii) has a stimulant, depressant, or hallucinogenic effect on the central nervous system that is not listed as a controlled substance in Schedule I through V, and is not an FDA-approved drug. Synthetic cannabinoids include, but are not limited to, the substances listed in sub-subdivisions a. through ~~j.~~p. of this subdivision and any substance that contains any quantity of their salts, isomers (whether optical,

positional, or geometric), homologues, and salts of isomers and homologues, unless specifically excepted, whenever the existence of these salts, isomers, homologues, and salts of isomers and homologues is possible within the specific chemical designation. The following substances are examples of synthetic cannabinoids and are not intended to be inclusive of the substances included in this Schedule:

…."

SECTION 48.(b) This section becomes effective December 1, 2015.

SECTION 48.5. G.S. 90-113.101(1), as amended by S.L. 2015-154 and by Section 14 of this act, reads as rewritten:

"(1) Caregiver. – An individual that is at least 18 years of age and a resident of North Carolina who is a parent, legal guardian, or custodian of a patient and is registered with the Department of Health and Human ~~and~~ Services under G.S. 90-113.102 who possesses a written statement dated and signed by a neurologist that states all of the following:

…."

SECTION 49. Reserved.

SECTION 50. Reserved.

SECTION 51. Reserved.

SECTION 52. G.S. 97-101 reads as rewritten:

"§ **97-101. Collection of fines and penalties.**

The Industrial Commission shall have the power by civil action brought in its own name to enforce the collection of any fines or penalties provided by this ~~Article, and fines or penalties collected by the Commission shall become a part of the maintenance fund referred to in subsection (j) of G.S. 97-100.~~Article."

SECTION 53. G.S. 97-200(a) reads as rewritten:

"§ **97-200. Claims administration.**

(a) A self-insurer shall not utilize any claims adjuster unless the adjuster is licensed under ~~G.S. 58-33-25.~~G.S. 58-33-26."

SECTION 54.(a) G.S. 104E-5, as amended by Section 14.30(v) of S.L. 2015-241, reads as rewritten:

"§ **104E-5. Definitions.**

Unless a different meaning is required by the context, the following terms as used in this Chapter shall have the meanings hereinafter respectively ascribed to them:

(1) "Agreement materials" means those materials licensed by the State under agreement with the United States Nuclear Regulatory Commission and which include by-product, source or special nuclear materials in a quantity not sufficient to form a critical mass, as defined by the Atomic Energy Act of 1954 as amended.

…

(14b) "Secretary" means the Secretary of ~~Environmental Quality.~~Health and Human Services.

…."

SECTION 54.(b) G.S. 104E-7(a), as amended by Section 14.30(u) of S.L. 2015-241, reads as rewritten:

"§ **104E-7. Radiation Protection Commission – Creation and powers.**

(a) There is hereby created the North Carolina Radiation Protection Commission of the ~~Department of Environmental Quality~~ Department of Health and Human Services with the power to promulgate rules and regulations to be followed in the administration of a radiation protection program. All rules and regulations for radiation protection that were adopted by the Commission for Public Health and are not inconsistent with the provisions of this Chapter shall remain in full force and effect unless and until repealed or superseded by action of the Radiation Protection Commission. The Radiation Protection Commission is authorized:

…."

SECTION 54.(c) G.S. 104E-15(b), as amended by Section 14.30(u) of S.L. 2015-241, reads as rewritten:

"§ **104E-15. Transportation of radioactive materials.**

…

(b) The Department is authorized to enter into agreements with the respective federal agencies designed to avoid conflict or duplication of effort ~~and/or conflict~~ in enforcement and inspection activities so that:

(1) Rules and regulations adopted by the Commission pursuant to this section of this Chapter may be enforced, within their respective jurisdictions, by any authorized representatives of the ~~Department of Environmental Quality~~Department of Health and Human Services and the Department of Transportation, according to mutual understandings between such departments of their respective responsibilities and authorities.

…."

SECTION 54.(d) G.S. 104E-17, as amended by Section 14.30(v) of S.L. 2015-241, reads as rewritten:

"§ **104E-17. Payments to State and local agencies.**

Upon completion of any project or activity stated in G.S. 104E-16(a)(1), and from time to time during any project or activity stated in G.S. 104E-16(a)(2), each State and local agency that has participated by furnishing personnel, equipment or material shall deliver to the Department a record of the expenses incurred by the agency. The amount of incurred expenses shall be disbursed by the Secretary of ~~Environmental Quality~~ Health and Human Services to each such agency from the Radiation Protection Fund. Upon completion of any project or activity stated in G.S. 104E-16(a)(1), and from time to time during any project or activity stated in G.S. 104E-16(a)(2), the Secretary of ~~Environmental Quality~~ Health and Human Services shall prepare a statement of all expenses and costs of the project or activity expended by the State and shall make demand for payment upon the person having control over the radioactive materials or the release thereof which necessitated said project or activity. Any person having control over the radioactive materials or the release thereof and any other person causing or contributing to an incident necessitating any project or activity stated in G.S. 104E-16 shall be directly liable to the State for the necessary expenses incurred thereby and the State shall have a cause of action to recover from any or all such persons. If the person having control over the radioactive materials or the release thereof shall fail or refuse to pay the sum expended by the State, the Secretary of ~~Environmental Quality~~ Health and Human Services shall refer the matter to the Attorney General of North Carolina, who shall institute an action in the name of the State in the Superior Court of Wake County, or in his discretion, in the superior court of the county in which the project or activity was undertaken by the State, to recover such cost and expenses.

In any action instituted by the Attorney General under this section, a verified and itemized statement of the expenses incurred by the State in any project or activity stated in G.S. 104E-16 shall be filed with the complaint and shall constitute prima facie the amount due the State; and any judgment for the State thereon shall be for such amount in the absence of allegation and proof on the part of the defendant or defendants that the statement of expenses incurred by and the amount due the State is not correct because of an error in:

(1) Calculating the amount due, or

(2) Not properly crediting the account with any cash payment or payments or other satisfaction which may have been made thereon."

SECTION 54.(e) G.S. 104E-24, as amended by Section 14.30(u) of S.L. 2015-241, reads as rewritten:

"§ **104E-24. Administrative penalties.**

(a) The Department may impose an administrative penalty on any person:

(1) Who fails to comply with this Chapter, any order issued hereunder, or any rules adopted pursuant to this Chapter;

(2) Who refuses to allow an authorized representative of the Radiation Protection Commission or the ~~Department of Environmental Quality~~ Health and Human Services a right of entry as provided for in G.S. 104E-11 or impounding materials as provided for in G.S. 104E-14.

(b) Each day of a continuing violation shall constitute a separate violation. Such penalty shall not exceed ten thousand dollars ($10,000) per day. In determining the amount of the penalty, the Department shall consider the degree and extent of the harm caused by the violation. Any person assessed a penalty shall be notified of the assessment by registered or certified mail, and the notice shall specify the reasons for the assessment.

(c) Any person wishing to contest a penalty or order issued under this section shall be entitled to an administrative hearing and judicial review in accordance with the procedures outlined in Articles 3, 3A, and 4 of Chapter 150B of the General Statutes.

(d) The Secretary may bring a civil action in the superior court of the county in which such violation is alleged to have occurred to recover the amount of administrative penalty whenever a person:

(1) Who has not requested an administrative hearing fails to pay the penalty within 60 days after being notified of such penalty, or

(2) Who has requested an administrative hearing fails to pay the penalty within 60 days after service of a written copy of the decision as provided in G.S. 150B-36.

(e) The clear proceeds of penalties imposed pursuant to this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2."

SECTION 54.3. G.S. 105-129.16A(f)(2), as enacted by S.L. 2015-11, reads as rewritten:

"(2) A notarized copy of a written report prepared by an independent engineer duly licensed in the State of North Carolina with expertise in the design and construction of installations of renewable energy property stating that at least the minimum percentage of the physical construction of the project was ~~constructed and installed~~completed prior to January 1, 2016."

SECTION 54.5.(a) G.S. 105-129.100 is amended by adding the following new subsection:

"(e) 2014 and 2015 Expenses. – A taxpayer is eligible for a credit under this section for taxable years beginning on or after January 1, 2016, for qualifying rehabilitation expenditures that were incurred in 2014 and 2015 if all of the following conditions are met:

(1) The certified historic structure is located in a Tier 1 or a Tier 2 county.

(2) The certified historic structure is owned by a city.

(3) The qualifying rehabilitation activity commenced in 2014.

(4) A certificate of occupancy is issued on or before December 31, 2015.

(5) The taxpayer meets all of the other conditions in this section."

SECTION 54.5.(b) Section 32.2(c) of S.L. 2015-241 reads as rewritten:

"**SECTION 32.3.(c)** Subsection (a) of this section becomes effective January 1, 2016, and applies to qualified rehabilitation expenditures and rehabilitation expenses incurred on or after that ~~date.~~ date, except as otherwise provided by law. The remainder of the section is effective when this act becomes law."

SECTION 54.5.(c) This section is effective when it becomes law and applies to credits that may be claimed for taxable years beginning on or after January 1, 2016.

SECTION 55. G.S. 110-90.2(a1) reads as rewritten:

"(a1) No person shall be a child care provider or uncompensated child care provider who has been any of the following:

(1) Convicted of a misdemeanor or a felony crime involving child neglect or child abuse.

(2) Adjudicated a "responsible individual" under ~~G.S. 7B-807(a1).~~ G.S. 7B-311(b).

(3) Convicted of a "reportable conviction" as defined under G.S. 14-208.6(4)."

SECTION 56.(a) G.S. 110-105.5(c), as enacted by S.L. 2015-123, reads as rewritten:

"(c) Individuals whose names are listed on the Registry shall not be a caregiver as defined in ~~G.S. 110-105.3(b)(2)~~ G.S. 110-105.3(b)(1) at any licensed child care facility or religious-sponsored child care facility."

SECTION 56.(b) This section becomes effective January 1, 2016.

SECTION 56.2.(a) G.S. 113-415.1 reads as rewritten:

"§ **113-415.1. Local ordinances ~~prohibiting~~ regulating oil and gas exploration, development, and production activities invalid; petition to preempt local ordinance.**

(a) It is the intent of the General Assembly to maintain a uniform system for the management of oil and gas exploration, development, and production activities, and the use of horizontal drilling and hydraulic fracturing for that purpose, and to place limitations upon the exercise by all units of local government in North Carolina of the power to regulate the management of oil and gas exploration, development, and production activities by means of ~~special, local, or private acts or resolutions,~~ ordinances, property restrictions, zoning regulations, or otherwise. Notwithstanding any authority granted to counties, municipalities, or other local authorities to adopt local ordinances, including, but not limited to, those imposing taxes, fees, or charges or regulating health, environment, or land use, ~~any local ordinance that prohibits or has the effect of prohibiting~~ all provisions of local ordinances, including those regulating land use, adopted by counties, municipalities, or other local authorities that regulate or have the effect of regulating oil and gas exploration, development, and production activities ~~that the Mining and Energy Commission has preempted pursuant this section, shall be invalid to the extent necessary to effectuate the purposes of this Article. To this end, all provisions of special, local, or private acts or resolutions are repealed that do the following:~~ within the jurisdiction of a local government are invalidated and unenforceable, to the extent necessary to effectuate the purposes of this Part, that do the following:

(1) ~~Prohibit the siting of wells for oil and gas exploration, development, and production within any county, city, or other political subdivision.~~

~~(2)~~ ~~Prohibit the use of horizontal drilling or hydraulic fracturing for the purpose of oil or gas exploration or development within any county, city, or other political subdivision.~~

~~(3)~~ Place any restriction or condition not placed by this Article upon oil and gas exploration, development, and production activities and use of horizontal drilling or hydraulic fracturing for that purpose within any county, city, or other political subdivision.

(4) In any manner are in conflict or inconsistent with the provisions of this Article.

~~(b) No special, local, or private act or resolution enacted or taking effect hereafter may be construed to modify, amend, or repeal any portion of this Article, unless it expressly provides for such by specific references to the appropriate section of this Article. Further to this end, all provisions of local ordinances, including those regulating land use, adopted by counties, municipalities, or other local authorities that prohibit or have the effect of prohibiting oil and gas exploration, development, and production activities and use of horizontal drilling or hydraulic fracturing for that purpose within the jurisdiction of a local government are invalidated to the extent preempted by the Commission pursuant to this section.~~

~~(c) When oil and gas exploration, development, and production activities would be prevented from construction or operation by a county, municipal, or other local ordinance, the operator of the proposed activities may petition the Mining and Energy Commission to review the matter. After receipt of a petition, the Commission shall hold a hearing in accordance with the procedures in subsection (d) of this section and shall determine whether or to what extent to~~

~~preempt the local ordinance to allow for the proposed oil and gas exploration, development, and production activities.~~

(c1) If a local zoning or land-use ordinance imposes requirements, restrictions, or conditions that are generally applicable to development, including, but not limited to, setback, buffer, and stormwater requirements, and oil and gas exploration, development, and production activities would be regulated under the ordinance of general applicability, the operator of the proposed activities may petition the Oil and Gas Commission to review the matter. After receipt of a petition, the Commission shall hold a hearing in accordance with the procedures in subsection (d) of this section and shall determine whether or to what extent to preempt the local ordinance to allow for the regulation of oil and gas exploration, development, and production activities.

(d) When a petition described in subsection ~~(c)~~(c1) of this section has been filed with the Oil and Gas ~~Mining and Energy~~ Commission, the Commission shall hold a public hearing to consider the petition. The public hearing shall be held in the affected locality within 60 days after receipt of the petition by the Commission. The Commission shall give notice of the public hearing by both of the following means:

(1) Publication in a newspaper or newspapers having general circulation in the county or counties where the activities are to be conducted, once a week for three consecutive weeks, the first notice appearing at least 30 days prior to the scheduled date of the hearing.

(2) First-class mail to persons who have requested notice. The Commission shall maintain a mailing list of persons who request notice in advance of the hearing pursuant to this section. Notice by mail shall be complete upon deposit of a copy of the notice in a postage-paid wrapper addressed to the person to be notified at the address that appears on the mailing list maintained by the Commission, in a post office or official depository under the exclusive care and custody of the United States Postal Service.

(e) Any interested person may appear before the Oil and Gas ~~Mining and Energy~~ Commission at the hearing to offer testimony. In addition to testimony before the Commission, any interested person may submit written evidence to the Commission for the Commission's consideration. At least 20 days shall be allowed for receipt of written comment following the hearing.

(f) A local zoning or land-use ordinance is presumed to be valid and enforceable to the extent the zoning or land-use ordinance imposes requirements, restrictions, or conditions that are generally applicable to development, including, but not limited to, setback, buffer, and stormwater requirements, unless the Oil and Gas ~~Mining and Energy~~ Commission makes a finding of fact to the contrary. The Commission shall determine whether or to what extent to preempt local ordinances so as to allow for the establishment and operation of the facility no later than 60 days after conclusion of the hearing. The Commission shall preempt a local ordinance only if the Commission makes all of the following findings:

(1) That there is a local ordinance that would ~~prohibit or have the effect of prohibiting~~regulate oil and gas exploration, development, and production activities, or use of horizontal drilling or hydraulic fracturing for that purpose.

(2) That all legally required State and federal permits or approvals have been issued by the appropriate State and federal agencies or that all State and federal permit requirements have been satisfied and that the permits or approvals have been denied or withheld only because of the local ordinance.

(3) That local citizens and elected officials have had adequate opportunity to participate in the permitting process.

(4) That the oil and gas exploration, development, and production activities, and use of horizontal drilling or hydraulic fracturing for that purpose, will not pose an unreasonable health or environmental risk to the surrounding

locality and that the operator has taken or consented to take reasonable measures to avoid or manage foreseeable risks and to comply to the maximum feasible extent with applicable local ordinances.

(g) If the Oil and Gas ~~Mining and Energy~~ Commission does not make all of the findings under subsection (f) of this section, the Commission shall not preempt the challenged local ordinance. The Commission's decision shall be in writing and shall identify the evidence submitted to the Commission plus any additional evidence used in arriving at the decision.

(h) The decision of the Oil and Gas ~~Mining and Energy~~ Commission shall be final unless a party to the action files a written appeal under Article 4 of Chapter 150B of the General Statutes, as modified by this section, within 30 days of the date of the decision. The record on appeal shall consist of all materials and information submitted to or considered by the Commission, the Commission's written decision, a complete transcript of the hearing, all written material presented to the Commission regarding the location of the oil and gas exploration, development, and production activities, the specific findings required by subsection (f) of this section, and any minority positions on the specific findings required by subsection (f) of this section. The scope of judicial review shall be as set forth in G.S. 150B-51, except as this subsection provides regarding the record on appeal.

(i) If the court reverses or modifies the decision of the Oil and Gas ~~Mining and Energy~~ Commission, the judge shall set out in writing, which writing shall become part of the record, the reasons for the reversal or modification.

(j) In computing any period of time prescribed or allowed by this procedure, the provisions of Rule 6(a) of the Rules of Civil Procedure, G.S. 1A-1, shall apply."

SECTION 56.2.(b) G.S. 130A-309.205 reads as rewritten:

"§ **130A-309.205. Local ordinances regulating management of coal combustion residuals and coal combustion products invalid; petition to preempt local ordinance.**

(a) It is the intent of the General Assembly to maintain a uniform system for the management of coal combustion residuals and coal combustion products, including matters of disposal and beneficial use, and to place limitations upon the exercise by all units of local government in North Carolina of the power to regulate the management of coal combustion residuals and coal combustion products by means of ordinances, property restrictions, zoning regulations, or otherwise. Notwithstanding any authority granted to counties, municipalities, or other local authorities to adopt local ordinances, including those imposing taxes, fees, or charges or regulating health, environment, or land use, all provisions of local ordinances, including those regulating land use, adopted by counties, municipalities, or other local authorities that regulate or have the effect of regulating the management of coal combustion residuals and coal combustion products, including regulation of carbon burn-out plants, within the jurisdiction of a local government are ~~invalidated,~~invalidated and unenforceable, to the extent necessary to effectuate the purposes of this Part, that do the following:

(1) Place any restriction or condition not placed by this Part upon management of coal combustion residuals or coal combustion products within any county, city, or other political subdivision.

(2) Conflict or are in any manner inconsistent with the provisions of this Part.

…."

SECTION 56.2.(c) Subsection (a) of this section is effective retroactively to June 4, 2014. Subsection (b) of this section is effective retroactively to August 20, 2014.

SECTION 56.5. G.S. 115C-47 reads as rewritten:

"§ **115C-47. Powers and duties generally.**

In addition to the powers and duties designated in G.S. 115C-36, local boards of education shall have the power or duty:

…

(62) To Establish Nonprofit Corporations to Further Authorized Purposes. – Local boards of education may establish, control, and operate a nonprofit corporation that is created under Chapter 55A of the General Statutes and is

a tax-exempt organization under the Internal Revenue Code to further their authorized purposes. A nonprofit corporation established as provided in this section shall not have regulatory or enforcement powers and shall not engage in partisan political activity or policy advocacy. Any local board of education that establishes a nonprofit corporation shall make a report annually to the Joint Legislative Education Oversight Committee."

SECTION 57. Reserved.

SECTION 58. Reserved.

SECTION 59. Reserved.

SECTION 60. G.S. 115C-174.26(h) reads as rewritten:

"(h) Beginning ~~October 15~~ November 15, 2014, the State Board of Education shall report annually to the Joint Legislative Education Oversight Committee on advanced courses in North Carolina. The report shall include, at a minimum, the following information:

(1) The North Carolina Advanced Placement Partnership's report to the Department of Public Instruction as required by subsection (g) of this section and the State Board's assessment of that report.
(2) Number of students enrolled in advanced courses and participating in advanced course examinations, including demographic information by gender, race, and free and reduced-price lunch status.
(3) Student performance on advanced course examinations, including information by course, local school administrative unit, and school.
(4) Number of students participating in 10th grade PSAT/NMSQT testing.
(5) Number of teachers attending summer institutes offered by the North Carolina Advanced Placement Partnership.
(6) Distribution of funding appropriated for advanced course testing fees and professional development by local school administrative unit and school.
(7) Status and efforts of the North Carolina Advanced Placement Partnership.
(8) Other trends in advanced courses and examinations."

SECTION 61. Reserved.

SECTION 62. Reserved.

SECTION 62.5. Reserved.

SECTION 63.(a) G.S. 115D-12(a), as amended by S.L. 2015-167, reads as rewritten:

"(a) Each community college established or operated pursuant to this Chapter shall be governed by a board of trustees consisting of 13 members, or of additional members if selected according to the special procedure prescribed by the third paragraph of this subsection, who shall be selected by the following agencies. No member of the General Assembly may be appointed to a local board of trustees for a community college.

Group One – four trustees, elected by the board of education of the public school administrative unit located in the ~~administrative~~ service area of the institution. If there are two or more public school administrative units, whether city or county units, or both, located within the ~~administrative~~ service area, the trustees shall be elected jointly by all of the boards of education of those units, each board having one vote in the election of each trustee, except as provided in G.S. 115D-59. No board of education shall elect a member of the board of education or any person employed by the board of education to serve as a trustee, however, any such person currently serving on a board of trustees shall be permitted to fulfill the unexpired portion of the trustee's current term.

Group Two – four trustees, elected by the board of commissioners of the county in which the main campus of the institution is located. Provided, also, if the ~~administrative~~ service area of the institution is composed of two or more counties, the board of trustees of the institution may authorize the county commissioners of any county in which the main campus is not located to elect an additional board member. Provided, also, the county commissioners of the county in which the community college has established a satellite campus may elect an

additional two members if the board of trustees of the community college agrees. No more than one trustee from Group Two may be a member of a board of county commissioners. Should the boards of education or the boards of commissioners involved be unable to agree on one or more trustees the senior resident superior court judge in the superior court district or set of districts as defined in G.S. 7A-41.1 where the institution is located shall fill the position or positions by appointment.

Group Three – four trustees, appointed by the Governor.

Group Four – the president of the student government or the chairman of the executive board of the student body of each community college established pursuant to this Chapter shall be an ex officio nonvoting member of the board of trustees of each said institution."

SECTION 63.(b) This section applies only to Beaufort County Community College.

SECTION 64. G.S. 115D-39.1(a) reads as rewritten:

"(a) Notwithstanding the provisions of ~~G.S. 115D-39.1(a),~~G.S. 115D-39(a), a community college may, with the approval of the State Board of Community Colleges:

(1) Implement a tuition surcharge of up to thirty-three and one-third percent (33 1/3%) of the statewide tuition rate to fund a new instructional program that is necessary to attract industry to the area, and

(2) Use the proceeds of an endowed scholarship, consistent with the terms of the endowment, to offset the cost of the tuition charge."

SECTION 65. Reserved.

SECTION 65.5. G.S. 116-143.3A(a)(3), as enacted by S.L. 2015-116, reads as rewritten:

"(3) Veteran. – A person who served active duty for not less than 90 days in the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration and who was discharged or released from such ~~service under conditions other than dishonorable.~~service."

SECTION 66.(a) G.S. 116-209.52 reads as rewritten:

"§ **116-209.52. Definitions.**

The following definitions apply in this Part:

~~(a)~~(1) Academic Year. – ~~Any period of 365 days beginning with the first day of enrollment for a course of instruction.~~The annual enrollment period used by the Authority.

~~(a1) Business or Trade School. – Any school within the State of North Carolina which is licensed by the State Board of Education and listed by that Board as an approved private business school or an approved private trade school.~~

~~(b)~~(2) Private Educational Institutions. – Any junior college, senior college or university which is operated and governed by private interests not under the control of the federal, State or any local government, which is located within and licensed by the State of North Carolina, which does not operate for profit, whose curriculum is primarily directed toward the awarding of associate, baccalaureate or graduate degrees, which agrees to the applicable administration and funding provisions of this Part.

(3) Proprietary School. – An educational institution that is (i) defined as a proprietary school in G.S. 115D-87(2), (ii) licensed by the State Board of Community Colleges, and (iii) listed by the North Carolina State Approving Agency for Veterans and Military Education as an approved proprietary school for purposes of this Part.

~~(c) Repealed by Session Laws 2010-31, s. 17.3(c), effective July 1, 2010.~~

~~(d)~~(4) State Educational Institutions. – Any of the constituent institutions of the University of North Carolina, or any community college operated under the provisions of Chapter 115D of the General Statutes of North Carolina.

~~(e) Repealed by Session Laws 2008-94, s. 2, effective July 1, 2008.~~

~~(f)~~(5) Student Loan. – A loan or loans made to eligible students or parents of students to aid in attaining an education beyond the high school level."

SECTION 66.(b) G.S. 116-209.54 reads as rewritten:

"§ **116-209.54. Eligibility.**

(a) Active members of the North Carolina National Guard who are enrolled or who shall enroll in any ~~business or trade school,~~proprietary school, private educational institution, or State educational institution shall be eligible to apply for this tuition assistance benefit: Provided, that the applicant has a minimum obligation of two years remaining as a member of the North Carolina National Guard from the end of the academic period for which tuition assistance is provided or that the applicant commit himself or herself to extended membership for at least two additional years from the end of that academic period.

(b) This tuition assistance benefit shall be applicable to students in the following categories:

(1) Students seeking to achieve completion of their secondary school education at a community college or technical institute.
(2) Students seeking trade or vocational training or education.
(3) Students seeking to achieve a two-year associate degree.
(4) Students seeking to achieve a four-year baccalaureate degree.
(5) Students seeking to achieve a graduate degree.
(6) Students enrolled in a program granting a graduate certificate.

(c) The following persons shall be eligible to apply for disbursements to pay outstanding student loans pursuant to G.S. 116-209.55(g):

(1) Persons described in subsections (a) and (b) of this section.
(2) Active members of the North Carolina National Guard who were previously enrolled in any ~~business or trade school,~~ proprietary school, private educational institution, or State educational institution, but only if:
a. The applicant has a minimum obligation of two years remaining as a member of the North Carolina National Guard from the time of the application; or
b. The applicant commits himself or herself to extended membership for at least two additional years from the time of the application."

SECTION 66.(c) G.S. 116-209.55 reads as rewritten:

"§ **116-209.55. Administration and funding.**

(a) The Authority is charged with the administration of the tuition assistance program under this Part.

(b) The Authority shall determine the eligibility of applicants, select the benefit recipients, establish the effective date of the benefit, and may suspend or revoke the benefit if the Authority finds that the recipient does not maintain an adequate academic status, or if the recipient engages in riots, unlawful demonstrations, the seizure of educational buildings, or otherwise engages in disorderly conduct, breaches of the peace, or unlawful assemblies. The Authority shall maintain such records and shall promulgate such rules and regulations as the Authority deems necessary for the orderly administration of this program. The Authority may require of ~~business or trade schools~~ proprietary schools or State or private educational institutions such reports and other information as the Authority may need to carry out the provisions of this Part and the Authority shall disburse benefit payments for recipients upon certification of enrollment by the enrolling institutions.

(c) All tuition benefit disbursements shall be made to the ~~business or trade school~~ proprietary school or State or private educational institution concerned, for credit to the tuition account of each recipient. Funds disbursed pursuant to subsection (g) of this section shall be made to the student loan creditor concerned to be applied against the outstanding student loans of each North Carolina National Guard member beneficiary.

(d) The participation by any ~~business or trade school~~ proprietary school or private educational institution in this program shall be subject to the applicable provisions of this Part and to examination by the State Auditor of the accounts of the benefit recipients attending or having attended such private schools or institutions. The Authority may defer making an award or may suspend an award in any ~~business or trade school~~ proprietary school or private educational institution which does not comply with the provisions of this Part relating to said institutions. The manner of payment to any ~~business or trade school~~proprietary school or private educational institution shall be as prescribed by the Authority.

(e) Irrespective of other provisions of this Part, the Authority may prescribe special procedures for adjusting the accounts of benefit recipients who, for reasons of illness, physical inability to attend classes or for other valid reason satisfactory to the Authority, may withdraw from any ~~business or trade school~~proprietary school or State or private educational institution prior to the completion of the term, semester, quarter or other academic period being attended at the time of withdrawal.

(f) Any balance of the monetary educational assistance grant up to the maximum for the academic year remaining after tuition is paid pursuant to subsection (c) of this section may be disbursed to the recipient as reimbursement for required course books and materials. The manner of obtaining the reimbursement payment for these required books and materials shall be as prescribed by the Authority.

(g) Any funds not needed to accomplish the other purposes of this Part may be used to help members of the North Carolina National Guard repay outstanding student loans in accordance with rules to be adopted by the Authority. These rules shall provide that the length of a member's deployment may be considered in determining whether or not, and in what amount, a member receives assistance pursuant to this subsection. There shall be no reimbursement under this subsection for payments already made on student loans, and funds shall not be provided under this subsection for the purpose of paying student loans obtained for courses from which the member withdrew or for which the member did not receive a passing grade. Payments for outstanding loans shall not exceed the maximum benefit available under G.S. 116-209.53."

SECTION 67. Reserved.

SECTION 68. G.S. 120-11.1 reads as rewritten:

"§ **120-11.1. Time of meeting.**

The regular session of the Senate and House of Representatives shall be held biennially beginning at ~~9:00 A.M.~~12:00 noon on the second Wednesday in January next after their election, and on that day they shall meet solely to elect officers, adopt rules, and otherwise organize the session. When they adjourn that day, they stand adjourned until 12:00 noon on the third Wednesday after the second Monday in January next after their election."

SECTION 68.5.(a) G.S. 120-36.13(a) reads as rewritten:

"(a) Plan. – The Joint Legislative Program Evaluation Oversight Committee, in consultation with the Director of the Program Evaluation Division, must establish ~~an annual~~ a work plan for the Division. The Division must adhere to this ~~annual~~ work plan, unless the Joint Legislative Program Evaluation Oversight Committee changes the ~~annual~~ work plan to add a new evaluation or remove a planned evaluation. Any enacted legislation that directs the Program Evaluation Division to conduct a study or an evaluation is included in the ~~annual~~ work plan by operation of law; however, notwithstanding any other provision of law, if the enacted legislation did not have an impact statement, as provided in G.S. 120-36.17, completed prior to its consideration by the General Assembly, then the study or evaluation shall be included in the next ~~annual~~ work plan adopted by the Committee and one year shall be added to any required reporting dates included in the legislation, except that the impact statement is not required and the evaluation may be included in the current work plan if the impact statement was not provided pursuant to the time requirements in G.S. 120-36.17(b).

The ~~annual~~ work plan constitutes an information request and a drafting request made by the Committee cochairs to legislative employees under Article 17 of Chapter 120 of the General

Statutes. Any document prepared by a legislative employee pursuant to the ~~annual~~ work plan becomes available to the public only as provided in G.S. 120-131. Any document prepared by an agency employee pursuant to a request under G.S. 120-131.1(a1) becomes available to the public only as provided in G.S. 120-131."

SECTION 68.5.(b) G.S. 120-36.14 reads as rewritten:

"§ **120-36.14. Content of report of Program Evaluation Division.**

A report of an evaluation of a program or an activity of a State agency by the Program Evaluation Division of the General Assembly ~~must~~ may include the following:

(1) The findings of the Division concerning the program or activity.

(2) Specific recommendations for making the program or activity more efficient or effective.

(3) Any legislation needed to implement the Division's findings and recommendations concerning the program or activity.

(4) An estimate of the costs or savings expected from implementing the Division's findings and recommendations concerning the program or activity."

SECTION 68.5.(c) G.S. 120-36.16(2) reads as rewritten:

"(2) To establish ~~an annual~~ a work plan for the Program Evaluation Division that describes the evaluations to be performed by the Division. The Committee must consult with the Director of the Program Evaluation Division in performing this duty."

SECTION 68.5.(d) G.S. 120-36.17(a) reads as rewritten:

"(a) Every bill and resolution introduced in the General Assembly proposing a study or evaluation by the Program Evaluation Division shall have attached to it at the time of its consideration by the General Assembly an impact statement prepared by the Division. The impact statement shall identify and estimate, to complete all studies and reports required by the bill or resolution, all of the following: (i) the number of personnel required; (ii) the total number of hours required; and (iii) the estimated costs.

(1) If, after review, the Division determines that no estimates are possible, the impact statement shall contain a statement to that effect, setting forth the reasons why no estimate can be given.

(2) The Division shall indicate whether the Division, based upon its current ~~annual~~ work plan, has adequate and sufficient resources to undertake the study or evaluation as part of the current annual work plan, and shall explain the basis for its determination.

(3) If the Division determines that it would not be able to undertake the study or evaluation as part of its current ~~annual~~ work plan, it shall indicate a time frame in which it believes the study or evaluation could be accomplished."

SECTION 69.(a) G.S. 120-76(10) is repealed.

SECTION 69.(b) Subdivision (4) of Section 1.2(a) of S.L. 2011-291 is repealed.

SECTION 70. G.S. 130A-33.31 reads as rewritten:

"§ **130A-33.31. Commission of Anatomy – Members; selection; term; chairman; quorum; meetings.**

(a) The Commission of Anatomy shall consist of ~~five~~six members, one representative from the field of mortuary science, and one each from The University of North Carolina School of Medicine, East Carolina University School of Medicine, Duke University School of Medicine, ~~and~~ Bowman Gray School of ~~Medicine.~~Medicine, and Campbell University School of Osteopathic Medicine. The dean of each school shall make recommendations and the Secretary shall appoint from such recommendations a member to the Commission. The president of the State Board of Funeral Service shall appoint the representative from the field of mortuary science to the Commission. The members shall serve terms of four years except two of the original members shall serve a term of one year, one shall serve a term of two years, one

shall serve a term of three years, and one shall serve a term of four years. The Secretary shall determine the terms of the original members.

(b) Any appointment to fill a vacancy on the Commission created by the resignation, dismissal, death, or disability of a member shall be for the balance of the unexpired term.

(c) The Secretary shall remove any member of the Commission from office for misfeasance, malfeasance or nonfeasance.

(d) The Commission shall elect a chair annually from its own membership.

(e) A majority of the Commission shall constitute a quorum for the transaction of business.

(f) The Commission shall meet at any time and place within the State at the call of the chair or upon the written request of three members.

(g) All clerical and other services required by the Commission shall be supplied by the Secretary."

SECTION 71. Reserved.

SECTION 72.(a) G.S. 136-200.2(k) reads as rewritten:

"(k) All individuals with voting authority serving on an MPO who are members of the Board of Transportation shall comply with Chapter 138A of the General Statutes and ~~G.S. 143A-350~~ G.S. 143B-350 while serving on the MPO."

SECTION 72.(b) G.S. 136-211(k) reads as rewritten:

"(k) All individuals with voting authority serving on a rural transportation planning organization who are members of the Board of Transportation shall comply with Chapter 138A of the General Statutes and ~~G.S. 143A-350~~ G.S. 143B-350 while serving on the rural transportation planning organization."

SECTION 73. G.S. 136-222 reads as rewritten:

"§ **136-222. Commission established; appointment and terms of members; ~~chairman;~~cochairs; reports; commission funds; staff.**

(a) Commission established. – The Virginia-North Carolina High-Speed Rail Compact Commission is hereby established as a regional instrumentality and a common agency of each signatory party, empowered in a manner hereinafter to carry out the purposes of the Compact.

(b) Members, terms. – The Virginia members of the Commission shall be appointed as follows: three members of the House of Delegates, appointed by the Speaker of the House of Delegates, and two members of the Senate, appointed by the Senate Committee on Rules. The North Carolina members of the Commission shall be composed of five members as follows: two members of the Senate appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate, two members of the House of Representatives appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives, and one appointed by the Governor.

(c) ~~Chair. The chair of the Commission shall be chosen by the members of the Commission from among its membership for a term of one year and shall alternate between the member states.~~Cochairs. – A cochair to the Commission shall be chosen by the Virginia members of the Commission from among its Virginia membership for a term of one year. A cochair to the Commission shall be chosen by the North Carolina members of the Commission from among its North Carolina membership for a term of one year.

(d) Meetings and reports. – The Commission shall meet at least twice each year, at least once in Virginia and once in North Carolina, and shall issue a report of its activities each year.

(e) Funds. – The Commission may utilize, for its operation and expenses, funds appropriated to it therefore by the legislatures of Virginia and North Carolina, or received from federal sources.

(f) Expenses of Members. – Virginia members of the Commission shall receive compensation and reimbursement for expenses in accordance with the applicable laws of that state. North Carolina members of the Commission shall receive per diem, subsistence, and travel allowances in accordance with G.S. 120-31, 138-5, or 138-6, as appropriate.

(g) Staff. – Primary staff to the Commission shall be provided by the Virginia Department of Rail and Public Transportation and the North Carolina Department of Transportation."

SECTION 74.(a) G.S. 143-48.6(b), as enacted by Section 26.2 of S.L. 2015-241, reads as rewritten:

"(b) Personal Services Contract Defined. – For purposes of this section, the term "personal services contract" means a contract for services provided by a professional individual as an independent contractor on a temporary or occasional ~~basis.~~basis, but does not include, and nothing in this Article shall apply to, the engagement of experts or expert witnesses who are to be involved in the planning, prosecution, or defense of any litigation, by the Department of Justice, the Governor, State agencies, or institutions."

SECTION 74.(b) This section becomes effective July 1, 2015.

SECTION 75. Reserved.

SECTION 76. Reserved.

SECTION 77. Reserved.

SECTION 78. G.S. 143B-168.12(a)(1) reads as rewritten:

"(1) The North Carolina Partnership shall have a Board of Directors consisting of the following 26 members:

a. The Secretary of Health and Human Services, ex officio, or the Secretary's ~~designee;~~designee.

b. Repealed by Session Laws 1997, c. 443, s. 11A.105.

c. The Superintendent of Public Instruction, ex officio, or the Superintendent's ~~designee;~~designee.

d. The President of the Community Colleges System, ex officio, or the President's ~~designee;~~designee.

e. Three members of the public, including one child care provider, one other who is a parent, and one other who is a board chair of a local partnership serving on the North Carolina Partnership local partnership advisory committee, appointed by the General Assembly upon recommendation of the President Pro Tempore of the ~~Senate;~~Senate.

f. Three members of the public, including one who is a parent, one other who is a representative of the faith community, and one other who is a board chair or designee of the board chair of a local partnership serving on the North Carolina Partnership local partnership advisory committee, appointed by the General Assembly upon recommendation of the Speaker of the House of ~~Representatives;~~Representatives.

g. Twelve members, appointed by the Governor. Three of these 12 members shall be members of the party other than the Governor's party, appointed by the Governor. Seven of these 12 members shall be appointed as follows: one who is a child care provider, one other who is a pediatrician, one other who is a health care provider, one other who is a parent, one other who is a member of the business community, one other who is a member representing a philanthropic agency, and one other who is an early childhood ~~educator;~~educator.

h. Repealed by Session Laws 1998-212, s. 12.37B(a), effective October 30, 1998.

h1. The Chair of the North Carolina Partnership Board shall be appointed by the ~~Governor;~~Governor.

i. Repealed by Session Laws 1998-212, s. 12.37B(a), effective October 30, 1998.

j. One member of the public appointed by the General Assembly upon recommendation of the Majority Leader of the ~~Senate;~~Senate.

k. One member of the public appointed by the General Assembly upon recommendation of the Majority Leader of the House of ~~Representatives;~~Representatives.

l. One member of the public appointed by the General Assembly upon recommendation of the Minority Leader of the ~~Senate;~~Senate.

m. One member of the public appointed by the General Assembly upon recommendation of the Minority Leader of the House of ~~Representatives; and~~Representatives.

n. The Director of the More at Four Pre-Kindergarten Program, or the Director's designee.

All members appointed to succeed the initial members and members appointed thereafter shall be appointed for three-year terms. Members may succeed themselves.

All appointed board members shall avoid conflicts of interests and the appearance of impropriety. Should instances arise when a conflict may be perceived, any individual who may benefit directly or indirectly from the North Carolina Partnership's disbursement of funds shall abstain from participating in any decision or deliberations by the North Carolina Partnership regarding the disbursement of funds.

All ex officio members are voting members. Each ex officio member may be represented by a designee. These designees shall be voting members. No members of the General Assembly shall serve as members.

The North Carolina Partnership may establish a nominating committee and, in making their recommendations of members to be appointed by the General Assembly or by the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Majority Leader of the Senate, the Majority Leader of the House of Representatives, the Minority Leader of the Senate, the Minority Leader of the House of Representatives, and the Governor shall consult with and consider the recommendations of this nominating committee.

The North Carolina Partnership may establish a policy on members' attendance, which policy shall include provisions for reporting absences of at least three meetings immediately to the appropriate appointing authority.

Members who miss more than three consecutive meetings without excuse or members who vacate their membership shall be replaced by the appropriate appointing authority, and the replacing member shall serve either until the General Assembly and the Governor can appoint a successor or until the replaced member's term expires, whichever is earlier.

The North Carolina Partnership shall establish a policy on membership of the local boards. No member of the General Assembly shall serve as a member of a local board. Within these requirements for local board membership, the North Carolina Partnership shall allow local partnerships that are regional to have flexibility in the composition of their boards so that all counties in the region have adequate representation.

All appointed local board members shall avoid conflicts of interests and the appearance of impropriety. Should instances arise when a conflict may be perceived, any individual who may benefit directly or indirectly from the partnership's disbursement of funds shall abstain from participating in any decision or deliberations by the partnership regarding the disbursement of funds."

SECTION 79.(a) G.S. 143B-1100(b)(4) reads as rewritten:

"(4) Two public members provided by ~~subdivision~~ sub-subdivision (a)(1)d. of this section shall be appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives and two public members provided by ~~subdivision~~sub-subdivision (a)(1)d. of this section shall be appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate."

SECTION 79.(b) G.S.143B-1100(c) reads as rewritten:

"(c) The initial members of the Commission shall be those appointed under subsection (b) above, which appointments shall be made by March 1, 1977. The terms of the present members of the Governor's Commission on Law and Order shall expire on February 28, 1977. Effective March 1, 1977, the Governor shall appoint members, other than those serving by virtue of their office, to serve staggered terms; seven shall be appointed for one-year terms, seven for two-year terms, and seven for three-year terms. At the end of their respective terms of office their successors shall be appointed for terms of three years and until their successors are appointed and qualified. ~~The Commission members from the House and Senate~~ The public members appointed pursuant to subdivision (4) of subsection (b) of this section shall serve two-year terms effective March 1, of each odd-numbered ~~year; and they shall not be disqualified from Commission membership because of failure to seek or attain reelection to the General Assembly, but resignation or removal from office as a member of the General Assembly shall constitute resignation or removal from the Commission.~~ year. Any ~~other~~ Commission member no longer serving in the office from which ~~he~~the member qualified for appointment shall be disqualified from ~~membership~~ serving on the Commission. Any appointment to fill a vacancy on the Commission created by the resignation, dismissal, death, disability, or disqualification of a member shall be for the balance of the unexpired term."

SECTION 80. Reserved.

SECTION 81.(a) If House Bill 373, 2015 Regular Session, becomes law, then G.S. 163-278.8B, as enacted by Section 3(a) of that act, is rewritten to read:

"**§ 163-278.8B. Affiliated party committees.**

(a) Each political party caucus of the North Carolina House of Representatives and the North Carolina Senate may establish one separate affiliated party committee to support the election of candidates who would be eligible to be members of that caucus. No other affiliated party committees shall be authorized pursuant to this section. The affiliated party committee is deemed a political party for purposes of this Article.

(b) An affiliated party committee shall be established only by majority vote of the total membership of the political party caucus. Attached to the organizational report filed in accordance with G.S. 163-9, the affiliated party committee shall provide a report to the State Board of Elections certifying that the political party caucus has organized and taken the appropriate vote to establish an affiliated party committee. The report described in this subsection shall be a public record within the meaning of Chapter 132 of the General Statutes.

(c) Each affiliated party committee shall:

(1) Adopt bylaws which shall be in compliance with the provisions of this Article. At a minimum, the bylaws shall include designation of a treasurer.

(2) Conduct campaigns for candidates who would be eligible to be members of that political party caucus of the North Carolina House of Representatives or North Carolina Senate if elected or reelected or manage daily operations of the affiliated party committee.

(3) Establish a bank account.

(4) Accept contributions and expend funds.

(d) Notwithstanding any other provision of law to the contrary, an affiliated party committee shall be entitled to use the name, abbreviation, and symbol of its respective political party.

(e) For purposes of this section, "political party" has the same meaning as defined in G.S. 163-96."

SECTION 81.(b) If House Bill 373, 2015 Regular Session, becomes law, that act is amended by adding a new bill section to read:

"**SECTION 3.(a1)** Article 22A of Chapter 163 of the General Statutes is amended by adding a new section to read:

"**§ 163-278.8C. Council of State affiliated party committees.**

(a) Members of the Council of State affiliated with the same political party may establish one separate Council of State affiliated party committee to support the election of candidates who would be eligible to be nominees of that political party for Council of State offices. No other Council of State affiliated party committees shall be authorized pursuant to this section. The Council of State affiliated party committee is deemed a political party for purposes of this Article.

(b) Each Council of State affiliated party committee shall:

(1) Adopt bylaws which shall be in compliance with the provisions of this Article. At a minimum, the bylaws shall include designation of a treasurer.

(2) Conduct campaigns for candidates for Council of State who are members of the leader's political party or manage daily operations of the Council of State affiliated party committee.

(3) Establish a bank account.

(4) Accept contributions and expend funds.

(c) Notwithstanding any other provision of law to the contrary, a Council of State affiliated party committee shall be entitled to use the name, abbreviation, and symbol of the political party of its leader.

(d) A previously established Council of State affiliated party committee may continue to be maintained in the event that no individual affiliated with that political party is elected to serve on the Council of State in the general election. The Council of State affiliated party committee shall be maintained by the most recently elected members of the Council of State from that political party. Notwithstanding the definition of "leader" in subsection (e) of this section, those members shall designate an individual from that group to serve as leader. When an individual or individuals affiliated with that political party is next elected to the Council of State, that individual or individuals shall assume control of the Council of State affiliated party committee for that political party.

(e) For purposes of this section, the following definitions shall apply:

(1) Leader. – The highest-ranking individual affiliated with the political party of the Council of State affiliated party committee. For the purposes of this subdivision, the highest-ranking office serving on the Council of State shall be in the following order: Governor, Lieutenant Governor, and the offices as set out in Article III, Section 7 of the North Carolina Constitution, as follows: Secretary of State, State Auditor, State Treasurer, Superintendent of Public Instruction, Attorney General, Commissioner of Agriculture, Commissioner of Labor, and Commissioner of Insurance.

(2) Political party. – As defined in G.S. 163-96."

SECTION 81.(c) If House Bill 373, 2015 Regular Session, becomes law, that act is amended by adding a new bill section to read:

"**SECTION 3.(b1)** G.S. 163-278.6 is amended by adding a new subdivision to read:

"(1a) The term "affiliated party committee" means a General Assembly affiliated party committee as established by G.S. 163-278.8B or Council of State affiliated party committee as established by G.S. 163-278.8C."

SECTION 81.(d) If House Bill 373, 2015 Regular Session, becomes law, G.S. 163-278.6(15), as amended by that act, reads as rewritten:

"(15) The term "political party" means any political party organized or operating in this State, whether or not that party is recognized under the provisions of G.S. 163-96. A special definition of "political party organization" that applies only in Part 1A of this Article is set forth in G.S. 163-278.38Z. An

affiliated party committee is deemed a political party for this Article as set forth in ~~G.S. 163-278.8B.~~G.S. 163-278.8B and G.S. 163-278.8C."

SECTION 81.(e) If House Bill 373, 2015 Regular Session, becomes law, that act is amended to add two new bill sections to read:

"**SECTION 3.(s)** G.S. 163-278.13B(a)(2) reads as rewritten:

"(2) "Limited contributee" means a member of or candidate for the Council of State, a member of or candidate for the General ~~Assembly.~~Assembly, an affiliated party committee, or a Council of State affiliated party committee.

"**SECTION 3.(t)** If any provision of this section or its application is held invalid, the invalidity does not affect other provisions or applications of this section that can be given effect without the invalid provisions or application, and to this end the provisions of this section are severable."

SECTION 81.(f) If House Bill 373, 2015 Regular Session, becomes law, G.S. 163-278.38Z, as amended by that act, reads as rewritten:

"§ **163-278.38Z. Definitions.**

As used in this Part:

…

(3) "Candidate campaign committee" means any political committee organized by or under the direction of a ~~candidate.~~candidate, except for an affiliated party committee as defined in G.S. 163-278.6(1a).

…."

SECTION 82. Section 3 of S.L. 2014-15 reads as rewritten:

"**SECTION 3.** Section 2 of this act becomes effective July 1, 2015. The remainder of this act is effective when it becomes law, and the annual identification requirement for local school administrative units applies beginning with the 2015-2016 school year. Beginning in the 2016-2017 school year, and annually thereafter, the identification of military-connected students for all local school administrative units shall be completed by January 31 of each school year. Local school administrative units may begin the annual identification of military-connected students using the Uniform Education Reporting System beginning with the 2014-2015 school year."

SECTION 83. Section 9 of S.L. 2014-49 reads as rewritten:

"**SECTION 9.** Section 4 of this act becomes effective July 29, 2013. The remainder of this act is effective when it becomes law, and Sections ~~1 through 7~~ 1, 2, 3, 5, 6, and 7 apply to grants awarded beginning with the 2014-2015 school year."

SECTION 84. S.L. 2015-13 is amended by adding a new section to read:

"**SECTION 3.1.** S.L. 1975-95 is repealed."

SECTION 85. Section 2 of S.L. 2015-32 reads as rewritten:

"**SECTION 2.** The Joint Legislative ~~Commission~~ Oversight Committee on Justice and Public Safety may study the current State and federal law regarding the authority for State agencies to schedule controlled substances without legislative action and the procedure for that scheduling or rescheduling."

SECTION 85.5. Section 2(b) of S.L. 2015-138 reads as rewritten:

"**SECTION 2.(b)** Notwithstanding Part 4 of Article 5 of Chapter 160A of the General Statutes and G.S. 160A-23, the City of Greensboro shall not alter or amend the form of government for the ~~City. Upon the return of the 2020 federal decennial census, the North Carolina General Assembly shall revise the districts set out in this section, if needed. The City of Greensboro may submit proposed changes to the districts set out in this section to the North Carolina General Assembly.~~City until after the return of the 2020 federal decennial Census."

SECTION 86. Section 7 of S.L. 2015-186 reads as rewritten:

"**SECTION 7.** This act becomes effective December 1, 2015, and applies to ~~convictions~~ offenses committed on or after that date. Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions."

SECTION 86.2. Section 1 of S.L. 2015-196 reads as rewritten:

"**SECTION 1.** The Environmental Review Commission, with the assistance of the Department of Environment and Natural Resources, shall study the aggregate uses of groundwater and surface water in or affecting the Cape Fear River Basin by all users, including, but not limited to, public water systems, industrial facilities, and agricultural operations. The study shall include all of the following elements: (i) a summary of the current and 50-year projected water-use demands along with the available water supplies ~~for those portions of Alamance, Bladen, Brunswick, Caswell, Chatham, Columbus, Cumberland, Duplin, Durham, Guilford, Harnett, Hoke, Lee, Moore, New Hanover, Onslow, Orange, Pender, Randolph, Richmond, Robeson, Rockingham, Sampson, Scotland, and Wake counties~~ within the Cape Fear River Basin; (ii) an evaluation of the adequacy of currently available supplies to meet the expected long-term needs for all water demands, including the identification of those areas of the basin that do not have a sustainable long-term water supply for the anticipated growth of that area; (iii) the identification of potential conflicts among the various users and recommendations for developing and enhancing coordination among users and groups of users in order to avoid or minimize those conflicts; and (iv) an enhanced review of the portions of the Cape Fear River Basin within Brunswick, New Hanover, and Pender counties addressing the increased demands on groundwater and limited surface water options in that area.

All the information and any analytical tools, such as models, employed in the conduct of the study shall be made available electronically for public review and use on the Web site of the Department's Division of Water Resources.

The Environmental Review Commission may submit an interim report to the 2016 Regular Session of the 2015 General Assembly and shall submit a final report of its findings and recommendations, including any legislative proposals, to the 2017 General Assembly."

SECTION 86.5.(a) Section 12A.5(b)(1) of S.L. 2015-241 reads as rewritten:

"(1) Beginning immediately upon receipt of the transferred funds, facilitate the following:

a. ~~Establishment~~ Establishment, administration, and ongoing support of the successor HIE Network described in subsection (a) of this section. Not later than 30 days after receipt of the transferred funds and notwithstanding any State laws pertaining to contracting procedures or contract review and approval requirements, the State CIO shall negotiate and enter into or amend a contract for services with an effective date no later than 30 days from receipt of the transferred funds. The contract for services shall include provisions to accomplish all of the following:

1. The State's transition from the HIE Network established under Article 29A of Chapter 90 of the General Statutes to the successor HIE Network described in subsection (a) of this section.
2. Establishment, oversight, administration, and ongoing support for the successor HIE Network described in subsection (a) of this section.
3. Initial steps toward implementation of an HIE analytics data warehouse to be used solely for the purposes set forth in G.S. 90-414(a), as enacted by subsection (d) of this section.

b. Termination or assignment to the Authority by February 29, 2016, of any contracts pertaining to the HIE Network established under Article 29A of Chapter 90 of the General Statutes (i) between the State and the NC HIE and (ii) between the NC HIE and any third parties.

c. Pursuant to G.S. 143B-426.38A, as recodified by Section 7A.2(c) of this act, utilization of existing public-private partnerships and existing data and analytics contracts to do all of the following:

1. Ensure the provision of services necessary to accomplish the State's transition from the HIE Network established under Article 29A of Chapter 90 of the General Statutes to the successor HIE Network described in subsection (a) of this section.
2. Provide for the integration of health information exchange clinical data, including the implementation of a health information exchange analytics data warehouse, to be used solely for the purposes set forth in G.S. 90-414(a), as enacted by subsection (d) of this section.
3. Provide health information exchange stakeholders with access to specific health information exchange analytics in a manner that allows stakeholders to leverage historical and prescriptive data for the purpose of reducing healthcare costs and improving quality and access to care."

SECTION 86.5.(b) G.S. 90-414.3(9), as enacted by Section 12A.5(d) of S.L. 2015-241, reads as rewritten:

"(9) HIPAA. – ~~The~~ Sections 261 through 264 of the federal Health Insurance Portability and Accountability Act of 1996, P.L. 104-191, as amended, and any federal regulations adopted to implement these sections, as amended."

SECTION 86.5.(c) G.S. 90-414.9, as enacted by Section 12A.5(d) of S.L. 2015-241, reads as rewritten:

"§ **90-414.9. Participation by covered entities.**

(a) Each covered entity that ~~elects to participate~~participates in the HIE Network shall enter into a HIPAA compliant business associate agreement described in G.S. 90-414.5(b)(8) and a written participation agreement described in G.S. 90-414.5(b)(6) with the Authority or qualified organization prior to submitting data through or in the HIE Network.

(b) Each covered entity that ~~elects to participate~~participates in the HIE Network may authorize its business associates on behalf of the covered entity to submit data through, or access data stored in, the HIE Network in accordance with this Article and at the discretion of the Authority, as provided in G.S. 90-414.5(b)(8).

(c) Notwithstanding any State law or regulation to the contrary, each covered entity that ~~elects to participate~~participates in the HIE Network may disclose an individual's protected health information through the HIE Network to other covered entities for any purpose permitted by HIPAA, unless the individual has exercised the right to opt out."

SECTION 86.5.(d) Section 12A.5 of S.L. 2015-241 is amended by adding a new subsection to read:

"**SECTION 12A.5.(f1)** Notwithstanding any provision of this section, covered entities that are required to submit demographic and clinical information through the successor HIE Network described in subsection (a) of this section pursuant to G.S. 90-414.4(b), as enacted by subsection (d) of this section, shall not be required to submit such demographic and clinical information through the successor HIE Network until the Authority establishes a date for covered entities to begin submitting demographic and clinical information through the HIE Network or by other secure electronic means, as provided in G.S. 90-414.4(b), as enacted by subsection (d) of this section."

SECTION 86.5.(e) Section 12A.5(g) of S.L. 2015-241 reads as rewritten:

"**SECTION 12A.5.(g)** ~~Subsections~~ Except as provided in subsection (f1) of this section, subsections (d) and (e) of this section become effective October 1, 2015. Subsection (f) of this section becomes effective on the date the State Chief Information Officer notifies the Revisor of Statutes that all contracts pertaining to the HIE Network established under Article 29A of

Chapter 90 of the General Statutes (i) between the State and the NC HIE, as defined in G.S. 90-413.3, and (ii) between the NC HIE and any third parties have been terminated or assigned to the North Carolina Health Information Exchange Authority established under Article 29B of Chapter 90 of the General Statutes, as enacted by subsection (d) of this section. The remainder of this section becomes effective July 1, 2015."

SECTION 87.(a) Section 12F.17 of S.L. 2015-241 is repealed.

SECTION 87.(b) G.S. 168-2, as reenacted by Section 87(a) of this act, reads as rewritten:

"§ **168-2. Right of access to and use of public places.**

Persons with disabilities have the same right as persons without disabilities to the full and free use of the streets, highways, sidewalks, walkways, public buildings, public facilities, and all other buildings and facilities, both publicly and privately owned, which serve the public. ~~The Department of Health and Human Services shall develop, print, and promote the publication ACCESS NORTH CAROLINA. It shall make copies of the publication available to the Department of Commerce for its use in Welcome Centers and other appropriate Department of Commerce offices. The Department of Commerce shall promote ACCESS NORTH CAROLINA in its publications (including providing a toll-free telephone line and an address for requesting copies of the publication) and provide technical assistance to the Department of Health and Human Services on travel attractions to be included in ACCESS NORTH CAROLINA. The Department of Commerce shall forward all requests for mailing ACCESS NORTH CAROLINA to the Department of Health and Human Services.~~"

SECTION 87.5. Section 12H.4 of S.L. 2015-241 reads as rewritten:

"**SECTION 12H.4.** The Department of Health and Human Services, Division of Medical Assistance, shall charge an application fee of one hundred dollars ($100.00), and the amount federally required, to each provider enrolling in the Medicaid Program for the first time. The fee shall be charged to all providers at recredentialing every ~~three~~five years."

SECTION 88. Section 12H.23(a) of S.L. 2015-241 reads as rewritten:

"**SECTION 12H.23.(a)** The Department of Health and Human Services shall submit a State Plan amendment to modify Section 4.19-A of the Medicaid State Plan, such that, effective January 1, 2016, no Medicaid provider may receive reimbursement for Graduate Medical Education (GME) ~~in addition~~ as an add-on to their DRG Unit Value (Base) rate under the DRG payment rate methodology as defined in the current Medicaid State Plan. GME costs will continue to be an allowable Medicaid cost to be recorded on the hospital's Medicaid cost report in accordance with Medicare cost reporting requirements. GME costs will continue to be allowable in the calculation of supplemental payments made as part of cost settlements, Medicaid Reimbursement Initiative (MRI) and Upper Payment Limit (UPL) models as defined in the State Plan and allowed by the Centers for Medicare and Medicaid Services (CMS). This section shall not be construed to require the Department to submit any State Plan amendment to CMS that increases State funding requirements or that would impair achievement of the savings required by the "Hospital Inpatient Base Rates – GME" item in the Joint Conference Committee Report on the Base, Expansion, and Capital Budgets in the amount of twelve million seven hundred forty-eight thousand seven hundred ninety-five dollars ($12,748,795) in fiscal year 2015-2016 and the amount thirty-one million one hundred twenty-seven thousand two hundred four dollars ($31,127,204) in fiscal year 2016-2017."

SECTION 89. S.L. 2015-241 is amended by adding a new section to read:

"**AMEND COST SETTLEMENT OF LOCAL HEALTH DEPARTMENTS**

SECTION 12H.30. The Department of Health and Human Services, Division of Medical Assistance, shall submit a Medicaid State Plan amendment request to the Centers for Medicare and Medicaid Services (CMS) to amend the annual cost settlement methodology for local health departments, as defined in Article 2 of Chapter 130A of the General Statutes. The State Plan amendment shall provide a methodology that maximizes identification of allowable Medicaid costs in order to assure that North Carolina is receiving the maximum federal reimbursement for local health departments' treatment of Medicaid-eligible patients consistent

with Medicare reimbursement principles. The State Plan amendment required by this section shall not be subject to the 90-day prior submission requirement of G.S. 108A-54.1A(e) but shall be submitted by February 15, 2016 and shall apply to cost reports with a fiscal year beginning July 1, 2016 and thereafter. This section shall not be construed to require the Department to submit to CMS a State Plan amendment that increases State funding requirements."

SECTION 90. Reserved.

SECTION 90.2. Section 20.3(b) of S.L. 2015-241 reads as rewritten:

"**SECTION 20.2.(b)** This section becomes effective ~~January 1,~~ August 1, 2016, and applies to insurance contracts issued, renewed, or amended on or after that date."

SECTION 90.5. Section 29.17E of S.L. 2015-241 reads as rewritten:

"**STUDY/IMPROVING SAFETY ON SECONDARY ROADS & UNPAVED ROAD IMPROVEMENT PILOT PROGRAM**

SECTION 29.17E.(a) Study. – The Department of Transportation shall study ways to improve safety and decrease the number of traffic accidents and fatalities occurring on secondary roads. The study shall include all of the following:

(1) An identification of the secondary roads with the highest number of traffic accidents and fatalities.

(2) An identification of the most common causes listed for traffic accidents and fatalities occurring on secondary roads.

(3) Any other matters or information the Department deems relevant to the completion of the study.

SECTION 29.17E.(b) ~~Report.~~Report on Study. – The Department shall report its findings and ~~recommendations,~~recommendations from the study required under subsection (a) of this section, including any legislative proposals, to the Joint Legislative Transportation Oversight Committee by February 1, 2016.

SECTION 29.17E.(c) Survey. – The Department shall conduct a survey of the paved and unpaved roads in this State that are open to the public, but are not currently a part of the State system. The Department shall report its findings from the survey to the Joint Legislative Transportation Oversight Committee by June 30, 2016.

SECTION 29.17E.(d) Pilot Program. – Of the funds allocated to the Secondary Unpaved Road Paving Program (Fund Code: 84210-7812), the Department shall use the sum of one million dollars ($1,000,000) nonrecurring for the 2015-2016 fiscal year to establish a pilot program to improve paved or unpaved roads that are open to the public, but are not currently part of the State system. The Department shall implement the pilot program by December 1, 2015. The pilot program shall provide for minimal improvements to the selected roads. The Department shall establish eligibility guidelines for the roads to be improved under the pilot program. The Department shall report the results of the pilot program to the Joint Legislative Transportation Oversight Committee by December 1, 2016, including any recommendations and legislative proposals. The pilot program shall expire upon the submission of the report required by this subsection.

SECTION 29.17E.(e) Applicability. – The survey and pilot program required under this section shall not include municipal or federally-owned roads.

SECTION 29.17E.(f) Liability. – Improvements of an unpaved road under this pilot program shall not obligate the State to further improve or maintain the unpaved road in the future. The State shall not be liable for any direct or indirect damages alleged to have been caused by the improvement of the unpaved road."

SECTION 90.7. Section 2.45 of S.L. 2015-254 reads as rewritten:

"**SECTION 2.45.** Michael Walters of Robeson County and Franklin Rouse of ~~Brunswick~~ New Hanover County are appointed to the North Carolina Railroad Company Board of Directors for terms expiring on June 30, 2019."

SECTION 91.(a) If House Bill 117, 2015 Regular Session, becomes law, Section 1(j) of that act reads as rewritten:

"**SECTION 1.(j)** Subsections (d) and (h) of this section are effective when this act becomes law. The remainder of this section becomes effective ~~July 1,~~October 1, 2015, and applies to awards made under Part 2G of Article 10 of Chapter 143B of the General Statutes on or after that date."

SECTION 91.(b) This section is effective when it becomes law.

SECTION 91.2. If House Bill 318, 2015 Regular Session, becomes law, then Section 16(b) of that act reads as rewritten:

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

SECTION 91.3. If House Bill 540, 2015 Regular Session, becomes law, it is amended by deleting the name "William Franklin "Billy" Graham, Jr.," and substituting in its place throughout the bill with the name "William Franklin Graham, II," and, where that name appeared at the end of a sentence, by inserting a period as needed.

SECTION 91.4.(a) Notwithstanding any other provision of law, the pilot program established by the Department of Health and Human Services, Division of Health Service Regulation, to study the use of electronic supervision devices as an alternative means of supervision during sleep hours at facilities for children and adolescents who have a primary diagnosis of mental illness and/or emotional disturbance shall remain in effect and shall extend to facilities that are authorized to provide services in accordance with Section .1700 of the North Carolina Administrative Code, Residential Treatment Staff Secure for Children or Adolescents, currently owned or operated with the facility currently authorized to waive the requirement set forth in 10A NCAC 27G .1704(c) or any related or subsequent rule or regulation by the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services setting minimum overnight staffing requirements. The waiver for these facilities shall remain in effect; however, the Division reserves the right to rescind the waiver if, at the time of the facility's license renewal, there are outstanding deficiencies that have remained uncorrected upon follow-up surveys that are related to electronic supervision.

SECTION 91.4.(b) This section expires on June 30, 2016.

SECTION 91.5.(a) Students enrolled in the Halifax County Schools shall be permitted to participate in the residential science, mathematics, engineering, and technology (STEM) enrichment program for traditionally underserved students supported by the sum of one hundred eighty thousand dollars ($180,000) in nonrecurring funds appropriated to the State Board of Education for each fiscal year of the 2015-2017 fiscal biennium by S.L. 2015-241.

SECTION 91.5.(b) This section becomes effective July 1, 2015.

SECTION 91.7. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end the provisions of this act are severable.

PART III. EFFECTIVE DATE

SECTION 92. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of September, 2015.

Became law upon approval of the Governor at 11:00 a.m. on the 1st day of October, 2015.

Session Law 2015-265 **H.B. 297**

AN ACT TO REQUIRE INFORMED CONSENT FOR THE DONATION OF THE REMAINS OF AN UNBORN CHILD; TO PROHIBIT THE SALE OF ANY ABORTED OR MISCARRIED MATERIAL OR REMAINS OF AN UNBORN CHILD RESULTING FROM AN ABORTION OR MISCARRIAGE; AND TO LIMIT THE USE OF STATE FUNDS FOR CONTRACTS PERTAINING TO TEEN PREGNANCY PREVENTION INITIATIVES AND PROJECTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 130A-131.10 reads as rewritten:

"§ **130A-131.10. Manner of disposition of remains of pregnancies.**

(a) The Commission for Public Health shall adopt rules to ensure that all facilities authorized to terminate pregnancies, and all medical or research laboratories or facilities to which the remains of terminated pregnancies are sent ~~by facilities authorized to terminate pregnancies,~~ shall dispose of the remains in a manner limited to burial, cremation, or, except as prohibited by subsection (b) of this section, approved hospital type of incineration.

(b) A hospital or other medical facility or a medical or research laboratory or facility shall dispose of the remains of a recognizable fetus only by burial or cremation. The Commission shall adopt rules to implement this subsection.

~~(c) A hospital or other medical facility is relieved from the obligation to dispose of the remains in accordance with subsections (a) and (b) of this section if it sends the remains to a medical or research laboratory or facility.~~

(d) This section does not impose liability on a permitted medical waste treatment facility for a hospital's or other medical facility's violation of this section nor does it impose any additional duty on the treatment facility to inspect waste received from the hospital or medical facility to determine compliance with this section.

(e) Nothing in this section shall prevent the mother from donating the remains of her unborn child after a spontaneous abortion or miscarriage to a research facility for research or from acquiring the remains of the unborn child after a spontaneous abortion or miscarriage. The mother's informed written consent to allow research to be conducted upon the remains of the unborn child after a spontaneous abortion or miscarriage must be obtained prior to the donation and must be separate from any other prior consent.

(f) Nothing in this section shall prevent the performance of autopsies performed according to law, or any pathological examinations, chromosomal analyses, cultures, or any other examinations deemed necessary by attending pathologists or treating physicians for diagnostic purposes."

SECTION 2. Article 11 of Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-46.1. Prohibit sale of the remains of an unborn child resulting from an abortion or miscarriage.**

(a) No person shall sell the remains of an unborn child resulting from an abortion or a miscarriage or any aborted or miscarried material.

(b) For purposes of this section, the term "sell" shall mean the transfer from one person to another in exchange for any consideration whatsoever. The term shall not include payment for incineration, burial, cremation, or any services performed pursuant to G.S. 130A-131.10(f).

(c) A person convicted of a violation of this section is guilty of a Class I felony."

SECTION 3. G.S. 130A-131.15A is amended by adding a new subsection to read:

"(h) The Department's use of State funds for initiatives and projects authorized under this section shall not include the allocation of funds to renew or extend existing contracts or enter

into new contracts for the provision of family planning services, pregnancy prevention activities, or adolescent parenting programs with any provider that performs abortions."

SECTION 4. This act becomes effective October 1, 2015. Sections 1 and 2 of this act apply to offenses committed on or after that date.

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

Became law upon approval of the Governor at 11:00 a.m. on the 1st day of October, 2015.

Session Law 2015-266 **S.B. 159**

AN ACT TO REQUIRE PAYMENT OF ADDITIONAL TAXES BY THE APPROPRIATE OWNERS OF RECORD FOR CORRECTED REVALUATIONS AND TO PROVIDE OPTIONS FOR THE DISPOSITION OF MINIMAL PROPERTY TAX REFUNDS.

The General Assembly of North Carolina enacts:

SECTION 1. Section 3 of S.L. 2013-362 reads as rewritten:

"**SECTION 3.** Interest on taxes paid on parcels with errors that resulted in the parcels having an overstated value shall be calculated at a rate of five percent (5%) per annum. Additional taxes levied on parcels as a result of errors causing the parcels to have an understated value (i) shall be treated as taxes on discovered property pursuant to G.S. 105-312, except that the discovery penalties set forth in subsection (h) of G.S. 105-312 shall not ~~apply.~~apply, (ii) are due and payable on September 1 of the fiscal year for which the taxes are levied, but not earlier than four years from the last general reappraisal date, and (iii) shall be payable, at the taxpayer's option, by means of an agreement over a period of not more than 36 months, in equal monthly installments, if the total of the additional taxes levied is greater than one thousand dollars ($1,000). Interest shall not accrue for the period a taxpayer is making timely payments under a payment plan. The tax collector is authorized to issue forms and develop procedures to implement a payment plan authorized under this section. Notwithstanding G.S. 105-365.1(b), for parcels that have been transferred in a tax year for which errors requiring reappraisals under this act resulted in an underpayment of taxes, the following apply:

(1) The taxes for each tax year prior to and in the fiscal year in which the transfer occurred shall be collected from the owner of record as of January 1 of each tax year for which unpaid taxes exist. Only the remedies available in G.S. 105-367 and G.S. 105-368 may be used to collect against the owner of record as of January 1 of each tax year for which unpaid taxes exist.

(2) Notwithstanding G.S. 105-355(a), there shall be no lien on the real property for underpaid taxes that arose in a year in which the property is owned by a person other than the current owner as of January 1 of that year. The current owner shall not be held personally responsible for such underpaid taxes.

(3) If an owner not responsible for underpaid taxes pursuant to this section paid the underpaid taxes, the owner may assert a valid defense for a refund pursuant to G.S. 105-381, as a tax imposed through clerical error. Interest on the refund shall be calculated at a rate of five percent (5%) per annum from the date the owner asserting the defense paid the underpaid taxes until the date the refund is issued."

SECTION 2. G.S. 105-321 is amended by adding a new subsection to read:

"(g) Minimal Refunds. – The governing body of a taxing unit that collects its own taxes may, by resolution, direct the taxing unit not to mail a refund for an overpayment of tax if the refund is less than fifteen dollars ($15.00). Upon adoption of a resolution pursuant to this subsection, the taxing unit shall keep a record of all minimal refunds by receipt number and amount and shall make a report of the amount of these refunds to the governing body at the

time of the settlement and shall implement a system by which payment of the refund may be made to a taxpayer who comes into the office of the taxing unit seeking the refund. Unless the taxpayer requests the minimal refund in person at the office of the taxing unit before the end of the fiscal year in which the refund is due, the taxing unit must implement a system to apply the minimal refund as a credit against the tax liability of the taxpayer for taxes due to the taxing unit for the next succeeding year. An overpayment of tax bears interest at the rate set under G.S. 105-241.21 from the date the interest begins to accrue until a refund is paid or applied in accordance with this section. Interest accrues from the later of the date the tax was paid and the date the tax would have been considered delinquent under G.S. 105-360. A resolution adopted pursuant to this subsection must be adopted on or before June 15 preceding the first taxable year to which it applies and remains in effect until amended or repealed by resolution of the taxing unit."

SECTION 3. This act is effective when it becomes law.

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

Became law upon approval of the Governor at 11:05 a.m. on the 1st day of October, 2015.

Session Law 2015-267 **H.B. 735**

AN ACT TO MAKE VARIOUS CHANGES RELATED TO THE DEPARTMENT OF PUBLIC SAFETY.

The General Assembly of North Carolina enacts:

SECTION 1.(a) S.L. 2015-241 is amended by adding a new section to read:

"**SAFIS FUNDS**

"**SECTION 16A.9.(a)** Notwithstanding any other provision of this act or of the Committee Report described in Section 33.2 of this act, the sum of three hundred thirty-three thousand five hundred fifty-seven dollars ($333,557) shall not be transferred from Budget Code 23002 to the State Bureau of Investigation to update the Statewide Automated Fingerprint Information System (SAFIS).

"**SECTION 16A.9.(b)** Notwithstanding any other provision of this act or of the Committee Report described in Section 33.2 of this act, the Department of Public Safety may use up to the sum of three million dollars ($3,000,000) in overrealized receipts during the 2015-2017 fiscal biennium for replacement of the Statewide Automated Fingerprint Identification System (SAFIS)."

SECTION 1.(b) G.S. 143B-930(a) reads as rewritten:

"(a) When the Department of Public Safety determines that any person is entitled by law to receive information, including criminal records, from the State Bureau of Investigation, for any purpose other than the administration of criminal justice, the State Bureau of Investigation shall charge the recipient of such information a reasonable fee for retrieving such information. The fee authorized by this section shall not exceed the actual cost of storing, maintaining, locating, editing, researching and retrieving the information, and may be budgeted for the support of the State Bureau of Investigation."

SECTION 2.(a) G.S. 15A-502(a2), as enacted by Section 11(h) of S.L. 2015-195, reads as rewritten:

"(a2) It shall be the duty of the arresting law enforcement agency to cause a person charged with the commission of any of the following misdemeanors to be ~~fingerprinted, for the purposes of reporting these offenses to the National Criminal Instant Background Check System (NICS),~~ fingerprinted and to forward those fingerprints to the State Bureau of Investigation:

(1) G.S. 14-134.3 (Domestic criminal trespass), G.S. 15A-1382.1 (Offense that involved domestic violence), or G.S. 50B 4.1 (Violation of a valid protective order).

(2) G.S. 20-138.1 (Impaired driving), G.S. 20-138.2 (Impaired driving in commercial vehicle), G.S. 20-138.2A (Operating a commercial vehicle after consuming alcohol), and G.S. 20-138.2B (Operating various school, child care, EMS, firefighting, or law enforcement vehicles after consuming alcohol).

(3) G.S. 90-95(a)(3) (Possession of a controlled substance)."

SECTION 2.(b) G.S. 15A-502(a4), as enacted by Section 11(h) of S.L. 2015-195, reads as rewritten:

"(a4) It shall be the duty of the arresting law enforcement agency to cause a person who has been charged with a misdemeanor offense of assault, stalking, or communicating a threat and held under G.S. 15A 534.1 to be fingerprinted ~~for the purposes of reporting these offenses to the National Criminal Instant Background Check System (NICS)~~ and to forward those fingerprints to the State Bureau of Investigation."

SECTION 3. G.S. 143B-911(a), as amended by Section 16A.7(f) of S.L. 2015-241, reads as rewritten:

"(a) Section Established. – There is hereby established, within the State Highway Patrol of the Department of Public Safety, the State Capitol Police Section, which shall be organized and staffed in accordance with applicable laws and regulations and within the limits of authorized appropriations. The Chief, special officers, and employees of the State Capitol Police Section are not considered members of the State Highway Patrol."

SECTION 4. Section 2 of this act becomes effective October 1, 2015. The remainder of this act becomes effective July 1, 2015.

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

Became law upon approval of the Governor at 11:05 a.m. on the 1st day of October, 2015.

Session Law 2015-268 **H.B. 259**

AN ACT MAKING TECHNICAL, CONFORMING, AND OTHER MODIFICATIONS TO THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS APPROPRIATIONS ACT OF 2015.

The General Assembly of North Carolina enacts:

PART I. GENERAL AND SALARY PROVISIONS

SECTION 1.1. Section 2.2(f) of S.L. 2015-241 reads as rewritten:

"**SECTION 2.2.(f)** Notwithstanding any other provision of law to the contrary, effective ~~June 30, 2015,~~ July 1, 2015, the following amounts shall be transferred to the State Controller to be deposited in the appropriate budget code as determined by the State Controller. These funds shall be used to support the General Fund appropriations as specified in this act for the 2015-2016 fiscal year and the 2016-2017 fiscal year.

…."

SECTION 1.2. G.S. 143C-9-3(a), as amended by Section 6.24 of S.L. 2015-241, reads as rewritten:

"(a) The "Settlement Reserve Fund" is established as a special fund ~~in the Office of State Budget and Management~~ to receive proceeds from tobacco litigation settlement agreements or final orders or judgments of a court in litigation between tobacco companies and the states."

SECTION 1.3. Section 6.20(b)(1)a. of S.L. 2015-241 reads as rewritten:

"a. Department of Environment and Natural Resources –

1. Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund.
2. Division of Air Quality Inspection and Maintenance Fees.
3. Division of Air Quality Water and Air Quality Account.
4. ~~Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund.~~
5.4. Mercury Pollution Prevention Account."

PART II. INFORMATION TECHNOLOGY

SECTION 2.1. Section 7.3(a) of S.L. 2015-241 reads as rewritten:

"**SECTION 7.3.(a)** The appropriations for the Information Technology Reserve Fund for the 2015-2017 fiscal biennium are as follows:

	FY 2015-2016	**FY 2016-2017**
Government Data Analytics Center	$8,100,000	$8,100,000
Improve Efficiency and Customer Service through IT Modernization	$8,127,991	$8,061,512
IT Restructuring	$2,775,184	$2,978,812
	~~$3,537,299~~	~~$3,740,927~~
Economic Modeling Initiative	$500,000	$500,000
Maintenance Management System Replacement	$173,180	$129,901
NC Connect	$593,899	$788,503
E-Forms/Digital Signatures	$762,115	$762,115
Law Enforcement Information Exchange	$288,474	0"

SECTION 2.2. G.S. 143B-1302(d), as enacted by Section 7A.2(b) of S.L. 2015-241, reads as rewritten:

"(d) State Ethics Act. – All employees of the Department shall be subject to the applicable provisions of the State Government Ethics Act under Chapter 138A of the General Statutes."

SECTION 2.4. Notwithstanding any provision of S.L. 2015-241 to the contrary, the following positions in that act shall be transferred from the Information Technology Internal Service Fund to the Information Technology Reserve Fund:

(1) Position Number 60087223, State Chief Information Officer.
(2) Position Number 60087293, Executive Assistant.
(3) Position Number 60087581, Legislative Affairs/Program Coordinator.
(4) Position Number 60093454, Director of Public Affairs.
(5) Position Number 60087551, Information & Communications Specialist II.
(6) Position Number 60087645, Agency General Counsel II.
(7) Position Number 60093450, Communications Specialist.
(8) Position Number 60087267, Information and Communications Specialist.

SECTION 2.5. Notwithstanding any provision of S.L. 2015-241 to the contrary, of the funds appropriated in that act to the Information Technology Reserve Fund, the sum of seven hundred sixty-two thousand one hundred fifteen dollars ($762,115) for each year of the biennium shall be used to support the continued development of an enterprise electronic forms and digital signatures capability.

SECTION 2.6. Notwithstanding any provision of S.L. 2015-241 to the contrary, the requirement for "Process Management" in that act shall be moved from the Information Technology Reserve Fund to the Information Technology Fund (Fund Code 24667).

SECTION 2.8. G.S. 143B-1305(c), as enacted by Section 7A.2(b) of S.L. 2015-241, reads as rewritten:

"(c) Participating Agencies. – The State CIO shall prepare detailed plans to transition each of the participating agencies. As the transition plans are completed, the following

participating agencies shall transfer information technology personnel, operations, projects, assets, and appropriate funding to the Department of Information Technology:

…

(12) Department of Military and Veterans Affairs."

SECTION 2.9. Section 7.9(d) of S.L. 2015-241 reads as rewritten:

"**SECTION 7.9.(d)** This section does not apply to any agency exempt under ~~G.S. 147-33.80.~~G.S. 143B-1300(b)."

SECTION 2.11. G.S. 143B-1306(c), as enacted by Section 7A.2(b) of S.L. 2015-241, reads as rewritten:

"(c) Each participating agency shall actively participate in preparing, testing, and implementing an information technology plan required under subsection (b) of this section. Separate agencies shall prepare biennial information technology plans, including the requirements listed in subsection (b) of this section, and transmit these plans to the Department by a date determined by the State CIO in each even-numbered year. Agencies shall provide all financial information to the State CIO necessary to determine full costs and expenditures for information technology assets and resources provided by the agencies or through contracts or grants. The Department shall consult with and assist State agencies in the preparation of these plans; shall provide appropriate personnel or other resources to the participating agencies and to separate agencies upon ~~request pursuant to Part 3, Shared Information Technology Services, of this Article.~~request. Plans shall be submitted to the Department by a date determined by the State CIO in each even-numbered year."

SECTION 2.12. G.S. 143B-1312(c), as enacted by Section 7A.2(b) of S.L. 2015-241, reads as rewritten:

"(c) Participating agency information technology personnel performing information technology functions shall be moved to the Department. The State CIO shall consolidate participating agency information technology personnel following the time ~~line~~ lines established in the plans required by ~~this Article~~G.S. 143B-1305(b) once a detailed plan has been developed for transitioning the personnel to the new agency."

SECTION 2.13. G.S. 143B-1312(e), as enacted by Section 7A.2(b) of S.L. 2015-241, reads as rewritten:

"(e) Any new positions established by the Department shall be exempt from the North Carolina Human Resources ~~Act.~~Act; provided, however, that nonexempt employees transferred from participating agencies to a newly established position in the Department shall not become exempt solely by virtue of that transfer."

SECTION 2.14. G.S. 143B-1323(d), as enacted by Section 7A.2(b) of S.L. 2015-241, reads as rewritten:

"(d) Each State ~~agency, separate agency, and participating agency~~ agency shall furnish to the State CIO when requested, and on forms as prescribed, estimates of and budgets for all information technology goods and services needed and required by such department, institution, or agency for such periods in advance as may be designated by the State CIO. When requested, all State agencies shall provide to the State CIO on forms as prescribed, actual expenditures for all goods and services needed and required by the department, institution, or agency for such periods after the expenditures have been made as may be designated by the State CIO."

SECTION 2.16. G.S. 143B-1338(a), as enacted by Section 7A.2(b) of S.L. 2015-241, reads as rewritten:

"(a) The Department shall plan, develop, implement, and operate a statewide electronic web presence, to include mobile, in order to (i) increase the convenience of members of the public in conducting online transactions with, and obtaining information from, State government and (ii) facilitate the public's interactions and communications with government agencies. The State CIO shall have approval authority over all agency Web site ~~funding and content,~~funding, to include any agency contract decisions. Participating agency Web site and

content development staff shall be transferred to the Department in accordance with the schedule for their agency."

SECTION 2.18. Notwithstanding any provision of S.L. 2015-241 to the contrary, of the funds appropriated in that act to the Information Technology Reserve Fund and allocated for IT Restructuring, a portion of those funds shall be used to fund a Business and Technology Applications Specialist position (Position Number 65000718).

SECTION 2.20. G.S. 143B-1323, as enacted by Section 7A.2(b) of S.L. 2015-241, is amended by adding a new subsection to read:

"(k) No contract subject to the provisions of this Part may be entered into unless the contractor and the contractor's subcontractors comply with the requirements of Article 2 of Chapter 64 of the General Statutes."

PART III. EDUCATION

SECTION 3.1. Section 8.27(c) of S.L. 2015-241 reads as rewritten:

"**SECTION 8.27.(c)** Grant funds shall be used to pay for all costs incurred by the local school administrative units and the community college partners to implement the grant, including community college FTE. Community colleges shall not earn budget FTE for student course enrollments ~~supported with this grant.~~under this grant, unless the student course enrollment is otherwise authorized as provided in G.S. 115D-20(4)a., as amended by this act."

SECTION 3.2. Section 9.4 of S.L. 2015-241 reads as rewritten:

"**SECTION 9.4.** The annual salary for permanent full-time and part-time noncertified public school employees whose salaries are supported from the State's General Fund shall ~~remain unchanged~~ not be legislatively increased for the 2015-2017 fiscal ~~biennium.~~biennium, but may be increased as otherwise allowed by law."

SECTION 3.3. Section 9.5 of S.L. 2015-241 is amended to add a new subsection to read:

"(c) Subsection (a) of this section shall not be construed to modify the compensation of persons initially employed as assistant principals prior to July 1, 2009, for work performed prior to July 1, 2015."

SECTION 3.4. Section 10.11(b) of S.L. 2015-241 reads as rewritten:

"**SECTION 10.11.(b)** South Piedmont Community College shall not earn budget FTE for student course enrollments ~~supported with this grant.~~under this grant, unless the student course enrollment is otherwise authorized as provided in G.S. 115D-20(4)a., as amended by this act."

SECTION 3.5. S.L. 2015-241 is amended by adding the following new section to read:

"**ACADEMIC SUMMER BRIDGE PROGRAM/TECHNICAL CORRECTION**

"**SECTION 11.24.(a)** Notwithstanding any provision of S.L. 2015-241 to the contrary, of the funds appropriated herein, the reduction of funds for the Academic Summer Bridge Program shall be decreased by one hundred nineteen thousand three hundred dollars ($119,300) in recurring funds for each fiscal year of the 2015-2017 fiscal biennium so that the total reduction in funds for the Academic Summer Bridge Program for the 2015-2016 fiscal year shall be one million seventy-three thousand seven hundred dollars ($1,073,700) in recurring funds and the total reduction in funds for the Academic Summer Bridge Program for the 2016-2017 fiscal year shall be one million seventy-three thousand seven hundred dollars ($1,073,700) in recurring funds.

"**SECTION 11.24.(b)** Notwithstanding any provision of S.L. 2015-241 to the contrary, of the funds appropriated herein, the management flexibility reduction for the operating budget of The University of North Carolina shall be increased by one hundred nineteen thousand three hundred dollars ($119,300) in recurring funds for each fiscal year of the 2015-2017 fiscal biennium so that the total management flexibility reduction for the 2015-2016 fiscal year shall be eighteen million thirty-three thousand one hundred twelve dollars ($18,033,112) in recurring funds and the total management flexibility reduction for the 2016-2017 fiscal year shall be

forty-three million five hundred ninety-three thousand five hundred sixty-seven dollars ($43,593,567) in recurring funds and three million dollars ($3,000,000) in nonrecurring funds.

The sum of one hundred nineteen thousand three hundred dollars ($119,300) in recurring funds for the 2015-2016 fiscal year and the sum of one hundred nineteen thousand three hundred dollars ($119,300) in recurring funds for the 2016-2017 fiscal year resulting from the increased management flexibility reduction implemented pursuant to this subsection shall be used to decrease the reduction of funds for the Academic Summer Bridge Program as provided in subsection (a) of this section."

SECTION 3.6. S.L. 2015-241 is amended by adding the following new section to read:

"**APPALACHIAN STATE UNIVERSITY/RECRUIT COMMUNITY COLLEGE STUDENTS PILOT**

"**SECTION 11.25.** Notwithstanding any provision of S.L. 2015-241 to the contrary, funds appropriated to Appalachian State University for the 2015-2017 fiscal biennium for its College of Education to establish a pilot program to recruit and retain students as teachers for high need licensure areas may be used to recruit and retain both undergraduate students and community college students for this pilot program. Funds may be used for personnel, marketing, programming, counseling and advising."

SECTION 3.7. G.S. 115C-296.13(e), as enacted by Section 8.41(a) of S.L. 2015-241, reads as rewritten:

"(e) Annual State Board of Education Report. – The educator preparation program report cards shall be submitted to the Joint Legislative Education Oversight Committee on an annual basis by ~~November 15.~~December 15."

SECTION 3.8. S.L. 2015-241 is amended by adding a new section to read:

"**EXCELLENT PUBLIC SCHOOLS ACT FUNDS/TECHNICAL CORRECTION**

"**SECTION 8.49.** Notwithstanding any other provision of law, the Department of Public Instruction shall not use any of the funds appropriated in this act to the Department to carry out elements of the Excellent Public Schools Act in the amount of three million eight hundred twelve thousand one hundred forty-one dollars ($3,812,141) in recurring funds for the 2015-2016 fiscal year and the amount of eight million five hundred twenty thousand seven hundred forty-eight dollars ($8,520,748) in recurring funds for the 2016-2017 fiscal year to increase funding for the North Carolina Teacher Corps program established under G.S. 115C-296.7."

SECTION 3.9. G.S. 116-143.3A(a)(3), as enacted by S.L. 2015-116, reads as rewritten:

"(a) Definitions. – The following definitions apply in this section:

…

(3) Veteran. – A person who served active duty for not less than 90 days in the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration and who was discharged or released from such ~~service under conditions other than dishonorable.~~service."

SECTION 3.10. S.L. 2015-241 is amended by adding the following new section to read:

"**MOUNTAIN AREA HEALTH EDUCATION CENTER FUNDS**

"**SECTION 11.26.** Notwithstanding any provision of this act to the contrary, the funds appropriated to the Mountain Area Health Education Center (MAHEC) in this act for the 2015-2017 fiscal biennium may be used for psychiatry residencies in the MAHEC service area."

PART IV. HEALTH AND HUMAN SERVICES

SECTION 4.1. S.L. 2015-241 is amended by adding the following new section to read:

"**REDUCTION OF FUNDS FOR MISCELLANEOUS CONTRACTUAL SERVICES**

"**SECTION 12A.18.** Notwithstanding any provision of S.L. 2015-241 to the contrary, the Department of Health and Human Services, Division of Central Management and Support, is directed to achieve a reduction in its contractual services by reducing Fund Code 1910, instead of Fund Code 1120, by the sum of three million two hundred thousand dollars ($3,200,000) in nonrecurring funds for the 2015-2016 fiscal year. In making the reduction required by this section, the Department may implement department-wide reductions in contractual services, but shall not reduce any funds appropriated to the Department to develop and implement housing, support, and other services for people with mental illness pursuant to the settlement agreement entered into between the United States Department of Justice and the State of North Carolina."

SECTION 4.2. Section 12C.10(c) of S.L. 2015-241 reads as rewritten:

"**SECTION 12C.10.(c)** Of the funds appropriated in this act from the General Fund to the Department of Health and Human Services, Division of ~~Social Services,~~Central Management and Support, the sum of three hundred sixty thousand dollars ($360,000) in recurring funds for fiscal year 2015-2016 and the sum of three million two hundred thousand dollars ($3,200,000) in nonrecurring funds for fiscal year 2015-2016 shall be deposited in the Department's information technology budget code within 30 days of the effective date of this act to be used for ongoing operation and maintenance pursuant to implementing the provisions of this section."

SECTION 4.4. Section 12F.16(l) of S.L. 2015-241 reads as rewritten:

"**SECTION 12F.16.(l)** The Division of Medical Assistance of the Department of Health and Human Services (DMA) shall take the following steps to improve the effectiveness and efficiency of the Medicaid lock-in program:

(1) Establish written procedures for the operation of the lock-in program, including specifying the responsibilities of DMA and the program contractor.

(2) Establish procedures for the sharing of bulk data with the Controlled Substances Regulatory Branch.

(3) In consultation with the Physicians Advisory Group, extend lock-in duration to two years and revise program eligibility criteria to align the program with the statewide strategic goals for preventing prescription drug abuse. DMA shall report an estimate of the cost-savings from the revisions to the eligibility criteria to the Joint Legislative Program Evaluation Oversight Committee and the Joint Legislative Oversight Committee on Health and Human Services within one year of the lock-in program again becoming operational.

(4) Develop a Web site and communication materials to inform lock-in enrollees, prescribers, pharmacists, and emergency room health care providers about the program.

(5) Increase program capacity to ensure that all individuals who meet program criteria are locked in.

(6) Conduct an audit of the lock-in program within six months after the effective date of this act in order to evaluate the effectiveness of program restrictions in preventing overutilization of controlled substances, identify any program vulnerabilities, and address whether there is evidence of any fraud or abuse within the program.

DMA shall report to the Joint Legislative Program Evaluation Oversight Committee by ~~September 30, 2015,~~September 30, 2016, on its progress toward implementing all items included in this section."

SECTION 4.5. Section 12F.16(m)(4) of S.L. 2015-241 reads as rewritten:

"(4) The Office of Rural ~~Health Section of the Division of Public~~ Health, DHHS."

SECTION 4.6. Section 12I.1(w) of S.L. 2015-241 reads as rewritten:

"**SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT**

"**SECTION 12I.1.(w)** The sum of two hundred fifty thousand dollars ($250,000) appropriated in this section in the Substance Abuse Prevention and Treatment Block Grant to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for each year of the 2015-2017 fiscal biennium shall be allocated to the Department of ~~Administration, Division of Veterans Affairs,~~Military and Veterans Affairs, as created in Section 24.1 of this act, to establish a call-in center to assist veterans in locating service benefits and crisis services. The call-in center shall be staffed by certified veteran peers within the ~~Division of Veterans Affairs~~Department of Military and Veterans Affairs and trained by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services."

SECTION 4.7. Section 12H.17.(a) of S.L. 2015-241 reads as rewritten:

"**SECTION 12H.17.(a)** Effective ~~July 1,~~October 1, 2015, the cost settlement for outpatient Medicaid services performed by Vidant Medical Center, which was previously known as Pitt County Memorial Hospital, shall be at one hundred percent (100%) of allowable costs."

SECTION 4.8. Section 12F.2(b) of S.L. 2015-241 reads as rewritten:

"**SECTION 12F.2.(b)** The DMH/DD/SAS is directed to reduce its allocation for single stream funding by one hundred ten million eight hundred eight thousand seven hundred fifty-two dollars ($110,808,752) in nonrecurring funds for the 2015-2016 fiscal year and by one hundred fifty-two million eight hundred fifty thousand one hundred thirty-three dollars ($152,850,133) in nonrecurring funds for the 2016-2017 fiscal year. The DMH/DD/SAS is directed to allocate this reduction among the LME/MCOs based on the individual LME/MCO's percentage of the total cash on hand of all of the LME/MCOs in the State. Cash on hand means the sum of the "Total Cash and Investments" plus the "Short-Term Investments" reported on Schedule "A" of the financial reporting package submitted by the LME/MCOs to the Division of Medical Assistance (DMA) on June 30, 2015. The individual LME/MCO's percentage of the total cash on hand equals the individual LME/MCO's cash on hand divided by the aggregate amount of cash on hand of all of the LME/MCOs in the State. During each year of the 2015-2017 fiscal biennium, each LME/MCO shall provide at least the same level of services paid for by single stream funding during the 2014-2015 fiscal ~~year.~~year across the LME/MCO's catchment area. This requirement shall not be construed to require LME/MCOs to authorize or maintain the same level of services for any specific individual whose services were paid for with single-stream funding. Further, this requirement shall not be construed to create a private right of action for any person or entity against the State of North Carolina or the Department of Health and Human Services or any of its divisions, agents, or contractors, and shall not be used as authority in any contested case brought pursuant to Chapters 108C or 108D of the General Statutes."

PART V. AGRICULTURE AND NATURAL AND ECONOMIC RESOURCES

SECTION 5.1. Section 13.4 of S.L. 2015-241 is amended by adding a new subsection to read:

"**SECTION 13.4.(c)** This section becomes effective October 1, 2015."

SECTION 5.2.(a) the lead-in language for Section 13.5 of S.L. 2015-241 reads as rewritten:

"**SECTION ~~13.5.~~13.5.(a)** G.S. 106-254 reads as rewritten:"

SECTION 5.2.(b) Section 13.5 of S.L. 2015-241 is amended by adding a new subsection to read:

"**SECTION 13.5.(b)** This section becomes effective October 1, 2015."

SECTION 5.2A. The title of Section 14.1 of S.L. 2015-241 reads as rewritten:

"**PROSPERITY ZONE DENR ~~LIASONS~~LIAISONS**"

SECTION 5.2B. Subsection 14.10A(d) of S.L. 2015-241 reads as rewritten:

"**SECTION 14.10A.(d)** The ~~Environmental Management~~Marine Fisheries Commission shall adopt rules to amend 15A NCAC 03O .0503(g) and any other cross-referenced rules consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this subsection shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this subsection are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this subsection shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2)."

SECTION 5.2C. Section 14.24 of S.L. 2015-241 reads as rewritten:

"**PETITION FOR ~~WETLANDS~~ MITIGATION FLEXIBILITY**

"**SECTION 14.24.(a)** No later than January 1, 2016, the Department of Environment and Natural Resources shall petition the Wilmington District, the South Atlantic Division, and the Headquarters of the United States Army Corps of Engineers (the Corps Offices) to allow for greater flexibility and opportunity to perform ~~wetlands~~ mitigation outside of the eight-digit Hydrologic Unit Code (HUC) where development will occur. The Department shall seek this greater flexibility and opportunity for mitigation for both public and private development. The Department shall request that the Corps Offices review the flexibility and opportunities for mitigation allowed by other Districts of the United States Army Corps of Engineers, both within the South Atlantic District and nationwide.

…."

SECTION 5.4.(a) Section14.30(a)(5) of S.L. 2015-241 reads as rewritten:

"(5) The North Carolina Museum of Natural Sciences."

SECTION 5.4.(b) Section 14.30(d) of S.L. 2015-241 reads as rewritten:

"**SECTION 14.30.(d)** The following apply to any recodification pursuant to subsections (e) through ~~(k)~~(k2) of this section:

(1) The recodifications are of the affected statutes as rewritten by subsections (l) through ~~(r)~~(r2) of this section, as applicable.

(2) Prior session laws that required the Revisor of Statutes to set out certain provisions as notes to the former statutes shall be set out as notes to the recodified statutes."

SECTION 5.4.(c) G.S. 143B-135.186, as recodified and amended by Subsection 14.30(n) of S.L. 2015-241, reads as rewritten:

"§ **143B-135.186. Local advisory committees; duties; membership.**

Local advisory committees created pursuant to G.S. 143B-135.182(a)(2) shall assist each North Carolina Aquarium in its efforts to establish projects and programs and to assure adequate citizen-consumer input into those efforts. Members of these committees shall be appointed by the Secretary of Natural and Cultural Resources for three-year terms from nominations made by the Director of the ~~Office of Marine Affairs.~~Division of North Carolina Aquariums. Each committee shall select one of its members to serve as chairperson. Members of the committees shall serve without compensation for services or expenses."

SECTION 5.4.(d) G.S. 143B-135.188, as recodified and amended by Subsection 14.30(n) of S.L. 2015-241, reads as rewritten:

"§ **143B-135.188. North Carolina Aquariums; fees; fund.**

(a) Fees. – The Secretary of Natural and Cultural Resources may adopt a schedule of fees for the aquariums and piers operated by the North Carolina Aquariums, including:

(1) Gate admission fees.

(2) Facility rental fees.

(3) Educational programs.

(b) Fund. – The North Carolina Aquariums Fund is hereby created as a special fund. The North Carolina Aquariums Fund shall be used for the ~~following:~~following purposes with respect to the aquariums and the pier operated by the Division of North Carolina Aquariums:

(1) Repair, renovation, expansion, maintenance, and educational exhibit ~~construction at existing aquariums.~~construction.

(2) Payment of the debt service and lease payments related to the financing of ~~expansions of aquariums.~~facility expansions, subject to G.S. 143B-135.190.

(3) Matching of private funds that are raised for these purposes.

(c) Disposition of Fees. – All ~~entrance~~ fee receipts shall be credited to the aquariums' General Fund operating budget. At the end of each fiscal year, the Secretary may transfer from the North Carolina aquariums' General Fund operating budget to the North Carolina Aquariums Fund an amount not to exceed the sum of the following:

(1) One million dollars ($1,000,000).

(2) The amount needed to cover the expenses described by subdivision (2) of subsection (b) this section.

…."

SECTION 5.4.(e) G.S. 143B-135.225, as enacted by Subsection 14.30(r) of S.L. 2015-241, reads as rewritten:

"§ **143B-135.225. Museum of Natural Sciences; fees; fund.**

(a) Fund. – The North Carolina Museum of Natural Sciences Fund is created as a special fund. The North Carolina Museum of Natural Sciences Fund shall be used for repair, renovation, expansion, maintenance, and educational exhibit construction at the North Carolina Museum of Natural Sciences and to match private funds raised for these projects.

(b) Certain Admission Fees Permitted; Disposition of Receipts. – The Museum may collect a charge for special exhibitions, special events, and other temporary attractions. All Museum receipts shall be credited to the North Carolina Museum of Natural Sciences' General Fund operating budget. At the end of each fiscal year, the Secretary may transfer from the North Carolina Museum of Natural Sciences' General Fund operating budget to the North Carolina Museum of Natural Sciences Fund an amount not to exceed one million dollars ($1,000,000).

(c) Approval. – The Secretary may approve the use of the North Carolina Museum of Natural Sciences Fund for repair and renovation projects at the North Carolina Museum of Natural Sciences recommended by the Advisory ~~Council~~ Commission that comply with the following:

(1) The total project cost is less than three hundred thousand dollars ($300,000).

(2) The project meets the requirements of G.S. 143C-4-3(b).

(d) Report. – The Department shall submit to the House and Senate appropriations committees with jurisdiction over natural and economic resources and the Fiscal Research Division by September 30 of each year a report on the North Carolina Museum of Natural Sciences Fund that shall include the source and amounts of all funds credited to the Fund and the purpose and amount of all expenditures from the Fund during the prior fiscal year."

SECTION 5.4.(f) Subsection 14.30(aa) of S.L. 2015-241 reads as rewritten:

"**SECTION 14.30.(aa)** The following statutes are amended by deleting the language "G.S. 113-44.14" wherever it appears and substituting "G.S. 143B-135.54": G.S. 143-260.10, ~~143B-260.10C, 143B-260.10D, and 143B-260.10G.~~143-260.10C, 143-260.10D, and 143-260.10G."

SECTION 5.4.(g) Subsection 14.30(nnn1) of S.L. 2015-241 reads as rewritten:

"**SECTION 14.30.(nnn1)** In order to ensure that the Department of Natural and Cultural Resources has sufficient staff to manage the additional workload as a result of the transfer of the North Carolina Zoo, North Carolina Aquariums, North Carolina Museum of Natural Sciences, Clean Water Management Trust Fund, Natural Heritage Program, and the North Carolina State Parks from the Department of Environmental Quality, the Department may use up to two million one hundred thirty-eight thousand forty-five dollars ($2,138,045) generated from the vacant positions transferred or eliminated in subsection (nnn3) of this section to reclassify or reestablish administrative positions for that purpose."

SECTION 5.4.(h) Subsection 14.30(nnn3) of S.L. 2015-241 reads as rewritten:

"**SECTION 14.30.(nnn3)** The following 24.94 vacant positions shall be transferred or eliminated from the Department of Environmental Quality:

60036186	Chief Deputy II	(1.0)
60032766	Accountant	(1.0)
60036006	Accounting Technician	(1.0)
60035955	Administrative Operations Director	(1.0)
60034828	Agency Legal Specialist II	(1.0)
60036023	Auditor	(1.0)
60036029	Budget Manager	(1.0)
60036031	Budget Analyst	(1.0)
60036034	Budget Analyst	(1.0)
60036060	Business and Technology Applic Specl	(1.0)
60036063	Business and Technology Applic Specl	(1.0)
60035958	Environmental Program Supervisor II	(1.0)
60035318	IT Security Specialist	(1.0)
60035984	Personnel Analyst	(1.0)
60035996	Personnel Assistant IV	(1.0)
60035952	Policy Development Analyst	(1.0)
60035976	Policy Development Analyst	(1.0)
60036039	Purchaser	(1.0)
60036041	Purchaser	(1.0)
60035986	W/A Recruitment Analyst	(1.0)
60035829	Staff Development Coordinator	(1.0)
60034553	Staff Development Specialist	(1.0)
60034575	Technology Support Analyst	(1.0)
60035501	Technology Support Analyst	(1.0)
60035496	Office Assistant III	(0.40)
60035953	Ombudsman	(0.54)

Prior to transfer or elimination, the Department of Environmental Quality shall convert any positions listed in this subsection supported in whole or in part by receipts to support from General Fund appropriations."

SECTION 5.4.(i) Section 14.30 of S.L. 2015-241 is amended by adding a new subsection to read:

"**CONFORMING RULES CHANGES**

"**SECTION 14.30.(qqq1)** The Codifier of Rules shall make any conforming rule changes necessary to reflect the transfers, name changes, recodifications, and associated conforming statutory changes made by this section."

SECTION 5.5. Section 14.11(g) of S.L. 2015-241 reads as rewritten:

"**SECTION 14.11.(g)** The Department of Environment and Natural Resources, or any other department given responsibilities for the North Carolina Zoological Park, State parks, and the North Carolina Aquariums may not impose fees on school groups visiting those attractions. For purposes of this section, "fees" refers to the regular admission charge, and does not include a separate admission charge for a special temporary ~~exhibition.~~exhibition or a special program."

SECTION 5.6. G.S. 113-202.1, as amended by Subsection 14.10C(c) of S.L. 2015-241, reads as rewritten:

"§ **113-202.1. Water column leases for aquaculture.**

…

(d) Amendments of shellfish cultivation leases to authorize use of the water column are issued for a period of ~~five years~~10 years or the remainder of the term of the lease, whichever is shorter. The annual rental for a new or renewal water column amendment is one hundred dollars ($100.00) an acre. If a water column amendment is issued for less than a 12-month period, the rental shall be prorated based on the number of months remaining in the year. The annual rental for an amendment is payable at the beginning of the year. The rental is in addition to that required in G.S. 113-202.

…."

SECTION 5.7. Part 14 of S.L. 2015-241 is amended by adding a new section to read:

"**DENR/CORRECT VARIOUS FUND CODE REFERENCES/NO FUNDS REDUCTION FOR SOLID WASTE PERMITTING FEES**

"**SECTION 14.35.(a)** Notwithstanding any provision of S.L. 2015-241 to the contrary, the five hundred thousand dollars ($500,000) in nonrecurring funding for Shale Gas shall be provided to Fund Code 1735, instead of Fund Code 1749.

"**SECTION 14.35.(b)** Notwithstanding any provision of S.L. 2015-241 to the contrary, the nonrecurring funding and recurring cuts to the Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund shall be made in Fund Code 1910, instead of Fund Code 1990.

"**SECTION 14.35.(c)** Notwithstanding any provision of S.L. 2015-241 to the contrary, the Petroleum Violation Escrow Cash Balance transfer shall be from Fund Code 64327, instead of Fund Code 64347.

"**SECTION 14.35.(d)** Notwithstanding any provision of S.L. 2015-241 to the contrary, there shall be no reduction of two hundred sixty thousand three hundred fifty-nine dollars ($260,359) in fiscal year 2015-2016 to the Solid Waste Permitting Fees operating fees budget due to the delayed effective date in the implementation of the new fee schedule."

SECTION 5.8. S.L. 2015-241 is amended by adding a new section to read:

"**COMMERCE/DEPUTY GENERAL COUNSEL POSITION FUNDING**

"**SECTION 15.3A.** Notwithstanding any provision of S.L. 2015-241 to the contrary, one-fourth of the funding for the position of Deputy General Counsel (60080998) shall be offset with receipts, and the FTE reduction shall be -0.26."

PART VI. JUSTICE AND PUBLIC SAFETY

SECTION 6.2. Part XVI-A of S.L. 2015-241 is amended by adding a new section to read:

"**CLARIFICATION REGARDING RELOCATION OF STATE CAPITOL POLICE**

"**SECTION 16A.11.** The relocation of the State Capitol Police as a Section within the Highway Patrol pursuant to Section 16A.7 of this act shall not affect the subject matter or territorial jurisdiction of such officers and shall not entitle such officers to the statutory increases provided by G.S. 20-187.3 or Section 30.15 of this act."

SECTION 6.3. G.S. 7A-498.5(f), as rewritten by Section 18A.17(c) of S.L. 2015-241, reads as rewritten:

"(f) Subject to ~~G.S. 498.2(e)~~G.S. 7A-498.2(e), the Commission shall establish policies and procedures with respect to the distribution of funds appropriated under this Article, including rates of compensation for appointed counsel, schedules of allowable expenses, appointment and compensation of expert witnesses, and procedures for applying for and receiving compensation. The rate of compensation set for expert witnesses may be no greater than the rate set by the Administrative Office of the Courts under G.S. 7A-314(d)."

PART VII. GENERAL GOVERNMENT

SECTION 7.1. Part 20 of S.L. 2015-241 is amended by adding a new section to read:

"**SECTION 20.3.(a)** G.S. 58-36-75(a) reads as rewritten:

"(a) The subclassification plan promulgated pursuant to G.S. 58-36-65(b) may provide for separate surcharges for major, intermediate, and minor accidents. A "major accident" is an at-fault accident that results in either (i) bodily injury or death or (ii) only property damage of ~~three thousand dollars ($3,000)~~ three thousand eighty-five dollars ($3,085) or more. An "intermediate accident" is an at-fault accident that results in only property damage of more than ~~one thousand eight hundred dollars ($1,800)~~one thousand eight hundred fifty dollars ($1,850) but less than ~~three thousand dollars ($3,000).~~ three thousand eighty-five dollars ($3,085). A "minor accident" is an at-fault accident that results in only property damage of ~~one thousand~~

~~eight hundred dollars ($1,800)~~ one thousand eight hundred fifty dollars ($1,850) or less. The subclassification plan may also exempt certain minor accidents from the Facility recoupment surcharge. The Bureau shall assign varying Safe Driver Incentive Plan point values and surcharges for bodily injury in at-fault accidents that are commensurate with the severity of the injury, provided that the point value and surcharge assigned for the most severe bodily injury shall not exceed the point value and surcharge assigned to a major accident involving only property damage."

"**SECTION 20.3.(b)** This section is effective March 1, 2016, and applies to accidents occurring on or after that date."

SECTION 7.2. Part 24 of S.L. 2015-241 is amended by adding a new section to read:

"**SECTION 24.4.** Notwithstanding any provision of this act to the contrary, the position transferred from the Department of Administration to the Department of Military and Veterans Affairs shall be Position 60014506 (Program Assistant IV), not Position 60014065 (Administrative Officer II)."

SECTION 7.3.(a) Section 24.1(ww) of S.L. 2015-241 reads as rewritten:

"**SECTION 24.1.(ww)** This section becomes effective on ~~January 1, 2016.~~July 1, 2015."

SECTION 7.3.(b) G.S. 143B-1293, as rewritten by Section 24.1(pp) of S.L. 2015-241, reads as rewritten:

"§ **143B-1293. North Carolina Veterans Home Trust Fund.**

(a) Establishment. – A trust fund shall be established in the State treasury, for the Department of Military and Veterans Affairs, to be known as the North Carolina Veterans Home Trust Fund.

(b) Composition. – The trust fund shall consist of all funds and monies received by the Veterans' Affairs Commission or the Department of Military and Veterans Affairs from the United States, any federal agency or institution, and any other source, whether as a grant, appropriation, gift, contribution, devise, or individual reimbursement, for the care and support of veterans who have been admitted to a State veterans home.

(c) Use of Fund. – The trust fund created in subsection (a) of this section shall be used by the Department of Military and Veterans Affairs to do the following:

(1) To pay for the care of veterans in said State veterans homes;

(2) To pay the general operating expenses of the State veterans homes, including the payment of salaries and wages of officials and employees of said homes; and

(3) To remodel, repair, construct, modernize, or add improvements to buildings and facilities at the homes.

(d) Miscellaneous. – The following provisions apply to the trust fund created in subsection (a) of this section:

(1) All funds deposited and all income earned on the investment or reinvestment of such funds shall be credited to the trust fund.

(2) Any monies remaining in the trust fund at the end of each fiscal year shall remain on deposit in the State treasury to the credit of the North Carolina Veterans Home Trust Fund.

(3) Nothing contained herein shall prohibit the establishment and utilization of special agency accounts by the Department of Military and Veterans Affairs or by the Veterans' Affairs Commission, for the receipt and disbursement of personal funds of the State veterans homes' residents or for receipt and disbursement of charitable contributions for use by and for residents."

SECTION 7.4. Subsection (c) of Section 25.1 of S.L. 2015-241 reads as rewritten:

"**SECTION 25.1.(c)** This section becomes effective October 1, 2015, and the requirement to submit a report applies to audits conducted or undertaken on or after that date. Nothing in this subsection shall be construed as prohibiting the State Auditor or an internal auditor from

submitting a report detailing fraud, misrepresentation, or other deceptive acts or practices found during an audit conducted prior to the effective date of this section."

SECTION 7.5. Part 21 of S.L. 2015-241 is amended by adding a new section to read:

"**SECURITIES CHANGES**

"**SECTION 21.2.(a)** G.S. 147-86.42(8) reads as rewritten:

"§ **147-86.42. Definitions.**

As used in this article, the following definitions apply:

…

(8) "Indirect Holdings" in a Company means all securities of that Company held in an account or fund, such as a mutual fund, managed by one or more persons not employed by the Public Fund, in which the Public Fund owns shares or interests together with other investors not subject to the provisions of this ~~article.~~Article and securities held through index funds, commingled funds, limited partnerships, derivative instruments, or any other similar investment instrument."

"**SECTION 21.2.(b)** G.S. 147-86.44(f) reads as rewritten:

"(f) Excluded Securities. – Notwithstanding anything herein to the contrary, subsections (c) and (d) of this section shall not apply to Indirect ~~Holdings in actively managed investment funds.~~Holdings. The Public Fund shall, however, submit letters to the managers of such investment funds containing Companies with Scrutinized Active Business Operations requesting that they consider removing such Companies from the fund or create a similar actively managed fund with Indirect Holdings devoid of such Companies. If the manager creates a similar fund, the Public Fund shall replace all applicable investments with investments in the similar fund in an expedited time frame consistent with prudent investing standards. For the purposes of this section, "private equity" funds shall be deemed to be actively managed investment funds."

"**SECTION 21.2.(c)** G.S. 147-69.1(c)(3) reads as rewritten:

"(c) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated in subsection (b) of this section in excess of the amount required to meet the current needs and demands on such funds, selecting from among the following:

…

(3) Repurchase Agreements with respect to one or more of the following:

a. ~~securities –~~Securities issued or guaranteed by the United States government or its ~~agencies or other securities~~agencies.

b. Securities eligible for investment by this section executed by a bank or trust company or by primary or other reporting dealers to the Federal Reserve Bank of New York.

c. Securities eligible for investment by this section executed by a registered broker-dealer that is subject to the rules and regulations of the U.S. Securities and Exchange Commission and is a member in good standing of the Financial Industry Regulatory Authority."

"**SECTION 21.2.(d)** This section is effective when it becomes law.

SECTION 7.6. Part 21 of S.L. 2015-241 is amended by adding a new section to read:

"**INTERVENTION TASK FORCE POSITIONS RECEIPT SUPPORTED**

"**SECTION 21.4.** Notwithstanding any provision of this act to the contrary, the two positions in the Intervention Task Force of the Local Government Commission to assist local government entities as being at risk of financial failure shall be funded with receipts instead of funds from the General Fund."

SECTION 7.7. Part XXVI of S.L. 2015-241 is amended by adding a new section to read:

"**REPEAL PROVISION ON USE OF AUTOMATIC SCORING/SCREENING OF STATE GOVERNMENT EMPLOYMENT APPLICATIONS**

"**SECTION 26.1A.(a)** Section 22A.1 of S.L. 2014-100 is repealed."

PART VIII. TRANSPORTATION

SECTION 8.1. Subsection (c) of Section 29.1 of S.L. 2015-241 reads as rewritten:

"**SECTION 29.1.(c)** The Department of Transportation, in collaboration with the Office of State Budget and Management, shall develop a four-year revenue forecast. The first fiscal year in the four-year forecast shall be the 2021-2022 fiscal year. The four-year revenue forecast developed under this subsection shall be used (i) to develop the four-year cash flow estimates included in the biennial budgets, (ii) to develop the ~~Strategic~~State Transportation Improvement Program, and (iii) by the Department of the State Treasurer to compute transportation debt capacity."

SECTION 8.2.(a) G.S. 20-88.03, as enacted by subsection (m) of Section 29.30 of S.L. 2015-241, is amended by adding two new subsections to read:

"(d) Grace Period Inapplicable. – The 15-day grace period provided in G.S. 20-66(g) shall not apply to any late fee assessed under this section.

(e) Surrender of Registration Plate. – Nothing in this section shall be construed as requiring the Division to assess a late fee under this section if, on or prior to the date the registration expires, the owner surrenders to the Division the registration plate issued for the vehicle."

SECTION 8.2.(b) This section becomes effective July 1, 2016.

PART IX. CAPITAL

SECTION 9.1. Section 31.4(a) of S.L. 2015-241 reads as rewritten:

"**SECTION 31.4.(a)** The General Assembly authorizes the following capital projects to be funded with receipts or from other non-General Fund sources available to the appropriate department:

	Amount of Non-General Fund	
…		
Department of Environment and Natural Resources		
Fort Fisher ~~Aquarium Seawall~~ Aquarium Salt Water Well	590,000	590,000

…."

SECTION 9.2. Section 31.8(c) of S.L. 2015-241 reads as rewritten:

"**SECTION 31.8.(c)** Notwithstanding subsection (a) of this section, the sum of two hundred fifty thousand dollars ($250,000) of the funds appropriated in Section ~~31.2(a)~~31.2 of this act for armory and facility development projects in the 2015-2016 fiscal year shall be used to provide ~~a State match to federal~~ funds for planning and construction of a North Carolina National Guard facility to be located within 10 miles of the 420 acres surrounding the latitude and longitude point 35º11.0994'N – 082º37.1166'W. The Department shall consult with the North Carolina National Guard in the design and site selection of the facility. Funds allocated pursuant to this subsection shall not revert at the end of the 2015-2016 fiscal year but shall be retained by the Department until the facility is completed or June 30, 2020, whichever first occurs."

SECTION 9.3. G.S. 143C-3-3, as amended by Section 31.9 of S.L. 2015-241, reads as rewritten:

"§ **143C-3-3. Budget requests from State agencies in the executive branch.**

…

(b) University of North Carolina System Request. – Notwithstanding the requirement in G.S. 116-11 that the Board of Governors prepare a unified budget request for all of the constituent institutions of The University of North Carolina, budget requests of the University shall be subject to all of the following:

…

(2) The University of North Carolina shall not make a capital funds request proposing to construct a new facility, expand the building area (square feet) of an existing facility, or rehabilitate an existing facility to accommodate new or expanded uses unless the University has completed advanced planning through schematic design of the project with funds other than General Fund appropriations. For purposes of this subdivision, "funds other than General Fund appropriations" includes funds carried forward from one fiscal year to another pursuant to G.S. 116-30.3 and G.S. 116-30.3B.

…."

PART X. FINANCE PROVISIONS

SECTION 10.1.(a) G.S. 105-122(b)(1), as amended by S.L. 2015-241, reads as rewritten:

"(b) Determination of Net Worth. – A corporation taxed under this section shall determine the total amount of its net worth. The net worth of a corporation is its total assets without regard to the deduction for accumulated depreciation, depletion, or amortization less its total liabilities, computed in accordance with generally accepted accounting principles as of the end of the corporation's taxable year. If the corporation does not maintain its books and records in accordance with generally accepted accounting principles, then its net worth is computed in accordance with the accounting method used by the entity for federal tax purposes so long as the method fairly reflects the corporation's net worth for purposes of the tax levied by this section. A corporation's net worth is subject to the following adjustments:

(1) A deduction for accumulated depreciation, depletion, and amortization ~~is~~ as determined in accordance with the method used for federal tax purposes."

SECTION 10.1.(b) G.S. 105-129.103(h), as enacted by S.L. 2015-241, reads as rewritten:

"(h) Substantiation. – To claim a credit allowed by this Article, the taxpayer must provide any information required by the Secretary of Revenue, including a copy of the certification obtained from the State Historic Preservation Office verifying that the historic structure has been rehabilitated in accordance with the requirements set out in this Article, and a copy of the eligibility certification if the historic structure is located in an eligible targeted investment site and the ~~target~~ targeted investment bonus is claimed. Every taxpayer claiming a credit under this Article must maintain and make available for inspection by the Secretary of Revenue any records the Secretary considers necessary to determine and verify the amount of the credit to which the taxpayer is entitled. The burden of proving eligibility for the credit and the amount of the credit rests upon the taxpayer, and no credit may be allowed to a taxpayer that fails to maintain adequate records or to make them available for inspection."

SECTION 10.1.(c) Section 32.14(d) of S.L. 2015-241 reads as rewritten:

"**SECTION 32.14.(d)** Effective for taxable years beginning on or after January 1, 2018, G.S. 105-130.4(a)(6), ~~(a)(9),~~ (a)(4), (j), (k), (r), and (s1) are repealed."

SECTION 10.1.(d) Section 29.34A(c) of S.L. 2015-241 reads as rewritten:

"**SECTION 29.34A.(c)** This section becomes effective January 1, 2016, and applies to sales made on or after that ~~date.~~date, or, for purposes of G.S. 105-187.5, a lease or rental agreement entered into on or after that date."

SECTION 10.1.(e1) G.S. 105-524, as enacted by Section 32.19(b) of S.L. 2015-241, reads as rewritten:

"§ **105-524. Distribution of additional sales tax revenue for economic development, public education, and community colleges.**

…

(b) Distribution Amount. – The Secretary must calculate a distribution amount in conformity with this section. The Secretary must deduct this ~~amount proportionately,~~amount, in equal installments, proportionately from the collections to be allocated each month for distribution under ~~G.S. 105-466, 105-483, and 105-498. For~~ Article 39 and Chapter 1096 of the

1967 Session Laws and Articles 40 and 42 of this Chapter, excluding the revenue allocated under G.S. 105-469. ~~The deduction made under this section from Articles 39, 40, and 42 of this Chapter shall not be included in the calculations made under G.S. 105-469, 105-522, and 105-523.~~

For the fiscal year beginning July 1, 2016, the distribution amount is eighty-four million eight hundred thousand dollars ($84,800,000). For fiscal years beginning on or after July 1, 2017, the distribution amount is the amount for the preceding year, adjusted by the same percentage of this amount as the percentage change of the total collection of local sales and use taxes levied under ~~Articles 39, 40, and 42 of this Chapter~~ Article 39 of this Chapter and Chapter 1096 of the 1967 Session Laws and Articles 40 and 42 of this Chapter for the preceding fiscal year.

(c) County Allocation. – The Secretary must, on a monthly basis, allocate to each taxing county an amount equal to one-twelfth of the distribution amount calculated under subsection (b) of this section multiplied by the ~~following~~ appropriate allocation ~~percentage:~~percentage. If, after applying the allocation percentages in this section, the resulting total of the amounts allocated is greater or lesser than the net proceeds to be distributed, the amount allocated to each county shall be proportionally adjusted to eliminate the excess or shortage. The allocation percentages are as follows:

…

(e) State Contribution. – For fiscal years beginning on or after July 1, 2016, the Secretary must annually withhold, in equal monthly installments, seventeen million six hundred thousand dollars ($17,600,000) from sales and use tax collections under Article 5 of this Chapter. The Secretary must allocate the monthly amount withheld under this subsection to the taxing counties as follows:

(1) Fifty percent (50%) in the distribution made under Article 39 of this ~~Chapter.~~Chapter and Chapter 1096 of the 1967 Session Laws, not including the revenue allocated under G.S. 105-469.

(2) Twenty-five percent (25%) in the distribution made under Article 40 of this ~~Chapter.~~Chapter, not including the calculation of the adjustment pursuant to G.S. 105-486(b).

(3) Twenty-five percent (25%) in the distribution made under Article 42 of this Chapter.

…

(g) Adjustments. – The adjustments made under this section to Article 39 of this Chapter and Chapter 1096 of the 1967 Session Laws and Articles 40 and 42 of this Chapter shall not be included in the calculations made under G.S. 105-469, 105-522, and 105-523."

SECTION 10.1.(e2) G.S. 105-469(a) reads as rewritten:

"(a) The Secretary shall collect and administer a tax levied by a county pursuant to this Article. As directed by G.S. 105-164.13B, taxes levied by a county on food are administered as if they were levied by the State under Article 5 of this Chapter. The references in this section to Article 39 of this Chapter and Chapter 1096 of the 1967 Session Laws and Articles 40 and 42 of this Chapter do not include the adjustments made pursuant to G.S. 105-524. The Secretary must, on a monthly basis, distribute local taxes levied on food to the taxing counties as follows:

…."

SECTION 10.1.(e3) G.S. 105-522(a)(2) reads as rewritten:

"(2) Hold harmless amount. – The sum of the following amounts allocated for distribution to a municipality for a ~~month:~~month. The references in this subdivision to Article 39 of this Chapter and Chapter 1096 of the 1967 Session Laws and Articles 40 and 42 of this Chapter do not include the adjustment made pursuant to G.S. 105-524. The amounts are as follows:

…."

SECTION 10.1.(e4) G.S. 105-523(b)(3) reads as rewritten:

"(3) Repealed sales tax amount. – The sum of the following amounts allocated for distribution to a county for a ~~month:~~month. The references in this subdivision to Article 39 of this Chapter and Chapter 1096 of the 1967 Session Laws and Articles 40 and 42 of this Chapter do not include the adjustment made pursuant to G.S. 105-524. The amounts are as follows:
…."

SECTION 10.1.(f) G.S. 105-130.3C(a), as rewritten by Section 32.13(b) of S.L. 2015-241, reads as rewritten:

"(a) Trigger. –When the amount of net General Fund tax collected in a fiscal year exceeds twenty billion nine hundred seventy-five million dollars ~~($20,975,000),~~($20,975,000,000), the rate of tax set in G.S. 105-130.3 must be decreased to three percent (3%) effective for the taxable year that begins on the following January 1. The Secretary must notify taxpayers if the rate decreases under this section."

SECTION 10.1.(g) G.S. 105-164.3(38b), as rewritten by Section 32.18(a) of S.L. 2015-241, reads as rewritten:

"(38b) Service contract. – A contract where the obligor under the contract agrees to maintain or repair tangible personal property, regardless of whether the property ~~is~~ becomes a part of or is affixed to real property, or a motor vehicle. Examples of a service contract include a warranty agreement other than a manufacturer's warranty or dealer's warranty provided at no charge to the purchaser, an extended warranty agreement, a maintenance agreement, a repair contract, or a similar agreement or contract."

SECTION 10.1.(h) Section 32.13(h) of S.L. 2015-241 reads as rewritten:

"**SECTION 32.13.(h)** Subsection (g) of this section becomes effective ~~July 1,~~June 30, 2016. The remainder of this section becomes effective for taxable years beginning on or after January 1, 2016."

SECTION 10.1.(i) Subsections (b) and (f) of this section becomes effective for taxable years beginning on or after January 1, 2016. Subsection (g) of this section becomes effective March 1, 2016, and applies to sales occurring on or after that date. Subsections (e1) to (e4) of this section become effective July 1, 2016, and apply to local option sales taxes collected on or after that date and distributed to counties and cities on or after September 1, 2016. Subsection (a) of this section becomes effective January 1, 2017, for taxes due on or after that date. The remainder of this section is effective when it becomes law.

SECTION 10.2. Section 32.14A of S.L. 2015-241 is amended by rewriting subsections (a) through (f) to read:

"**SECTION 32.14A.(a)** The Revenue Laws Study Committee is directed to study the calculation of the sales factor under G.S. 105-130.4(l) using market-based sourcing. To help the Committee determine the effect of market-based sourcing on State revenues and corporate taxpayers, each corporate taxpayer that satisfies the following requirements with respect to the taxable year beginning in 2014 is required to file an informational report with the Department of Revenue as provided in this section:

(1) The taxpayer had apportionable income greater than ten million dollars ($10,000,000).

(2) The taxpayer had a North Carolina apportionment percentage less than one hundred percent (100%).

(3) The taxpayer was subject to apportionment of income based in whole or in part on the sales factor as determined under G.S. 105-130.4(l).

"**SECTION 32.14A.(b)** On or before February 1, 2016, the Department of Revenue must publish guidelines for computing the sales factor based on market-based sourcing. The guidelines required by this subsection are not subject to the provisions of Chapter 150B of the General Statutes with respect to rule-making. The guidelines published by the Department of Revenue must be based on the following:

(1) Market-based sourcing of receipts based on the following principles:

a. In the case of sale, rental, lease, or license of real property, if and to the extent the property is located in this State.
b. In the case of rental, lease, or license of tangible personal property, if and to the extent the property is located in this State.
c. In the case of sale of a service, if and to the extent the service is delivered to a location in this State.
d. In the case of intangible property that is rented, leased, or licensed, if and to the extent the property is used in this State. Intangible property utilized in marketing a good or service to a consumer is "used in this State" if that good or service is purchased by a consumer who is in this State.
e. In the case of intangible property that is sold, if and to the extent the property is used in this State. A contract right, government license, or similar intangible property that authorizes the holder to conduct a business activity in a specific geographic area is "used in this State" if the geographic area includes all or part of this State. Receipts from intangible property sales that are contingent on the productivity, use, or disposition of the intangible property shall be treated as receipts from the rental, lease, or licensing of the intangible property as provided under sub-subdivision d. of this subdivision. All other receipts from a sale of intangible property shall be excluded from the numerator and denominator of the sales factor.

(2) The most recent model regulations with respect to market-based sourcing drafted by the UDITPA Section 17 Work Group convened by the Multistate Tax Commission.
(3) Any other model apportionment regulations and model statutes with respect to the allocation and apportionment of income consistent with those adopted by the Multistate Tax Commission and that are not inconsistent with the principles outlined in subdivision (1) of this subsection.

"**SECTION 32.14A.(c)** The guidelines required by subsection (b) of this section apply to the informational report required by this section only. These guidelines may not be used by the Department of Revenue for any other purpose without further legislative authorization and compliance with the provisions of Chapter 150B of the General Statutes with respect to rule-making.

"**SECTION 32.14A.(d)** The informational report must be in a form required by the Secretary of Revenue and contain the following information:

(1) The apportionment percentage and sales factor used with respect to the corporation's 2014 North Carolina corporate tax return.
(2) The apportionment percentage and sales factor as calculated under subsection (b) of this section with respect to the corporation's 2014 taxable year.
(3) The primary economic sector under NAICS in which the corporation has business activities. The term "NAICS" has the same meaning as defined in G.S. 105-228.90.
(4) Any other information prescribed by the Secretary.

"**SECTION 32.14A.(e)** The informational report is due by April 15, 2016. A taxpayer may not request an extension of time to file the informational report. The Secretary shall assess a civil penalty of five thousand dollars ($5,000) for failure to timely file an informational report required under this section. The Secretary may reduce or waive the penalty as provided in G.S. 105-237.

"**SECTION 32.14A.(f)** This section is effective when it becomes law."

PART XI. EFFECTIVE DATE

SECTION 11.1. Except as otherwise provided, this act becomes effective July 1, 2015.

In the General Assembly read three times and ratified this the 30th day of September, 2015.

Became law upon approval of the Governor at 11:10 a.m. on the 1st day of October, 2015.

Session Law 2015-269 **H.B. 540**

AN ACT REQUESTING THE JOINT COMMITTEE ON THE LIBRARY OF CONGRESS TO APPROVE THE REPLACEMENT OF THE STATUE OF CHARLES BRANTLEY AYCOCK IN NATIONAL STATUARY HALL WITH A STATUE OF THE REVEREND WILLIAM FRANKLIN "BILLY" GRAHAM, JR.

Whereas, in 1864, Congress established National Statuary Hall in the Old Hall of the House of Representatives in the United States Capitol, and authorized each state to contribute to the Hall two statues that represent important historical figures of each state; and

Whereas, North Carolina currently has statues on display in the National Statuary Hall Collection of former governors Zebulon Vance and Charles Brantley Aycock given by the State in 1916 and 1932, respectively; and

Whereas, in 2000, Congress enacted legislation authorizing states the ability to request that the Joint Committee on the Library of Congress approve the replacement of a statue the state had provided for display in Statuary Hall; and

Whereas, William Franklin "Billy" Graham, Jr., was born on November 7, 1918, to William Franklin Graham and Morrow Coffey Graham, and was reared on a dairy farm in Charlotte, North Carolina; and

Whereas, Billy Graham attended the Florida Bible Institute from 1937 to 1940, graduating in 1940, and was ordained to the ministry in 1939; and

Whereas, Billy Graham served as pastor of The Village Church in Western Springs, Illinois, from 1943 to 1945; as a member of Youth for Christ International, where he ministered to young people and military personnel from 1945 to 1950; and as President of Northwestern Schools, a liberal arts college, Bible school, and theological seminary, from 1947 to 1952; and

Whereas, after World War II, Reverend Graham preached throughout the United States and Europe and attained international prominence as an evangelist through a series of crusades that began in 1949; and

Whereas, since 1950, Reverend Graham has conducted his ministry through the Billy Graham Evangelistic Association (BGEA), reaching multitudes of people by means of a weekly radio program, "Hour of Decision"; a newspaper column, "My Answer"; televised crusades; articles published in "Decision" magazine; and evangelistic films produced and distributed by World Wide Pictures and now reaching millions through the BGEA Web site and the Billy Graham Library in Charlotte; and

Whereas, over the years, Reverend Graham has preached to live audiences of nearly 215 million people in more than 185 countries and territories and has preached to an estimated 2.2 billion people through television and technology; and

Whereas, Reverend Graham has been a renowned humanitarian and philanthropist, providing financial assistance to victims of disasters, as well as collecting and distributing clothing to those in need all around the world over the years; and

Whereas, Reverend Graham has counseled 12 Presidents and has participated in nine presidential inaugurations; and

Whereas, Reverend Graham has also counseled world leaders and has participated in many historic occasions, and has been called upon as the "nation's pastor" during times of national crisis. He spoke at the National Cathedral service in Washington, D.C., three days after

the 9/11 attack in 2001, as the nation and world watched and listened. Five presidents, including George W. Bush, Bill Clinton, George H.W. Bush, Jimmy Carter, and Gerald Ford, and their wives were in the audience; and

Whereas, in 2012, Reverend Graham was listed on the "The Ten Most Admired Men in the World List" for the 56th time. He was first selected in 1955. According to the latest list, Reverend Graham was tied as Number 3 with Mitt Romney, George W. Bush, and Pope Benedict XVI behind President Barack Obama and Nelson Mandela; and

Whereas, admired and beloved by both Christians and non-Christians, Reverend Graham continues to inspire the world with his good works; and

Whereas, there have been many great North Carolinians, but few have impacted the world more than Billy Graham; and

Whereas, it is appropriate to honor Reverend Graham's life and works by placing his likeness in the National Statuary Hall Collection for display in the United States Capitol; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. The General Assembly requests that the Joint Committee on the Library of Congress approve the replacement of the statue of Charles Brantley Aycock in the National Statuary Hall Collection currently on display in the United States Capitol with a statue of the Reverend William Franklin "Billy" Graham, Jr.

SECTION 2. The General Assembly requests that the Honorable Pat McCrory, Governor of the State of North Carolina, extend to the Joint Committee on the Library of Congress his approval of the General Assembly's request to replace the statue of Charles Brantley Aycock in the National Statuary Hall Collection currently on display in the United States Capitol with a statue of the Reverend Franklin "Billy" Graham, Jr.

SECTION 3.(a) There is created the Statuary Hall Selection Committee (the "Committee").

SECTION 3.(b) Membership. – The Committee shall be composed of seven members, as follows:

(1) Four members appointed by the President Pro Tempore of the Senate, one of whom shall be a representative of the Billy Graham Evangelistic Association, or the Association's designee.

(2) Three members appointed by the Speaker of the House of Representatives.

SECTION 3.(c) Terms; Chairs; Vacancies; Quorum. – Members shall serve terms of four years. The Committee shall have two cochairs, one designated by the President Pro Tempore of the Senate and one designated by the Speaker of the House of Representatives, from among their appointees. The Committee shall meet upon the call of the cochairs. Vacancies shall be filled by the appointing authority. A quorum of the Committee shall be a majority of the members.

SECTION 3.(d) Duties. – The Committee shall do the following:

(1) Select a sculptor to create a statue of the Reverend Franklin "Billy" Graham, Jr., to be placed in the National Statuary Hall Collection and review and approve the plans for the statue.

(2) Identify a method of obtaining the necessary funds needed to pay for all of the following:

a. The sculptor for designing and carving or casting the statue.

b. The design and fabrication of the pedestal.

c. The transportation of the statue and pedestal to the United States Capitol.

d. The removal and transportation of the replaced statue.

e. The temporary placement of the new statue in the Rotunda of the Capitol for the unveiling ceremony.

f. The unveiling ceremony.

g. Any other expenses that the Committee determines are necessary to incur.

SECTION 3.(e) Compensation; Administration. – Members of the Committee shall receive subsistence and travel allowances at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate. The Committee may contract for consultants or hire employees in accordance with G.S. 120-32.02. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Directors of Legislative Assistants of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee.

SECTION 3.(f) Reports; Termination. – The Committee shall make an interim report to the 2016 Regular Session of the 2015 General Assembly and an annual report thereafter until the Committee has completed the duties set out in subsection (d) of this section, at which time the Committee shall terminate.

SECTION 4. The Secretary of State shall transmit a certified copy of this act to the members of the Joint Committee on the Library of Congress and North Carolina's congressional delegation.

SECTION 5. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 21st day of September, 2015.

Became law upon approval of the Governor at 10:23 a.m. on the 2nd day of October, 2015.

Session Law 2015-270 **S.B. 370**

AN ACT TO ALLOW THE USE OF ELECTRONIC MEANS TO SIGN AND NOTATE CERTAIN DOCUMENTS REQUIRED BY THE DIVISION OF MOTOR VEHICLES AND TO PROVIDE THAT A SECURED PARTY SHALL PROVIDE ELECTRONIC NOTICE OF THE SATISFACTION OR OTHER DISCHARGE OF A SECURITY INTEREST IN A MOTOR VEHICLE FOR WHICH THE CERTIFICATE OF TITLE IS NOTATED BY A LIEN THROUGH ELECTRONIC MEANS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-52 is amended by adding a new subsection to read:

"(c) Unless otherwise prohibited by federal law, an application for a certificate of title, a registration plate, a registration card, and any other document required by the Division to be submitted with the application and requiring a signature may be submitted to the Division with an electronic signature in accordance with Article 40 of Chapter 66 of the General Statutes. The required notarization of any electronic signature on any application or document submitted to the Division pursuant to this subsection may be performed electronically in accordance with Article 2 of Chapter 10B of the General Statutes."

SECTION 2. G.S. 20-58.4 is amended by adding a new subsection to read:

"(a1) Upon the satisfaction or other discharge of a security interest in a vehicle for which the certificate of title data is notated by a lien through electronic means pursuant to G.S. 20-58.4A, the secured party shall, within seven business days from the date of satisfaction, send electronic notice of the release of the security interest to the Division through the electronic lien release system established pursuant to G.S. 20-58.4A. The electronic notice of the release of the security interest sent to the Division by the secured party shall direct that a physical certificate of title be mailed or delivered to the address noted by the secured party providing notice of the satisfaction or other discharge of the security interest. Upon receipt by the Division of an electronic notice of the release of the security interest, the Division shall mail or deliver a certificate of title to the address noted by the secured party within three business days."

SECTION 3. Section 1 of this act becomes effective August 1, 2016. The remainder of the act becomes effective December 1, 2015.

In the General Assembly read three times and ratified this the 23rd day of September, 2015.

Became law upon approval of the Governor at 10:15 a.m. on the 12th day of October, 2015.

Session Law 2015-271 **S.B. 676**

AN ACT TO PROVIDE COVERAGE FOR THE TREATMENT OF AUTISM SPECTRUM DISORDER.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-3-220 reads as rewritten:

"§ **58-3-220. Mental illness benefits coverage.**

(a) Mental Health Equity Requirement. – Except as provided in subsection (b), an insurer shall provide in each group health benefit plan benefits for the necessary care and treatment of mental illnesses that are no less favorable than benefits for physical illness generally, including application of the same limits. For purposes of this subsection, mental illnesses are as diagnosed and defined in the Diagnostic and Statistical Manual of Mental Disorders, ~~DSM-IV,~~ DSM-5, or a subsequent edition published by the American Psychiatric Association, except those mental disorders coded in the ~~DSM-IV~~ DSM-5 or subsequent edition as autism spectrum disorder (299.00), substance-related disorders (291.0 through 292.2 and 303.0 through 305.9), those coded as sexual dysfunctions not due to organic disease (302.70 through 302.79), and those coded as "V" codes. For purposes of this subsection, "limits" includes deductibles, coinsurance factors, co-payments, maximum out-of-pocket limits, annual and lifetime dollar limits, and any other dollar limits or fees for covered services.

(b) Minimum Required Benefits. – Except as provided in subsection (c), a group health benefit plan may apply durational limits to mental illnesses that differ from durational limits that apply to physical illnesses. A group health benefit plan shall provide at least the following minimum number of office visits and combined inpatient and outpatient days for all mental illnesses and disorders not listed in subsection (c), as diagnosed and defined in the Diagnostic and Statistical Manual of Mental Disorders, ~~DSM-IV,~~ DSM-5, or a subsequent edition published by the American Psychiatric Association, except those mental disorders coded in the ~~DSM-IV~~ DSM-5 or subsequent edition as autism spectrum disorder (299.00), substance-related disorders (291.0 through 292.2 and 303.0 through 305.9), those coded as sexual dysfunctions not due to organic disease (302.70 through 302.79), and those coded as "V" codes:

(1) Thirty combined inpatient and outpatient days per year.

(2) Thirty office visits per year.

…

(h) Definitions. – As used in this section:

(1) "Health benefit plan" has the same meaning as in G.S. 58-3-167.

(2) "Insurer" has the same meaning as in G.S. 58-3-167.

(3) "Mental illness" has the same meaning as in G.S. 122C-3(21), with a mental disorder defined in the Diagnostic and Statistical Manual of Mental Disorders, ~~DSM-IV,~~ DSM-5, or subsequent editions published by the American Psychiatric Association, except those mental disorders coded in the ~~DSM-IV~~ DSM-5 or subsequent editions as autism spectrum disorder (299.00), substance-related disorders (291.0 through 292.9 and 303.0 through 305.9), those coded as sexual dysfunctions not due to organic disease (302.70 through 302.79), and those coded as "V" codes.

(i) Notwithstanding any other provisions of this section, a group health benefit plan that covers both medical and surgical benefits and mental health benefits shall, with respect to

the mental health benefits, comply with all applicable standards of Subtitle B of Title V of Public Law 110-343, known as the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of ~~2008.~~2008, and the applicable regulations, as amended.

(j) Subsection (i) of this section applies only to a group health benefit plan covering a large employer as defined in G.S. 58-68-25(a)(10)."

SECTION 2. Article 3 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"**§ 58-3-192. Coverage for autism spectrum disorder.**

(a) As used in this section, the following definitions apply:

(1) Adaptive behavior treatment. – Behavioral and developmental interventions that systematically manage instructional and environmental factors or the consequences of behavior that have been shown to be clinically effective through research published in peer reviewed scientific journals and based upon randomized, quasi-experimental, or single subject designs. Both of the following requirements must be met:

a. The intervention must be necessary to (i) increase appropriate or adaptive behaviors, (ii) decrease maladaptive behaviors, or (iii) develop, maintain, or restore, to the maximum extent practicable, the functioning of an individual.

b. The treatment must be ordered by a licensed physician or licensed psychologist and the treatment must be provided or supervised by one of the following licensed professionals, so long as the services or supervision provided is commensurate with the licensed professional's training, experience, and scope of practice:

1. A licensed psychologist or psychological associate.
2. A licensed psychiatrist or developmental pediatrician.
3. A licensed speech and language pathologist.
4. A licensed occupational therapist.
5. A licensed clinical social worker.
6. A licensed professional counselor.
7. A licensed marriage and family therapist.

(2) Autism spectrum disorder. – As defined by the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM) or the most recent edition of the International Statistical Classification of Diseases and Related Health Problems. Autism spectrum disorder is not considered a mental illness as defined in G.S. 58-3-220, 58-51-55, 58-65-90, or 58-67-75.

(3) Diagnosis of autism spectrum disorder. – Any medically necessary assessments, evaluations, or tests to determine whether an individual has autism spectrum disorder.

(4) Health benefit plan. – As defined in G.S. 58-3-167.

(5) Pharmacy care. – Medications prescribed by a licensed health care provider.

(6) Psychiatric care. – Direct or consultative services provided by a licensed psychiatrist.

(7) Psychological care. – Direct or consultative services provided by a licensed psychologist or licensed psychological associate.

(8) Therapeutic care. – Direct or consultative services provided by a licensed speech therapist, licensed occupational therapist, licensed physical therapist, licensed clinical social worker, licensed professional counselor, or licensed marriage and family therapists.

(9) Treatment for autism spectrum disorder. – Any of the following care for an individual diagnosed with autism spectrum disorder, or equipment related to that care, ordered by a licensed physician or a licensed psychologist who determines the care to be medically necessary:

a. Adaptive behavior treatment.
b. Pharmacy care.
c. Psychiatric care.
d. Psychological care.
e. Therapeutic care.

(b) Except as provided in subsection (c) of this section, health benefit plans shall provide coverage for the screening, diagnosis, and treatment of autism spectrum disorder. No insurer shall terminate coverage or refuse to issue, amend, or renew coverage to an individual solely because the individual is diagnosed with autism spectrum disorder or has received treatment for autism spectrum disorder.

(c) Coverage for adaptive behavior treatment under this section may be subject to a maximum benefit of up to forty thousand dollars ($40,000) per year and may be limited to individuals 18 years of age or younger. Beginning in 2017 and for subsequent years, the amount shall be indexed using the Consumer Price Index for All Urban Consumers for the South Region and shall be rounded to the nearest whole thousand dollars. The index factor shall be the index as of March of the year preceding the change divided by the index as of March 2015. This amount shall be posted by the Commissioner no later than April 1 of each year and shall apply to policies renewed or purchased the following calendar year.

(d) Coverage under this section may not be denied on the basis that the treatments are habilitative or educational in nature.

(e) Coverage under this section may be subject to co-payment, deductible, and coinsurance provisions of a health benefit plan that are not less favorable than the co-payment, deductible, and coinsurance provisions that apply to substantially all medical services covered by the health benefit plan.

(f) This section shall not be construed as limiting benefits that are otherwise available to an individual under a health benefit plan.

(g) Nothing in this section shall apply to non-grandfathered health plans in the individual and small group markets that are subject to the requirement to cover the essential health benefit package under 45 C.F.R. § 147.150(a).

(h) This section shall not be construed as affecting any obligation to provide services to an individual under an individualized family service plan, an individualized education program, or an individualized service plan.

(i) Except as provided in subsection (c) of this section, health benefit plans shall provide coverage for the screening, diagnosis, and treatment of autism spectrum disorder in accordance with the standards contained in Subtitle B of Title V of Public Law 110-343, known as the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, and the applicable regulations, as amended."

SECTION 3. G.S. 58-51-55(a) reads as rewritten:

"(a) Definitions. – As used in this section, the term:

(1) "Mental illness" has the same meaning as defined in G.S. 122C-3(21), with a mental disorder defined in the Diagnostic and Statistical Manual of Mental Disorders, ~~DSM-IV,~~ DSM-5, or a subsequent edition published by the American Psychiatric Association, except those mental disorders coded in the ~~DSM-IV~~ DSM-5 or subsequent editions as autism spectrum disorder (299.00), substance-related disorders (291.0 through 292.9 and 303.0 through 305.9), those coded as sexual dysfunctions not due to organic disease (302.70 through 302.79), and those coded as "V" codes.

(2) "Chemical dependency" has the same meaning as defined in G.S. 58-51-50, with a mental disorder defined in the Diagnostic and Statistical Manual of Mental Disorders, ~~DSM-IV,~~ DSM-5, or subsequent editions published by the American Psychiatric Association."

SECTION 4. G.S. 58-67-75(a) reads as rewritten:

"(a) Definitions. – As used in this section, the term:

(1) "Mental illness" has the same meaning as defined in G.S. 122C-3(21), with a mental disorder defined in the Diagnostic and Statistical Manual of Mental Disorders, ~~DSM-IV,~~ DSM-5, or subsequent editions published by the American Psychiatric Association, except those mental disorders coded in the ~~DSM-IV~~ DSM-5 or subsequent editions as autism spectrum disorder (299.00), substance-related disorders (291.0 through 292.9 and 303.0 through 305.9), those coded as sexual dysfunctions not due to organic disease (302.70 through 302.79), and those coded as "V" codes.

(2) "Chemical dependency" has the same meaning as defined in G.S. 58-67-70, with a mental disorder defined in the Diagnostic and Statistical Manual of Mental Disorders, ~~DSM-IV,~~ DSM-5 or subsequent editions published by the American Psychiatric Association."

SECTION 5. G.S. 58-65-90(a) reads as rewritten:

"(a) Definitions. – As used in this section, the term:

(1) "Mental illness" has the same meaning as defined in G.S. 122C-3(21), with a mental disorder defined in the Diagnostic and Statistical Manual of Mental Disorders, ~~DSM-IV,~~ DSM-5, or subsequent editions published by the American Psychiatric Association, except those mental disorders coded in the ~~DSM-IV~~ DSM-5 or subsequent editions as substance-related disorders (291.0 through 292.9 and 303.0 through 305.9), those coded as autism spectrum disorder (299.00), sexual dysfunctions not due to organic disease (302.70 through 302.79), and those coded as "V" codes.

(2) "Chemical dependency" has the same meaning as defined in G.S. 58-65-75, with a mental disorder defined in the Diagnostic and Statistical Manual of Mental Disorders, ~~DSM-IV,~~ DSM-5, or subsequent editions published by the American Psychiatric Association."

SECTION 6. This act becomes effective July 1, 2016, and applies to insurance contracts issued, renewed, or amended on or after that date.

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

Became law upon approval of the Governor at 1:17 p.m. on the 15th day of October, 2015.

Session Law 2015-272 **H.B. 698**

AN ACT DIRECTING THE COMMISSION FOR PUBLIC HEALTH TO ADOPT RULES TO ADD A SCREENING TEST FOR SEVERE COMBINED IMMUNODEFICIENCY AND OTHER T-CELL LYMPHOPENIAS TO THE NEWBORN SCREENING PROGRAM.

Whereas, severe combined immunodeficiency (SCID), often known as "bubble boy disease," is a primary immune deficiency caused by several different genetic defects, most of which are hereditary; and

Whereas, children born with SCID lack immunity against bacteria, viruses, and fungi and are prone to repeated and persistent infections that would not cause serious illness in a person or infant with a normal immune system; and

Whereas, unless treated early, a child will mostly likely die from opportunistic infections as an infant; and

Whereas, it has been known for the past 15 years that early recognition of SCID through newborn screening is critical to successful management of patients with SCID; and

Whereas, Baby Carlie Nugent of Harrisburg died in 2000 at the age of 7 months from complications of SCID following a bone marrow transplant because her condition was not diagnosed until she was more than 6 months old; and

Whereas, early screening for SCID prior to 3.5 months of age could have saved her life; and

Whereas, development and implementation of a screening test for T-Cell lymphopenia has been accomplished, which led to the unanimous recommendation by the United States Secretary of Health and Human Service's Advisory Committee on Heritable Disorders of Newborns and Children in January 2010 to add SCID to the list of conditions routinely screened for at birth; and

Whereas, as of November 2014, there are 26 states screening for SCID, and the North Carolina Newborn Screening Advisory Committee unanimously approved adding SCID to this State's newborn screening panel in January 2011, yet SCID screening still has not started in this State; and

Whereas, the leading center for treatment of SCID in the United States is located in North Carolina at the Duke University Medical Center; and

Whereas, that Center demonstrated in 1999 that, if a bone marrow transplant could be performed before a baby is 3.5 months of age, there is a 94% survival rate, compared with a 70% survival rate if the infant is transplanted after that age; and

Whereas, infants who do not receive a bone marrow transplant are likely to die before the age of two; and

Whereas, in addition to saving lives, the early diagnosis of SCID also saves money, considering the cost of testing a SCID newborn who is not diagnosed until there is a serious infection can range from five hundred thousand dollars ($500,000) to well over four million five hundred thousand dollars ($4,500,000), while the cost of transplanting a SCID infant who is not sick is usually less than one hundred thousand dollars ($100,000); Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. The Commission for Public Health shall amend rules adopted pursuant to G.S. 130A-125 to implement the Newborn Screening Program established under said section to add to the newborn screening panel a screening test for severe combined immunodeficiency (SCID) and other T-Cell lymphopenias detectable as a result of SCID.

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 23rd day of September, 2015.

Became law upon approval of the Governor at 2:15 p.m. on the 19th day of October, 2015.

Session Law 2015-273 **S.B. 694**

AN ACT TO ENCOURAGE PARENT EDUCATION DURING WELL-CHILD VISITS AT SPECIFIC AGE INTERVALS REGARDING TYPE I DIABETES AND TO AMEND THE LAW PERTAINING TO PHARMACY BENEFIT MANAGERS.

The General Assembly of North Carolina enacts:

SECTION 1. Part 3 of Article 7 of Chapter 130A of the General Statutes is amended by adding a new section to read:

"**§ 130A-221.5. Diabetes education as part of well-child care.**

Each physician, physician assistant, or certified nurse practitioner who provides well-child care is encouraged to educate and discuss the warning signs of Type I diabetes and symptoms with each parent for each child under the care of the physician, physician assistant, or certified nurse practitioner at least once at the following age intervals:

(1) Birth.

(2) Twelve months of age.

(3) Twenty-four months of age.

(4) Thirty-six months of age.

(5) Forty-eight months of age.

(6) Sixty months of age."

SECTION 2. Article 56A of Chapter 58 of the General Statutes is amended by adding a new section to read:

"**§ 58-56A-10. Civil penalties for violations; administrative procedure.**

(a) Whenever the Commissioner has reason to believe that a pharmacy benefits manager has violated any of the provisions of this Article with such frequency as to indicate a general business practice, the Commissioner may, after notice and opportunity for a hearing, proceed under the appropriate subsections of this section.

(b) If, under subsection (a) of this section, the Commissioner finds a violation of this Article, the Commissioner may order the payment of a monetary penalty as provided in subsection (c) of this section or petition the Superior Court of Wake County for an order directing payment of restitution as provided in subsections (d) and (e) of this section, or both. Each day during which a violation occurs constitutes a separate violation.

(c) If the Commissioner orders the payment of a monetary penalty pursuant to subsection (b) of this section, the penalty shall not be less than one hundred dollars ($100.00) nor more than one thousand dollars ($1,000) per day for each prescription drug resulting from the pharmacy benefit manager's failure to comply with G.S. 58-56A-5. In determining the amount of the penalty, the Commissioner shall consider the degree and extent of harm caused by the violation, the amount of money that inured to the benefit of the violator as a result of the violation, whether the violation was committed willfully, and the prior record of the violator in complying or failing to comply with laws, rules, or orders applicable to the violator. The clear proceeds of the penalty shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2. Payment of the civil penalty under this section shall be in addition to payment of any other penalty for a violation of the criminal laws of this State.

(d) Upon petition of the Commissioner the court may order the pharmacy benefits manager who committed a violation specified in subsection (b) of this section to make restitution in an amount that would make whole any pharmacist harmed by the violation. The petition may be made at any time and also in any appeal of the Commissioner's order.

(e) Upon petition of the Commissioner the court may order the pharmacy benefits manager who committed a violation specified in subsection (b) of this section to make restitution to the Department for extraordinary administrative expenses, including expenses under subsection (f) of this section, incurred in the investigation, hearing, and any appeals associated with the violation in such amount that would reimburse the agency for the expenses. The petition may be made at any time and also in any appeal of the Commissioner's order.

(f) The Commissioner may contract with consultants and other professionals with relevant expertise as necessary and appropriate to conduct investigation, hearing, and appeals activities as provided in this section. Such contracts shall not be subject to G.S. 114-2.3, G.S. 147-17, or Articles 3, 3C, and 8 of Chapter 143 of the General Statutes, together with rules and procedures adopted under those Articles concerning procurement, contracting, and contract review.

(g) Nothing in this section prevents the Commissioner from negotiating a mutually acceptable agreement with any pharmacy benefits manager as to any civil penalty or restitution.

(h) Unless otherwise specifically provided for, all administrative proceedings under this Article are governed by Chapter 150B of the General Statutes. Appeals of the Commissioner's orders under this section shall be governed by G.S. 58-2-75."

SECTION 3. Section 1 of this act becomes effective December 1, 2015. Section 2 of this act becomes effective July 1, 2016. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of September, 2015.

Became law upon approval of the Governor at 10:30 a.m. on the 20th day of October, 2015.

Session Law 2015-274 **H.B. 647**

AN ACT AUTHORIZING HEALTH CARE PROVIDERS TO PRESCRIBE, AND PHARMACISTS TO DISPENSE, EPINEPHRINE AUTO-INJECTORS TO AUTHORIZED CHILD-SERVING ENTITIES OTHER THAN SCHOOLS FOR THE EMERGENCY TREATMENT OF ANAPHYLAXIS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 1B of Chapter 90 of the General Statutes is amended by adding a new section to read:

"§ **90-21.15A. Emergency treatment using epinephrine auto-injector; immunity.**

(a) Definitions. – The following definitions apply in this section:

(1) Administer. – The direct application of an epinephrine auto-injector to the body of an individual.

(2) Authorized entity. – Any entity or organization, other than a school described in G.S. 115C-375.2A, at which allergens capable of causing anaphylaxis may be present, including, but not limited to, recreation camps, colleges, universities, day care facilities, youth sports leagues, amusement parks, restaurants, places of employment, and sports arenas. An authorized entity shall also include any person, corporation, or other entity that owns or operates any entity or organization listed.

(3) Epinephrine auto-injector. – A single-use device used for the automatic injection of a premeasured dose of epinephrine into the human body.

(4) Health care provider. – A health care provider licensed to prescribe drugs under the laws of this State.

(5) Provide. – To supply one or more epinephrine auto-injectors to an individual.

(b) Prescribing to Authorized Entities Permitted. – A health care provider may prescribe epinephrine auto-injectors in the name of an authorized entity for use in accordance with this section, and pharmacists and health care providers may dispense epinephrine auto-injectors pursuant to a prescription issued in the name of an authorized entity. A prescription issued pursuant to this section shall be valid for no more than two years.

(c) Authorized Entities Permitted to Maintain Supply. – An authorized entity may acquire and stock a supply of epinephrine auto-injectors pursuant to a prescription issued in accordance with this section. An authorized entity that acquires and stocks epinephrine auto-injectors shall make a good-faith effort to store the supply of epinephrine auto-injectors in accordance with the epinephrine auto-injector manufacturer's instructions for use and any additional requirements that may be established by the Department of Health and Human Services. An authorized entity that acquires and stocks a supply of epinephrine auto-injectors pursuant to a prescription issued in accordance with this section shall designate employees or agents to be responsible for the storage, maintenance, control, and general oversight of epinephrine auto-injectors acquired by the authorized entity.

(d) Use of Epinephrine Auto-Injectors by Authorized Entities. – An employee or agent of an authorized entity or other individual who has completed the training required by subsection (e) of this section may use epinephrine auto-injectors prescribed pursuant to G.S. 90-726.1 to do any of the following:

(1) Provide an epinephrine auto-injector to any individual who the employee, agent, or other individual believes in good faith is experiencing anaphylaxis, or a person believed in good faith to be the parent, guardian, or caregiver of such individual, for immediate administration, regardless of whether the individual has a prescription for an epinephrine auto-injector or has previously been diagnosed with an allergy.

(2) Administer an epinephrine auto-injector to any individual who the employee, agent, or other individual believes in good faith is experiencing anaphylaxis, regardless of whether the individual has a prescription for an epinephrine auto-injector or has previously been diagnosed with an allergy.

(e) Mandatory Training Program. – An authorized entity that elects to acquire and stock a supply of epinephrine auto-injectors as described in subsection (c) of this section shall designate employees or agents to complete an anaphylaxis training program. The training may be conducted online or in person and shall, at a minimum, include all of the following components:

(1) How to recognize signs and symptoms of severe allergic reactions, including anaphylaxis.

(2) Standards and procedures for the storage and administration of an epinephrine auto-injector.

(3) Emergency follow-up procedures.

In-person training shall cover the three components listed in this subsection and be conducted by (i) a physician, physician assistant, or registered nurse licensed to practice in this State; (ii) a nationally recognized organization experienced in training laypersons in emergency health treatment; or (iii) an entity or individual approved by the Department of Health and Human Services.

Online training shall cover the three components listed in this subsection and be offered (i) by a nationally recognized organization experienced in training laypersons in emergency health treatment; (ii) by an entity or individual approved by the Department of Health and Human Services; or (iii) by means of an online training course that has been approved by another state.

(f) Immunity. –

(1) The following persons are immune from criminal liability and from suit in any civil action brought by any person for injuries or related damages that result from any act or omission taken pursuant to this section:

a. Any authorized entity that voluntarily and without expectation of payment possesses and makes available epinephrine auto-injectors.

b. Any employee or agent of an authorized entity, or any other individual, who provides or administers an epinephrine auto-injector to an individual whom the employee, agent, or other individual believes in good faith is experiencing symptoms of anaphylaxis and has completed the required training set forth in subsection (e) of this section.

c. A health care provider that prescribes epinephrine auto-injectors to an authorized entity.

d. A pharmacist or health care provider that dispenses epinephrine auto-injectors to an authorized entity.

e. Any individual or entity that conducts the training mandated by subsection (e) of this section.

(2) The immunity conferred by this section does not apply to acts or omissions constituting willful or wanton conduct as defined in G.S. 1D-5(7) or intentional wrongdoing.

(3) Nothing in this section creates or imposes any duty, obligation, or basis for liability on any authorized entity, any employee or agent of an authorized entity, or any other individual to acquire, possess, store, make available, or administer an epinephrine auto-injector.

(4) This section does not eliminate, limit, or reduce any other immunity or defense that may be available under State law, including the protections set forth in G.S. 90-21.14.

(g) Liability for Acts Outside of This State. – An authorized entity located in this State shall not be liable under the laws of this State for any injuries or related damages resulting from

the provision or administration of an epinephrine auto-injector outside of this State under either of the following circumstances:

(1) If the authorized entity would not have been liable for such injuries or related damages if the epinephrine auto-injector had been provided or administered within this State.

(2) If the authorized entity is not liable for such injuries or related damages under the laws of the state in which the epinephrine auto-injector was provided or administered.

(h) Does Not Constitute Practice of Medicine. – The administration of an epinephrine auto-injector in accordance with this section is not the practice of medicine or any other profession that otherwise requires licensure."

SECTION 2. The North Carolina Board of Pharmacy may adopt temporary and permanent rules addressing the authorization for authorized entities under Section 1 of this act to obtain a prescription for epinephrine for emergency health circumstances.

SECTION 3. This act becomes effective December 31, 2015.

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

Became law upon approval of the Governor at 10:31 a.m. on the 20th day of October, 2015.

Session Law 2015-275 **H.B. 679**

AN ACT TO AUTHORIZE THE ACQUISITION OR CONSTRUCTION AND THE FINANCING OF CERTAIN CAPITAL IMPROVEMENTS PROJECTS OF THE CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA.

The General Assembly of North Carolina enacts:

SECTION 1. The purpose of Sections 1 through 4 of this act are to authorize (i) the acquisition or construction of the capital improvements projects listed in Section 2 of this act for the respective institutions of The University of North Carolina and (ii) to authorize the financing of these projects with funds available to the institutions from gifts, grants, receipts, self-liquidating indebtedness, Medicare reimbursements for education costs, hospital receipts from patient care, or other funds, or any combination of these funds, but not including funds received for tuition or appropriated from the General Fund of the State unless previously authorized by General Statute.

SECTION 2. The capital improvements projects, and their respective costs, authorized by this act to be acquired or constructed and financed as provided in Section 1 of this act, including by revenue bonds, by special obligation bonds as authorized in Section 4 of this act, or by both, are as follows:

Appalachian State University	
New Residence Hall – Replacement for Winkler – Supplement	$32,000,000
East Carolina University	
Renovation of Four Residence Halls	65,000,000
North Carolina Central University	
Deferred Maintenance and Infrastructure Improvements	10,500,000
North Carolina State University	
Engineering Building Oval and Campus Infrastructure	77,000,000

SECTION 3. At the request of the Board of Governors of The University of North Carolina and upon determining that it is in the best interest of the State to do so, the Director of the Budget may authorize an increase or decrease in the cost of, or a change in the method of,

funding the projects authorized in Section 2 of this act. In determining whether to authorize a change in cost or funding, the Director of the Budget may consult with the Joint Legislative Commission on Governmental Operations.

SECTION 4. Pursuant to G.S. 116D-26, the Board of Governors may issue, subject to the approval of the Director of the Budget, at one time or from time to time, special obligation bonds of the Board of Governors for the purpose of paying all or any part of the cost of acquiring, constructing, or providing for the projects authorized by Section 2 of this act. The maximum principal amount of bonds to be issued shall not exceed the specified project costs in Section 2 of this act plus five percent (5%) of such amount to pay issuance expenses, fund reserve funds, pay capitalized interest, and pay other related additional costs, plus any increase in the specific project costs authorized by the Director of the Budget pursuant to Section 3 of this act.

SECTION 5. The General Assembly authorizes planning of the Plant Sciences Building at North Carolina State University to be funded at a maximum cost of fourteen million dollars ($14,000,000) during the 2015-2017 fiscal biennium in accordance with the following:

(1) Notwithstanding G.S. 143C-8-12, the sum of five million dollars ($5,000,000) in funds carried forward pursuant to G.S. 116-30.3 and G.S. 116-30.3B and available for expenditure during the 2015-2016 fiscal year shall be used for this purpose. If less than five million dollars ($5,000,000) of these funds are available, then funds carried forward pursuant to G.S. 116-30.3 and G.S. 116-30.3B and available for expenditure during the 2016-2017 fiscal year shall be used for this purpose.

(2) The remaining nine million dollars ($9,000,000) shall be funded with receipts or from other non-General Fund sources available to North Carolina State University, and those funds are hereby appropriated for that purpose.

SECTION 6. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 24th day of September, 2015.

Became law upon approval of the Governor at 10:32 a.m. on the 20th day of October, 2015.

Session Law 2015-276 **H.B. 924**

AN ACT TO CLARIFY WHEN A LAW ENFORCEMENT OFFICER IS REQUIRED TO REQUEST A BLOOD SAMPLE WHEN CHARGING THE OFFENSE OF MISDEMEANOR DEATH BY VEHICLE, CLARIFY THE LAW GOVERNING PROHIBITED USE OF RED AND BLUE LIGHTS, REPEAL CERTAIN MANDATORY REPORTING REGARDING PSEUDOEPHEDRINE PRODUCTS, CLARIFY THE SUBPOENA AUTHORITY OF THE DIRECTOR OF THE SBI, PROVIDE FOR UPSET BIDS FOR LEASES OF MINERAL DEPOSITS ON STATE LANDS, INCREASE THE COST LIMIT ON WORK THAT CAN BE PERFORMED BY GOVERNMENTAL FORCE ACCOUNT LABOR, AND REPEAL THE DONATE LIFE NC MATCHING FUNDS REQUIREMENT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-139.1(b5) reads as rewritten:

"(b5) Subsequent Tests Allowed. – A person may be requested, pursuant to G.S. 20-16.2, to submit to a chemical analysis of the person's blood or other bodily fluid or substance in addition to or in lieu of a chemical analysis of the breath, in the discretion of a law enforcement officer; except that a person charged with a violation of G.S. 20-141.4 shall be ~~requested~~ requested, at any relevant time after the driving, to provide a blood sample in addition to or in lieu of a chemical analysis of the breath. However, if a breath sample shows an alcohol concentration of .08 or more, then requesting a blood sample shall be in the discretion of a law

enforcement officer. If a subsequent chemical analysis is requested pursuant to this subsection, the person shall again be advised of the implied consent rights in accordance with G.S. 20-16.2(a). A person's willful refusal to submit to a chemical analysis of the blood or other bodily fluid or substance is a willful refusal under G.S. 20-16.2. If a person willfully refuses to provide a blood sample under this subsection, and the person is charged with a violation of G.S. 20-141.4, then a law enforcement officer with probable cause to believe that the offense involved impaired driving or was an alcohol-related offense made subject to the procedures of G.S. 20-16.2 shall seek a warrant to obtain a blood sample. The failure to obtain a blood sample pursuant to this subsection shall not be grounds for the dismissal of a charge and is not an appealable issue."

SECTION 2. G.S. 20-130.1 reads as rewritten:

"§ **20-130.1. Use of red or blue lights on vehicles prohibited; exceptions.**

(a) It is unlawful for any person to install or activate or operate a red light in or on any vehicle in this State. As used in this subsection, unless the context requires otherwise, "red light" means an operable red light not sealed in the manufacturer's original package which: (i) is designed for use by an emergency vehicle or is similar in appearance to a red light designed for use by an emergency vehicle; and (ii) can be operated by use of the vehicle's battery, vehicle's electrical system, or a dry cell battery. As used in this subsection, the term "red light" shall also mean any ~~forward facing~~ red light installed on a vehicle after initial manufacture of the vehicle.

…

(c) It is unlawful for any person to possess a blue light or to install, activate, or operate a blue light in or on any vehicle in this State, except for a publicly owned vehicle used for law enforcement purposes or any other vehicle when used by law enforcement officers in the performance of their official duties. As used in this subsection, unless the context requires otherwise, "blue light" means any ~~forward facing~~ blue light installed on a vehicle after initial manufacture of the vehicle; or an operable blue light which:

(1) Is not (i) being installed on, held in inventory for the purpose of being installed on, or held in inventory for the purpose of sale for installation on a vehicle on which it may be lawfully operated or (ii) installed on a vehicle which is used solely for the purpose of demonstrating the blue light for sale to law enforcement personnel;

(1a) Is designed for use by an emergency vehicle, or is similar in appearance to a blue light designed for use by an emergency vehicle; and

(2) Can be operated by use of the vehicle's battery, the vehicle's electrical system, or a dry cell battery.

…."

SECTION 3. G.S. 106-145.13 is repealed.

SECTION 4. G.S. 15A-298 reads as rewritten:

"§ **15A-298. Subpoena authority.**

~~Pursuant to rules issued by the State Bureau of Investigation, the~~ The Director of the State Bureau of Investigation or the Director's designee may issue an administrative subpoena to a communications common carrier or an electronic communications service to compel production of business records if the records:

(1) Disclose information concerning local or long-distance toll records or subscriber information; and

(2) Are material to an active criminal investigation being conducted by the State Bureau of Investigation."

SECTION 5. G.S. 146-9 reads as rewritten:

"§ **146-9. Disposition of mineral deposits in State lands not under water.**

(a) The Department of Administration may sell, lease, or otherwise dispose of mineral rights or deposits in the vacant and unappropriated lands, swamplands, and lands acquired by the State by virtue of being sold for taxes, not lying beneath the waters of the State, at such

times, upon such consideration, in such portions, and upon such terms as are deemed proper by the Department and approved by the Governor and Council of State. Every instrument conveying such rights shall be executed in the manner required of deeds by G.S. 146-74 through 146-78, and shall be approved by the Governor and Council of State as therein provided, or by the agency designated by the Governor and Council of State to approve conveyances of such rights. The net proceeds of dispositions of all such mineral rights or deposits shall be paid into the State Literary Fund.

(b) Notwithstanding subsection (a) of this section, or any other provision of law, prior to expiration of a lease of mineral deposits in State lands, the Department of Administration or other entity designated by the Department shall solicit competitive bids for lease of such mineral deposits, which shall include a process for upset bids as described in this subsection. An upset bid is an increased or raised bid whereby a person offers to lease such mineral rights for an amount exceeding the highest bid received in response to the initial solicitation for competitive bids, or the last upset bid, as applicable, by a minimum of five percent (5%). The process shall provide that the Department or other designated entity that issued the solicitation for competitive bids shall issue a notice of high bid to the person submitting the highest bid in response to the initial solicitation for competitive bids, or the person submitting the last upset bid, as applicable, and any other bidders that have submitted a bid in an amount seventy-five percent (75%) or more of the highest bid received in response to the initial solicitation for competitive bids, or the last upset bid, as applicable, of the highest bid received at that point within 10 days of the closure of the bidding period, as provided in the solicitation for competitive bids, through notice delivered by any means authorized under G.S. 1A-1, Rule 4. Thereafter, an upset bid may be made by delivering to the Department or other designated entity, subject to all of the following requirements and conditions:

(1) With a deposit in cash, certified check, or cashier's check in an amount greater than or equal to five percent (5%) of the amount of the highest bid received in response to the initial solicitation for competitive bids, or the last upset bid, as applicable. The deposit required by this section shall be filed by the close of normal business hours on the tenth day after issuance of the Department or other designated entity's notice of high bid. If the tenth day falls upon a weekend or legal holiday, the deposit may be made and the notice of upset bid may be filed on the first business day following that day. There may be successive upset bids, each of which shall be followed by a period of 10 days for a further upset bid.

(2) The Department or other designated entity may require an upset bidder to deposit a cash bond, or, in lieu thereof at the option of the bidder, a surety bond, approved by the Department or other designated entity. The compliance bond shall be in an amount the Department or other designated entity deems adequate, but in no case greater than the amount of the bid of the person being required to furnish the bond, less the amount of any required deposit. The compliance bond shall be payable to the State of North Carolina and shall be conditioned on the principal obligor's compliance with the bid.

(3) At the time that an upset bid is submitted pursuant to this subsection, together with a compliance bond if one is required, the upset bidder shall file a notice of upset bid with the Department or other designated entity. The notice of upset bid shall include all of the following:

a. State the name, address, and telephone number of the upset bidder.

b. Specify the amount of the upset bid.

c. Provide that the lease shall remain open for a period of 10 days after the date on which the notice of upset bid is filed for the filing of additional upset bids as permitted by law.

d. Be signed by the upset bidder or the attorney or the agent of the upset bidder.

(4) When an upset bid is made as provided in this subsection, the Department or other designated entity shall notify to the highest prior bidder, and any other bidders that have submitted a bid in an amount seventy-five percent (75%) or more of the current high bid received in response to the initial solicitation for competitive bids, or the last upset bid, as applicable.

(5) When an upset bid is made as provided in this subsection, the last prior bidder is released from any further obligation on account of the bid, and any deposit or bond provided by the last prior bidder shall be released.

(6) Any person offering to lease mineral deposits in State lands by upset bid as permitted in this subsection is subject to and bound by the terms of the original notice of lease.

(c) The Department of Administration shall require that any lessee of mineral deposits in State lands diligently conduct continuous mining operations for minerals subject to the lease throughout the entire term of the lease.

(d) The Department of Administration shall adopt rules to implement subsection (c) of this section."

SECTION 6. G.S. 143-135 reads as rewritten:

"§ **143-135. Limitation of application of Article.**

Except for the provisions of G.S. 143-129 requiring bids for the purchase of apparatus, supplies, materials or equipment, this Article shall not apply to any of the following:

(1) ~~construction~~ Construction or repair work undertaken by the State ~~or by subdivisions of the State of North Carolina~~ (i) when the work is performed by duly elected officers or agents using force account qualified labor on the permanent payroll of the agency concerned and (ii) when either the total cost of the project, including without limitation all direct and indirect costs of labor, services, materials, supplies and equipment, does not exceed one hundred twenty-five thousand dollars ($125,000) or the total cost of labor on the project does not exceed fifty thousand dollars ~~($50,000);~~($50,000).

(2) Construction or repair work undertaken by a subdivision of the State (i) when the work is performed by duly elected officers or agents using force account qualified labor on the permanent payroll of the agency concerned and (ii) when either the total cost of the project, including without limitation all direct and indirect costs of labor, services, materials, supplies and equipment, does not exceed five hundred thousand dollars ($500,000) or the total cost of labor on the project does not exceed two hundred thousand dollars ($200,000).

(3) ~~provided that, for~~ Construction or repair work undertaken by The University of North Carolina and its constituent ~~institutions, force account qualified labor may be used~~ institutions (i) when the work is performed by duly elected officers or agents using force account qualified labor on the permanent payroll of the university and (ii) when either the total cost of the project, including, without limitation, all direct and indirect costs of labor, services, materials, supplies, and equipment, does not exceed two hundred thousand dollars ($200,000) or the total cost of labor on the project does not exceed one hundred thousand dollars ($100,000).

(b) ~~This~~ The force account work undertaken pursuant to this section shall be subject to the approval of the Director of the Budget in the case of State agencies, of the responsible commission, council, or board in the case of subdivisions of the State. Complete and accurate records of the entire cost of such work, including without limitation, all direct and indirect costs of labor, services, materials, supplies and equipment performed and furnished in the prosecution and completion thereof, shall be maintained by such agency, commission, council

or board for the inspection by the general public. Construction or repair work undertaken pursuant to this section shall not be divided for the purposes of evading the provisions of this Article."

SECTION 6.5. Section 27.8 of S.L. 2015-241 is repealed.

SECTION 7. Sections 1 and 2 of this act become effective December 1, 2015, and apply to offenses committed on or after that date. The remainder of this act is effective when this act becomes law and applies to offenses committed on or after that date. Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions.

In the General Assembly read three times and ratified this the 30th day of September, 2015.

Became law upon approval of the Governor at 10:33 a.m. on the 20th day of October, 2015.

Session Law 2015-277 **S.B. 472**

AN ACT TO AUTHORIZE LOCAL GOVERNMENTS TO APPROPRIATE MONEY FOR HISTORIC REHABILITATION AND TO CLARIFY AND STANDARDIZE THE REQUIREMENTS FOR APPROPRIATING FUNDS FOR LOCAL ECONOMIC DEVELOPMENT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 158-7.1 reads as rewritten:

"§ **158-7.1. Local development.**

(a) Economic Development. – Each county and city in this State is authorized to make appropriations for ~~the purposes of aiding and encouraging the location of manufacturing enterprises, making industrial surveys and locating industrial and commercial plants in or near such city or in the county; encouraging the building of railroads or other purposes which, in the discretion of~~ economic development purposes. These appropriations must be determined by the governing body of the city or ~~of the~~ county ~~commissioners of the county, will~~ to increase the population, taxable property, agricultural ~~industries and~~ industries, employment, industrial output, or business prospects of ~~any~~ the city or county. These appropriations may be funded by the levy of property taxes pursuant to G.S. 153A-149 and 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law. The specific activities listed in subsection (b) of this section are not intended to limit the grant of authority provided by this section.

(b) Specific Activities. – A county or city may undertake any of the following specific economic development ~~activities. (This listing is not intended to limit by implication or otherwise the grant of authority set out in subsection (a) of this section). The activities listed in this subsection may be funded by the levy of property taxes pursuant to G.S. 153A-149 and G.S. 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law.~~activities under this section:

(1) A county or city may acquire and develop land for an industrial park, to be used for manufacturing, assembly, fabrication, processing, warehousing, research and development, office use, or similar industrial or commercial purposes. A county may acquire land anywhere in the county, including inside of cities, for an industrial park, while a city may acquire land anywhere in the county or counties in which it is located. A county or city may develop the land by installing utilities, drainage facilities, street and transportation facilities, street lighting, and similar facilities; may demolish or rehabilitate existing structures; and may prepare the site for industrial or

commercial uses. A county or city may convey property located in an industrial park pursuant to subsection (d) of this section.

(2) A county or city may acquire, assemble, and hold for resale property that is suitable for industrial or commercial use. A county may acquire such property anywhere in the county, including inside of cities, while a city may acquire such property inside the city or, if the property will be used by a business that will provide jobs to city residents, anywhere in the county or counties in which it is located. A county or city may convey property acquired or assembled under this subdivision pursuant to subsection (d) of this section.

(3) A county or city may acquire options for the acquisition of property that is suitable for industrial or commercial use. The county or city may assign such an option, following such procedures, for such consideration, and subject to such terms and conditions as the county or city deems desirable.

(4) A county or city may acquire, construct, convey, or lease a building suitable for industrial or commercial use.

(5) A county or city may construct, extend or own utility facilities or may provide for or assist in the extension of utility services to be furnished to an industrial facility, whether the utility is publicly or privately owned.

(6) A county or city may extend or may provide for or assist in the extension of water and sewer lines to industrial properties or facilities, whether the industrial property or facility is publicly or privately owned.

(7) A county or city may engage in site preparation for industrial properties or facilities, whether the industrial property or facility is publicly or privately owned.

(8) A county or city may make grants or loans for the rehabilitation of commercial or noncommercial historic structures, whether the structure is publicly or privately owned.

(c) Public Hearing. – Any appropriation or expenditure pursuant to ~~subsection (b) of~~ this section must be approved by the county or city governing body after a public hearing. The county or city shall publish notice of the public hearing at least 10 days before the hearing is held. If the appropriation or expenditure is for the acquisition of an interest in real property, the notice shall describe the interest to be acquired, the proposed acquisition cost of such interest, the governing body's intention to approve the acquisition, the source of funding for the acquisition and such other information needed to reasonably describe the acquisition. If the appropriation or expenditure is for the improvement of privately owned property by site preparation or by the extension of water and sewer lines to the property, the notice shall describe the improvements to be made, the proposed cost of making the improvements, the source of funding for the improvements, the public benefit to be derived from making the improvements, and any other information needed to reasonably describe the improvements and their purpose.

(d) Interests in Real Property. – A county or city may lease or convey interests in real property held or acquired pursuant to subsection (b) of this section in accordance with the procedures of this subsection. A county or city may convey or lease interests in property by private negotiation and may subject the property to such covenants, conditions, and restrictions as the county or city deems to be in the public interest or necessary to carry out the purposes of this section. Any such conveyance or lease must be approved by the county or city governing body, after a public hearing. The county or city shall publish notice of the public hearing at least 10 days before the hearing is held; the notice shall describe the interest to be conveyed or leased, the value of the interest, the proposed consideration for the conveyance or lease, and the governing body's intention to approve the conveyance or lease. Before such an interest may be conveyed, the county or city governing body shall determine the probable average hourly wage to be paid to workers by the business to be located at the property to be conveyed and the fair

market value of the interest, subject to whatever covenants, conditions, and restrictions the county or city proposes to subject it to. The consideration for the conveyance may not be less than the value so determined.

(d1) Repealed by Session Laws 1993, c. 497, s. 22.

(d2) Calculation of Consideration. – In arriving at the amount of consideration that it receives, the Board may take into account prospective tax revenues from improvements to be constructed on the property, prospective sales tax revenues to be generated in the area, as well as any other prospective tax revenues or income coming to the county or city over the next 10 years as a result of the conveyance or lease provided the following conditions are met:

(1) The governing board of the county or city shall determine that the conveyance of the property will stimulate the local economy, promote business, and result in the creation of a substantial number of jobs in the county or city that pay at or above the median average wage in the county or, for a city, in the county where the city is located. A city that spans more than one county is considered to be located in the county where the greatest population of the city resides. For the purpose of this subdivision, the median average wage in a county is the median average wage for all insured industries in the county as computed by the Department of Commerce, Division of Employment Security, for the most recent period for which data is available.

(2) The governing board of the county or city shall contractually bind the purchaser of the property to construct, within a specified period of time not to exceed five years, improvements on the property that will generate the tax revenue taken into account in arriving at the consideration. Upon failure to construct the improvements specified in the contract, the purchaser shall reconvey the property back to the county or city.

(e) Local Government Budget and Fiscal Control Act. – All appropriations and expenditures pursuant to ~~subsections (b) and (c) of~~ this section shall be subject to the provisions of the Local Government Budget and Fiscal Control Acts of the North Carolina General Statutes, respectively, for cities and counties and shall be listed in the annual financial report the county or city submits to the Local Government Commission. The budget format for each such governing body shall make such disclosures in such detail as the Local Government Commission may by rule and regulation direct.

(f) Limitation. – At the end of each fiscal year, the total of the following for each county and city may not exceed one-half of one percent (0.5%) of the outstanding assessed property tax valuation for the county or city as of January 1 preceding the beginning of the fiscal year:

(1) The investment in property acquired at any time under subdivisions (b)(1) through (b)(4) of this section and owned at the end of the fiscal year.

(2) The amount expended during the fiscal year under subdivisions (b)(5) and (b)(7) of this section.

(3) The amount of tax revenue that was taken into account under subsection (d2) of this section and was expected to be received during the fiscal year.

The Local Government Commission shall review the annual financial reports filed by counties and cities to determine if any county or city has exceeded the limit set by this subsection. If the Commission finds that a county or city has exceeded this limit, it shall notify the county or city. A county or city that receives a notice from the Commission under this subsection must submit to the Commission for its review and approval any appropriation or expenditure the county or city proposes to make under this section during the next three fiscal years. The Commission shall not approve an appropriation or expenditure that would cause a county or city to exceed the limit set by this subsection.

(g) Repealed by Session Laws 1989, c. 374, s. 1.

(h) Economic Development Agreement. – Each economic development agreement entered into between a private enterprise and a city or county shall clearly state their respective responsibilities under the agreement. Each agreement shall contain provisions regarding remedies for a breach of those responsibilities on the part of the private enterprise. These provisions shall include a provision requiring the recapture of sums appropriated or expended by the city or county upon the occurrence of events specified in the agreement. Events that would require the city or county to recapture funds would include the creation of fewer jobs than specified in the agreement, a lower capital investment than specified in the agreement, and failing to maintain operations at a specified level for a period of time specified in the agreement."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 23rd day of September, 2015.

Became law upon approval of the Governor at 10:34 a.m. on the 20th day of October, 2015.

Session Law 2015-278 **S.B. 519**

AN ACT TO PROMOTE THE ENCOURAGEMENT OF PARENTING TIME WITH CHILDREN BY BOTH PARENTS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 1 of Chapter 50 of the General Statutes is amended by adding a new section to read:

"§ **50-13.01. Purposes.**

It is the policy of the State of North Carolina to:

(1) Encourage focused, good faith, and child-centered parenting agreements to reduce needless litigation over child custody matters and to promote the best interest of the child.

(2) Encourage parents to take responsibility for their child by setting the expectation that parenthood will be a significant and ongoing responsibility.

(3) Encourage programs and court practices that reflect the active and ongoing participation of both parents in the child's life and contact with both parents when such is in the child's best interest, regardless of the parents' present marital status, subject to laws regarding abuse, neglect, and dependency.

(4) Encourage both parents to share equitably in the rights and responsibilities of raising their child, even after dissolution of marriage or unwed relationship.

(5) Encourage each parent to establish and maintain a healthy relationship with the other parent when such is determined to be in the best interest of the child, taking into account mental illness, substance abuse, domestic violence, or any other factor the court deems appropriate."

SECTION 2. G.S. 50-13.2(a) reads as rewritten:

"§ **50-13.2. Who entitled to custody; terms of custody; visitation rights of grandparents; taking child out of State; consideration of parent's military service.**

(a) An order for custody of a minor child entered pursuant to this section shall award the custody of such child to such person, agency, organization or institution as will best promote the interest and welfare of the child. In making the determination, the court shall consider all relevant factors including acts of domestic violence between the parties, the safety of the child, and the safety of either party from domestic violence by the other ~~party and shall make findings accordingly.~~ party. An order for custody must include written findings of fact ~~which~~ that reflect the consideration of each of these factors and that support the determination of what is in the best interest of the child. Between ~~the mother and father,~~ the parents, whether

natural or adoptive, no presumption shall apply as to who will better promote the interest and welfare of the child. Joint custody to the parents shall be considered upon the request of either parent."

SECTION 3. This act is effective when it becomes law.

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

Became law upon approval of the Governor at 10:35 a.m. on the 20th day of October, 2015.

Session Law 2015-279 **S.B. 279**

AN ACT AMENDING THE PROFESSIONAL COUNSELORS ACT TO MODIFY EDUCATIONAL QUALIFICATIONS FOR THE PRACTICE OF COUNSELING AND TO REQUIRE LOCAL BOARDS OF EDUCATION TO ADDRESS SEX TRAFFICKING PREVENTION AND AWARENESS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 90-336 reads as rewritten:

"§ **90-336. Title and qualifications for licensure.**

(a) Each person desiring to be a licensed professional counselor associate, licensed professional counselor, or licensed professional counselor supervisor shall make application to the Board upon such forms and in such manner as the Board shall prescribe, together with the required application fee.

(b) The Board shall issue a license as a "licensed professional counselor associate" to an applicant who applies on or before March 1, 2016, and meets all of the following criteria:

(1) Has earned a ~~minimum of 48 semester hours or 72 quarter~~specified minimum of credit hours of graduate training as defined by the Board, including (i) a master's degree in counseling or a related field from ~~a regionally accredited institution of higher education~~an institution of higher education that is regionally accredited or accredited by an organization recognized by the Council for Higher Education Accreditation and (ii) the applicant meets one of the following criteria:

a. ~~if~~If the applicant enrolled in the master's program before July 1, ~~2009;~~2009, a minimum of 48 semester hours or a minimum of 72 quarter credit hours.

b. If the applicant enrolled in the master's program before July 1, 2013, but after June 30, 2009, a minimum of 54 semester hours or 81 quarter credit ~~hours~~hours.

c. If the applicant enrolled in the master's program after June 30, 2013, a minimum of 60 semester hours or 90 quarter credit hours. ~~of graduate training as defined by the Board, including a master's degree in counseling or a related field from a regionally accredited institution of higher education if the applicant enrolled in the master's program before July 1, 2013, but after June 30, 2009; or a minimum of 60 semester hours or 90 quarter credit hours of graduate training as defined by the Board, including a master's degree in counseling or a related field from a regionally accredited institution of higher education if the applicant enrolled in the master's program after June 30, 2013.~~

(2) Repealed by Session Laws 2009-367, s. 6, effective October 1, 2009.

(3) Has passed an examination in accordance with rules adopted by the Board.

(b1) The Board shall issue a license as a "licensed professional counselor associate" to an applicant who applies after March 1, 2016, through June 30, 2022, and meets all of the following criteria:

(1) Has earned a specified minimum of credit hours of graduate training as defined by the Board, including (i) a master's degree in counseling or related field from an institution of higher education that is either regionally accredited or accredited by an organization both recognized by the Council for Higher Education Accreditation and accredited by the Council for Accreditation of Counseling and Related Educational Programs and (ii) the applicant meets one of the following criteria:

a. If the applicant enrolled in the master's program before July 1, 2009, a minimum of 48 semester hours or a minimum of 72 quarter credit hours.

b. If the applicant enrolled in the master's program before July 1, 2013, but after June 30, 2009, a minimum of 54 semester hours or 81 quarter credit hours.

c. If the applicant enrolled in the master's program after June 30, 2013, a minimum of 60 semester hours or 90 quarter credit hours.

(2) Has passed an examination in accordance with rules adopted by the Board.

(b2) The Board shall issue a license as a "licensed professional counselor associate" to an applicant who applies on or after July 1, 2022, and meets all of the following criteria:

(1) Has earned a minimum of 60 semester hours or 90 quarter hours of graduate training as defined by the Board, including a master's degree in counseling or related field from an institution of higher education that is accredited by the Council for Accreditation of Counseling and Related Educational Programs.

(2) Has passed an examination in accordance with rules adopted by the Board.

(c) The Board shall issue a license as a "licensed professional counselor" to an applicant who meets all of the following criteria:

(1) Has met all of the requirements under ~~subsection (b)~~subsection (b), (b1), or (b2) of this ~~section.~~section, as applicable.

(2) Has completed a minimum of 3,000 hours of supervised professional practice as determined by the Board.

(d) A licensed professional counselor may apply to the Board for recognition as a "licensed professional counselor supervisor" and receive the credential "licensed professional counselor supervisor" upon meeting all of the following criteria:

(1) Has met all of the requirements under subsection (c) of this section.

(2) Has one of the following:

a. At least five years of full-time licensed professional counseling experience, including a minimum of 2,500 hours of direct client contact;

b. At least eight years of part-time licensed professional counseling experience, including a minimum of 2,500 hours of direct client contact; or

c. A combination of full-time and part-time professional counseling experience, including a minimum of 2,500 hours of direct client contact as determined by the Board.

(3) Has completed minimum education requirements in clinical supervision as approved by the Board.

(4) Has an active license in good standing as a licensed professional counselor approved by the Board."

SECTION 2. G.S. 90-345(a)(1) reads as rewritten:

"(1) Applicant. – A person applying for licensure as a licensed professional counselor associate pursuant to ~~G.S. 90-336(b)~~G.S. 90-336(b), 90-336(b1), or 90-336(b2) or licensed professional counselor pursuant to G.S. 90-336(c)."

SECTION 3. G.S. 115C-81(e1)(4) reads as rewritten:

"(4) Each local school administrative unit shall provide a reproductive health and safety education program commencing in the seventh grade that includes the following instruction:

a. Teaches that abstinence from sexual activity outside of marriage is the expected standard for all school-age children.

b. Presents techniques and strategies to deal with peer pressure and offering positive reinforcement.

c. Presents reasons, skills, and strategies for remaining or becoming abstinent from sexual activity.

d. Teaches that abstinence from sexual activity is the only certain means of avoiding out-of-wedlock pregnancy, sexually transmitted diseases when transmitted through sexual contact, including HIV/AIDS, and other associated health and emotional problems.

e. Teaches that a mutually faithful monogamous heterosexual relationship in the context of marriage is the best lifelong means of avoiding sexually transmitted diseases, including HIV/AIDS.

f. Teaches the positive benefits of abstinence until marriage and the risks of premarital sexual activity.

g. Provides opportunities that allow for interaction between the parent or legal guardian and the student.

h. Provides factually accurate biological or pathological information that is related to the human reproductive system.

i. Teaches about the preventable risks for preterm birth in subsequent pregnancies, including induced abortion, smoking, alcohol consumption, the use of illicit drugs, and inadequate prenatal care.

Materials used in this instruction shall be age appropriate for use with students. Information conveyed during the instruction shall be objective and based upon scientific research that is peer reviewed and accepted by professionals and credentialed experts in the ~~field~~ fields of any of the following: sexual health ~~education.~~education, adolescent psychology, behavioral counseling, medicine, human anatomy, biology, ethics, or health education."

SECTION 4. G.S. 115C-81(e1)(4a) reads as rewritten:

"(4a) Each local school administrative unit shall also include as part of the instruction required under subdivision (4) of this subsection the following instruction:

a. Teaches about sexually transmitted diseases. Instruction shall include how sexually transmitted diseases are and are not transmitted, the effectiveness and safety of all federal Food and Drug Administration (FDA)-approved methods of reducing the risk of contracting sexually transmitted diseases, and information on local resources for testing and medical care for sexually transmitted diseases. Instruction shall include the rates of infection among pre-teen and teens of each known sexually transmitted disease and the effects of contracting each sexually transmitted disease. In particular, the instruction shall include information about the effects of contracting the Human Papilloma Virus, including sterility and cervical cancer.

b. Teaches about the effectiveness and safety of all FDA-approved contraceptive methods in preventing pregnancy.

c. Teaches awareness of sexual assault, sexual abuse, and risk reduction. The instruction and materials shall:

1. Focus on healthy relationships.
2. Teach students what constitutes sexual assault and sexual abuse, the causes of those behaviors, and risk reduction.
3. Inform students about resources and reporting procedures if they experience sexual assault or sexual abuse.
4. Examine common misconceptions and stereotypes about sexual assault and sexual abuse.

d. Teaches about sex trafficking prevention and awareness. Each local school administrative unit shall:

1. Collaborate with a diverse group of outside consultants where practical, including law enforcement with expertise in sex trafficking prevention education, to address the threats of sex trafficking.
2. Collaborate with a diverse group of outside consultants, including law enforcement with expertise in sex trafficking, on a referral protocol for high-risk pupils and minors.

Materials used in this instruction shall be age appropriate for use with students. Information conveyed during the instruction shall be objective and based upon scientific research that is peer reviewed and accepted by professionals and credentialed experts in the field of sexual health education. Law enforcement agencies, criminal justice agencies, and nongovernmental organizations with expertise in sex trafficking prevention and awareness may also provide materials and information. Each local board of education shall adopt a policy and provide a mechanism to allow a parent or a guardian to withdraw his or her child from instruction required under this subdivision."

SECTION 5. G.S. 115C-81(e1)(4a), as amended by Section 4 of this act, reads as rewritten:

"(4a) Each local school administrative unit shall also include as part of the instruction required under subdivision (4) of this subsection the following instruction:

a. Teaches about sexually transmitted diseases. Instruction shall include how sexually transmitted diseases are and are not transmitted, the effectiveness and safety of all federal Food and Drug Administration (FDA)-approved methods of reducing the risk of contracting sexually transmitted diseases, and information on local resources for testing and medical care for sexually transmitted diseases. Instruction shall include the rates of infection among pre-teen and teens of each known sexually transmitted disease and the effects of contracting each sexually transmitted disease. In particular, the instruction shall include information about the effects of contracting the Human Papilloma Virus, including sterility and cervical cancer.

b. Teaches about the effectiveness and safety of all FDA-approved contraceptive methods in preventing pregnancy.

c. Teaches awareness of sexual assault, sexual abuse, and risk reduction. The instruction and materials shall:

1. Focus on healthy relationships.
2. Teach students what constitutes sexual assault and sexual abuse, the causes of those behaviors, and risk reduction.

3. Inform students about resources and reporting procedures if they experience sexual assault or sexual abuse.
4. Examine common misconceptions and stereotypes about sexual assault and sexual abuse.

d. Teaches about sex trafficking prevention and awareness. Each local school administrative unit shall:
1. Collaborate with outside consultants, including law enforcement with expertise in sex trafficking prevention education, to address the threats of sex trafficking.
2. Collaborate with outside consultants, including law enforcement with expertise in sex trafficking, on a referral protocol for high-risk pupils and minors.

Materials used in this instruction shall be age appropriate for use with students. Information conveyed during the instruction shall be objective and based upon scientific research that is peer reviewed and accepted by professionals and credentialed experts in the ~~field~~ fields of any of the following: sexual health ~~education.~~education, adolescent psychology, behavioral counseling, medicine, human anatomy, biology, ethics, or health education. Law enforcement agencies, criminal justice agencies, and nongovernmental organizations with expertise in sex trafficking prevention and awareness may also provide materials and information. Each local board of education shall adopt a policy and provide a mechanism to allow a parent or a guardian to withdraw his or her child from instruction required under this subdivision."

SECTION 6. Sections 1 and 2 of this act become effective October 1, 2015. Section 3 of this act is effective when it becomes law and applies beginning with the 2016-2017 school year. Section 4 of this act is effective when it becomes law and applies beginning with the spring semester of the 2015-2016 school year. Section 5 of this act is effective January 1, 2016, and applies beginning with the 2016-2017 school year.

In the General Assembly read three times and ratified this the 30th day of September, 2015.

Became law upon approval of the Governor at 10:36 a.m. on the 20th day of October, 2015.

Session Law 2015-280 **H.B. 943**

AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS FOR THE PURPOSE OF ACCOMPLISHING CERTAIN INTERRELATED AND UNITED PROJECTS TO FURTHER ECONOMIC DEVELOPMENT IN THE STATE CONSISTENT WITH THE CONNECT NC PLAN.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Short Title. – This section shall be known as the "Connect NC Bond Act of 2015."

SECTION 1.(b) Purpose. – It is the intent of the General Assembly by this act to provide, subject to a vote of the qualified voters of the State, for the issuance of two billion dollars ($2,000,000,000) general obligation bonds of the State for the purpose of providing funds, with any other available funds, to update the State's public facilities for the 21st century, including, without limitation, construction, repair, renovation, and furnishing of new facilities in order to (i) enhance other economic development efforts of the State and (ii) attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.

SECTION 1.(c) Findings. – The General Assembly finds the following:

(1) The University of North Carolina is in need of new and renovated facilities to educate and prepare students; especially in the areas of science, technology, engineering, and math; to conduct research; and to recruit, retain, and prepare researchers and faculty for the 21st century for the purpose of enhancing the economic attractiveness of the State.

(2) The North Carolina Community College System is in need of new and renovated facilities to educate and prepare students and workers for the 21st century for the purpose of enhancing the economic attractiveness of the State.

(3) Parks and public facilities that are accessible to children with disabilities and veterans with disabilities are essential for the 21st century to attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.

(4) Clean water and sewer systems are essential for the 21st century to attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.

(5) Modern National Guard facilities attract new defense industry companies and suppliers.

(6) New facilities for agriculture will assist current agricultural endeavors in the State and will attract bioscience and other related industries, thereby benefitting the State's economic development.

(7) New and renovated State parks and attractions are vital components of tourism in the State, thereby benefitting the State's economic development.

(8) Adequate public safety is essential for the public welfare, for orderly economic development, and to attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.

(9) State facilities need routine repair and renovations in order for the facilities to be up-to-date for the 21st century to attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.

(10) The components set forth above are all interrelated and united and comprise a single plan for updating the State's infrastructure for the 21st century and for providing the State with necessary economic development tools to attract new and assist existing industry, business, technology, and tourism for the benefit of the State and its citizenry.

SECTION 1.(d) Definitions. – Unless the context otherwise requires, the following definitions apply in this section:

(1) Bonds. – Bonds issued under this section.

(2) Cost. – Without intending thereby to limit or restrict any proper definition of this term in financing the cost of facilities or purposes authorized by this section, any of the following:

a. The cost of constructing, reconstructing, enlarging, acquiring, and improving facilities and acquiring equipment and land therefor.

b. The cost of engineering, architectural, and other consulting services as may be required.

c. Administrative expenses and charges. Nothing in this section shall permit use of bond funds to pay salaries or fees for bond administration; such salaries and fees shall come from funds appropriated by the General Assembly.

d. Finance charges and interest prior to and during construction and, if deemed advisable by the State Treasurer, for a period not exceeding three years after the estimated date of completion of construction.

e. The cost of bond insurance, investment contracts, credit enhancement and liquidity facilities, interest-rate swap agreements or other derivative products, financial and legal consultants, and related costs of bond and note issuance, to the extent and as determined by the State Treasurer.

f. The cost of reimbursing the State for any payments made for any cost described in this subdivision.

g. Any other costs and expenses necessary or incidental to the purposes of this section.

Allocations in this section of proceeds of bonds to the costs of a project or undertaking in each case may include allocations to pay the costs set forth in sub-subdivisions c. through g. of this subdivision in connection with the issuance of bonds for the project or undertaking.

(3) Credit facility agreement. – An agreement entered into by the State Treasurer on behalf of the State with a bank, savings and loan association, or other banking institution; an insurance company, reinsurance company, surety company, or other insurance institution; a corporation, investment banking firm, or other investment institution; or any financial institution or other similar provider of a credit facility agreement, which provider may be located within or without the United States of America, such agreement providing for prompt payment of all or any part of the principal or purchase price (whether at maturity, presentment or tender for purchase, redemption, or acceleration), redemption premium, if any, and interest on any bonds or notes payable on demand or tender by the owner, in consideration of the State agreeing to repay the provider of the credit facility agreement in accordance with the terms and provisions of such agreement.

(4) Notes. – Notes issued under this section.

(5) Par formula. – Any provision or formula adopted by the State to provide for the adjustment, from time to time, of the interest rate or rates borne by any bonds or notes, including the following:

a. A provision providing for such adjustment so that the purchase price of such bonds or notes in the open market would be as close to par as possible;

b. A provision providing for such adjustment based upon a percentage or percentages of a LIBOR rate, a prime rate, or base rate, which percentage or percentages may vary or be applied for different periods of time; or

c. Such other provision as the State Treasurer may determine to be consistent with this section and will not materially and adversely affect the financial position of the State and the marketing of bonds or notes at a reasonable interest cost to the State.

(6) State. – The State of North Carolina.

SECTION 1.(e) Authorization of Bonds and Notes. – Subject to a favorable vote of a majority of the qualified voters of the State who vote on the question of issuing public improvement bonds in the election called and held as provided in this section, the State Treasurer is hereby authorized, by and with the consent of the Council of State, to issue and sell, at one time or from time to time, general obligation bonds of the State to be designated "State of North Carolina Public Improvement Bonds," with any additional designations as may be determined to indicate the issuance of bonds from time to time, or notes of the State as provided in this section, in an aggregate principal amount not exceeding two billion dollars ($2,000,000,000) for the purpose of providing funds, with any other available funds, for the purposes authorized in this section.

SECTION 1.(f) Use of Public Improvement Bond and Note Proceeds. –

(1) Subject to the provisions of subdivision (2) of this subsection, the proceeds of public improvement bonds and notes, including premium thereon, if any, shall be used for the projects in the following general amounts set forth below:

University of North Carolina

Appalachian State University	Watauga	New Health Sciences Building	$70,000,000
East Carolina University	Pitt	Life Sciences & Biotech. Building	$90,000,000
Fayetteville State University	Cumberland	Lyons Science Bldg. Renovation	$10,000,000
NC Central University	Durham	New Business School	$30,000,000
NC State University	Wake	Engineering Building	$75,000,000
North Carolina A & T State University	Guilford	Engineering Building	$90,000,000
North Carolina School of Science and Math	Burke	North Carolina School of Technology and Engineering	$58,000,000
UNC – Chapel Hill	Orange	Medical Education Bldg. Replacement	$68,000,000
UNC – Charlotte	Mecklenburg	New Sciences Building	$90,000,000
UNC – Greensboro	Guilford	Nursing School Building	$105,000,000
UNC – Pembroke	Robeson	New Business School	$23,000,000
UNC – Wilmington	New Hanover	Allied Health and Human Services/ Nursing Building	$66,000,000
Western Carolina University	Jackson	Science/STEM Building	$110,000,000
Winston-Salem State University	Forsyth	Sciences Building	$50,000,000
Various	Statewide	Capital Repairs and Renovations	$45,000,000
Total for University of North Carolina			**$980,000,000**

NC Community Colleges

Alamance Comm. College	New Construction, Repairs, Renovations	$6,100,339
Asheville-Buncombe Technical Comm. College	New Construction, Repairs, Renovations	$5,487,535
Beaufort Co. Comm. College	New Construction, Repairs, Renovations	$6,557,819
Bladen Comm. College	New Construction, Repairs, Renovations	$6,533,125
Blue Ridge Comm. College	New Construction, Repairs, Renovations	$2,966,077
Brunswick Comm. College	New Construction, Repairs, Renovations	$2,857,328
Caldwell Comm. College and Technical Institute	New Construction, Repairs, Renovations	$5,629,337

Cape Fear Comm. College	New Construction, Repairs, Renovations	$5,908,685
Carteret Comm. College	New Construction, Repairs, Renovations	$2,674,685
Catawba Valley Comm. College	New Construction, Repairs, Renovations	$6,180,268
Central Carolina Comm. College	New Construction, Repairs, Renovations	$6,307,085
Central Piedmont Comm. College	New Construction, Repairs, Renovations	$9,636,457
Cleveland Comm. College	New Construction, Repairs, Renovations	$5,467,357
College of the Albermarle	New Construction, Repairs, Renovations	$6,590,687
Coastal Carolina Comm. College	New Construction, Repairs, Renovations	$6,973,103
Craven Comm. College	New Construction, Repairs, Renovations	$5,376,640
Davidson County Comm. College	New Construction, Repairs, Renovations	$5,820,720
Durham Tech. Comm. College	New Construction, Repairs, Renovations	$4,362,997
Edgecombe Comm. College	New Construction, Repairs, Renovations	$7,277,875
Fayetteville Tech. Comm. College	New Construction, Repairs, Renovations	$10,668,066
Forsyth Tech. Comm. College	New Construction, Repairs, Renovations	$5,809,410
Gaston College	New Construction, Repairs, Renovations	$5,949,907
Guilford Tech. Comm. College	New Construction, Repairs, Renovations	$9,519,543
Halifax Comm. College	New Construction, Repairs, Renovations	$6,519,080
Haywood Comm. College	New Construction, Repairs, Renovations	$2,831,380
Isothermal Comm. College	New Construction, Repairs, Renovations	$6,803,668
James Sprunt Comm. College	New Construction, Repairs, Renovations	$4,502,677
Johnston Comm. College	New Construction, Repairs, Renovations	$3,701,470
Lenoir Comm. College	New Construction, Repairs, Renovations	$8,001,502
Martin Comm. College	New Construction, Repairs, Renovations	$6,566,722
Mayland Comm. College	New Construction, Repairs, Renovations	$4,668,043
McDowell Tech. Comm. College	New Construction, Repairs, Renovations	$4,598,981
Mitchell Comm. College	New Construction, Repairs, Renovations	$3,218,011
Montgomery Comm. College	New Construction, Repairs, Renovations	$6,334,537
Nash Comm. College	New Construction, Repairs, Renovations	$7,773,798
Pamlico Comm. College	New Construction, Repairs, Renovations	$4,193,233
Piedmont Comm. College	New Construction, Repairs, Renovations	$4,850,325
Pitt Comm. College	New Construction, Repairs, Renovations	$8,376,397
Randolph Comm. College	New Construction, Repairs, Renovations	$5,086,842
Richmond Comm. College	New Construction, Repairs, Renovations	$7,229,431
Roanoke-Chowan Comm. College	New Construction, Repairs, Renovations	$6,326,517
Robeson Comm. College	New Construction, Repairs, Renovations	$7,296,568
Rockingham Comm. College	New Construction, Repairs, Renovations	$6,848,392
Rowan-Cabarrus Comm. College	New Construction, Repairs, Renovations	$7,211,552

Sampson Comm. College		New Construction, Repairs, Renovations	$4,774,533
Sandhills Comm. College		New Construction, Repairs, Renovations	$3,816,267
South Piedmont Comm. College		New Construction, Repairs, Renovations	$3,189,221
Southeastern Comm. College		New Construction, Repairs, Renovations	$6,861,620
Southwestern Comm. College		New Construction, Repairs, Renovations	$7,170,597
Stanly Comm. College		New Construction, Repairs, Renovations	$5,510,980
Surry Comm. College		New Construction, Repairs, Renovations	$7,222,184
Tri-County Comm. College		New Construction, Repairs, Renovations	$4,515,728
Vance-Granville Comm. College		New Construction, Repairs, Renovations	$7,611,910
Wake Tech. Comm. College		New Construction, Repairs, Renovations	$12,595,127
Wayne Comm. College		New Construction, Repairs, Renovations	$5,855,913
Western Piedmont Comm. College		New Construction, Repairs, Renovations	$5,099,649
Wilkes Comm. College		New Construction, Repairs, Renovations	$5,243,674
Wilson Comm. College		New Construction, Repairs, Renovations	$6,938,426
Total for NC Community Colleges			**$350,000,000**
Local Parks and Infrastructure			
DENR	Statewide	Children With Disabilities and Veterans With Disabilities Local Parks (Matching Grants)	$3,000,000
Department of Environmental Quality	Statewide	Water/Sewer Loans and Grants	$309,500,000
Total for Local Parks and Infrastructure			**$312,500,000**
National Guard			
National Guard	Guilford/ Burke/ Wilkes	Readiness Centers	$70,000,000
Total for National Guard			**$70,000,000**
Agriculture			
NC State University	Wake	Plant Sciences Building Ag/NCSU Partnership	$85,000,000
Agriculture and Consumer Services	Wake	Veterinary/Food/Drug/Motor Fuels Lab	$94,000,000
Total for Agriculture			**$179,000,000**
State Parks and Attractions			
State Parks	Cumberland	Carvers Creek	$5,700,750
State Parks	Durham/ Orange	Eno River	$2,830,500
State Parks	Washington/ Beaufort	Goose Creek	$1,477,500

State Parks	Onslow	Hammocks Beach	$1,125,000
State Parks	Dare	Jockeys Ridge	$751,500
State Parks	Vance/ Warren	Kerr Lake State Recreation Area	$3,750,000
State Parks	Burke/ McDowell	Lake James	$3,021,000
State Parks	Iredell	Lake Norman	$2,307,000
State Parks	Yancey	Mount Mitchell	$600,000
State Parks	Various	Mountain-To-Sea/Other State Trails	$4,500,000
State Parks	Surry/ Yadkin	Pilot Mountain	$4,481,850
State Parks	Camden	Dismal Swamp	$990,750
State Parks	Watauga	Elk Knob	$900,000
State Parks	Durham/ Wake	Falls Lake State Recreation Area	$789,750
State Parks	New Hanover	Fort Fisher State Recreation Area	$1,125,000
State Parks	Transylvania	Gorges	$2,505,750
State Parks	Stokes	Hanging Rock	$2,100,000
State Parks	Guilford/ Rockingham	Haw River	$1,500,000
State Parks	Chatham/ Wake	Jordan Lake State Recreation Area	$3,000,000
State Parks	Columbus	Lake Waccamaw	$1,506,000
State Parks	Scotland/ Hoke/	Lumber River Robeson/ Columbus	$2,628,750
State Parks	Rockingham	Mayo River	$750,000
State Parks	Tyrell/ Washington	Pettigrew	$2,830,500
State Parks	Burke	South Mountain	$2,250,000
State Parks	Alleghany/ Wilkes	Stone Mountain	$1,338,000
State Parks	Wake	William B. Umstead	$1,725,000
State Parks	Avery	Yellow Mountain State Natural Area	$2,250,000
State Parks	Watauga	Beech Creek Bog State Natural Area	$600,000
State Parks	New Hanover	Carolina Beach	$855,000
State Parks	Rutherford	Chimney Rock	$1,500,000
State Parks	Wayne	Cliffs of the Neuse	$692,400
State Parks	Gaston	Crowders Mountain	$750,000
State Parks	Chatham	Deep River State Trail	$1,281,000
State Parks	Carteret	Fort Macon	$135,000

State Parks	Watauga	Grandfather Mountain	$1,501,500
State Parks	Bladen	Jones Lake	$651,750
State Parks	Chatham	Lower Haw River State Natural Area	$203,250
State Parks	Halifax	Medoc Mountain	$1,383,750
State Parks	Gates	Merchants Millpond	$870,750
State Parks	Stanly	Morrow Mountain	$1,537,500
State Parks	Ashe	Mount Jefferson State Natural Area	$1,500,000
State Parks	Ashe	New River	$675,000
State Parks	Harnett	Raven Rock	$1,125,000
State Parks	Bladen	Singletary Lake	$575,250
State Parks	Moore	Weymouth Woods State Natural Area	$428,250
Zoo	Randolph	Australasia Exhibit Complex/ Replace Africa Pavilion and Related Projects	$25,000,000
Total for State Parks and Attractions			**$100,000,000**
Public Safety			
DPS	Moore	Samarcand Training Academy	$8,500,000
Total for Public Safety			**$8,500,000**
Grand Total			**$2,000,000,000**

(2) Special Allocation Provisions. – In determining the use of the proceeds of public improvement bonds and notes, including premium thereon, if any, set forth in subdivision (1) of this subsection, the following special allocation provisions apply:

a. The proceeds of public improvement bonds and notes, including premium thereon, if any, for Statewide capital repairs and renovations for The University of North Carolina, as provided in subdivision (1) of this subsection, shall be used for projects that are eligible to receive funds from the Repairs and Renovations Reserve under G.S. 143C-4-3(b). Any items purchased with such proceeds and installed or replaced as part of a renovation or rehabilitation must have a useful life of at least 10 years or must extend the life of the facility by at least 10 years once renovated or rehabilitated. Such proceeds (i) shall be prioritized to constituent institutions not otherwise specified as receiving proceeds under subdivision (1) of this subsection and (ii) shall not be used to increase any amount to a constituent institution otherwise specified as receiving proceeds under subdivision (1) of this subsection.

b. The proceeds of public improvement bonds and notes, including premium thereon, if any, for NC Community Colleges, as provided in subdivision (1) of this subsection, shall be used for new construction or rehabilitation of existing facilities and repairs and renovations. Any items purchased with such proceeds and installed or replaced as part of a renovation or rehabilitation must have a useful life of at least 10 years or must extend the life of the facility by at least 10 years once renovated or rehabilitated. In order to receive the proceeds under this sub-subdivision for projects for new

construction, the community college receiving the proceeds shall provide local matching funds from county funds, other non-State funds, or a combination of these sources for such proceeds. The amount of matching funds shall be (i) one dollar ($1.00) of local matching funds for every three dollars ($3.00) of such proceeds for a community college with a main campus located in a development tier one area, as defined in G.S. 143B-437.08, (ii) one dollar ($1.00) of local matching funds for every two dollars ($2.00) of such proceeds for a community college with a main campus located in a development tier two area, as defined in G.S. 143B-437.08, and (iii) one dollar ($1.00) of local matching funds for every one dollar ($1.00) of such proceeds for a community college with a main campus located in a development tier three area, as defined in G.S. 143B-437.08. Community colleges are not required to match bond proceeds allocated in this section for rehabilitation of existing facilities and repairs and renovations.

c. The proceeds of public improvement bonds and notes, including premium thereon, if any, for the Department of Environment and Natural Resources for Statewide Children With Disabilities and Veterans With Disabilities Local Parks (Matching Grants), as provided in subdivision (1) of this subsection, shall be allocated to the Parks and Recreation Trust Fund established in G.S. 113-44.15 and shall be used exclusively for grants to local government units or public authorities, as defined in G.S. 159-7, for construction of special facilities or adaptation of existing facilities that meet the unique needs of children with physical and developmental disabilities and veterans with physical and developmental disabilities and enable them to participate in recreational and sporting activities, regardless of their abilities. In order to receive such proceeds under this sub-subdivision, a local government unit or public authority shall provide matching funds in the amount of one dollar ($1.00) of local funds for every four dollars ($4.00) of such proceeds. Grants made using such proceeds under this sub-subdivision shall not exceed five hundred thousand dollars ($500,000) per project.

d. The proceeds of public improvement bonds and notes, including premium thereon, if any, for the Department of Environmental Quality for Statewide Water/Sewer Loans and Grants, as provided in subdivision (1) of this subsection, shall be allocated to the Water Infrastructure Fund established in G.S. 159G-22. One hundred million dollars ($100,000,000) shall be used for grants, and the remainder shall be used for low-interest loans. The proceeds for loans and the proceeds for grants shall be allocated in equal proportion to the Drinking Water Reserve and the Wastewater Reserve and shall be subject to the following:

1. If the availability of loan funds exceeds project demand, the limits contained in G.S. 159G-36 applicable to a loan may be exceeded for the purpose of ensuring that all available loan funds are utilized for projects prioritized pursuant to G.S. 159G-23.
2. Loan and grant applications for projects shall be funded first if both of the following criteria are met: (i) the project is required to be completed due to an EPA administrative order or consent decree and (ii) the application for the project is

deemed complete by the Division and meets the minimum requirements for the program from which it is seeking funding.

3. A grant application to be funded from the Wastewater Reserve and required to be prioritized under sub-sub-subdivision 2. of this sub-subdivision shall be awarded a grant equal to fifty percent (50%) of the project costs that are reasonably necessary to comply with the EPA administrative order or consent decree, notwithstanding limits otherwise applicable pursuant to G.S. 159G-36; provided that, the cumulative amount of all grants received by an applicant under this sub-subdivision does not exceed one-third of the amount of bond proceeds for grants allocated to the Wastewater Reserve.

4. A loan application to be funded from the Wastewater Reserve and required to be prioritized under sub-sub-subdivision 2. of this sub-subdivision shall receive a loan equal to the amount sufficient to cover all project costs that are reasonably necessary to comply with the EPA administrative order or consent decree minus the amount of any grant awarded under sub-sub-subdivision 3. of this sub-subdivision; provided that, the cumulative amount of all loans received by an applicant under this sub-subdivision does not exceed fifteen million dollars ($15,000,000).

e. The proceeds of public improvement bonds and notes, including premium thereon, if any, for National Guard, as provided in subdivision (1) of this subsection, shall be used by the Adjutant General of the North Carolina National Guard for capital improvements, as defined in G.S. 143C-1-1(d)(5), for readiness centers located in Guilford, Burke, and Wilkes Counties.

f. The proceeds of public improvement bonds and notes, including premium thereon, if any, for the North Carolina Zoological Park, as provided in subdivision (1) of this subsection, shall be used for capital improvements, as defined in G.S. 143C-1-1(d)(5). Any items purchased with such proceeds and installed or replaced as part of a renovation or rehabilitation must have a useful life of at least 10 years or must extend the life of the facility by at least 10 years once renovated or rehabilitated.

(3) Reallocation. – For public improvement bonds authorized by this section, the General Assembly may at this session or at any subsequent session increase or decrease the allocations of the proceeds of public improvement bonds and notes, including premium thereon, if any, for projects set forth in subdivision (1) of this subsection or reallocate any amounts among agencies or projects not listed in this subsection but listed in the six-year capital improvement plan developed pursuant to G.S. 143C-8-5, so long as the aggregate amount of the allocations does not exceed two billion dollars ($2,000,000,000).

SECTION 1.(g) Allocation and Tracking of Proceeds. –

(1) Public improvement bonds. – The proceeds of public improvement bonds and notes, including premium thereon, if any, except the proceeds of bonds the issuance of which has been anticipated by bond anticipation notes or the proceeds of refunding bonds or notes, shall be placed by the State Treasurer in a special fund to be designated "Public Improvement Bonds Fund," which may include such appropriate special accounts therein as may be determined

by the State Treasurer and shall be disbursed as provided in this section. Monies in the Public Improvement Bonds Fund shall be allocated and expended as provided in this section.

Any additional monies that may be received by means of a grant or grants from the United States of America or any agency or department thereof or from any other source for deposit to the Public Improvement Bonds Fund may be placed in the Public Improvement Bonds Fund or in a separate account or fund and shall be disbursed, to the extent permitted by the terms of the grant or grants, without regard to any limitations imposed by this section.

Monies in the Public Improvement Bonds Fund or any separate account established under this section may be invested from time to time by the State Treasurer in the same manner permitted for investment of monies belonging to the State or held in the State treasury, except with respect to grant money to the extent otherwise directed by the terms of the grant. Investment earnings, except investment earnings with respect to grant monies to the extent otherwise directed or restricted by the terms of the grant, may be (i) credited to the Public Improvement Bonds Fund, (ii) used to pay debt service on the bonds authorized by this section, (iii) used to satisfy compliance with applicable requirements of the federal tax law, or (iv) transferred to the General Fund of the State.

The proceeds of public improvement bonds and notes, including premium thereon, if any, may be used with any other monies made available by the General Assembly for funding the projects authorized by this section, including the proceeds of any other State bond issues, whether heretofore made available or that may be made available at the session of the General Assembly at which this section is ratified or any subsequent sessions. The proceeds of public improvement bonds and notes, including premium thereon, if any, shall be expended and disbursed under the direction and supervision of the Director of the Budget. The funds provided by this section shall be disbursed for the purposes provided in this section upon warrants drawn on the State Treasurer by the State Controller, which warrants shall not be drawn until requisition has been approved by the Director of the Budget and which requisition shall be approved only after full compliance with the State Budget Act, Chapter 143C of the General Statutes.

(2) Tracking of bond proceeds. – The State Treasurer or the State Treasurer's designee is hereby authorized and directed to set up a comprehensive system of tracking the proceeds of the public improvement bonds and notes, including premium thereon, if any, to the extent necessary to enable the State Treasurer or the State Treasurer's designee to properly account for the use of such proceeds for compliance with applicable requirements of the federal tax law or otherwise. All recipients of such proceeds shall comply with any tracking system implemented by the State Treasurer or the State Treasurer's designee for this purpose. The State Treasurer may withhold such proceeds from any State agency or department not complying with this subdivision.

(3) Costs. – Allocations to the costs of a capital improvement or undertaking in each case may include allocations to pay the costs set forth in sub-subdivisions c. through g. of subdivision (2) of subsection (d) of this section in connection with the issuance of bonds for that capital improvement or undertaking.

SECTION 1.(i) Election. – The question of the issuance of the bonds authorized by this section shall be submitted to the qualified voters of the State at the time of the election in 2016 when voters of this State are given an opportunity to express their preference for the

person to be the presidential candidate of their political party. Any other primary, election, or referendum validly called or scheduled by law at the time the election on the bond question provided for in this subsection is held may be held as called or scheduled. Notice of the election shall be given in the manner and at the times required by G.S. 163-33(8). The election and the registration of voters therefor shall be held under and in accordance with the general laws of the State. Absentee ballots shall be authorized in the election and shall be available 50 days prior to the date on which the election is to be held.

Ballots, voting systems authorized by Article 14A of Chapter 163 of the General Statutes, or both may be used in accordance with rules prescribed by the State Board of Elections. The bond question to be used in the ballots or voting systems shall be in substantially the following form:

"[ ] FOR [ ] AGAINST

The issuance of two billion dollars ($2,000,000,000) State of North Carolina Public Improvement Bonds constituting general obligation bonds of the State secured by a pledge of the faith and credit and taxing power of the State for the purpose of providing funds, with any other available funds, to fund capital improvements and new facilities for the State, including, without limitation, the construction and furnishing of new facilities and the renovation and rehabilitation of existing facilities for, without limitation, the University of North Carolina System, the North Carolina Community College System, water and sewer systems, the State's National Guard, the Department of Agriculture and Consumer Services, attractions and parks, and the Department of Public Safety."

If a majority of those voting on the bond question in the election vote in favor of the issuance of the bonds described in the question, those bonds may be issued as provided in this section. If a majority of those voting on a bond question in the election do not vote in favor of the issuance of the bonds described in the question, those bonds shall not be issued.

The results of the election shall be canvassed and declared as provided by law for elections for State officers; the results of the election shall be certified by the State Board of Elections to the Secretary of State in the manner and at the time provided by the general election laws of the State.

SECTION 1.(j) Issuance of Bonds and Notes. –

(1) Terms and conditions. – Bonds or notes may bear such date or dates, may be serial or term bonds or notes, or any combination thereof, may mature in such amounts and at such time or times, not exceeding 40 years from their date or dates, may be payable at such place or places, either within or without the United States of America, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, may bear interest at such rate or rates, which may vary from time to time, and may be made redeemable before maturity, at the option of the State or otherwise as may be provided by the State, at such price or prices, including a price less than the face amount of the bonds or notes, and under such terms and conditions, all as may be determined by the State Treasurer by and with the consent of the Council of State.

(2) Signatures; form and denomination; registration. – Bonds or notes may be issued as certificated or uncertificated obligations. If issued as certificated obligations, bonds or notes shall be signed on behalf of the State by the Governor or shall bear the Governor's facsimile signature, shall be signed by the State Treasurer or shall bear the State Treasurer's facsimile signature, and shall bear the Great Seal of the State of North Carolina or a facsimile thereof shall be impressed or imprinted thereon. If bonds or notes bear the facsimile signatures of the Governor and the State Treasurer, the bonds or notes shall also bear a manual signature, which may be that of a bond registrar, trustee, paying agent, or designated assistant of the State Treasurer. Should any officer whose signature or facsimile signature appears on bonds or notes

cease to be such officer before the delivery of the bonds or notes, the signature or facsimile signature shall nevertheless have the same validity for all purposes as if the officer had remained in office until delivery, and bonds or notes may bear the facsimile signatures of persons who at the actual time of the execution of the bonds or notes shall be the proper officers to sign any bond or note, although at the date of the bond or note such persons may not have been such officers. The form and denomination of bonds or notes, including the provisions with respect to registration of the bonds or notes and any system for their registration, shall be as the State Treasurer may determine in conformity with this section; provided, however, that nothing in this section shall prohibit the State Treasurer from proceeding, with respect to the issuance and form of the bonds or notes, under the provisions of Chapter 159E of the General Statutes, the Registered Public Obligations Act, as well as under this section.

(3) Manner of sale; expenses. – Subject to the consent of the Council of State, the State Treasurer shall determine the manner in which bonds or notes shall be offered for sale, whether at public or private sale, whether within or without the United States of America, and whether by publishing notices in certain newspapers and financial journals, mailing notices, inviting bids by correspondence, negotiating contracts of purchase, or otherwise, and the State Treasurer is authorized to sell bonds or notes at one time or from time to time at such rate or rates of interest, which may vary from time to time, and at such price or prices, including a price less than the face amount of the bonds or the notes, as the State Treasurer may determine. All expenses incurred in preparation, sale, and issuance of bonds or notes shall be paid by the State Treasurer from the proceeds of bonds or notes or other available monies.

(4) Notes; repayment. –

a. Subject to the consent of the Council of State, the State Treasurer is hereby authorized to borrow money and to execute and issue notes of the State for the same, but only in the following circumstances and under the following conditions:

1. For anticipating the sale of bonds to the issuance of which the Council of State shall have given consent, if the State Treasurer shall deem it advisable to postpone the issuance of the bonds.
2. For the payment of interest on or any installment of principal of any bonds then outstanding, if there shall not be sufficient funds in the State treasury with which to pay the interest or installment of principal as they respectively become due.
3. For the renewal of any loan evidenced by notes herein authorized.
4. For the purposes authorized in this section.
5. For refunding bonds or notes as herein authorized.

b. Funds derived from the sale of bonds or notes may be used in the payment of any bond anticipation notes issued under this section. Funds provided by the General Assembly for the payment of interest on or principal of bonds shall be used in paying the interest on or principal of any notes and any renewals thereof, the proceeds of which shall have been used in paying interest on or principal of the bonds.

(5) Refunding bonds and notes. – By and with the consent of the Council of State, the State Treasurer is authorized to issue and sell refunding bonds and

notes pursuant to the provisions of the State Refunding Bond Act for the purpose of refunding bonds or notes issued pursuant to this section. The refunding bonds and notes may be combined with any other issues of State bonds and notes similarly secured.

(6) Tax exemption. – Bonds and notes shall be exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding inheritance and gift taxes, income taxes on the gain from the transfer of bonds and notes, and franchise taxes. The interest on bonds and notes shall not be subject to taxation as to income.

(7) Investment eligibility. – Bonds and notes are hereby made securities in which all public officers, agencies, and public bodies of the State and its political subdivisions; all insurance companies, trust companies, investment companies, banks, savings banks, savings and loan associations, credit unions, pension or retirement funds, and other financial institutions engaged in business in the State; and executors, administrators, trustees, and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Bonds and notes are hereby made securities that may properly and legally be deposited with and received by any officer or agency of the State or political subdivision of the State for any purpose for which the deposit of bonds, notes, or obligations of the State or any political subdivision of the State is now or may hereafter be authorized by law.

(8) Faith and credit. – The faith and credit and taxing power of the State are hereby pledged for the payment of the principal of and the interest on bonds and notes. In addition to the State's right to amend any provision of this section to the extent it does not impair any contractual right of a bond owner, the State expressly reserves the right to amend any provision of this section with respect to the making and repayment of loans, the disposition of any repayments of loans, and any intercept provisions relating to the failure of a local government unit to repay a loan, the bonds not being secured in any respect by loans, any repayments thereof, or any intercept provisions with respect thereto.

SECTION 1.(k) Variable Interest Rates. – In fixing the details of bonds and notes, the State Treasurer may provide that any of the bonds or notes may:

(1) Be made payable from time to time on demand or tender for purchase by the owner thereof, provided a credit facility agreement supports the bonds or notes, unless the State Treasurer specifically determines that a credit facility agreement is not required, upon a finding and determination by the State Treasurer, that the absence of a credit facility agreement will not materially or adversely affect the financial position of the State and the marketing of the bonds or notes at a reasonable interest cost to the State;

(2) Be additionally supported by a credit facility agreement;

(3) Be made subject to redemption or a mandatory tender for purchase prior to maturity;

(4) Bear interest at a rate or rates that may vary for such period or periods of time, all as may be provided in the proceedings providing for the issuance of the bonds or notes, including, without limitation, such variations as may be permitted pursuant to a par formula; and

(5) Be made the subject of a remarketing agreement whereby an attempt is made to remarket bonds or notes to new purchasers prior to their presentment for payment to the provider of the credit facility agreement or to the State.

If the aggregate principal amount repayable by the State under a credit facility agreement is in excess of the aggregate principal amount of bonds or notes secured by the credit facility agreement, whether as a result of the inclusion in the credit facility agreement of a provision for the payment of interest for a limited period of time or the payment of a redemption premium or for any other reason, then the amount of authorized but unissued bonds or notes during the term of such credit facility agreement shall not be less than the amount of such excess, unless the payment of such excess is otherwise provided for by agreement of the State executed by the State Treasurer.

SECTION 1.(l) Interpretation of Section. –

(1) Additional method. – The foregoing subsections of this section shall be deemed to provide an additional and alternative method for the doing of the things authorized thereby and shall be regarded as supplemental and additional to powers conferred by other laws and shall not be regarded as in derogation of any powers now existing.

(2) Statutory references. – References in this section to specific sections or Chapters of the General Statutes or to specific acts are intended to be references to these sections, Chapters, or acts as they may be amended from time to time by the General Assembly.

(3) Broad construction. – The General Assembly specifically has chosen to combine what otherwise might be considered differing projects to be financed into one bond bill and bond question because the General Assembly finds that such differing projects, when taken together, constitute an interrelated, united, and single plan for the State's infrastructure as stated aforesaid. Accordingly, this section, being necessary for the health, welfare, and advancement of the people of the State, shall be broadly construed to affect the purposes thereof.

(4) Inconsistent provisions. – Insofar as the provisions of this section are inconsistent with the provisions of any general laws, or parts thereof, the provisions of this section shall be controlling.

(5) Severability. – If any provision of this section or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the section that can be given effect without the invalid provision or application, and to this end, the provisions of this section are declared to be severable.

SECTION 2. Other than community colleges, each entity receiving the proceeds of public improvement bonds and notes, including premium thereon, if any, issued pursuant to and for projects listed in Section 1 of this act shall report by January 1, 2017, and quarterly thereafter, to the Joint Legislative Oversight Committee on Capital Improvements, the House of Representatives Appropriations Committee, and the Senate Committee on Appropriations/Base Budget on the projects funded from public improvement general obligation bonds authorized by Section 1 of this act. Community colleges receiving the proceeds of public improvement bonds and notes, including premium thereon, if any, issued pursuant to and for projects listed in Section 1 of this act shall report by January 1, 2017, and quarterly thereafter, to the North Carolina Community Colleges System Office on the projects funded from public improvement general obligation bonds authorized by Section 1 of this act, and the System Office shall combine the reports and submit them to the Joint Legislative Oversight Committee on Capital Improvements, the House of Representatives Appropriations Committee, and the Senate Committee on Appropriations/Base Budget. Each report shall include the total project costs, the amount to be funded from the bonds, the expenditures to date from the bonds and other sources, and the percentage of each project completed.

SECTION 3. The State Treasurer shall not issue bonds or notes otherwise authorized by Section 1 of this act in an amount or year where the issuance of the bonds or

notes would violate the Debt Affordability Advisory Committee's recommendations on debt capacities required under G.S. 142-101.

SECTION 4.(a) The portion of funds estimated to be needed for escalation of costs for projects, other than for NC Community Colleges, for DEQ Statewide Water/Sewer Loans and Grants, and for State parks, funded in whole or in part with the proceeds of public improvement bonds and notes, including premium thereon, if any, issued pursuant to Section 1 of this act, shall remain with the Office of State Budget and Management and shall be disbursed only for the following purposes:

(1) To address unforeseen contingencies related to the specific project for which the funds were made available.

(2) To address inflation costs related to that specific project.

SECTION 4.(b) Any funds retained by the Office of State Budget and Management pursuant to subsection (a) of this section at the time a project is completed shall be retained by the Office of State Budget and Management until reallocated for other purposes by the General Assembly. The Office of State Budget and Management shall report to the Joint Legislative Oversight Committee on Capital Improvements on any funds retained pursuant to this subsection within 90 days of a project's completion.

SECTION 5. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of September, 2015.

Became law upon approval of the Governor at 10:30 a.m. on the 21st day of October, 2015.

Session Law 2015-281 **H.B. 361**

AN ACT TO PROVIDE FOR PRINCIPLE-BASED VALUATION IN THE LIFE INSURANCE STANDARD VALUATION LAW AND STANDARD NONFORFEITURE PROVISIONS IN THE NORTH CAROLINA INSURANCE LAW; TO MAKE CONFORMING AND CLARIFYING CHANGES TO THE LAWS GOVERNING PROFESSIONAL EMPLOYER ORGANIZATIONS, INSURANCE COMPANY DEPOSITS, CONTINUING CARE RETIREMENT COMMUNITIES, HEALTH INSURANCE EXTERNAL REVIEW, AND INSURANCE COMPANY NAMES; TO REVISE INSURANCE POLICY RENEWAL PROVISIONS; TO AMEND THE DEFINITION OF SMALL EMPLOYER; AND TO MAKE TECHNICAL CORRECTIONS.

The General Assembly of North Carolina enacts:

PART I. REVISIONS TO NORTH CAROLINA'S STANDARD VALUATION AND NONFORFEITURE LAWS

SECTION 1. G.S. 58-58-50 reads as rewritten:

"§ **58-58-50. Standard Valuation Law.**

(a) This section shall be known as the Standard Valuation Law.

(a1) As used in this section:

(1) Appointed actuary. – A qualified actuary who is appointed in accordance with the valuation manual to prepare the actuarial opinion required in subsection (j1) of this section.

(2) Company. – An entity which has written, issued, or reinsured life insurance contracts, accident and health insurance contracts, annuity contracts, pure endowment contracts, or deposit-type contracts (i) in this State and has at least one such policy in force or on claim or (ii) in any state and is required to hold a certificate of authority to write life insurance, accident and health

insurance, annuity contract, pure endowment, or deposit-type contracts in this State.

(3) Deposit-type contract. – A contract that does not incorporate mortality or morbidity risks and as may be specified in the valuation manual.

(4) Policyholder behavior. – Any action a policyholder, contract holder, or any other person with the right to elect options, such as a certificate holder, may take under a policy or contract subject to this section, including, but not limited to, lapse, withdrawal, transfer, deposit, premium payment, loan, annuitization, or benefit elections prescribed by the policy or contract but excluding events of mortality or morbidity that result in benefits prescribed in their essential aspects by the terms of the policy or contract.

(5) Principle-based valuation. – A reserve valuation that uses one or more methods or one or more assumptions determined by the insurer and is required to comply with subsection (n) of this section as specified in the valuation manual.

(6) Qualified actuary. – An individual who is qualified to sign the applicable statement of actuarial opinion in accordance with the American Academy of Actuaries qualification standards for actuaries signing such statements and who meets the requirements specified in the valuation manual.

(7) Reserves. – Reserve liabilities.

(8) Tail risk. – A risk that occurs either where the frequency of low probability events is higher than expected under a normal probability distribution or where there are observed events of very significant size or magnitude.

(9) Valuation manual. – The manual of valuation instructions adopted by the NAIC as specified in this section or as subsequently amended.

(b) This subsection applies to policies and contracts issued prior to the operative date of the valuation manual. Each year the Commissioner shall value or cause to be valued the ~~reserve liabilities ("reserves")~~reserves for all outstanding life insurance policies, annuity contracts, ~~and~~ pure endowment ~~contracts~~ contracts, accident and health insurance contracts, and deposit-type contracts of every life insurance company doing business in this State. In the case of an alien company, the valuation shall be limited to its United States business. ~~The Commissioner may certify the amount of each company's reserves, specifying the mortality or morbidity tables, withdrawal rates, and other assumptions regarding when, and the degree to which, policyholders exercise contract options, such as full or partial withdrawal, rate or rates of interest, and methods, such as net level premium method or other, used in the Commissioner's calculation of the company's reserves.~~ Group methods and approximate averages for fractions of a year or otherwise may be used by the Commissioner in calculating the company's reserves, and the Commissioner may accept the valuation made by the company upon evidence of its correctness that the Commissioner requires. For foreign or alien insurance companies, the Commissioner may accept any valuation made or caused to be made by the insurance regulator of any state or other jurisdiction if ~~(i)~~ that valuation complies with the minimum standard provided in this ~~section and (ii) that regulator accepts as legally sufficient and valid the Commissioner's certificate of valuation when that certificate states that the valuation has been made in a specified manner according to which the aggregate reserves would be at least as great as if they had been computed in the manner prescribed by the law of that state or jurisdiction.~~section.

(b1) The provisions set forth in subsections (c), (d), (d1), (e), (f), (g), (h), and (k) of this section shall apply to all policies and contracts, as appropriate, subject to this section issued on or after the effective date of this section and prior to the operative date of the valuation manual. The provisions set forth in subsections (m) and (n) of this section shall not apply to policies issued prior to the operative date of the valuation manual.

(b2) This subsection applies to policies and contracts issued on or after the operative date of the valuation manual. The Commissioner shall annually value, or cause to be valued, the

reserves for all outstanding life insurance contracts, annuity contracts, pure endowment contracts, accident and health insurance contracts, and deposit-type contracts of every company issued on or after the operative date of the valuation manual. In lieu of the valuation of the reserves required of a foreign or alien company, the Commissioner may accept a valuation made, or caused to be made, by the insurance supervisory official of any state or other jurisdiction when that valuation complies with the minimum standard provided in this section.

(b3) The provisions set forth in subsections (m) and (n) of this section shall apply to all policies and contracts issued on or after the operative date of the valuation manual.

(c) (1) Except as otherwise provided in subdivisions (3) and (4) of this subsection, or in subsection (k) of this section, the minimum standard for the valuation of all such policies and contracts issued before the effective date of this section shall be that provided by the laws in effect immediately before that date, except that the minimum standard for the valuation of annuities and pure endowments purchased under group annuity and pure endowment contracts issued before that date shall be that provided by the laws in effect immediately before that date but replacing the interest rates specified in such laws by an interest rate of five percent (5%) per annum, and five and one-half percent (5 ½%) interest for single premium life insurance policies.

(2) Except as otherwise provided in subdivisions (3) and (4) of this subsection, or in subsection (k) of this section, the minimum standards for the valuation of all such policies and contracts issued on or after the effective date of this section shall be the Commissioner's reserve valuation methods defined in subsections (d), ~~(d-1)~~(d1), ~~and~~ (g), and (k) of this section, five percent (5%) interest for group annuity and pure endowment contracts and three and one-half percent (3 ½%) interest for all other policies and contracts, or, in the case of policies and contracts other than annuity and pure endowment contracts, issued on or after July 1, 1975, four percent (4%) interest for such policies issued prior to April 19, 1979, and four and one-half percent (4 ½%) interest for such policies issued on or after April 19, 1979, and the following tables:

…

(3) Except as provided in subdivision (4) of this subsection, the minimum standard ~~for the~~of valuation ~~of all~~for individual annuity and pure endowment contracts issued on or after the operative date of this subdivision (3), as defined herein, and for ~~all~~ annuities and pure endowments purchased on or after such operative date under group annuity and pure endowment contracts, shall be the Commissioner's reserve valuation methods defined in subsections (d) and ~~(d-1)~~(d1) of this section and the following tables and interest rates:

…

After July 1, 1975, any company may file with the Commissioner a written notice of its election to comply with the provisions of this subdivision (3) after a specified date before January 1, 1979, which shall be the operative date of this subdivision for such company, provided, a company may elect a different operative date for individual annuity and pure endowment contracts from that elected for group annuity and pure endowment contracts. If a company makes no such election, the operative date of this subdivision for such company shall be January 1, 1979.

(4) a. Applicability of ~~This Subdivision.~~this subdivision. The interest rates used in determining the minimum standard for the valuation of:

1. ~~All life~~Life insurance policies issued in a particular calendar year, on or after the operative date of subdivision (e)(4) of G.S. 58-58-55,

2. ~~All individual~~Individual annuity and pure endowment contracts issued in a particular calendar year on or after January 1, 1982,
3. ~~All annuities~~Annuities and pure endowments purchased in a particular calendar year on or after January 1, 1982, under group annuity and pure endowment contracts, and
4. The net increase, if any, in a particular calendar year after January 1, 1982, in amounts held under guaranteed interest contracts

shall be the calendar year statutory valuation interest rates as defined in this subdivision.

…

(d) Except as otherwise provided in subsections ~~(d 1) and~~(d1), (g), and (k) of this section reserves according to the Commissioner's reserve valuation method, for the life insurance and endowment benefits of policies providing for a uniform amount of insurance and requiring the payment of uniform premiums, shall be the excess, if any, of the present value, at the date of valuation, of such future guaranteed benefits provided for by such policies, over the then present value of any future modified net premiums therefor. The modified net premiums for any such policy shall be such uniform percentage of the respective contract premiums for such benefits that the present value, at the date of issue of the policy, of all such modified net premiums shall be equal to the sum of the then present value of such benefits provided for by the policy and the excess of (1) and (2), as follows:

(1) A net level annual premium equal to the present value, at the date of issue, of such benefits provided for after the first policy year, divided by the present value, at the date of issue, of an annuity of one per annum payable on the first and each subsequent anniversary of such policy on which a premium falls due; provided, however, that such net level annual premium shall not exceed the net level annual premium on the 19-year premium whole life plan for insurance of the same amount at an age one year higher than the age at issue of such policy.

(2) A net one year term premium for such benefits provided for in the first policy year.

Provided that for any life insurance policy issued on or after January 1, 1985, for which the contract premium in the first policy year exceeds that of the second year and for which no comparable additional benefits are provided in the first year for such excess and which provides an endowment benefit or a cash surrender value of a combination thereof in an amount greater than such excess premium, the reserve according to the Commissioner's reserve valuation method as of any policy anniversary occurring on or before the assumed ending date defined herein as the first policy anniversary on which the sum of any endowment benefit and any cash surrender value then available is greater than such excess premium shall, except as otherwise provided in subsection (g), be the greater of the reserve as of such policy anniversary calculated as described in the first paragraph of this subsection and the reserve as of such policy anniversary calculated as described in that paragraph, but with (i) the value defined in subparagraph (1) of that paragraph being reduced by fifteen percent (15%) of the amount of such excess first year premium, (ii) all present values of benefits and premiums being determined without reference to premiums or benefits provided for by the policy after the assumed ending date, (iii) the policy being assumed to mature on such date as an endowment, and (iv) the cash surrender value provided on such date being considered as an endowment benefit. In making the above comparison the mortality and interest bases stated in subdivisions (2) and (4) of subsection (c) shall be used.

Reserves according to the Commissioner's reserve valuation method for: (i) life insurance policies providing for a varying amount of insurance or requiring the payment of varying premiums; (ii) group annuity and pure endowment contracts purchased under a retirement plan

or plan of deferred compensation, established or maintained by an employer (including a partnership or sole proprietorship) or by an employee organization, or by both, other than a plan providing individual retirement accounts or individual retirement annuities under section 408 of the Internal Revenue Code, as now or hereafter amended; (iii) disability and accidental death benefits in all policies and contracts; and (iv) all other benefits, except life insurance and endowment benefits in life insurance policies and benefits provided by all other annuity and pure endowment contracts, shall be calculated by a method consistent with the principles of this subsection except that any extra premiums charged because of impairments or special hazards shall be disregarded in the determination of modified net premiums.

~~(d-1)~~(d1) This subsection shall apply to all annuity and pure endowment contracts other than group annuity and pure endowment contracts purchased under a retirement plan or plan of deferred compensation, established or maintained by an employer (including a partnership or sole proprietorship) or by an employee organization, or by both, other than a plan providing individual retirement accounts or individual retirement annuities under section 408 of the Internal Revenue Code, as now or hereafter amended.

Reserves according to the Commissioner's annuity reserve method for benefits under annuity or pure endowment contracts, excluding any disability and accidental death benefits in such contracts, shall be the greatest of the respective excesses of the present values, at the date of valuation, of the future guaranteed benefits, including guaranteed nonforfeiture benefits, provided for by such contracts at the end of each respective contract year, over the present value, at the date of valuation, of any future valuation considerations derived from future gross considerations, required by the terms of such contract, that become payable prior to the end of such respective contract year. The future guaranteed benefits shall be determined by using the mortality table, if any, and the interest rate, or rates, specified in such contracts for determining guaranteed benefits. The valuation considerations are the portions of the respective gross considerations applied under the terms of such contracts to determine nonforfeiture values.

(e) In no event shall a company's aggregate reserves for all life insurance policies, excluding disability and accidental death benefits, issued on or after the effective date of this section, be less than the aggregate reserves calculated in accordance with the methods set forth in subsections (d), ~~(d-1),~~(d1), (g) and (h) of this section and the mortality table or tables and rate or rates of interest used in calculating nonforfeiture benefits for such policies. In no event shall the aggregate reserves for all policies, contracts, and benefits be less than the aggregate reserves determined by the ~~qualified~~ appointed actuary to be necessary to render the opinion required by subsection (i) or subsection (j1) of this section.

(f) Reserves for all policies and contracts issued before the effective date of this section may be calculated, at the option of the company, according to any standards that produce greater aggregate reserves for those policies and contracts than the minimum reserves required by the laws in effect immediately before that date.

Reserves for any category of policies, contracts or benefits as established by the Commissioner, issued on or after the effective date of this section may be calculated, at the option of the company, according to any standards that produce greater aggregate reserves for such category than those calculated according to the minimum standard herein provided, but the rate or rates of interest used for policies and contracts, other than annuity and pure endowment contracts, shall not be ~~higher~~ greater than the corresponding rate or rates of interest used in calculating any nonforfeiture benefits provided ~~for therein.~~in the policies or contracts.

Any such company that adopts any standard of valuation producing greater aggregate reserves than those calculated according to the minimum standard herein provided may, with the approval of the Commissioner, adopt any lower standard of valuation, but not lower than the minimum ~~herein provided.~~provided in this section. Provided, however, that for the purposes of this section, the holding of additional reserves previously determined by ~~a qualified~~the appointed actuary to be necessary to render the opinion required by subsection ~~(c)~~(i) or (j1) of this section shall not be deemed to be the adoption of a higher standard of valuation.

(g) If in any contract year the gross premium charged by any ~~life insurance~~ company on any policy or contract is less than the valuation net premium for the policy or contract calculated by the method used in calculating the reserve thereon but using the minimum valuation standards of mortality and rate of interest, the minimum reserve required for such policy or contract shall be the greater of either the reserve calculated according to the mortality table, rate of interest, and method actually used for such policy or contract, or the reserve calculated by the method actually used for such policy or contract but using the minimum valuation standards of mortality and rate of interest and replacing the valuation net premium by the actual gross premium in each contract year for which the valuation net premium exceeds the actual gross premium. The minimum valuation standards of mortality and rate of interest referred to in this subsection are those standards stated in subdivisions (1), (2) and (4) of subsection (c).

Provided that for any life insurance policy issued on or after January 1, 1985, for which the gross premium in the first policy year exceeds that of the second year and for which no comparable additional benefit is provided in the first year for such excess and which provides an endowment benefit or a cash surrender value or a combination thereof in an amount greater than such excess premium, the foregoing provisions of this subsection ~~(g)~~ shall be applied as if the method actually used in calculating the reserve for such policy were the method described in subsection (d), ignoring the second paragraph of subsection (d). The minimum reserve at each policy anniversary of such a policy shall be the greater of the minimum reserve calculated in accordance with subsection (d), including the second paragraph of that subsection, and the minimum reserve calculated in accordance with this ~~subsection (g).~~subsection.

(h) In the case of any plan of life insurance which provides for future premium determination, the amounts of which are to be determined by the insurance company based on then estimates of future experience, or in the case of any plan of life insurance or annuity which is of such a nature that the minimum reserves cannot be determined by the methods described in subsections (d), ~~(d-1),~~(d1) and (g), the reserves which are held under any such plan must:

(1) Be appropriate in relation to the benefits and the pattern of premiums for that plan, and

(2) Be computed by a method which is consistent with the principles of this Standard Valuation Law, as determined by regulations promulgated by the Commissioner.

(i) ~~Every~~ Prior to the operative date of the valuation manual as specified in G.S. 58-58-51, every life insurance company doing business in this State shall annually submit the opinion of a qualified actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified by the Commissioner by rule are computed appropriately, are based on assumptions that satisfy contractual provisions, are consistent with previously reported amounts, and comply with applicable laws of this State. The Commissioner by rule shall define the specifics of this opinion and add any other items deemed to be necessary to its scope. Every life insurance company, except as exempted by or pursuant to rule, shall also annually include in the opinion required by this subsection, an opinion of the same qualified actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified by the Commissioner by rule, when considered in light of the assets held by the company with respect to the reserves and related actuarial items, including but not limited to the investment earnings on the assets and the considerations anticipated to be received and retained under the policies and contracts, make adequate provision for the company's obligations under the policies and contracts, including but not limited to the benefits under and expenses associated with the policies and contracts. The Commissioner may provide by rule for a transition period for establishing any higher reserves that the qualified actuary may deem to be necessary in order to render the opinion required by this subsection.

(j) Each opinion required by subsection (i) of this section shall be governed by the following provisions:

…

~~(7) For the purposes of this section, "qualified actuary" means a member in good standing of the American Academy of Actuaries who meets the requirement set forth in such rules.~~

…

(j1) On or after the operative date of the valuation manual, every company with outstanding life insurance contracts, annuity contracts, pure endowment contracts, accident and health insurance contracts, or deposit-type contracts in this State and subject to regulation by the Commissioner shall annually submit the opinion of the appointed actuary as to whether the reserves and related actuarial items held in support of the policies and contracts are computed appropriately, are based on assumptions that satisfy contractual provisions, are consistent with previously reported amounts, and comply with applicable laws of this State. The valuation manual shall prescribe the specifics of this opinion, including any items deemed to be necessary to its scope. Every company with outstanding life insurance contracts, annuity contracts, pure endowment contracts, accident and health insurance contracts, or deposit-type contracts in this State and subject to regulation by the Commissioner, except as exempted in the valuation manual, shall also annually include in the opinion required by this subsection an opinion of the same appointed actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified in the valuation manual, when considered in light of the assets held by the company with respect to the reserves and related actuarial items, including, but not limited to, the investment earnings on the assets and the considerations anticipated to be received and retained under the policies and contracts, make adequate provision for the company's obligations under the policies and contracts, including, but not limited to, the benefits under and expenses associated with the policies and contracts.

(j2) Each opinion required by subsection (j1) of this section shall be governed by the following provisions:

(1) A memorandum, in form and substance as specified in the valuation manual and acceptable to the Commissioner, shall be prepared to support each actuarial opinion.

(2) If the company fails to provide a supporting memorandum at the request of the Commissioner within a period specified in the valuation manual, or the Commissioner determines that the supporting memorandum provided by the company fails to meet the standards prescribed by the valuation manual or is otherwise unacceptable to the Commissioner, the Commissioner may engage a qualified actuary at the expense of the company to review the opinion and the basis for the opinion and prepare such supporting memorandum as is required by the Commissioner.

(3) The opinion shall be in form and substance as specified in the valuation manual and acceptable to the Commissioner.

(4) The opinion shall be submitted with the annual statement reflecting the valuation of such reserve liabilities for each year ending on or after the operative date of the valuation manual.

(5) The opinion shall apply to all policies and contracts subject to subsection (j1) of this section plus other actuarial liabilities as specified in the valuation manual.

(6) The opinion shall be based on standards adopted from time to time by the Actuarial Standards Board or its successor and on such additional standards as may be prescribed in the valuation manual.

(7) In the case of an opinion required to be submitted by a foreign or alien company, the Commissioner may accept the opinion filed by that company with the insurance supervisory official of another state if the Commissioner determines that the opinion reasonably meets the requirements applicable to a company domiciled in this State.

(8) Except in cases of fraud or willful misconduct, the appointed actuary shall not be liable for damages to any person (other than the company and the Commissioner) for any act, error, omission, decision, or conduct with respect to the appointed actuary's opinion.

(9) Disciplinary action by the Commissioner against the company or the appointed actuary shall be defined in rules by the Commissioner.

(k) The Commissioner shall adopt rules containing the minimum standards applicable to the valuation of accident and health ~~plans.~~insurance contracts issued prior to the operative date of the valuation manual. The Commissioner may also adopt rules for the purpose of recognizing new annuity mortality tables for use in determining reserve liabilities for annuities and may adopt rules that govern minimum valuation standards for reserves of life insurance companies. In adopting these rules, the Commissioner may consider model laws and regulations promulgated and amended from time to time by the NAIC.

(l) The Commissioner may adopt rules for life insurers for the following matters:

(1) Reserves for contracts issued by insurers.

(2) Optional smoker-nonsmoker mortality tables permitted for use in determining minimum reserve liabilities and nonforfeiture benefits.

(3) Optional blended gender mortality tables permitted for use in determining nonforfeiture benefits for individual life policies.

(4) Optional tables acceptable for use in determining reserves and minimum cash surrender values and amounts of paid-up nonforfeiture benefits.

(5) Assumptions for policyholder withdrawal rates for use in determining minimum reserve liabilities.

In adopting these rules, the Commissioner may consider model laws and regulations promulgated and amended from time to time by the NAIC.

(m) The valuation manual shall apply as described in this subsection.

(1) For policies issued on or after the operative date of the valuation manual, the standard prescribed in the valuation manual is the minimum standard of valuation required under subsections (b2) and (b3) of this section, except as provided under subdivision (5) or (7) of this subsection.

(2) The operative date of the valuation manual is specified in G.S. 58-58-51(b).

(3) Unless a change in the valuation manual specifies a later effective date, changes to the valuation manual shall be effective on January 1 of the year following the date when the change to the valuation manual has been adopted by the NAIC by an affirmative vote representing each of the following:

a. At least three-fourths of the members of the NAIC voting but not less than a majority of the total membership.

b. Members of the NAIC representing jurisdictions totaling more than seventy-five percent (75%) of the direct premiums written as reported in the following annual statements most recently available prior to the vote described in this subdivision: life, accident and health annual statements; health annual statements; and fraternal annual statements.

(4) The valuation manual must specify all of the following:

a. Minimum valuation standards for and definitions of the policies or contracts subject to subsections (b2) and (b3) of this section. Such minimum valuation standards shall be as follows:

1. The Commissioner's reserve valuation method for life insurance contracts subject to subsections (b2) and (b3) of this section.

2. The Commissioner's annuity reserve valuation method for annuity contracts subject to subsections (b2) and (b3) of this section.
3. Minimum reserves for all other policies or contracts subject to subsections (b2) and (b3) of this section.

b. The policies or contracts or types of policies or contracts that are subject to the requirements of a principle-based valuation as described in subsection (n) of this section and the minimum valuation standards consistent with those requirements.

c. For policies and contracts subject to a principle-based valuation under subsection (n) of this section, each of the following:
1. Requirements for the format of reports to the Commissioner under sub-subdivision (2)c. of subsection (n) of this section. Such reports shall include information necessary to determine if the valuation is appropriate and in compliance with this section.
2. Assumptions shall be prescribed for risks over which the company does not have significant control or influence.
3. Procedures for corporate governance and oversight of the actuarial function and a process for appropriate waiver or modification of such procedures.

d. For policies not subject to a principle-based valuation under subsection (n) of this section, the minimum valuation standard shall either:
1. Be consistent with the minimum standard of valuation prior to the operative date of the valuation manual; or
2. Develop reserves that quantify the benefits and guarantees, and the funding, associated with the contracts and their risks at a level of conservatism that reflects conditions that include unfavorable events that have a reasonable probability of occurring.

e. Other requirements, including, but not limited to, those relating to reserve methods, models for measuring risk, generation of economic scenarios, assumptions, margins, use of company experience, risk measurement, disclosure, certifications, reports, actuarial opinions and memorandums, transition rules, and internal controls.

f. The data and form of the data required under subsection (o) of this section, to whom the data must be submitted, and may specify other requirements, including data analyses and reporting of analyses.

(5) In the absence of a specific valuation requirement, or if a specific valuation requirement in the valuation manual is not, in the opinion of the Commissioner, in compliance with this section, then the company shall, with respect to such requirements, comply with minimum valuation standards prescribed by the Commissioner by rule.

(6) The Commissioner may engage a qualified actuary, at the expense of the company, to perform an actuarial examination of the company and opine on the appropriateness of any reserve assumption or method used by the company, or to review and opine on a company's compliance with any requirement set forth in this section. The Commissioner may rely upon the opinion, regarding provisions contained in this section, of a qualified actuary engaged by the insurance regulator of another state, district, or territory of the United States. As used in this subdivision, the term "engage" includes employment and contracting.

(7) The Commissioner may require a company to change any assumption or method that, in the opinion of the Commissioner, is necessary in order to comply with the requirements of the valuation manual or this section; and the company shall adjust the reserves as required by the Commissioner. The Commissioner may take other disciplinary action as specified in rules adopted by the Commissioner.

(n) The requirements of this subsection shall apply to any principle-based valuation of policies issued on or after the operative date of the valuation manual.

(1) A company using a principle-based valuation for one or more policies or contracts subject to this subsection as specified in the valuation manual must establish, for those policies and contracts, reserves that meet all of the following:

a. Quantify the benefits and guarantees, and the funding, associated with the contracts and their risks at a level of conservatism that reflects conditions that include unfavorable events that have a reasonable probability of occurring during the lifetime of the contracts. For policies or contracts with significant tail risk, the reserves shall reflect conditions appropriately adverse to quantify the tail risk.

b. Incorporate assumptions, risk analysis methods, financial models, and management techniques that are consistent with, but not necessarily identical to, those utilized within the company's overall risk assessment process, while recognizing potential differences in financial reporting structures and any prescribed assumptions or methods.

c. Incorporate assumptions that are derived in one of the following manners:

1. The assumption is prescribed in the valuation manual.

2. For assumptions that are not prescribed, the assumptions shall (i) be established utilizing the company's available experience, to the extent it is relevant and statistically credible; or (ii) to the extent that company data is not available, relevant, or statistically credible, be established utilizing other relevant, statistically credible experience.

d. Provide margins for uncertainty, including adverse deviation and estimation error, such that the greater the uncertainty, the larger the margin and resulting reserve.

(2) A company using a principle-based valuation for one or more policies or contracts subject to this subsection as specified in the valuation manual shall do the following:

a. Establish procedures for corporate governance and oversight of the actuarial valuation function consistent with those described in the valuation manual.

b. Provide to the Commissioner and the board of directors an annual certification of the effectiveness of the internal controls with respect to the principle-based valuation. Such controls shall be designed to assure that all material risks inherent in the liabilities and associated assets subject to such valuation are included in the valuation and that valuations are made in accordance with the valuation manual. The certification shall be based on the controls in place as of the end of the preceding calendar year.

c. Develop, and file with the Commissioner upon request, a principle-based valuation report that complies with standards prescribed in the valuation manual.

(o) A company shall submit mortality, morbidity, policyholder behavior, or expense experience and other data as prescribed in the valuation manual.

(p) The confidentiality of documents, materials, and other information provided to the Commissioner under this section shall be maintained as described in this subsection.

(1) For purposes of this subsection, "confidential information" shall include all of the following:

a. A memorandum in support of an opinion submitted under subsection (i) or (j1) of this section and any other documents, materials, and other information, including, but not limited to, all working papers, and copies thereof, created, produced, or obtained by or disclosed to the Commissioner or any other person in connection with such memorandum.

b. All documents, materials, and other information, including, but not limited to, all working papers, and copies thereof, created, produced, or obtained by or disclosed to the Commissioner or any other person in the course of an examination made under subdivision (6) of subsection (m) of this section; provided, however, that if an examination report or other material prepared in connection with an examination made under the Examination Law (G.S. 58-2-131 through G.S. 58-2-134) is not held as private and confidential information under the Examination Law, an examination report or other material prepared in connection with an examination made under subdivision (6) of subsection (m) of this section shall not be "confidential information" to the same extent as if such examination report or other material had been prepared under the Examination Law.

c. Any reports, documents, materials, and other information developed by a company in support of, or in connection with, an annual certification by the company under sub-subdivision (2)b. of subsection (n) of this section evaluating the effectiveness of the company's internal controls with respect to a principle-based valuation and any other documents, materials, and other information, including, but not limited to, all working papers, and copies thereof, created, produced, or obtained by or disclosed to the Commissioner or any other person in connection with such reports, documents, materials, and other information.

d. Any principle-based valuation report developed under sub-subdivision (2)c. of subsection (n) of this section and any other documents, materials, and other information, including, but not limited to, all working papers, and copies thereof, created, produced, or obtained by or disclosed to the Commissioner or any other person in connection with such report.

e. Any documents, materials, data, and other information submitted by a company under subsection (o) of this section (collectively, "experience data") and any other documents, materials, data, and other information, including, but not limited to, all working papers, and copies thereof, created or produced in connection with such experience data, in each case that includes any potentially company-identifying or personally identifiable information, that is provided to or obtained by the Commissioner (together with any

"experience data," the "experience materials") and any other documents, materials, data, and other information, including, but not limited to, all working papers, and copies thereof, created, produced, or obtained by or disclosed to the Commissioner or any other person in connection with such experience materials.

(2) Except as provided in this subsection, a company's confidential information is confidential by law and privileged, shall not be subject to or considered public record under G.S. 58-2-100 or Chapter 132 of the General Statutes, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action. However, the Commissioner is authorized to use the confidential information in the furtherance of any regulatory or legal action brought as a part of the Commissioner's official duties.

(3) Neither the Commissioner nor any person who received confidential information while acting under the authority of the Commissioner shall be permitted or required to testify in any private civil action concerning any confidential information.

(4) In order to assist in the performance of the Commissioner's duties, the Commissioner may share confidential information (i) with other state, federal, and international regulatory agencies and with the NAIC and its affiliates and subsidiaries, and (ii) in the case of confidential information specified in sub-subdivisions (1)a. and (1)d. of this subsection only, with the Actuarial Board for Counseling and Discipline or its successor upon request stating that the confidential information is required for the purpose of professional disciplinary proceedings and with state, federal, and international law enforcement officials; in the case of (i) and (ii), provided that such recipient agrees, and has the legal authority to agree, to maintain the confidentiality and privileged status of such documents, materials, data, and other information in the same manner and to the same extent as required for the Commissioner.

(5) The Commissioner may receive documents, materials, data, and other information, including otherwise confidential and privileged documents, materials, data, or information, from the NAIC and its affiliates and subsidiaries, from regulatory or law enforcement officials of other foreign or domestic jurisdictions and from the Actuarial Board for Counseling and Discipline or its successor and shall maintain as confidential or privileged any document, material, data, or other information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or other information.

(6) The Commissioner may enter into agreements governing the sharing and use of information consistent with this subsection.

(7) No waiver of any applicable privilege or claim of confidentiality in the confidential information shall occur as a result of disclosure to the Commissioner under this subsection or as a result of sharing as authorized in subdivision (4) of this subsection.

(8) A privilege established under the law of any state or jurisdiction that is substantially similar to the privilege established under this subsection shall be available and enforced in any proceeding in, and in any court of, this State.

(9) In this subsection, "regulatory agency," "law enforcement agency," and the "NAIC" include, but are not limited to, their employees, agents, consultants, and contractors.

(10) Notwithstanding subdivisions (2) through (9) of this subsection, confidential information specified in sub-subdivisions (1)a. and (1)d. of this subsection may be subject to subpoena for the purpose of defending an action seeking damages from the appointed actuary submitting the related memorandum in support of an opinion submitted under subsection (i) or (j1) of this section or a principle-based valuation report developed under sub-subdivision (2)c. of subsection (n) of this section by reason of an action required by this section or by rules promulgated by the Commissioner. Such confidential information may otherwise be released by the Commissioner with the written consent of the company. Once any portion of a memorandum in support of an opinion submitted under subsection (i) or (j1) of this section or a principle-based valuation report developed under sub-subdivision (2)c. of subsection (n) of this section is cited by the company in its marketing or is publicly volunteered to or before a governmental agency other than a state insurance department or is released by the company to the news media, all portions of such memorandum or report shall no longer be confidential.

(q) The Commissioner may exempt specific product forms or product lines of a domestic company that is licensed and doing business only in this State from the requirements of subsection (m) of this section, provided (i) the Commissioner has issued an exemption in writing to the company and has not subsequently revoked the exemption in writing and (ii) the company computes reserves using assumptions and methods used prior to the operative date of the valuation manual in addition to any requirements established by the Commissioner by rule. For any company granted an exemption under this subsection, the following subsections of this section shall be applicable: (c), (d), (d1), (e), (f), (g), (h), (i), (j), (j1), (j2), and (k), excluding any references to subsection (m) found therein.

(r) The Department shall have full authority to enter into contracts or other agreements with the National Association of Insurance Commissioners or any other state, entity, or person to fulfill the requirements of this section. Such contracts shall not be subject to Articles 3, 3C, and 8 of Chapter 143 of the General Statutes or any rules and procedures adopted under those Articles concerning procurement, contracting, and contract review."

SECTION 2. G.S. 58-58-55 reads as rewritten:

"§ **58-58-55. Standard nonforfeiture provisions.**

…

(e) (1) This subdivision (1) of subsection (e) shall not apply to policies issued on or after the operative date of subdivision (4) of subsection (e) as defined therein. Except as provided in the third paragraph of this subdivision, the adjusted premiums for any policy shall be calculated on an annual basis and shall be such uniform percentage of the respective premiums specified in the policy for each policy year, excluding any extra premiums charged because of impairments or special hazards, that the present value, at the date of issue of the policy, of all such adjusted premiums shall be equal to the sum of (i) the then present value of the future guaranteed benefits provided for by the policy; (ii) two percent (2%) of the amount of insurance, if the insurance be uniform in amount, or of the equivalent uniform amount, as hereinafter defined, if the amount of insurance varies with duration of the policy; (iii) forty percent (40%) of the adjusted premium for the first policy year; (iv) twenty-five percent (25%) of either the adjusted premium for the first policy year or the adjusted premium for a whole life policy of the same uniform or equivalent uniform amount with uniform premiums for the whole of life issued at the same age for the same amount of insurance, whichever is less. Provided, however, that in applying the percentages specified in (iii) and (iv) above, no adjusted premium shall be deemed to exceed four percent (4%) of the amount of insurance or uniform amount equivalent thereto. The date of

issue of a policy for the purpose of this subsection shall be the date as of which the rated age of the insured is determined.

In the case of a policy providing an amount of insurance varying with duration of the policy, the equivalent uniform amount thereof for the purpose of this section shall be deemed to be the uniform amount of insurance provided by an otherwise similar policy containing the same endowment benefit or benefits, if any, issued at the same age and for the same term, the amount of which does not vary with duration and the benefits under which have the same present value at the date of issue as the benefits under the policy, provided, however, that in the case of a policy providing a varying amount of insurance issued on the life of a child under age 10, the equivalent uniform amount may be computed as though the amount of insurance provided by the policy prior to the attainment of age 10 were the amount provided by such policy at age 10.

The adjusted premiums for any policy providing term insurance benefits by rider or supplemental policy provision shall be equal to (i) the adjusted premiums for an otherwise similar policy issued at the same age without such term insurance benefits, increased, during the period for which premiums for such term insurance benefits are payable, by (ii) the adjusted premiums for such term insurance, the foregoing items (i) and (ii) being calculated separately and as specified in the first two paragraphs of this subsection except that, for the purposes of (ii), (iii) and (iv) of the first such paragraph, the amount of insurance or equivalent uniform amount of insurance used in the calculation of the adjusted premiums referred to in (ii) of this paragraph shall be equal to the excess of the corresponding amount determined for the entire policy over the amount used in the calculation of the adjusted premiums in (i).

Except as otherwise provided in subdivisions (2) and (3) of this subsection, all adjusted premiums and present values referred to in this section shall for all policies of ordinary insurance be calculated on the basis of the Commissioner's 1941 Standard Ordinary Mortality Table, provided that for any category of ordinary insurance issued on female risks, adjusted premiums and present values may be calculated according to an age not more than three years younger than the actual age of the insured, and such calculations for all policies of industrial insurance shall be made on the basis of the 1941 Standard Industrial Mortality Table. All calculations shall be made on the basis of the rate of interest, not exceeding three and one-half percent (3 1/2%) per annum, specified in the policy for calculating cash surrender values and paid-up nonforfeiture benefits. Provided, however, that in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may not be more than one hundred and thirty percent (130%) of the rates of mortality according to such applicable table. Provided, further, that for insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the company and approved by the Commissioner.

…

(4) a. This subdivision shall apply to all policies issued on or after the operative date of this subdivision (4) of subsection (e) as defined herein. Except as provided in paragraph g of this subdivision, the adjusted premiums for any policy shall be calculated on an annual basis and shall be such uniform percentage of the respective

premiums specified in the policy for each policy year, excluding amounts payable as extra premiums to cover impairments or special hazards and also excluding any uniform annual contract charge or policy fee specified in the policy in a statement of the method to be used in calculating the cash surrender values and paid-up nonforfeiture benefits, that the present value, at the date of issue of the policy, of all adjusted premiums shall be equal to the sum of (i) the then present value of the future guaranteed benefits provided for by the policy; (ii) one percent (1%) of either the amount of insurance, if the insurance be uniform in amount, or the average amount of insurance at the beginning of each of the first 10 policy years; and (iii) one hundred twenty-five percent (125%) of the nonforfeiture net level premium as hereinafter defined. Provided, however, that in applying the percentage specified in (iii) above no nonforfeiture net level premium shall be deemed to exceed four percent (4%) of either the amount of insurance, if the insurance be uniform in amount, or the average amount of insurance at the beginning of each of the first 10 policy years. The date of issue of a policy for the purpose of this subdivision shall be the date as of which the rated age of the insured is determined.

…

h. All adjusted premiums and present values referred to in this section shall for all policies of ordinary insurance be calculated on the basis of (i) the Commissioner's 1980 Standard Ordinary Mortality Table or (ii) at the election of the company for any one or more specified plans of life insurance, the Commissioner's 1980 Standard Ordinary Mortality Table with Ten-Year Select Mortality Factors; shall for all policies of industrial insurance be calculated on the basis of the Commissioner's 1961 Standard Industrial Mortality Table; and shall for all policies issued in a particular calendar year be calculated on the basis of a rate of interest not exceeding the nonforfeiture interest rate as defined in this subdivision for policies issued in that calendar year. Provided, however, that:

…

6. ~~Any~~ For policies issued prior to the operative date of the valuation manual, which is defined in G.S. 58-58-51, any Commissioners Standard ordinary mortality tables, adopted after 1980 by the NAIC, that are approved by regulation promulgated by the Commissioner for use in determining the minimum nonforfeiture standard may be substituted for the Commissioner's 1980 Standard Ordinary Mortality Table with or without Ten-Year Select Mortality Factors or for the Commissioner's 1980 Extended Term Insurance Table. For policies issued on or after the operative date of the valuation manual, the valuation manual shall provide the Commissioners Standard mortality table for use in determining the minimum nonforfeiture standard that may be substituted for the Commissioners 1980 Standard Ordinary Mortality Table with or without Ten-Year Select Mortality Factors or for the Commissioners 1980 Extended Term Insurance Table. If the Commissioner approves by regulation any Commissioners Standard ordinary mortality table adopted by the NAIC for use in determining the minimum

nonforfeiture standard for policies issued on or after the operative date of the valuation manual, then that minimum nonforfeiture standard supersedes the minimum nonforfeiture standard provided by the valuation manual.

7. ~~Any~~ For policies issued prior to the operative date of the valuation manual, any Commissioners Standard industrial mortality tables, adopted after 1980 by the NAIC, that are approved by regulation promulgated by the Commissioner for use in determining the minimum nonforfeiture standard may be substituted for the Commissioner's 1961 Standard Industrial Mortality Table or the Commissioner's 1961 Industrial Extended Term Insurance Table. For policies issued on or after the operative date of the valuation manual, the valuation manual shall provide the Commissioners Standard mortality table for use in determining the minimum nonforfeiture standard that may be substituted for the Commissioners 1961 Industrial Extended Term Insurance Table. If the Commissioner approves by regulation any Commissioners Standard industrial mortality table adopted by the NAIC for use in determining the minimum nonforfeiture standard for policies issued on or after the operative date of the valuation manual, then that minimum nonforfeiture standard supersedes the minimum nonforfeiture standard provided by the valuation manual.

i. ~~The~~For policies issued prior to the operative date of the valuation manual, the nonforfeiture interest rate per annum for any policy issued in a particular calendar year shall be equal to one hundred and twenty-five percent (125%) of the calendar year statutory valuation interest rate for such policy as defined in the Standard Valuation Law, rounded to the nearer one quarter of one percent ~~(1/4 of 1%).~~(1/4 of 1%), but not less than four percent (4%). For policies issued on or after the operative date of the valuation manual, the nonforfeiture interest rate per annum for any policy issued in a particular calendar year shall be provided by the valuation manual.

…."

SECTION 3. Article 58 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"**§ 58-58-51. NAIC valuation manual operative date.**

(a) As used in the section, "valuation manual" means the manual of valuation instructions adopted by the NAIC or as subsequently amended.

(b) The operative date of the valuation manual is January 1 of the first calendar year that begins following the first July 1 as of which all of the following have occurred:

(1) The valuation manual has been adopted by the NAIC by an affirmative vote of at least 42 members, or three-fourths of the members voting, whichever is greater.

(2) The model Standard Valuation Law, as amended by the NAIC in 2009, or legislation including substantially similar terms and provisions, has been enacted by states representing more than seventy-five percent (75%) of the direct premiums written as reported in the following annual statements submitted for 2008: life, accident and health annual statements; health annual statements; and fraternal annual statements.

(3) The model Standard Valuation Law, as amended by the NAIC in 2009, or legislation including substantially similar terms and provisions, has been

enacted by at least 42 of the following 55 jurisdictions: the 50 states of the United States, American Samoa, the American Virgin Islands, the District of Columbia, Guam, and Puerto Rico."

SECTION 4. G.S. 58-58-50(j) reads as rewritten:

"(j) Each opinion required by subsection (i) of this section shall be governed by the following provisions:

(1) A memorandum, in form and substance acceptable to the Commissioner as specified by rule, shall be prepared to support each actuarial opinion.

(2) If the insurance company fails to provide a supporting memorandum at the request of the Commissioner within a period specified by rule or the Commissioner determines that the supporting memorandum provided by the insurance company fails to meet the standards prescribed by the rules or is otherwise unacceptable to the Commissioner, the Commissioner may engage a qualified actuary at the expense of the company to review the opinion and the basis for the opinion and prepare such supporting memorandum as is required by the Commissioner.

(3) The opinion shall be submitted with the annual statement reflecting the valuation of such reserve liabilities for each year ending on or after December 31, 1994.

(4) The opinion shall apply to all business in force including individual and group health insurance plans, in form and substance acceptable to the Commissioner as specified by rule.

(5) The opinion shall be based on standards adopted from time to time by the actuarial standards board and on such additional standards as the Commissioner may by rule prescribe.

(6) In the case of an opinion required to be submitted by a foreign or alien company, the Commissioner may accept the opinion filed by that company with the insurance supervisory official of another state if the Commissioner determines that the opinion reasonably meets the requirements applicable to a company domiciled in this State.

(7) For the purposes of this section, "qualified actuary" means a member in good standing of the American Academy of Actuaries who meets the requirement set forth in such rules.

(8) Except in cases of fraud or willful misconduct, the qualified actuary shall not be liable for damages to any person (other than the insurance company and the Commissioner) for any act, error, omission, decision, or conduct with respect to the actuary's opinion.

(9) Disciplinary action by the Commissioner against the company or the qualified actuary shall be defined in rules by the Commissioner.

(10) ~~Any memorandum in support of the opinion, and any other material provided by the company to the Commissioner in connection therewith, shall be kept confidential by the Commissioner and shall not be made public and shall not be subject to subpoena, other than for the purpose of defending an action seeking damages from any person by reason of any action required by this section or by rules adopted under this section; provided, however, that the memorandum or other material may otherwise be released by the Commissioner (i) with the written consent of the company or (ii) to the American Academy of Actuaries upon request stating the memorandum or other material is required for the purpose of professional disciplinary proceedings and setting forth procedures satisfactory to the Commissioner for preserving the confidentiality of the memorandum or other material. Once any portion of the confidential memorandum is cited by the company in its marketing or is cited before any governmental agency other than a state~~

~~insurance department or is released by the company to the news media, all portions of the confidential memorandum shall be no longer confidential.~~Except as provided in subdivisions (14), (15), and (16) of this subsection, documents, materials, or other information in the possession or control of the Commissioner that are included in a memorandum in support of the opinion, and any other material provided by the company to the Commissioner in connection with the opinion, shall be confidential by law and privileged, shall not be subject to or public records under G.S. 58-2-100 or Chapter 132 of the General Statutes, shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action. However, the Commissioner is authorized to use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as part of the Commissioner's official duties.

(11) Neither the Commissioner nor any person who received documents, materials, or other information while acting under the authority of the Commissioner shall be permitted or required to testify concerning any confidential documents, materials, or information subject to subdivision (10) of this subsection in any private civil action.

(12) In order to assist in the performance of the Commissioner's duties, the Commissioner may do any of the following:

a. Share documents, materials, or other information, including the confidential and privileged documents, materials, or information subject to subdivision (10) of this subsection, with other state, federal, and international regulatory agencies, with the National Association of Insurance Commissioners and its affiliates and subsidiaries, and with state, federal, and international law enforcement authorities, provided that the recipient agrees to maintain the confidentiality and privileged status of the document, material, or other information.

b. Receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information, from the National Association of Insurance Commissioners and its affiliates and subsidiaries, and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and maintain as confidential or privileged any document, material, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information.

c. Enter into agreements governing sharing and use of information consistent with subdivisions (10) through (12) of this subsection.

(13) No waiver of any applicable privilege or claim of confidentiality in the documents, materials, or information shall occur as a result of disclosure to the Commissioner under this section or as a result of sharing authorized by subdivision (12) of this subsection.

(14) A memorandum in support of an opinion, and any other material provided by the company in connection with the memorandum, may be subject to subpoena for the purpose of defending an action seeking damages from the actuary submitting the memorandum by reason of any action required by this section or by rules adopted under this section.

(15) The memorandum or other material may otherwise be released by the Commissioner (i) with the written consent of the company or (ii) to the American Academy of Actuaries upon request stating the memorandum or other material is required for the purpose of professional disciplinary

proceedings and setting forth procedures satisfactory to the Commissioner for preserving the confidentiality of the memorandum or other material.

(16) Once any portion of the confidential memorandum is cited by the company in its marketing or is cited before any governmental agency other than a state insurance department or is released by the company to the news media, all portions of the confidential memorandum shall no longer be confidential."

SECTION 5. If any section or provision of this act is declared unconstitutional, preempted, or otherwise invalid by the courts, it does not affect the validity of the act as a whole or any part other than the part so declared to be unconstitutional, preempted, or otherwise invalid.

PART II. CONFORMING AND CLARIFYING CHANGES TO VARIOUS INSURANCE LAW PROVISIONS

SECTION 6. G.S. 58-89A-60(d) reads as rewritten:

"(d) Every applicant shall furnish the Commissioner a complete set of fingerprints ~~and a recent photograph~~ of each officer, director, and controlling person in a form prescribed by the ~~Commissioner of each officer, director, and controlling person.~~Commissioner. Each set of fingerprints shall be certified by an authorized law enforcement officer.

Upon request by the Department, the Department of Public Safety shall provide to the Department from the State and National Repositories of Criminal Histories the criminal history of any applicant and the officer, director, and controlling person of any applicant. Along with the request, the Department shall provide to the Department of Public Safety the fingerprints of the person that is the subject of the request, a form signed by the person that is the subject of the request consenting to the criminal record check and use of fingerprints and other identifying information required by the State and National Repositories, and any additional information required by the Department of Public Safety. The person's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation may forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history record check. The Department shall keep all information obtained pursuant to this subsection confidential. The Department of Public Safety may charge a fee to offset the cost incurred by it to conduct a criminal record check under this section. The fee shall not exceed the actual cost of locating, editing, researching, and retrieving the information.

In the event that an applicant has secured a professional employer organization license in another state in which the professional employer organization's controlling persons have completed a criminal background investigation within 12 months of this application, a certified copy of the report from the appropriate authority of that state may satisfy the requirement of this subsection. This subsection also applies to a change in a controlling party of a professional employer organization. For purposes of investigation under this subsection, the Commissioner shall have all the power conferred by G.S. 58-2-50 and other applicable provisions of this Chapter."

SECTION 7. G.S. 58-5-55(a) reads as rewritten:

"(a) In addition to other requirements of Articles 1 through 64 of this Chapter, all domestic stock insurance companies shall deposit their required statutory capital with the ~~Commissioner.~~Commissioner, and all domestic nonstock insurance companies shall deposit their required statutory surplus with the Commissioner. Such deposits shall be under the exclusive control of the Commissioner for the protection of policyholders."

SECTION 8. G.S. 58-64-80 reads as rewritten:

"§ **58-64-80. Advisory Committee.**

There shall be a nine member Continuing Care Advisory Committee appointed by the Commissioner. The Committee shall consist of at least two residents of facilities, two representatives of ~~the North Carolina Association of Nonprofit Homes for the Aging,~~LeadingAge North Carolina, one individual who is a certified public accountant and is

licensed to practice in this State, one individual skilled in the field of architecture or engineering, and one individual who is a health care professional."

SECTION 9. G.S. 58-50-82(b)(1) reads as rewritten:

"§ **58-50-82. Expedited external review.**

…

(1) Notify the insurer that made the noncertification, noncertification appeal decision, or second-level grievance review decision which is the subject of the request that the request has been received and provide a copy of the request. The Commissioner shall also request any information from the insurer necessary to make the preliminary review set forth in G.S. 58-50-80(b)(2) and require the insurer to deliver the information not later than one ~~business~~ day after the request was made."

SECTION 10. G.S. 58-3-50 reads as rewritten:

"§ **58-3-50. Companies must do business in own name; emblems, insignias, etc.**

Every insurance company or group of companies must conduct its business in the State in, and the policies and contracts of insurance issued by it shall be headed or entitled only by, its proper or corporate name or names. There shall not appear on the policy anything that would indicate that it is the obligation of any other than the company or companies responsible for the payment of losses under the policy, though it will be permissible to stamp or print on the policy, the name or names of the department or general agency issuing the same, and the group of companies with which the company is financially affiliated. The use of any emblem, insignia, or anything other than the true and proper corporate name of the company or group of companies shall be permitted only with the approval of the ~~Commissioner.~~Commissioner; provided that, with the exception of policies subject to the provisions of Article 36 of this Chapter, a coverage within a policy may be issued by more than one company, so long as the policy clearly identifies the company responsible for each coverage."

PART III. REVISION TO INSURANCE POLICY RENEWAL PROVISION

SECTION 11. G.S. 58-41-20 is amended by adding a new subsection to read:

"§ **58-41-20. Notice of nonrenewal, premium rate increase, or change in coverage required.**

…

(g) Delivery by an insurer of a policy superseding a policy previously issued by the insurer at the end of the previously issued policy period is not a refusal to renew when it is delivered by:

(1) The same insurer; or

(2) An affiliate or subsidiary, as those terms are defined in G.S. 58-19-5, that has a financial strength rating, issued by an industry-recognized independent insurance rating company, which financial strength rating is at least as good as the insurer issuing the superseded policy. The provisions of G.S. 58-41-25 apply to the affiliate or subsidiary as if it were the same insurer issuing the policy."

PART IV. AMENDMENT TO DEFINITION OF SMALL EMPLOYER

SECTION 12. Section 4(b) of S.L. 2013-357 reads as rewritten:

"**SECTION 4.(b)** G.S. 58-50-110 reads as rewritten:

"§ **58-50-110. Definitions.**

As used in this Act:

…

(22b) "Small employer" means, in connection with a nongrandfathered nontransitional group health plan with respect to a calendar year and a plan year, an employer who ~~employed an average of at least one but not more than 100 employees on business days during the preceding calendar year and~~

~~who employs at least one employee on the first day of the plan year.~~meets the definition of small employer under 42 U.S.C. § 18024(b). The number of employees shall be determined using the method set forth in section 4980H(c)(2) of the Internal Revenue Code.

…."

PART V. TECHNICAL CORRECTIONS

SECTION 13. Section 6 of S.L. 2015-146 reads as rewritten:

"**SECTION 6.** ~~Sections 1 and 3~~ Part I of this act ~~become~~ becomes effective July 1, 2015. Section 2 of this act becomes effective January 1, 2017. Section 5 of this act becomes effective July 1, 2015, and applies to optional enhancements, as described in that section, filed and approved on or after that date. The remainder of this act is effective when it becomes law."

SECTION 14. Section 7 of S.L. 2015-101 reads as rewritten:

"**SECTION 7.** ~~This~~ Sections 4, 5, and 6 of this act become effective January 1, 2017. The remainder of this act is effective when it becomes law."

SECTION 15. Sections 1 and 2 of Part I of this act become effective on the operative date of the manual of valuation instructions adopted by the National Association of Insurance Commissioners as provided in G.S. 58-58-51. The remainder of Part I of this act is effective when this act becomes law. Section 9 of Part II of this act becomes effective on January 1, 2016. The remainder of Part II of this act is effective when this act becomes law. Part III of this act is effective when this act becomes law. Part IV of this act becomes effective on January 1, 2016. Part V of this act is effective when this act becomes law.

In the General Assembly read three times and ratified this the 23rd day of September, 2015.

Became law upon approval of the Governor at 8:40 a.m. on the 22nd day of October, 2015.

Session Law 2015-282 **S.B. 238**

AN ACT TO PROVIDE THAT A PERSON COMMITS THE OFFENSE OF CYBERSTALKING IF THE PERSON KNOWINGLY INSTALLS OR PLACES A TRACKING DEVICE WITHOUT CONSENT AND USES THE DEVICE TO TRACK THE LOCATION OF AN INDIVIDUAL.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 14-196.3 reads as rewritten:

"§ **14-196.3. Cyberstalking.**

(a) The following definitions apply in this section:

(1) Electronic communication. – Any transfer of signs, signals, writing, images, sounds, data, or intelligence of any nature, transmitted in whole or in part by a wire, radio, computer, electromagnetic, photoelectric, or photo-optical system.

(2) Electronic mail. – The transmission of information or communication by the use of the Internet, a computer, a facsimile machine, a pager, a cellular telephone, a video recorder, or other electronic means sent to a person identified by a unique address or address number and received by that person.

(3) Electronic tracking device. – An electronic or mechanical device that permits a person to remotely determine or track the position and movement of another person.

(4) Fleet vehicle. – Any of the following: (i) one or more motor vehicles owned by a single entity and operated by employees or agents of the entity for business or government purposes, (ii) motor vehicles held for lease or rental

to the general public, or (iii) motor vehicles held for sale, or used as demonstrators, test vehicles, or loaner vehicles, by motor vehicle dealers.

(b) It is unlawful for a person to:

(1) Use in electronic mail or electronic communication any words or language threatening to inflict bodily harm to any person or to that person's child, sibling, spouse, or dependent, or physical injury to the property of any person, or for the purpose of extorting money or other things of value from any person.

(2) Electronically mail or electronically communicate to another repeatedly, whether or not conversation ensues, for the purpose of abusing, annoying, threatening, terrifying, harassing, or embarrassing any person.

(3) Electronically mail or electronically communicate to another and to knowingly make any false statement concerning death, injury, illness, disfigurement, indecent conduct, or criminal conduct of the person electronically mailed or of any member of the person's family or household with the intent to abuse, annoy, threaten, terrify, harass, or embarrass.

(4) Knowingly permit an electronic communication device under the person's control to be used for any purpose prohibited by this section.

(5) Knowingly install, place, or use an electronic tracking device without consent, or cause an electronic tracking device to be installed, placed, or used without consent, to track the location of any person. The provisions of this subdivision do not apply to the installation, placement, or use of an electronic tracking device by any of the following:

a. A law enforcement officer, judicial officer, probation or parole officer, or employee of the Division of Corrections, Department of Public Safety, when any such person is engaged in the lawful performance of official duties and in accordance with State or federal law.

b. The owner or lessee of any vehicle on which the owner or lessee installs, places, or uses an electronic tracking device, unless the owner or lessee is subject to (i) a domestic violence protective order under Chapter 50B of the General Statutes or (ii) any court order that orders the owner or lessee not to assault, threaten, harass, follow, or contact a driver or occupant of the vehicle.

c. A legal guardian for a disabled adult, as defined in G.S. 108A-101(d), or a legally authorized individual or organization designated to provide protective services to a disabled adult pursuant to G.S. 108A-105(c), when the electronic tracking device is installed, placed, or used to track the location of the disabled adult for which the person is a legal guardian or the individual or organization is designated to provide protective services.

d. The owner of fleet vehicles, when tracking such vehicles.

e. A creditor or other secured party under a retail installment agreement involving the sale of a motor vehicle or the lessor under a retail lease of a motor vehicle, and any assignee or successor in interest to that creditor, secured party, or lessor, when tracking a motor vehicle identified as security under the retail installment sales agreement or leased pursuant to a retail lease agreement, including the installation, placement, or use of an electronic tracking device to locate and remotely disable the motor vehicle, with the express written consent of the purchaser, borrower, or lessee of the motor vehicle.

f. The installation, placement, or use of an electronic tracking device authorized by an order of a State or federal court.

g. A motor vehicle manufacturer, its subsidiary, or its affiliate that installs or uses an electronic tracking device in conjunction with providing a vehicle subscription telematics service, provided that the customer subscribes or consents to that service.

h. A parent or legal guardian of a minor when the electronic tracking device is installed, placed, or used to track the location of that minor unless the parent or legal guardian is subject to a domestic violence protective order under Chapter 50B of the General Statutes or any court order that orders the parent or legal guardian not to assault, threaten, harass, follow, or contact that minor or that minor's parent, legal guardian, custodian, or caretaker as defined in G.S. 7B-101.

i. An employer, when providing a communication device to an employee or contractor for use in connection with his or her work for the employer.

j. A business, if the tracking is incident to the provision of a product or service requested by the person, except as limited in sub-subdivision k. of this subdivision.

k. A private detective or private investigator licensed under Chapter 74C of the General Statutes, provided that (i) the tracking is pursuant to authority under G.S. 74C-3(a)(8), (ii) the tracking is not otherwise contrary to law, and (iii) the person being tracked is not under the protection of a domestic violence protective order under Chapter 50B of the General Statutes or any other court order that protects against assault, threat, harassment, following, or contact.

(c) Any offense under this section committed by the use of electronic mail or electronic communication may be deemed to have been committed where the electronic mail or electronic communication was originally sent, originally received in this State, or first viewed by any person in this State.

(d) Any person violating the provisions of this section shall be guilty of a Class 2 misdemeanor.

(e) This section does not apply to any peaceable, nonviolent, or nonthreatening activity intended to express political views or to provide lawful information to others. This section shall not be construed to impair any constitutionally protected activity, including speech, protest, or assembly."

SECTION 2. This act becomes effective December 1, 2015, and applies to offenses committed on or after that date.

In the General Assembly read three times and ratified this the 28th day of September, 2015.

Became law upon approval of the Governor at 8:41 a.m. on the 22nd day of October, 2015.

Session Law 2015-283 **S.B. 195**

AN ACT TO PROVIDE A LEGAL FRAMEWORK FOR THE SALE AND REGULATION OF MOTOR VEHICLE ANCILLARY ANTI-THEFT PROTECTION CONTRACTS IN NORTH CAROLINA.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 66-370 reads as rewritten:

"§ **66-370. Motor vehicle service agreement companies.**

(a) This section applies to all motor vehicle service agreement companies soliciting business in this State, but it does not apply to maintenance agreements, performance guarantees, warranties, or motor vehicle service agreements made by

(1) A manufacturer,
(2) A distributor, or
(3) A subsidiary or affiliate of a manufacturer or a distributor, where fifty-one percent (51%) or more of the subsidiary or affiliate is owned directly or indirectly by
a. The manufacturer,
b. The distributor, or
c. The common owner of fifty-one percent (51%) or more of the manufacturer or distributor

in connection with the sale of motor vehicles. This section does not apply to any motor vehicle dealer licensed to do business in this State (i) whose primary business is the retail sale and service of motor vehicles; (ii) who makes and administers its own service agreements with or without association with a third-party administrator or who makes its own service agreements in association with a manufacturer, distributor, or their subsidiaries or affiliates; and (iii) whose service agreements cover only vehicles sold by the dealer to its retail customer; provided that the dealer complies with G.S. 66-372 and G.S. 66-373. A motor vehicle dealer who sells a motor vehicle service agreement to a consumer, as defined in 15 U.S.C. § 2301(3), is not deemed to have made a written warranty to the consumer with respect to the motor vehicle sold or to have entered into a service contract with the consumer that applies to the motor vehicle, as provided in 15 U.S.C. § 2308(a), if: (i) the motor vehicle dealer acts as a mere agent of a third party in selling the motor vehicle service agreement; and (ii) the motor vehicle dealer would, after the sale of the motor vehicle service agreement, have no further obligation under the motor vehicle service agreement to the consumer to service or repair the vehicle sold to the consumer at or within 90 days before the dealer sold the motor vehicle service agreement to the consumer. An agreement whereby an employer, or a third party contracted by the employer, provides mileage reimbursement and incidental maintenance and repairs to its employees for personal vehicles used for business purposes shall not be considered a motor vehicle service agreement or a contract of insurance.

(b) The following definitions apply in this section and in G.S. 66-371, 66-372, and 66-373:

(1) Ancillary anti-theft protection program. – A device or system that (i) is installed on or applied to a motor vehicle, (ii) is designed to prevent loss or damage to a motor vehicle from theft, and (iii) includes an ancillary anti-theft protection program warranty. For purposes of this section, the term "ancillary anti-theft protection program" includes alarm systems, body part marking products, steering locks, window etch products, pedal and ignition locks, fuel and ignition kill switches, and electronic, radio, and satellite tracking devices. "Ancillary anti-theft protection program" does not include fuel additives, oil additives, or other chemical products applied to the engine, transmission, or fuel system or interior or exterior surfaces of a motor vehicle.

(1a) Ancillary anti-theft protection program warranty. – A written agreement by a warrantor that provides if the ancillary anti-theft protection program fails to prevent loss or damage to a motor vehicle from a theft, that the warrantor will pay to or on behalf of the warranty holder specified incidental costs, as a result of the failure of the ancillary anti-theft protection program to perform pursuant to the terms of the ancillary anti-theft protection program warranty. Incidental costs may be reimbursed in either a fixed amount specified in the

ancillary anti-theft protection program warranty or by use of a formula itemizing specific incidental costs incurred by the warranty holder.

~~(1)~~(1b) Authorized insurer. – An insurance company authorized to write liability insurance under Articles 7, 16, 21, or 22 of Chapter 58 of the General Statutes.

(2) Distributor. – Defined in G.S. 20-286(3).

(3) Licensed insurer. – An insurance company licensed to write liability insurance under Article 7 or 16 of Chapter 58 of the General Statutes.

(4) Motor vehicle. – Defined in G.S. 20-4.01(23), but also including mopeds as defined in G.S. 20-4.01(27)d1.

(4a) Motor vehicle failure. – The failure of a mechanical or other component part of the motor vehicle arising out of the ownership, operation, or use of the vehicle.

(5) Motor vehicle service agreement. –

a. Any contract or agreement (i) indemnifying the motor vehicle service agreement holder against loss caused by ~~failure, arising out of the ownership, operation, or use of a motor vehicle, of a mechanical or other component part of the motor vehicle~~a motor vehicle failure that is listed in the ~~agreement.~~agreement or (ii) providing for the repair of a motor vehicle failure that is listed in the agreement.

b. A motor vehicle service agreement includes a contract or agreement to perform or to indemnify the holder of the motor vehicle service agreement for performance of any of the following services:

1. The repair or replacement of tires or wheels on a motor vehicle damaged as a result of coming into contact with road hazards.
2. The removal of dents, dings, or creases on a motor vehicle that can be repaired using the process of paintless dent removal without affecting the existing paint or finish and without replacing vehicle body panels, sanding, bonding, or painting.
3. The repair of chips or cracks in or the replacement of motor vehicle windshields as a result of damage caused by road hazards.
4. The replacement of a motor vehicle key or key fob in the event that the key or key fob becomes inoperable or is lost or stolen.
5. Other services which may be approved by the Commissioner of Insurance, if not inconsistent with other provisions of this Article.

c. ~~The term~~A motor vehicle service agreement does not ~~mean~~ include a contract or agreement guaranteeing the performance of parts or lubricants manufactured or distributed by the guarantor and sold for use in connection with a motor vehicle where no additional consideration is paid or given to the guarantor for the contract or agreement beyond the price of the parts or lubricants.

(6) Motor vehicle service agreement company. – Any person that issues motor vehicle service agreements and that is not a licensed insurer.

…."

SECTION 2. G.S. 58-1-15 reads as rewritten:

"§ **58-1-15. Warranties by manufacturers, distributors, or sellers of goods or services.**

…

(b) Any ~~warranty~~ warranty, including ancillary anti-theft protection program warranties as defined by G.S. 66-370(b)(1a), made solely by a manufacturer, distributor, or seller of goods or services without charge, or an extended warranty offered as an option and made solely by a manufacturer, distributor, or seller of goods or services for charge, that guarantees indemnity for defective parts, mechanical or electrical breakdown, labor, or any other remedial measure, including replacement of goods or repetition of services, shall not be a contract of insurance under Articles 1 through 64 of this Chapter; however, service agreements on motor vehicles are governed by G.S. 66-370, 66-372, and 66-373. Service agreements on home appliances are governed by G.S. 66-371, 66-372, and 66-373.

(b1) Service agreements on home appliances or on motor vehicles offered in compliance with Article 43 of Chapter 66 of the General Statutes shall not be contracts of insurance and shall be exempt from all provisions of this Chapter unless otherwise expressly provided.

…."

SECTION 3. G.S. 66-372(e)(2) reads as rewritten:

"(2) With respect to a motor vehicle service agreement as defined in ~~G.S. 66-370(b)(1),~~G.S. 66-370, provide for a right of assignability by the consumer to a subsequent purchaser before expiration of coverage if the subsequent purchaser meets the same criteria for motor vehicle service agreement acceptability as the original purchaser; and"

SECTION 4. This act becomes effective October 1, 2015.

In the General Assembly read three times and ratified this the 28th day of September, 2015.

Became law upon approval of the Governor at 8:42 a.m. on the 22nd day of October, 2015.

Session Law 2015-284 **H.B. 712**

AN ACT TO DIRECT THE STATE BUREAU OF INVESTIGATION TO ESTABLISH AND IMPLEMENT A USED NEEDLE AND HYPODERMIC SYRINGE DISPOSAL PILOT PROGRAM.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Pilot Program. – By no later than December 1, 2015, the State Bureau of Investigation, in consultation and collaboration with the North Carolina Harm Reduction Coalition, shall establish and implement a used needle and hypodermic syringe disposal pilot program. The pilot program shall offer the free disposal of used needles and hypodermic syringes to reduce the spread of HIV, AIDS, viral hepatitis, and other bloodborne diseases through needle stick injuries resulting from physical contact with improperly discarded used needles and hypodermic syringes. The pilot program shall include all of the following:

(1) Reasonable and adequate security of disposal sites and equipment.

(2) An accounting of the approximate number of used needles and hypodermic syringes returned and disposed of.

(3) Within each of the counties chosen pursuant to subsection (b) of this section, a general report of the availability of relevant educational materials; HIV and viral hepatitis counseling and testing; referral services to provide education regarding HIV, AIDS, and viral hepatitis transmission; and drug abuse prevention and treatment counseling and referral services.

SECTION 1.(b) Sites. – The State Bureau of Investigation shall select two counties in which to operate the pilot program initially but may select up to four counties total in which to operate the pilot program after successful demonstration of the pilot in at least two counties. The State Bureau of Investigation shall collaborate with the local health departments and local law enforcement agencies of the counties when implementing and operating the pilot program established under this section.

SECTION 1.(c) Limited Immunity. – Any person participating in the pilot program established under this section shall not be charged with or prosecuted for possession of drug paraphernalia for any used needle or hypodermic syringe returned and disposed of, or for residual amounts of a controlled substance contained in the used needle or hypodermic syringe returned and disposed of. The limited immunity under this subsection does not apply to the possession of needles or hypodermic syringes that are not a part of the pilot program established under this section.

SECTION 1.(d) Report. – No later than one year after implementing the pilot program required by this section, the State Bureau of Investigation shall report the results of the pilot program to the chairs of the Joint Legislative Oversight Committee on Health and Human Services and the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety. If the State Bureau of Investigation deems the initial pilot program in two counties a success, the report may include a recommendation to continue the pilot in those counties for an additional year and may include a recommendation to add two additional counties to the pilot program; this would allow the extension of the pilot program for an additional year, and at the conclusion of that second year, the State Bureau of Investigation shall provide another report to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Oversight Committee on Justice and Public Safety.

SECTION 1.(e) Expiration. – The pilot program required by this section shall expire upon the submission of the report required by subsection (d) of this section.

SECTION 2. G.S. 90-113.22(c) reads as rewritten:

"(c) Prior to searching a person, a person's premises, or a person's vehicle, an officer may ask the person whether the person is in possession of a hypodermic needle or other sharp object that may cut or puncture the officer or whether such a hypodermic needle or other sharp object is on the premises or in the vehicle to be searched. If there is a hypodermic needle or other sharp object on the person, on the person's premises, or in the person's vehicle and the person alerts the officer of that fact prior to the search, the person shall not be charged with or prosecuted for possession of drug paraphernalia for the needle or sharp ~~object.~~object, or for residual amounts of a controlled substance contained in the needle or sharp object. The exemption under this subsection does not apply to any other drug paraphernalia that may be present and found during the search. For purposes of this subsection, the term "officer" includes "criminal justice officers" as defined in G.S. 17C-2(3) and a "justice officer" as defined in G.S. 17E-2(3)."

SECTION 3. Section 2 of this act becomes effective December 1, 2015. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 21st day of September, 2015.

Became law upon approval of the Governor at 8:43 a.m. on the 22nd day of October, 2015.

Session Law 2015-285 **S.B. 379**

AN ACT RELATING TO CEMETERIES LOCATED ON LANDS OWNED, OCCUPIED, OR CONTROLLED BY THE STATE.

The General Assembly of North Carolina enacts:

SECTION 1. Article 2 of Chapter 70 of the General Statutes is amended by adding a new section to read:

"§**70-21. Cemeteries on State lands.**

(a) To preserve the sanctity of cemeteries located on State lands, the head of each State agency shall have the following duties and responsibilities:

(1) To identify and inventory all known cemeteries on State lands allocated to that State agency.

(2) To furnish a copy of the inventory to the State Property Office and the Department of Cultural Resources.

(b) State agencies are not required to provide State funds or other resources to maintain cemeteries on State land, except when required by law, regulation, or ordinance; directed by court order; or necessary to correct a known safety hazard to the public.

(c) State agencies may allow a family member or other interested person to maintain cemeteries and erect signs, fencing, grave markers, monuments, and tombstones within the designated boundaries of the cemetery if this activity does not constitute a safety hazard to the public. The family member or person shall obtain approval from the respective State agency and shall be responsible for any expense incurred by the activity."

SECTION 2. This act is effective when it becomes law.

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

Became law upon approval of the Governor at 8:44 a.m. on the 22nd day of October, 2015.

Session Law 2015-286 **H.B. 765**

AN ACT TO PROVIDE FURTHER REGULATORY RELIEF TO THE CITIZENS OF NORTH CAROLINA BY PROVIDING FOR VARIOUS ADMINISTRATIVE REFORMS, BY ELIMINATING CERTAIN UNNECESSARY OR OUTDATED STATUTES AND REGULATIONS AND MODERNIZING OR SIMPLIFYING CUMBERSOME OR OUTDATED REGULATIONS, AND BY MAKING VARIOUS OTHER STATUTORY CHANGES.

The General Assembly of North Carolina enacts:

PART I. ADMINISTRATIVE REFORMS

REPEAL OBSOLETE STATUTES

SECTION 1.1. The following statutes are repealed:

(1) G.S. 14-197. Using profane or indecent language on public highways; counties exempt.

(2) G.S. 14-401.8. Refusing to relinquish party telephone line in emergency; false statement of emergency.

BURDEN OF PROOF IN CERTAIN CONTESTED CASES

SECTION 1.2.(a) Article 3 of Chapter 150B of the General Statutes is amended by adding a new section to read:

"**§ 150B-25.1. Burden of proof.**

(a) Except as otherwise provided by law or by this section, the petitioner in a contested case has the burden of proving the facts alleged in the petition by a preponderance of the evidence.

(b) In a contested case involving the imposition of civil fines or penalties by a State agency for violation of the law, the burden of showing by clear and convincing evidence that the person who was fined actually committed the act for which the fine or penalty was imposed rests with the State agency.

(c) The burden of showing by a preponderance of the evidence that a career State employee subject to Chapter 126 of the General Statutes was discharged, suspended, or demoted for just cause rests with the agency employer."

SECTION 1.2.(b) The Joint Legislative Administrative Procedure Oversight Committee shall study whether there are other categories of contested cases in which the burden of proof should be placed with the agency.

SECTION 1.2.(c) This section is effective when this act becomes law and applies to contested cases commenced on or after that date.

LEGISLATIVE APPOINTMENTS

SECTION 1.3.(a) G.S. 120-121 is amended by adding two new subsections to read:

"(e) The following applies in any case where the Speaker of the House of Representatives or the President Pro Tempore of the Senate is directed by law to make a recommendation for an appointment by the General Assembly, and the legislator is also directed to make the recommendation in consultation with or upon the recommendation of a third party:

(1) The recommendation or consultation is discretionary and is not binding upon the legislator.

(2) The third party must submit the recommendation or consultation at least 60 days prior to the expiration of the term or within 10 business days from the occurrence of a vacancy.

(3) Failure by the third party to submit the recommendation or consultation to the legislator within the time periods required under this subsection shall be deemed a waiver by the third party of the opportunity.

(f) The following applies in any case where the Speaker of the House of Representatives or the President Pro Tempore of the Senate is directed by law to make a recommendation for an appointment by the General Assembly, and the legislator is also directed to make the recommendation from nominees provided by a third party:

(1) The third party must submit the nominees at least 60 days prior to the expiration of the term or within 10 business days from the occurrence of a vacancy.

(2) Failure by the third party to submit the nomination to the legislator within the time periods required under this subsection shall be deemed a waiver by the third party of the opportunity."

SECTION 1.3.(b) Article 16 of Chapter 120 of the General Statutes is amended by adding a new section to read:

"**§ 120-124. Appointments made by legislators.**

(a) In any case where a legislator is called upon by law to appoint a member to a board or commission upon the recommendation of or in consultation with a third party, the recommendation or consultation is discretionary and is not binding upon the legislator. The third party must submit the recommendation or consultation at least 60 days prior to the expiration of the term or within 10 business days from the occurrence of a vacancy.

(b) In any case where a legislator is called upon by law to appoint a member to a board or commission from nominees provided by a third party, the third party must submit the nominees at least 60 days prior to the expiration of the term or within 10 business days from the occurrence of a vacancy. This subsection does not apply to nominations made under G.S. 120-99(a) or G.S. 120-100(b).

(c) Failure to submit the recommendation, consultation, or nomination within the time periods required under this section shall be deemed a waiver by the third party of the opportunity."

SECTION 1.3.(c) This section is effective when this act becomes law and applies to recommendations, consultations, and nominations made on or after that date.

OCCUPATIONAL LICENSING BOARD INVESTIGATORS AND INSPECTORS

SECTION 1.5. Chapter 93B of the General Statutes is amended by adding a new section to read:

"**§ 93B-8.2. Prohibit licensees from serving as investigators.**

No occupational licensing board shall contract with or employ a person licensed by the board to serve as an investigator or inspector if the licensee is actively practicing in the profession or occupation and is in competition with other members of the profession or occupation over which the board has jurisdiction. Nothing in this section shall prevent a board

from (i) employing licensees who are not otherwise employed in the same profession or occupation as investigators or inspectors or for other purposes or (ii) contracting with licensees of the board to serve as expert witnesses or consultants in cases where special knowledge and experience is required, provided that the board limits the duties and authority of the expert witness or consultant to serving as an information resource to the board and board personnel."

NO FISCAL NOTE REQUIRED FOR LESS STRINGENT RULES

SECTION 1.6.(a) G.S. 150B-21.3A(d) reads as rewritten:

"(d) Timetable. – The Commission shall establish a schedule for the review and readoption of existing rules in accordance with this section on a decennial basis as follows:

…

(2) With regard to the readoption of rules as required by sub-subdivision (c)(2)g. of this section, once the final determination report becomes effective, the Commission shall establish a date by which the agency must readopt the rules. The Commission shall consult with the agency and shall consider the agency's rule-making priorities in establishing the readoption date. The agency may amend a rule as part of the readoption process. If a rule is readopted without substantive ~~change,~~ change or if the rule is amended to impose a less stringent burden on regulated persons, the agency is not required to prepare a fiscal note as provided by G.S. 150B-21.4."

SECTION 1.6.(b) This section is effective when this act becomes law and applies to periodic review of existing rules occurring pursuant to G.S. 150B-21.3A on or after that date.

APO TO MAKE RECOMMENDATIONS ON OCCUPATIONAL LICENSING BOARD CHANGES

SECTION 1.7. Pursuant to G.S. 120-70.101(3a), the Joint Legislative Administrative Procedure Oversight Committee (APO) shall review the recommendations contained in the Joint Legislative Program Evaluation Oversight Committee's report, entitled "Occupational Licensing Agencies Should Not be Centralized, but Stronger Oversight is Needed," to determine the best way to accomplish the recommendations contained in the report and to improve oversight of occupational licensing boards. In conducting the review, APO shall consult with occupational licensing boards, licensees, associations representing licensees, the Department of Commerce, and other interested parties. The APO cochairs may establish subcommittees to assist with various parts of the review, including determining whether licensing authority should be continued for the 12 boards identified in the report. The APO shall propose legislation to the 2016 Regular Session of the 2015 General Assembly.

TECHNICAL CORRECTIONS

SECTION 1.8.(a) G.S. 20-116 reads as rewritten:

"§ **20-116. Size of vehicles and loads.**

…

(g) …

(3) A truck, trailer, or other ~~vehicle:~~

~~a.~~ ~~Licensed~~ vehicle licensed for 7,500 pounds or less gross vehicle weight and loaded with rock, gravel, stone, or any other similar substance that could fall, blow, leak, or sift, or licensed for any gross vehicle weight and loaded with ~~sand; or~~sand,

~~b. Licensed for 7,500 pounds or less gross vehicle weight and loaded with rock, gravel, stone, or any other similar substance that could fall, blow, leak, sift, or drop;~~

shall not be driven or moved on any highway unless:

a. The height of the load against all four walls does not extend above a horizontal line six inches below the top when loaded at the loading point;

b. The load is securely covered by tarpaulin or some other suitable covering; or

c. The vehicle is constructed to prevent any of its load from falling, dropping, sifting, leaking, blowing, or otherwise escaping therefrom.

…."

SECTION 1.8.(b) If House Bill 44, 2015 Regular Session becomes law, then House Bill 44 is amended by adding a new section to read:

"**SECTION 3.1.(a)** G.S. 160A-381(c) reads as rewritten:

"(c) The regulations may also provide that the board of adjustment, the planning board, or the city council may issue special use permits or conditional use permits in the classes of cases or situations and in accordance with the principles, conditions, safeguards, and procedures specified therein and may impose reasonable and appropriate conditions and safeguards upon these permits. Conditions and safeguards imposed under this subsection shall not include requirements for which the city does not have authority under statute to regulate nor requirements for which the courts have held to be unenforceable if imposed directly by the city. When deciding special use permits or conditional use permits, the city council or planning board shall follow quasi-judicial procedures. Notice of hearings on special or conditional use permit applications shall be as provided in G.S. 160A-388(a2). No vote greater than a majority vote shall be required for the city council or planning board to issue such permits. For the purposes of this section, vacant positions on the board and members who are disqualified from voting on a quasi-judicial matter shall not be considered "members of the board" for calculation of the requisite majority. Every such decision of the city council or planning board shall be subject to review of the superior court in the nature of certiorari in accordance with G.S. 160A-388.

Where appropriate, such conditions may include requirements that street and utility rights-of-way be dedicated to the public and that provision be made of recreational space and facilities."

"**SECTION 3.1.(b)** G.S. 153A-340(c1) reads as rewritten:

"(c1) The regulations may also provide that the board of adjustment, the planning board, or the board of commissioners may issue special use permits or conditional use permits in the classes of cases or situations and in accordance with the principles, conditions, safeguards, and procedures specified therein and may impose reasonable and appropriate conditions and safeguards upon these permits. Conditions and safeguards imposed under this subsection shall not include requirements for which the county does not have authority under statute to regulate nor requirements for which the courts have held to be unenforceable if imposed directly by the county. Where appropriate, the conditions may include requirements that street and utility rights-of-way be dedicated to the public and that recreational space be provided. When deciding special use permits or conditional use permits, the board of county commissioners or planning board shall follow quasi-judicial procedures. Notice of hearings on special or conditional use permit applications shall be as provided in G.S. 160A-388(a2). No vote greater than a majority vote shall be required for the board of county commissioners or planning board to issue such permits. For the purposes of this section, vacant positions on the board and members who are disqualified from voting on a quasi-judicial matter shall not be considered "members of the board" for calculation of the requisite majority. Every such decision of the board of county commissioners or planning board shall be subject to review of the superior court in the nature of certiorari consistent with G.S. 160A-388.""

SECTION 1.8.(c) If House Bill 44, 2015 Regular Session becomes law, then G.S. 153A-457 reads as rewritten:

"§ **153A-457. Notice prior to construction.**

(a) A county shall notify the property owners and adjacent property owners prior to commencement of any construction project by the county.

(b) Notice under this section shall be in writing at least 15 days prior to the commencement of construction, except in any of the following instances:

(1) If the construction is ~~a repair~~ of an emergency nature, the notice may be given by any means, including verbally, that the county has for contacting the property owner within a reasonable time prior to, or after, commencement of the ~~repair.~~construction.
(2) The property owner requests action of the county that requires construction activity.
(3) The property owner consents to less than 15 days' notice.
(4) Notice of the construction project is given in any open meeting of the county prior to the commencement of the construction project.

(c) For purposes of this section, "construction" shall mean the building, erection, or establishment of new buildings, facilities, and infrastructure and shall not include routine maintenance and repair."

SECTION 1.8.(d) If House Bill 44, 2015 Regular Session becomes law, then G.S. 160A-499.4 reads as rewritten:

"§ **160A-499.4. Notice prior to construction.**

(a) A city shall notify the property owners and adjacent property owners prior to commencement of any construction project by the city.

(b) Notice under this section shall be in writing at least 15 days prior to the commencement of construction, except in any of the following instances:

(1) If the construction is ~~a repair~~ of an emergency nature, the notice may be given by any means, including verbally, that the city has for contacting the property owner within a reasonable time prior to, or after, commencement of the ~~repair.~~construction.
(2) The property owner requests action of the city that requires construction activity.
(3) The property owner consents to less than 15 days' notice.
(4) Notice of the construction project is given in any open meeting of the city prior to the commencement of the construction project.

(c) For purposes of this section, "construction" shall mean the building, erection, or establishment of new buildings, facilities, and infrastructure and shall not include routine maintenance and repair."

PART II. BUSINESS REGULATION

EXEMPT SMALL BUSINESS ENTITIES BUYING OR SELLING ENTITY-OWNED PROPERTY

SECTION 2.1. G.S. 93A-2(c)(1) reads as rewritten:

"(c) The provisions of G.S. 93A-1 and G.S. 93A-2 do not apply to and do not include:

(1) Any partnership, corporation, limited liability company, association, or other business entity that, as owner or lessor, shall perform any of the acts aforesaid with reference to property owned or leased by them, where the acts are performed in the regular course of or as incident to the management of that property and the investment therein. The exemption from licensure under this subsection shall extend to the following persons when those persons are engaged in acts or services for which the corporation, partnership, limited liability company, or other business entity would be exempt hereunder:
a. The officers and employees whose income is reported on IRS Form W-2 of an exempt ~~corporation, the~~corporation.
b. The general partners and employees whose income is reported on IRS Form W-2 of an exempt ~~partnership, and the managers~~ partnership.
c. The managers, member-managers, and employees whose income is reported on IRS Form W-2 of an exempt limited liability ~~company~~

~~when said persons are engaged in acts or services for which the corporation, partnership, or limited liability company would be exempt hereunder.~~company.

d. The natural person owners of an exempt closely held business entity. For purposes of this subdivision, a closely held business entity is a limited liability company or a corporation, neither having more than two legal owners, at least one of whom is a natural person.

e. The officers, managers, member-managers, and employees whose income is reported on IRS Form W-2 of a closely held business entity when acting as an agent for an exempt business entity if the closely held business entity is owned by a natural person either (i) owning fifty percent (50%) or more ownership interest in the closely held business entity and the exempt business entity or (ii) owning fifty percent (50%) or more of a closely held business entity that owns a fifty percent (50%) or more ownership interest in the exempt business entity. The closely held business entity acting as an agent under this sub-subdivision must file an annual written notice with the Secretary of State, including its legal name and physical address. The exemption authorized by this sub-subdivision is only effective if, immediately following the completion of the transaction for which the exemption is claimed, the closely held business entity has a net worth that equals or exceeds the value of the transaction.

When a person conducts a real estate transaction pursuant to an exemption under this subdivision, the person shall disclose, in writing, to all parties to the transaction (i) that the person is not licensed as a real estate broker or salesperson under Article 1 of this Chapter, (ii) the specific exemption under this subdivision that applies, and (iii) the legal name and physical address of the owner of the subject property and of the closely held business entity acting under sub-subdivision e. of this subdivision, if applicable. This disclosure may be included on the face of a lease or contract executed in compliance with an exemption under this subdivision."

MANUFACTURED HOME LICENSE/CRIMINAL HISTORY CHECK

SECTION 2.2. G.S. 143-143.10A reads as rewritten:

"§ **143-143.10A. Criminal history checks of applicants for licensure.**

(a) Definitions. – The following definitions shall apply in this section:

(1) Applicant. – A person applying for initial licensure as a manufactured home ~~manufacturer, dealer, salesperson,~~ salesperson or set-up contractor.

…

(b) All applicants for initial licensure shall consent to a criminal history record check. Refusal to consent to a criminal history record check may constitute grounds for the Board to deny licensure to an applicant. The Board shall ensure that the State and national criminal history of an applicant is checked. Applicants shall obtain criminal record reports from one or more reporting services designated by the Board to provide criminal record reports. Each applicant is required to pay the designated service for the cost of the criminal record report. In the alternative, the Board may provide to the North Carolina Department of Public Safety the fingerprints of the applicant to be checked, a form signed by the applicant consenting to the criminal record check and the use of fingerprints and other identifying information required by the State or National Repositories of Criminal Histories, and any additional information required by the Department of Public Safety. The Board shall keep all information obtained pursuant to this section confidential.

…."

AMEND DEFINITION OF "EMPLOYEE" UNDER THE WORKERS' COMPENSATION ACT TO EXCLUDE VOLUNTEERS AND OFFICERS OF CERTAIN NONPROFIT CORPORATIONS AND ASSOCIATIONS

SECTION 2.3. G.S. 97-2(2) reads as rewritten:

"§ **97-2. Definitions.**

When used in this Article, unless the context otherwise requires:

…

(2) Employee. – The term "employee" means every person engaged in an employment under any appointment or contract of hire or apprenticeship, express or implied, oral or written, including aliens, and also minors, whether lawfully or unlawfully employed, but excluding persons whose employment is both casual and not in the course of the trade, business, profession, or occupation of his employer, and as relating to those so employed by the State, the term "employee" shall include all officers and employees of the State, including such as are elected by the people, or by the General Assembly, or appointed by the Governor to serve on a per diem, part-time or fee basis, either with or without the confirmation of the Senate; as relating to municipal corporations and political subdivisions of the State, the term "employee" shall include all officers and employees thereof, including such as are elected by the people. The term "employee" shall include members of the North Carolina National Guard while on State active duty under orders of the Governor and members of the North Carolina State Defense Militia while on State active duty under orders of the Governor. The term "employee" shall include deputy sheriffs and all persons acting in the capacity of deputy sheriffs, whether appointed by the sheriff or by the governing body of the county and whether serving on a fee basis or on a salary basis, or whether deputy sheriffs serving upon a full-time basis or a part-time basis, and including deputy sheriffs appointed to serve in an emergency, but as to those so appointed, only during the continuation of the emergency. The sheriff shall furnish to the board of county commissioners a complete list of all deputy sheriffs named or appointed by him immediately after their appointment and notify the board of commissioners of any changes made therein promptly after such changes are made. Any reference to an employee who has been injured shall, when the employee is dead, include also the employee's legal representative, dependents, and other persons to whom compensation may be payable: Provided, further, that any employee, as herein defined, of a municipality, county, or of the State of North Carolina, while engaged in the discharge of the employee's official duty outside the jurisdictional or territorial limits of the municipality, county, or the State of North Carolina and while acting pursuant to authorization or instruction from any superior officer, shall have the same rights under this Article as if such duty or activity were performed within the territorial boundary limits of their employer.

~~Every~~ Except as otherwise provided herein, every executive officer elected or appointed and empowered in accordance with the charter and bylaws of a corporation shall be considered as an employee of such corporation under this Article.

Any such executive officer of a corporation may, notwithstanding any other provision of this Article, be exempt from the coverage of the corporation's insurance contract by such corporation's specifically excluding such executive officer in such contract of insurance, and the exclusion to remove such executive officer from the coverage shall continue for the period such contract of insurance is in effect, and during such period such

executive officers thus exempted from the coverage of the insurance contract shall not be employees of such corporation under this Article.

All county agricultural extension service employees who do not receive official federal appointments as employees of the United States Department of Agriculture and who are field faculty members with professional rank as designated in the memorandum of understanding between the North Carolina Agricultural Extension Service, North Carolina State University, A & T State University, and the boards of county commissioners shall be deemed to be employees of the State of North Carolina. All other county agricultural extension service employees paid from State or county funds shall be deemed to be employees of the county board of commissioners in the county in which the employee is employed for purposes of workers' compensation.

The term "employee" shall also include members of the Civil Air Patrol currently certified pursuant to G.S. 143B-1031(a) when performing duties in the course and scope of a State-approved mission pursuant to Subpart C of Part 5 of Article 13 of Chapter 143B of the General Statutes.

"Employee" shall not include any person performing voluntary service as a ski patrolman who receives no compensation for such services other than meals or lodging or the use of ski tow or ski lift facilities or any combination thereof.

"Employee" shall not include any person elected or appointed and empowered as an executive officer, director, or committee member under the charter, articles, or bylaws of a nonprofit corporation subject to Chapter 47A, 47C, 47F, 55A, or 59B of the General Statutes, or any organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, who performs only voluntary service for the nonprofit corporation, provided that the person receives no remuneration for the voluntary service other than reasonable reimbursement for expenses incurred in connection with the voluntary service. When a nonprofit corporation as described herein employs one or more persons who do receive remuneration other than reasonable reimbursement for expenses, then any volunteer officers, directors, or committee members excluded from the definition of "employee" by operation of this paragraph shall be counted as employees for the sole purpose of determining the number of persons regularly employed in the same business or establishment pursuant to G.S. 97-2(1). Other than for the limited purpose of determining the number of persons regularly employed in the same business or establishment, such volunteer nonprofit officers, directors, or committee members shall not be "employees" under the Act. Nothing herein shall prohibit a nonprofit corporation as described herein from voluntarily electing to provide for workers' compensation benefits in the manner provided in G.S. 97-93 for volunteer officers, directors, or committee members excluded from the definition of "employee" by operation of this paragraph. This paragraph shall not apply to any volunteer firefighter, volunteer member of an organized rescue squad, an authorized pickup firefighter when that individual is engaged in emergency fire suppression activities for the North Carolina Forest Service, a duly appointed and sworn member of an auxiliary police department organized pursuant to G.S. 160A-282, or a senior member of the State Civil Air Patrol functioning under Subpart C of Part 5 of Article 13 of Chapter 143B of the General Statutes, even if such person is elected or appointed and empowered as an executive officer, director, or committee member under the charter, articles, or bylaws of a nonprofit corporation as described herein.

Any sole proprietor or partner of a business or any member of a limited liability company may elect to be included as an employee under the workers' compensation coverage of such business if he is actively engaged in the operation of the business and if the insurer is notified of his election to be so included. Any such sole proprietor or partner or member of a limited liability company shall, upon such election, be entitled to employee benefits and be subject to employee responsibilities prescribed in this Article.

~~Employee"~~ "Employee" shall include an authorized pickup firefighter of the North Carolina Forest Service of the Department of Agriculture and Consumer Services when that individual is engaged in emergency fire suppression activities for the North Carolina Forest Service. As used in this section, "authorized pickup firefighter" means an individual who has completed required fire suppression training as a wildland firefighter and who is available as needed by the North Carolina Forest Service for emergency fire suppression activities, including immediate dispatch to wildfires and standby for initial attack on fires during periods of high fire danger.

It shall be a rebuttable presumption that the term "employee" shall not include any person performing services in the sale of newspapers or magazines to ultimate consumers under an arrangement whereby the newspapers or magazines are to be sold by that person at a fixed price and the person's compensation is based on the retention of the excess of the fixed price over the amount at which the newspapers or magazines are charged to the person."

PART III. STATE AND LOCAL GOVERNMENT REGULATION

REDUCE STATE AGENCY MOBILE DEVICE REPORTING FREQUENCY

SECTION 3.1. Subsection 6A.14(a) of S.L. 2011-145 reads as rewritten:

"**SECTION 6A.14.(a)** Every executive branch agency within State government shall develop a policy to limit the issuance and use of mobile electronic devices to the minimum required to carry out the agency's mission. By September 1, 2011, each agency shall provide a copy of its policy to the Chairs of the Appropriations Committee and the Appropriations Subcommittee on General Government of the House of Representatives, the Chairs of the Appropriations/Base Budget Committee and the Appropriations Committee on General Government and Information Technology of the Senate, the Chairs of the Joint Legislative Oversight Committee on Information Technology, the Fiscal Research Division, and the Office of State Budget and Management.

State-issued mobile electronic devices shall be used only for State business. Agencies shall limit the issuance of cell phones, smart phones, and any other mobile electronic devices to employees for whom access to a mobile electronic device is a critical requirement for job performance. The device issued and the plan selected shall be the minimum required to support the employees' work requirements. This shall include considering the use of pagers in lieu of a more sophisticated device. The requirement for each mobile electronic device issued shall be documented in a written justification that shall be maintained by the agency and reviewed annually. All State agency heads, in consultation with the Office of Information Technology Services and the Office of State Budget and Management, shall document and review all authorized cell phone, smart phone, and other mobile electronic communications device procurement, and related phone, data, Internet, and other usage plans for and by their employees. Agencies shall conduct periodic audits of mobile device usage to ensure that State employees and contractors are complying with agency policies and State requirements for their use.

Beginning October 1, 2011, each agency shall report ~~quarterly~~ annually to the Chairs of the House of Representatives Committee on Appropriations and the House of Representatives

Subcommittee on General Government, the Chairs of the Senate Committee on Appropriations and the Senate Appropriations Committee on General Government and Information Technology, the Joint Legislative Oversight Committee on Information Technology, the Fiscal Research Division, and the Office of State Budget and Management on the following:

(1) Any changes to agency policies on the use of mobile devices.
(2) The number and types of new devices issued since the last report.
(3) The total number of mobile devices issued by the agency.
(4) The total cost of mobile devices issued by the agency.
(5) The number of each type of mobile device issued, with the total cost for each type."

GOOD SAMARITAN EXPANSION

SECTION 3.3.(a) G.S. 14-56 reads as rewritten:

"§ **14-56. Breaking or entering into or breaking out of railroad cars, motor vehicles, trailers, aircraft, boats, or other watercraft.**

(a) If any person, with intent to commit any felony or larceny therein, breaks or enters any railroad car, motor vehicle, trailer, aircraft, boat, or other watercraft of any kind, containing any goods, wares, freight, or other thing of value, or, after having committed any felony or larceny therein, breaks out of any railroad car, motor vehicle, trailer, aircraft, boat, or other watercraft of any kind containing any goods, wares, freight, or other thing of value, that person is guilty of a Class I felony. It is prima facie evidence that a person entered in violation of this section if he is found unlawfully in such a railroad car, motor vehicle, trailer, aircraft, boat, or other watercraft.

(b) It shall not be a violation of this section for any person to break or enter any railroad car, motor vehicle, trailer, aircraft, boat, or other watercraft of any kind to provide assistance to a person inside the railroad car, motor vehicle, trailer, aircraft, boat, or watercraft of any kind if one or more of the following circumstances exist:

(1) The person acts in good faith to access the person inside the railroad car, motor vehicle, trailer, aircraft, boat, or watercraft of any kind in order to provide first aid or emergency health care treatment or because the person inside is, or is in imminent danger of becoming unconscious, ill, or injured.
(2) It is reasonably apparent that the circumstances require prompt decisions and actions in medical, other health care, or other assistance for the person inside the railroad car, motor vehicle, trailer, aircraft, boat, or watercraft of any kind.
(3) The necessity of immediate health care treatment or removal of the person from the railroad car, motor vehicle, trailer, aircraft, boat, or other watercraft of any kind is so reasonably apparent that any delay in the rendering of treatment or removal would seriously worsen the physical condition or endanger the life of the person."

SECTION 3.3.(b) This section becomes effective December 1, 2015, and applies to offenses committed on or after that date.

SECTION 3.4.(a) Chapter 1 of the General Statutes is amended by adding a new Article to read:

"Article 43F.

"Immunity for Damage to Vehicle.

"§ **1-539.27. Immunity from civil liability for damage to railroad car, motor vehicle, trailer, aircraft, boat, or other watercraft necessary for assistance.**

Any person who enters or attempts to enter any railroad car, motor vehicle, trailer, aircraft, boat, or other watercraft of any kind shall not be liable in civil damages for any damage to the railroad car, motor vehicle, trailer, aircraft, boat, or other watercraft of any kind if one or more of the following circumstances exist:

(1) The person acts in good faith to access a person inside the railroad car, motor vehicle, trailer, aircraft, boat, or watercraft of any kind in order to provide first aid or emergency health care treatment or because the person inside is, or is in imminent danger of becoming unconscious, ill, or injured.

(2) It is reasonably apparent that the circumstances require prompt decisions and actions in medical care, other health care, or other assistance.

(3) The necessity of immediate health care treatment or removal of the person from the railroad car, motor vehicle, trailer, aircraft, boat, or other watercraft of any kind is so reasonably apparent that any delay in the rendering of treatment or removal would seriously worsen the physical condition or endanger the life of the person.

This section shall not apply to any acts of gross negligence, wanton conduct, or intentional wrongdoing."

SECTION 3.4.(b) This section becomes effective December 1, 2015, and applies to causes of action arising on or after that date.

DIRECT DMV TO ISSUE SUITABLY REDUCED SIZE REGISTRATION PLATES FOR MOTORCYCLES AND PROPERTY HAULING TRAILERS ATTACHED TO MOTORCYCLES

SECTION 3.5.(a) G.S. 20-63(d) reads as rewritten:

"(d) Registration plates issued for a motor vehicle other than a motorcycle, trailer, or semitrailer shall be attached thereto, one in the front and the other in the rear: Provided, that when only one registration plate is issued for a motor vehicle other than a truck-tractor, said registration plate shall be attached to the rear of the motor vehicle. The registration plate issued for a truck-tractor shall be attached to the front thereof. Provided further, that when only one registration plate is issued for a motor vehicle and this motor vehicle is transporting a substance that may adhere to the plate so as to cover or discolor the plate or if the motor vehicle has a mechanical loading device that may damage the plate, the registration plate may be attached to the front of the motor vehicle.

Any motor vehicle of the age of 35 years or more from the date of manufacture may bear the license plates of the year of manufacture instead of the current registration plates, if the current registration plates are maintained within the vehicle and produced upon the request of any person.

The Division shall provide registered owners of motorcycles and property hauling motorcycle trailers attached to the rear of motorcycles with suitably reduced size registration ~~plates.~~plates, approximately four by seven inches in size, that are issued on a multiyear basis in accordance with G.S. 20-88(c), or on an annual basis as otherwise provided in this Chapter."

SECTION 3.5.(b) This section becomes effective January 1, 2016.

STATUS FOR PROVIDERS OF MH/DD/SA SERVICES WHO ARE NATIONALLY ACCREDITED

SECTION 3.7. G.S. 122C-81 reads as rewritten:

"§ **122C-81. National accreditation benchmarks.**

(a) As used in this section, the term:

(1) "National accreditation" applies to accreditation by an entity approved by the Secretary that accredits mental health, developmental disabilities, and substance abuse services.

(2) "Provider" applies to only those providers of services, including facilities, requiring national accreditation, which services are designated by the Secretary pursuant to subsection (b) of this section.

(b) The Secretary, through the Medicaid State Plan, Medicaid waiver, or rules adopted by the Secretary, shall designate the mental health, developmental disabilities, and substance abuse services that require national accreditation. In accordance with rules of the Commission, the Secretary may exempt a provider that is accredited under this section and in good standing

with the national accrediting agency from undergoing any routine monitoring that is duplicative of the oversight by the national accrediting agency.

…

(e) The Commission may adopt rules establishing a procedure by which a provider that is accredited under this section and in good standing with the national accrediting agency may be exempt from undergoing any routine monitoring that is duplicative of the oversight by the national accrediting agency. Any provider shall continue to be subject to inspection by the Secretary, provided the inspection is not duplicative of inspections required by the national accrediting agency. Rules adopted under this subsection may not waive any requirements that may be imposed under federal law."

CLARIFY THAT WHEN A NEW PERMIT OR TRANSITIONAL PERMIT IS ISSUED FOR AN ESTABLISHMENT, ANY PREVIOUS PERMIT FOR THAT SAME ESTABLISHMENT IN THAT LOCATION BECOMES VOID

SECTION 3.8. G.S. 130A-248(c) reads as rewritten:

"(c) If ownership of an establishment is transferred or the establishment is leased, the new owner or lessee shall apply for a new permit. The new owner or lessee may also apply for a transitional permit. A transitional permit may be issued upon the transfer of ownership or lease of an establishment to allow the correction of construction and equipment problems that do not represent an immediate threat to the public health. Upon issuance of a new permit or a transitional permit for ~~an~~the same establishment, any previously issued permit for an establishment in that location becomes void. This subsection does not prohibit issuing more than one owner or lessee a permit for the same location if (i) more than one establishment is operated in the same physical location and (ii) each establishment satisfies all of the rules and requirements of subsection (g) of this section. For purposes of this subsection, "transitional permit" shall mean a permit issued upon the transfer of ownership or lease of an existing food establishment to allow the correction of construction and equipment problems that do not represent an immediate threat to the public health."

ENVIRONMENTAL REVIEW COMMISSION TO STUDY OPEN AND FAIR COMPETITION WITH RESPECT TO MATERIALS USED IN WASTEWATER, STORMWATER, AND OTHER WATER PROJECTS

SECTION 3.9. The Environmental Review Commission may study whether to require public entities to consider all acceptable piping materials before determining which piping material should be used in the constructing, developing, financing, maintaining, rebuilding, improving, repairing, procuring, or operating of a water, wastewater, or stormwater drainage project. The Environmental Review Commission shall report its findings and recommendations to the 2016 Regular Session of the 2015 General Assembly.

AMEND UNDERGROUND DAMAGE PREVENTION REVIEW BOARD, ENFORCEMENT, AND CIVIL PENALTIES

SECTION 3.12. G.S. 87-129 reads as rewritten:

"§ **87-129. Underground Damage Prevention Review Board; enforcement; civil penalties.**

(a) ~~The Notification Center shall establish an~~ There is hereby established the Underground Damage Prevention Review Board to review reports of alleged violations of this Article. The members of the Board shall be appointed by the Governor. The Board shall consist of ~~the following members:~~15 members as follows:

(1) A representative from the North Carolina Department of Transportation;
(2) A representative from a facility contract locator;
(3) A representative from the Notification Center;
(4) A representative from an electric public utility;
(5) A representative from the telecommunications industry;
(6) A representative from a natural gas utility;
(7) A representative from a hazardous liquid transmission pipeline company;

(8) A representative recommended by the League of Municipalities;
(9) A highway contractor licensed under G.S. 87-10(b)(2) who does not own or operate facilities;
(10) A public utilities contractor licensed under G.S. 87-10(b)(3) who does not own or operate facilities;
(11) A surveyor licensed under Chapter 89C of the General Statutes;
(12) A representative from a rural water system;
(13) A representative from an investor-owned water system;
(14) A representative from an electric membership corporation; and
(15) A representative from a cable company.

(a1) Each member of the Board shall be appointed for a term of four years. Members of the Board may serve no more than two consecutive terms. Vacancies in appointments made by the Governor occurring prior to the expiration of a term shall be filled by appointment for the unexpired term.

(a2) No member of the Board may serve on a case where there would be a conflict of interest.

(a3) The Governor may remove any member at any time for cause.

(a4) Eight members of the Board shall constitute a quorum.

(a5) The Governor shall designate one member of the Board as chair.

(a6) The Board may adopt rules to implement this Article.

(b) The Notification Center shall transmit all reports of alleged violations of this Article to the Board, including any information received by the Notification Center regarding the report. ~~The Board shall meet at least quarterly to review all reports filed pursuant to G.S. 87-120(e). The Board shall act as an arbitrator between the parties to the report. If, after reviewing the report and any accompanying information, the Board determines that a violation of this Article has occurred, the Board shall notify the violating party in writing of its determination and the recommended penalty. The violating party~~

(b1) The Board shall review all reports of alleged violations of this Article and accompanying information. If the Board determines that a person has violated any provision of this Article, the Board shall determine the appropriate action or penalty to impose for each such violation. Actions and penalties may include training, education, and a civil penalty not to exceed two thousand five hundred dollars ($2,500). The Board shall notify each person who is determined to have violated this Article in writing of the Board's determination and the Board's recommended action or penalty. A person determined to be in violation of this Article may request a hearing before the Board, after which the Board may reverse or uphold its original finding. If the Board recommends a penalty, the Board shall notify the Utilities Commission of the recommended penalty, and the Utilities Commission shall issue an order imposing the penalty.

(c) A ~~party~~ person determined by the Board under subsection ~~(b)~~ (b1) of this section to have violated this Article may ~~initiate~~ appeal the Board's determination by initiating an arbitration proceeding before the Utilities ~~Commission.~~ Commission within 30 days of the Board's determination. If the violating party elects to initiate an arbitration proceeding, the violating party shall pay a filing fee of two hundred fifty dollars ($250.00) to the Utilities Commission, and the Utilities Commission shall open a docket regarding the report. The Utilities Commission shall direct the parties enter into an arbitration process. The parties shall be responsible for selecting and contracting with the arbitrator. Upon completion of the arbitration process, the Utilities Commission shall issue an order encompassing the outcome of the binding arbitration process, including a determination of fault, a penalty, and assessing the costs of arbitration to the non-prevailing party. ~~Any party may~~

(c1) A person may timely appeal an order issued by the Utilities Commission pursuant to this section to the superior court division of the General Court of Justice in the county where the alleged violation of this Article occurred or in Wake County, for trial ~~de novo.~~ de novo within 30 days of entry of the Utilities Commission's order. The authority granted to the

Utilities Commission within this section is limited to this section and does not grant the Utilities Commission any authority that they are not otherwise granted under Chapter 62 of the General Statutes.

(d) ~~Any person who violates any provision of this Article shall be subject to a penalty as set forth in this subsection.~~ The provisions of this Article do not affect any civil remedies for personal injury or property damage otherwise available to any person, except as otherwise specifically provided for in this Article. The penalty provisions of this Article are cumulative to and not in conflict with provisions of law with respect to civil remedies for personal injury or property damage. The clear proceeds of any civil penalty assessed under this section shall be used as provided in Section 7(a) of Article IX of the North Carolina Constitution. ~~The penalties for a violation of this Article shall be as follows:~~In any arbitration proceeding before the Utilities Commission, any actions and penalties assessed against any person for violation of this Article shall include the actions and penalties set out in subsection (b1) of this section.

~~(1) If the violation was the result of negligence, the penalty shall be a requirement of training, a requirement of education, or both.~~

~~(2) If the violation was the result of gross negligence, the penalty shall be a civil penalty of one thousand dollars ($1,000), a requirement of training, a requirement of education, or a combination of the three.~~

~~(3) If the violation was the result of willful or wanton negligence or intentional conduct, the penalty shall be a civil penalty of two thousand five hundred dollars ($2,500), a requirement of training, and a requirement of education.~~"

CONFORM NORTH CAROLINA ALL-TERRAIN VEHICLE LAWS TO NATIONAL SAFETY AND DESIGN STANDARDS FOR YOUTH OPERATORS

SECTION 3.13.(a) G.S. 20-171.15 reads as rewritten:

"§ **20-171.15. Age restrictions.**

(a) It is unlawful for any parent or legal guardian of a person less than eight years of age to knowingly permit that person to operate an all-terrain vehicle.

~~(b) It is unlawful for any parent or legal guardian of a person less than 12 years of age to knowingly permit that person to operate an all-terrain vehicle with an engine capacity of 70 cubic centimeter displacement or greater.~~

(c) It is unlawful for any parent or legal guardian of a person less than 16 years of age to knowingly permit that person to operate an all-terrain vehicle ~~with an engine capacity greater than 90 cubic centimeter displacement.~~in violation of the Age Restriction Warning Label affixed by the manufacturer as required by the applicable American National Standards Institute/Specialty Vehicle Institute of America (ANSI/SVIA) design standard.

(d) It is unlawful for any parent or legal guardian of a person less than 16 years of age to knowingly permit that person to operate an all-terrain vehicle unless the person is under the continuous visual supervision of a person 18 years of age or older while operating the all-terrain vehicle.

(e) ~~Subsections (b) and~~ Subsection (c) of this section ~~do~~ does not apply to any parent or legal guardian of a person born on or before August 15, 1997, who permits that person to operate an all-terrain vehicle and who establishes proof that the parent or legal guardian owned the all-terrain vehicle prior to August 15, 2005."

SECTION 3.13.(b) G.S. 20-171.17 reads as rewritten:

"§ **20-171.17. Prohibited acts by sellers.**

No person shall knowingly sell or offer to sell an all-terrain vehicle:

(1) For use by a person under the age of eight years.

(2) ~~With an engine capacity of 70 cubic centimeter displacement or greater for use by a person less than 12 years of age.~~In violation of the Age Restriction Warning Label affixed by the manufacturer as required by the applicable American National Standards Institute/Specialty Vehicle Institute of

America (ANSI/SVIA) design standard for use by a person less than 16 years of age.

~~(3) With an engine capacity of greater than 90 cubic centimeter displacement for use by a person less than 16 years of age.~~"

PART IV. ENVIRONMENTAL AND NATURAL RESOURCES REGULATION

ENVIRONMENTAL SELF-AUDIT PRIVILEGE AND LIMITED IMMUNITY

SECTION 4.1.(a) Chapter 8 of the General Statutes is amended by adding a new Part to read:

"Part 7D. Environmental Audit Privilege and Limited Immunity.

"**§ 8-58.50. Purpose.**

(a) In order to encourage owners and operators of facilities and persons conducting activities regulated under those portions of the General Statutes set forth in G.S. 8-58.52, or conducting activities regulated under other environmental laws, to conduct voluntary internal environmental audits of their compliance programs and management systems and to assess and improve compliance with statutes, an environmental audit privilege is recognized to protect the confidentiality of communications relating to voluntary internal environmental audits.

(b) Nothing in this Part shall be construed to protect owners and operators of facilities and regulated persons from a criminal investigation or prosecution carried out by any appropriate governmental entity.

(c) Any privilege granted by this Part shall apply only to those communications, oral or written, pertaining to and made in connection with the environmental audit and shall not apply to the facts relating to the violation itself.

"**§ 8-58.51. Definitions.**

The following definitions apply in this Part:

(1) "Department" means the Department of Environment and Natural Resources.

(2) "Enforcement agencies" means the Department, any other agency of the State, and units of local government responsible for enforcement of environmental laws.

(3) "Environmental audit" means a voluntary, internal evaluation or review of one or more facilities or an activity at one or more facilities regulated under federal, State, regional, or local environmental law, or of compliance programs or management systems related to the facility or activity if designed to identify and prevent noncompliance and to improve compliance with these laws. For the purposes of this Part, an environmental audit does not include an environmental site assessment of a facility conducted solely in anticipation of the purchase, sale, or transfer of the business or facility. An environmental audit may be conducted by the owner or operator, the parent corporation of the owner or operator or by their officers or employees, or by independent contractors. An environmental audit must be a discrete activity with a specified beginning date and scheduled ending date reflecting the auditor's bona fide intended completion schedule.

(4) "Environmental audit report" means a document marked or identified as such with a completion date existing either individually or as a compilation prepared in connection with an environmental audit. An environmental audit report may include field notes and records of observations, findings, opinions, suggestions, recommendations, conclusions, drafts, memoranda, drawings, photographs, computer-generated or electronically recorded information, maps, charts, graphs, and surveys, provided the supporting information is collected or developed for the primary purpose and in the course of an environmental audit. An environmental audit report, when completed, may include all of the following components:

a. An audit report prepared by an auditor, which may include the scope and date of the audit and the information gained in the audit, together with exhibits and appendices and may include conclusions, recommendations, exhibits, and appendices.

b. Memoranda and documents analyzing any portion of the audit report or issues relating to the implementation of an audit report.

c. An implementation plan that addresses correcting past noncompliance, improving current compliance, or preventing future noncompliance.

(5) "Environmental laws" means all provisions of federal, State, and local laws, rules, and ordinances pertaining to environmental matters.

"§ **8-58.52. Applicability.**

(a) This Part applies to activities regulated under environmental laws, including all of the following provisions of the General Statutes, and rules adopted thereunder:

(1) Article 7 of Chapter 74.

(2) Chapter 104E.

(3) Article 25 of Chapter 113.

(4) Articles 1, 4, and 7 of Chapter 113A.

(5) Article 9 of Chapter 130A, except as provided in subsection (b) of this section.

(6) Articles 21, 21A, and 21B of Chapter 143.

(7) Part 1 of Article 7 of Chapter 143B.

(b) This Part shall not apply to activities regulated under the Coal Ash Management Act of 2014 under Part 2I of Article 9 of Chapter 130A of the General Statutes and rules promulgated pursuant to that Part.

"§ **8-58.53. Environmental audit report; privilege.**

(a) An environmental audit report or any part of an environmental audit report is privileged and, therefore, immune from discovery and is not admissible as evidence in civil or administrative proceedings, except as provided in G.S. 8-58.54 and G.S. 8-58.56. Provided, however, all of the following documents are exempt from the privilege established by this Part:

(1) Information obtained by observation of an enforcement agency.

(2) Information obtained from a source independent of the environmental audit.

(3) Documents, communication, data, reports, or other information required to be collected, maintained, otherwise made available, or reported to an enforcement agency or any other entity by environmental laws, permits, orders, consent agreements, or as otherwise provided by law.

(4) Documents prepared either prior to the beginning of the environmental audit or subsequent to the completion date of the audit report and, in all cases, any documents prepared independent of the audit or audit report.

(5) Documents prepared as a result of multiple or continuous self-auditing conducted in an effort to intentionally avoid liability for violations.

(6) Information that is knowingly misrepresented or misstated or that is knowingly deleted or withheld from an environmental audit report, whether or not included in a subsequent environmental audit report.

(7) Information in instances where the material shows evidence of noncompliance with environmental laws, permits, orders, consent agreements, and the owner or operator failed to either promptly take corrective action or eliminate any violation of law identified during the environmental audit within a reasonable period of time.

(b) If an environmental audit report or any part of an environmental audit report is subject to the privilege provided for in subsection (a) of this section, no person who conducted or participated in the audit or who significantly reviewed the audit report may be compelled to

testify regarding the audit report or a privileged part of the audit report except as provided for in G.S. 8-58.53(d), 8-58.54, or 8-58.56.

(c) Nothing in this Part shall be construed to restrict a party in a proceeding before the Industrial Commission from obtaining or discovering any evidence necessary or appropriate for the proof of any issue pending in an action before the Commission, regardless of whether evidence is privileged pursuant to this Part. Further, nothing in this Part shall be construed to prevent the admissibility of evidence that is otherwise relevant and admissible in a proceeding before the Industrial Commission, regardless of whether the evidence is privileged pursuant to this Part. Provided, however, the Commission, upon motion made by a party to the proceeding, may issue appropriate protective orders preventing disclosure of information outside of the Commission's proceeding.

(d) Nothing in this Part shall be construed to circumvent the employee protection provisions provided by federal or State law.

(e) The privilege created by this Part does not apply to criminal investigations or proceedings. Where an audit report is obtained, reviewed, or used in a criminal proceeding, the privilege created by this Part shall continue to apply and is not waived in civil and administrative proceedings and is not discoverable or admissible in civil or administrative proceedings even if disclosed during a criminal proceeding.

"**§ 8-58.54. Waiver of privilege.**

(a) The privilege established under G.S. 8-58.53 does not apply to the extent that it is expressly waived in writing by the owner or operator of a facility at which an environmental audit was conducted and who prepared or caused to be prepared the audit report as a result of the audit.

(b) The audit report and information generated by the audit may be disclosed without waiving the privilege established under G.S. 8-58.53 to all of the following persons:

(1) A person employed by the owner or operator or the parent corporation of the audited facility.

(2) A legal representative of the owner or operator or parent corporation.

(3) An independent contractor retained by the owner or operator or parent corporation to conduct an audit on or to address an issue or issues raised by the audit.

(c) Disclosure of an audit report or information generated by the audit under all of the following circumstances shall not constitute a waiver of the privilege established under G.S. 8-58.53:

(1) Disclosure made under the terms of a confidentiality agreement between the owner or operator of the facility audited and a potential purchaser of the business or facility audited.

(2) Disclosure made under the terms of a confidentiality agreement between governmental officials and the owner or operator of the facility audited.

(3) Disclosure made under the terms of a confidentiality agreement between a customer, lending institution, or insurance company with an existing or proposed relationship with the facility.

"**§ 8-58.55. Notification of audit.**

In order to assert the privilege established under G.S. 8-58.53, the owner or operator of the facility conducting the environmental audit shall, upon inspection of the facility by an enforcement agency, or no later than 10 working days after completion of an agency's inspection, notify the enforcement agency of the existence of any audit relevant to the subject of the agency's inspection, as well as the beginning date and completion date of that audit. Any environmental audit report shall include a signed certification from the owner or operator of the facility that documents the date the audit began and the completion date of the audit.

"**§ 8-58.56. Revocation of privilege in civil and administrative proceedings.**

In a civil or administrative proceeding, an enforcement agency may seek by motion a declaratory ruling on the issue of whether an environmental audit report is privileged. The court

shall revoke the privilege established under G.S. 8-58.53 for an audit report if the factors set forth in this section apply. In a civil proceeding, the court, after an in camera review, shall revoke the privilege established under G.S. 8-58.53 if the court determines that disclosure of the environmental audit report was sought after the effective date of this Part and either of the following apply:

(1) The privilege is asserted for purposes of deception or evasion.

(2) The material shows evidence of significant noncompliance with applicable environmental laws; the owner or operator of the facility has not promptly initiated and pursued with diligence appropriate action to achieve compliance with these environmental laws or has not made reasonable efforts to complete any necessary permit application; and, as a result, the owner or operator of the facility did not or will not achieve compliance with applicable environmental laws or did not or will not complete the necessary permit application within a reasonable period of time.

"**§ 8-58.57. Privilege in criminal proceedings.**

The privilege established under G.S. 8-58.53 is not applicable in any criminal proceeding.

"**§ 8-58.58. Burden of proof.**

A party asserting the privilege established under G.S. 8-58.53 has the burden of proving that (i) the materials claimed as privileged constitute an environmental audit report as defined by this Part, and (ii) compliance has been achieved or will be achieved within a reasonable period of time. A party seeking disclosure under G.S. 8-58.56 has the burden of proving the condition for disclosure set forth in that section.

"**§ 8-58.59. Stipulations; declaratory rulings.**

The parties to a proceeding may at any time stipulate to entry of an order directing that specific information contained in an environmental audit report is or is not subject to the privilege. In the absence of an ongoing proceeding, where the parties are not in agreement, an enforcement agency may seek a declaratory ruling from a court on the issue of whether the materials are privileged under G.S. 8-58.53 and whether the privilege, if existing, should be revoked pursuant to G.S. 8-58.56.

"**§ 8-58.60. Construction of Part.**

Nothing in this Part limits, waives, or abrogates any of the following:

(1) The scope or nature of any statutory or common law privilege, including the work-product privilege or the attorney-client privilege.

(2) Any existing ability or authority under State law to challenge privilege.

(3) An enforcement agency's ability to obtain or use documents or information that the agency otherwise has the authority to obtain under State law adopted pursuant to federally delegated programs.

"**§ 8-58.61. Voluntary disclosure; limited immunity from civil and administrative penalties and fines.**

(a) An owner or operator of a facility is immune from imposition of civil and administrative penalties and fines for a violation of environmental laws voluntarily disclosed subject to the requirements and criteria set forth in this section. Provided, however, that waiver of penalties and fines shall not be granted until the applicable enforcement agency has certified that the violation was corrected within a reasonable period of time. If compliance is not certified by the enforcement agency, the enforcement agency shall retain discretion to assess penalties and fines for the violation.

(b) If a person or entity makes a voluntary disclosure of a violation of environmental laws discovered through performance of an environmental audit, that person has the burden of proving (i) that the disclosure is voluntary by establishing the elements set forth in subsection (c) of this section and (ii) that the person is therefore entitled to immunity from any administrative or civil penalties associated with the issues disclosed. Nothing in this section may be construed to provide immunity from criminal penalties.

(c) For purposes of this section, disclosure is voluntary if all of the following criteria are met:

(1) The disclosure is made within 14 days following a reasonable investigation of the violation's discovery through the environmental audit.

(2) The disclosure is made to an enforcement agency having regulatory authority over the violation disclosed.

(3) The person or entity making the disclosure initiates an action to resolve the violation identified in the disclosure in a diligent manner.

(4) The person or entity making the disclosure cooperates with the applicable enforcement agency in connection with investigation of the issues identified in the disclosure.

(5) The person or entity making the disclosure diligently pursues compliance and promptly corrects the noncompliance within a reasonable period of time.

(d) A disclosure is not voluntary for purposes of this section if any of the following factors apply:

(1) Specific permit conditions require monitoring or sampling records and reports or assessment plans and management plans to be maintained or submitted to the enforcement agency pursuant to an established schedule.

(2) Environmental laws or specific permit conditions require notification of releases to the environment.

(3) The violation was committed intentionally, willfully, or through criminal negligence by the person or entity making the disclosure.

(4) The violation was not corrected in a diligent manner.

(5) The violation posed or poses a significant threat to public health, safety, and welfare; the environment; and natural resources.

(6) The violation occurred within one year of a similar prior violation at the same facility, and immunity from civil and administrative penalties was granted by the applicable enforcement agency for the prior violation.

(7) The violation has resulted in a substantial economic benefit to the owner or operator of the facility.

(8) The violation is a violation of the specific terms of a judicial or administrative order.

(e) If a person meets the burden of proving that the disclosure is voluntary, the burden shifts to the enforcement agency to prove that the disclosure was not voluntary, based upon the factors set forth in this section. The person claiming immunity from civil or administrative penalties or fines under this section retains the ultimate burden of proving the violations were voluntarily disclosed.

(f) A voluntary disclosure made pursuant to this section is subject to disclosure pursuant to the Public Records Act in accordance with the provisions of Chapter 132 of the General Statutes.

"**§ 8-58.62. Additional limitations on exercise of privilege or immunity.**

An owner or operator of a facility who makes a voluntary disclosure of a violation of environmental laws discovered through performance of an environmental audit shall only be entitled to exercise of the privilege or immunity established by this Part once in a two-year period, not more than twice in a five-year period, and not more than three times in a 10-year period.

"**§ 8-58.63. Preemption of local laws.**

No local law, rule, ordinance, or permit condition may circumvent or limit the privilege established by this Part or the exercise of the privileges or the presumption and immunity established by this Part."

SECTION 4.1.(b) No later than 30 days after this bill becomes law, the Department of Environment and Natural Resources shall submit Part 7D of Chapter 8 of the General Statutes, Environmental Audit Privilege and Limited Immunity, as enacted by this

section, to the United States Environmental Protection Agency and shall request the Agency's approval to implement the Part in concert with the State's legal authority to continue administering delegated, approved, or authorized federal environmental programs within the State.

SECTION 4.1.(c) No later than December 1, 2015, the Department shall report to the Environmental Review Commission on its activities conducted pursuant to subsection (b) of this section and shall report monthly thereafter until approval to implement Part 7D of Chapter 8 of the General Statutes, Environmental Audit Privilege and Limited Immunity, as enacted by this section, is received from the United States Environmental Protection Agency.

SECTION 4.1.(d) This section becomes effective upon the date approval to implement Part 7D of Chapter 8 of the General Statutes, Environmental Audit Privilege and Limited Immunity, as enacted by this section, is received from the United States Environmental Protection Agency.

STUDY COMPUTER EQUIPMENT, TELEVISION, AND ELECTRONICS RECYCLING PROGRAM

SECTION 4.2. The Department of Environment and Natural Resources shall, in consultation with the North Carolina League of Municipalities, the North Carolina Association of County Commissioners, the Consumer Electronics Association, the Retail Merchants Association, and representatives of the recycling and waste management industries, study North Carolina's recycling requirements for discarded computer equipment and televisions. In conducting this study, the Department shall consider (i) the changing waste stream, including the transition from televisions containing cathode ray tubes to flat screen televisions; (ii) the current status of North Carolina's recycling system, including cost and financing issues, and options that may be available to reduce costs and establish sufficient funding to cover necessary costs; (iii) opportunities for more efficient and effective recycling systems; and (iv) any other issue the Department deems relevant. The Department shall report its findings, including specific recommendations for legislative action, to the Environmental Review Commission on or before April 1, 2016.

PROHIBIT IMPLEMENTATION AND ENFORCEMENT OF FEDERAL STANDARDS FOR WOOD HEATERS

SECTION 4.3.(a) G.S. 143-215.107 reads as rewritten:

"§ **143-215.107. Air quality standards and classifications.**

(a) Duty to Adopt Plans, Standards, etc. – The Commission is hereby directed and empowered, as rapidly as possible within the limits of funds and facilities available to it, and subject to the procedural requirements of this Article and Article 21:

…

(10) ~~To~~ Except as provided in subsection (h) of this section, to develop and adopt standards and plans necessary to implement requirements of the federal Clean Air Act and implementing regulations adopted by the United States Environmental Protection Agency.

…

(h) With respect to any regulation adopted by the United States Environmental Protection Agency limiting emissions from wood heaters and adopted after May 1, 2014, neither the Commission nor the Department shall do any of the following:

(1) Issue rules limiting emissions from wood heaters to implement the federal regulations described in this subsection.

(2) Enforce against a manufacturer, distributor, or consumer the federal regulations described in this subsection."

SECTION 4.3.(b) G.S. 143-213 is amended by adding a new subdivision to read:

"(31) "Wood heater" means a fireplace, wood stove, pellet stove, wood-fired hydronic heater, wood-burning forced-air furnace, or masonry wood heater or other similar appliance designed for heating a residence or business or for

heating water for use by a residence through the combustion of wood or products substantially composed of wood."

AMEND RISK-BASED REMEDIATION PROVISIONS

SECTION 4.7.(a) Part 8 of Article 9 of Chapter 130A of the General Statutes reads as rewritten:

"Part 8. Risk-Based Environmental Remediation of ~~Industrial~~ Sites.

"§ **130A-310.65. Definitions.**

As used in this Part:

(1) "Background standard" means the naturally occurring concentration of a substance in the absence of the release of a contaminant.

(2) Repealed by Session Laws 2014-122, s. 11(i), effective September 20, 2014.

(3) "Contaminant" means any substance regulated under any program listed in G.S. 130A-310.67(a).

(3a) "Contaminated off-site property" or "off-site property" means property under separate ownership from the contaminated site that is contaminated as a result of a release or migration of contaminants at the contaminated site. This term includes publicly owned property, including rights-of-way for public streets, roads, or sidewalks.

(4) "Contaminated ~~industrial site"~~ site," "source site," or "site" means any real property that ~~meets all of the following criteria:~~

~~a.~~ ~~The property is contaminated~~ is contaminated, and is the property from which the contamination originated, and may be subject to remediation under any of the programs or requirements set out in G.S. 130A-310.67(a).

~~b. The property is or has been used primarily for manufacturing or other industrial activities for the production of a commercial product. This includes a property used primarily for the generation of electricity.~~

~~c. No contaminant associated with activities at the property is located off of the property at the time the remedial action plan is submitted.~~

~~d. No contaminant associated with activities at the property will migrate to any adjacent properties above unrestricted use standards for the contaminant.~~

(5) "Contamination" means a contaminant released into an environmental medium that has resulted in or has the potential to result in an increase in the concentration of the contaminant in the environmental medium in excess of unrestricted use standards.

(6) "Fund" means the ~~Inactive Hazardous Sites Cleanup~~ Risk-Based Remediation Fund established pursuant to ~~G.S. 130A-310.11.~~G.S. 130A-310.76.

(7) "Institutional controls" means nonengineered measures used to prevent unsafe exposure to contamination, such as land-use restrictions.

(8) "Registered environmental consultant" means an environmental consulting or engineering firm approved to implement and oversee voluntary remedial actions pursuant to Part 3 of Article 9 of Chapter 130A of the General Statutes and rules adopted to implement the Part.

(9) "Remedial action plan" means a plan for eliminating or reducing contamination or exposure to contamination.

(10) "Remediation" means all actions that are necessary or appropriate to clean up, mitigate, correct, abate, minimize, eliminate, control, or prevent the spreading, migration, leaking, leaching, volatilization, spilling, transport, or further release of a contaminant into the environment in order to protect public health, safety, or welfare or the environment.

(11) "Systemic toxicant" means any substance that may enter the body and have a harmful effect other than causing cancer.

(12) "Unrestricted use standards" means contaminant concentrations for each environmental medium that are acceptable for all uses; that are protective of public health, safety, and welfare and the environment; and that comply with generally applicable standards, guidance, or methods established by statute or adopted, published, or implemented by the Commission or the Department.

"§ **130A-310.66. Purpose.**

It is the purpose of this Part to authorize the Department to approve the remediation of contaminated ~~industrial~~ sites based on site-specific remediation standards in circumstances where site-specific remediation standards are adequate to protect public health, safety, and welfare and the environment and are consistent with protection of current and anticipated future use of groundwater and surface water affected or potentially affected by the contamination.

"§ **130A-310.67. Applicability.**

(a) This Part applies to contaminated ~~industrial~~ sites subject to remediation pursuant to any of the following programs or requirements:

(1) The Inactive Hazardous Sites Response Act of 1987 under Part 3 of Article 9 of Chapter 130A of the General Statutes, including voluntary actions under G.S. 130A-310.9 of that act, and rules promulgated pursuant to those statutes.

(2) The hazardous waste management program administered by the State pursuant to the federal Resource Conservation and Recovery Act of 1976, Public Law 94-580, 90 Stat. 2795, 42 U.S.C. § 6901, et seq., as amended, and Article 9 of Chapter 130A of the General Statutes.

(3) The solid waste management program administered pursuant to Article 9 of Chapter 130A of the General Statutes.

(4) The federal Superfund program administered in part by the State pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, Public Law 96-510, 94 Stat. 2767, 42 U.S.C. § 9601, et seq., as amended, the Superfund Amendments and Reauthorization Act of 1986, Public Law 99-499, 100 Stat. 1613, as amended, and under Part 4 of Article 9 of Chapter 130A of the General Statutes.

(5) The groundwater protection corrective action requirements adopted by the Commission pursuant to Article 21 of Chapter 143 of the General Statutes.

(6) Oil Pollution and Hazardous Substances Control Act of 1978, Parts 1 and 2 of Article 21A of Chapter 143 of the General ~~Statutes.~~Statutes, except with respect to those sites identified in subdivision (1a) of subsection (b) of this section.

(b) This Part shall not apply to contaminated ~~industrial~~ sites subject to remediation pursuant to any of the following programs or requirements:

(1) The Leaking Petroleum Underground Storage Tank Cleanup program under Part 2A of Article 21A of Chapter 143 of the General Statutes and rules promulgated pursuant to that statute.

(1a) Leaking petroleum aboveground storage tanks and other sources of petroleum releases governed by Part 7 of Article 21A of Chapter 143 of the General Statutes and rules promulgated pursuant to that Part.

(2) The Dry-Cleaning Solvent Cleanup program under Part 6 of Article 21A of Chapter 143 of the General Statutes and rules promulgated pursuant to that statute.

(3) The pre-1983 landfill assessment and remediation program established under G.S. 130A-310.6(c) through (g).

(4) The Coal Ash Management Act of 2014 under Part 2I of Article 9 of Chapter 130A of the General Statutes and rules promulgated pursuant to that Part.

(5) Animal waste management systems permitted under Part 1 or Part 1A of Article 21 of Chapter 143 of the General Statutes.

~~(c) This Part shall apply only to sites where a discharge, spill, or release of contamination has been reported to the Department prior to March 1, 2011.~~

"§ **130A-310.68. Remediation standards.**

…

(b) Site-specific remediation standards shall be developed for each medium as provided in this subsection to achieve remediation that eliminates or reduces to protective levels any substantial present or probable future risk to human health, including sensitive subgroups, and the environment based upon the present or currently planned future use of the property comprising the site. Site-specific remediation standards shall be developed in accordance with all of the following:

(1) Remediation methods and technologies that result in emissions of air pollutants shall comply with applicable air quality standards adopted by the Commission.

(2) The site-specific remediation standard for surface waters shall be the water quality standards adopted by the Commission.

(3) The current and probable future use of groundwater shall be identified and protected. Site-specific sources of contaminants and potential receptors shall be identified. Potential receptors must be protected, controlled, or eliminated whether the receptors are located on or off the site where the source of contamination is located. Natural environmental conditions affecting the fate and transport of contaminants, such as natural attenuation, shall be determined by appropriate scientific methods.

(4) Permits for facilities located at sites covered by any of the programs or requirements set out in G.S. 130A-310.67(a) shall contain conditions to avoid exceedances of applicable groundwater standards adopted by the Commission pursuant to Article 21 of Chapter 143 of the General Statutes due to operation of the facility.

(5) Soil shall be remediated to levels that no longer constitute a continuing source of groundwater contamination in excess of the site-specific groundwater remediation standards approved under this Part.

(6) Soil shall be remediated to unrestricted use standards on residential property with the following exceptions:

a. For mixed-use developments where the ground level uses are nonresidential and where all potential exposure to contaminated soil has been eliminated, the Department may allow soil to remain on the site in excess of unrestricted use standards.

b. If soil remediation is impracticable because of the presence of preexisting structures or impracticability of removal, all areas of the real property at which a person may come into contact with soil shall be remediated to unrestricted use standards, and, on all other areas of the real property, engineering and institutional controls that are sufficient to protect public health, safety, and welfare and the environment shall be implemented and maintained.

(7) The potential for human inhalation of contaminants from the outdoor air and other site-specific indoor air exposure pathways shall be considered, if applicable.

(8) The site-specific remediation standard shall protect against human exposure to contamination through the consumption of contaminated fish or wildlife

and through the ingestion of contaminants in surface water or groundwater supplies.

(9) For known or suspected carcinogens, site-specific remediation standards shall be established at exposures that represent an excess lifetime cancer risk of one in 1,000,000. The site-specific remediation standard may depart from the one-in-1,000,000 risk level based on the criteria set out in 40 Code of Federal Regulations § 300.430(e)(9)(July 1, 2003 Edition). The cumulative excess lifetime cancer risk to an exposed individual shall not be greater than one in 10,000 based on the sum of carcinogenic risk posed by each contaminant present.

(10) For systemic toxicants, site-specific remediation standards shall represent levels to which the human population, including sensitive subgroups, may be exposed without any adverse health effect during a lifetime or part of a lifetime. Site-specific remediation standards for systemic toxicants shall incorporate an adequate margin of safety and shall take into account cases where two or more systemic toxicants affect the same organ or organ system.

(11) The site-specific remediation standards for each medium shall be adequate to avoid foreseeable adverse effects to other media or the environment that are inconsistent with the risk-based approach under this Part.

…

"§ **130A-310.71. Review and approval of proposed remedial action plans.**

(a) The Department shall review and approve a proposed remedial action plan consistent with the remediation standards set out in G.S. 130A-310.68 and the procedures set out in this section. In its review of a proposed remedial action plan, the Department shall do all of the following:

(1) Determine whether site-specific remediation standards are appropriate for a particular contaminated site. In making this determination, the Department shall consider proximity of the contamination to water supply wells or other receptors; current and probable future reliance on the groundwater as a water supply; current and anticipated future land use; environmental impacts; and the feasibility of remediation to unrestricted use standards.

(2) Determine whether the party conducting the remediation has adequately demonstrated through modeling or other scientific means acceptable to the Department that no contamination will migrate to ~~adjacent~~ off-site property at levels above unrestricted use ~~standards.~~standards, except as may remain pursuant to a cleanup conducted pursuant to G.S. 130A-310.73A(a)(2).

(3) Determine whether the proposed remedial action plan meets the requirements of G.S. 130A-310.69.

(4) Determine whether the proposed remedial action plan meets the requirements of any other applicable remediation program except those pertaining to remediation standards.

(5) Establish the acceptable level or range of levels of risk to public health, safety, and welfare and to the environment.

(6) Establish, for each contaminant, the maximum allowable quantity, concentration, range, or other measures of contamination that will remain at the contaminated site at the conclusion of the contaminant-reduction phase of the remediation.

(7) Consider the technical performance, effectiveness, and reliability of the proposed remedial action plan in attaining and maintaining compliance with applicable remediation standards.

(8) Consider the ability of the person who proposes to remediate the site to implement the proposed remedial action plan within a reasonable time and without jeopardizing public health, safety, or welfare or the environment.

(9) Determine whether the proposed remedial action plan adequately provides for the imposition and maintenance of engineering and institutional controls and for sampling, monitoring, and reporting requirements necessary to protect public health, safety, and welfare and the environment. In making this determination, the Department may consider, in lieu of land-use restrictions authorized under G.S. 130A-310.69, reliance on other State or local land-use controls. Any land-use controls implemented shall adequately protect public health, safety, and welfare and the environment and provide adequate notice to current and future property owners of any residual contamination and the land-use controls in place.

(10) Approve the circumstances under which no further remediation is required.

(b) The person who proposes a remedial action plan has the burden of demonstrating with reasonable assurance that contamination from the site will not migrate to ~~adjacent~~ off-site property above unrestricted use ~~levels~~ levels, except as may remain pursuant to a cleanup conducted pursuant to G.S. 130A-310.73A(a)(2), and that the remedial action plan is protective of public health, safety, and welfare and the environment by virtue of its compliance with this Part. The demonstration shall (i) take into account actions proposed in the remedial action plan that will prevent contamination from migrating off the site; and (ii) use scientifically valid site-specific data.

(c) The Department may require a person who proposes a remedial action plan to supply any additional information necessary for the Department to approve or disapprove the plan.

(d) In making a determination on a proposed remedial action plan, the Department shall consider the information provided by the person who proposes the remedial action plan as well as information provided by local governments and adjoining landowners pursuant to G.S. 130A-310.70. The Department shall disapprove a proposed remedial action plan unless the Department finds that the plan is protective of public health, safety, and welfare and the environment and complies with the requirements of this Part. If the Department disapproves a proposed remedial action plan, the person who submitted the plan may seek review as provided in Article 3 of Chapter 150B of the General Statutes. If the Department fails to approve or disapprove a proposed remedial action plan within 120 days after a complete plan has been submitted, the person who submitted the plan may treat the plan as having been disapproved at the end of that time period.

(e) If, pursuant to subdivision (9) of subsection (a) of this section, reliance on other State or local land-use controls is approved by the Department in lieu of land-use restrictions, a "Notice of Residual Contamination" shall be prepared and filed in the chain of title of each contaminated site or contaminated off-site property where any contamination has or will in the future exceed unrestricted use standards. The Notice shall identify the type of contamination on the site or property and the land-use controls that address the contamination and may be filed by the person who proposes to remediate the site. Provided, however, the Department may only approve imposition of land-use controls on contaminated off-site property with the written consent of the owner of the property in conformance with G.S. 130A-310.73A(a)(2).

…

"§ **130A-310.73. Attainment of the remediation standards.**

(a) Compliance with the approved remediation standards is attained for a site or portion of a site when a remedial action plan approved by the Department has been implemented and applicable soil, groundwater, surface water, and air emission standards have been attained. The remediation standards may be attained through a combination of remediation activities that can include treatment, removal, engineering, or institutional controls, except that the person conducting the remediation may not demonstrate attainment of ~~an unrestricted use~~a remediation

standard ~~or a background standard~~ through the use of institutional controls ~~alone.~~that result in an incompatible use of the property relative to surrounding land uses. When the remedial action plan has been fully implemented, the person conducting the remediation shall submit a final report to the Department, with notice to all local governments with taxing and land-use jurisdiction over the site, that demonstrates that the remedial action plan has been fully implemented, that any land-use restrictions have been certified on an annual basis, and that the remediation standards have been attained. The final report shall be accompanied by a request that the Department issue a determination that no further remediation beyond that specified in the approved remedial action plan is required.

(b) The person conducting the remediation has the burden of demonstrating that the remedial action plan has been fully implemented and that the remediation standards have been attained in compliance with the requirements of this Part. The Department may require a person who implements the remedial action plan to supply any additional information necessary for the Department to determine whether the remediation standards have been attained.

(c) The Department shall review the final report, and, upon determining that the person conducting the remediation has completed remediation to the approved remediation standard and met all the requirements of the approved remedial action plan, the Department shall issue a determination that no further remediation beyond that specified in the approved remedial action plan is required at the site. Once the Department has issued a no further action determination, the Department may require additional remedial action by the responsible party only upon finding any of the following:

(1) Monitoring, testing, or analysis of the site subsequent to the issuance of the no further action determination indicates that the remediation standards and objectives were not achieved or are not being maintained.

(2) One or more of the conditions, restrictions, or limitations imposed on the site as part of the remediation have been violated.

(3) Site monitoring or operation and maintenance activities that are required as part of the remedial action plan or no further action determination for the site are not adequately funded or are not adequately implemented.

(4) A contaminant or hazardous substance release is discovered at the site that was not the subject of the remedial investigation report or the remedial action plan.

(5) A material change in the facts known to the Department at the time the written no further action determination was issued, or new facts, cause the Department to find that further assessment or remediation is necessary to prevent a significant risk to human health and safety or to the environment.

(6) The no further action determination was based on fraud, misrepresentation, or intentional nondisclosure of information by the person conducting the ~~remediation.~~remediation, or that person's agents, contractors, or affiliates.

(7) Installation or use of wells would induce the flow of contaminated groundwater off the ~~site.~~contaminated site, as defined in the remedial action plan.

(d) The Department shall issue a final decision on a request for a determination that remediation has been completed to approved standards and that no further remediation beyond that specified in the approved remedial action plan is required within 180 days after receipt of a complete final report. Failure of the Department to issue a final decision on a no further remediation determination within 180 days after receipt of a complete final report and request for a determination of no further remediation may be treated as a denial of the request for a no further remediation determination. The responsible person may seek review of a denial of a request for a release from further remediation as provided in Article 3 of Chapter 150B of the General Statutes.

"§ **130A-310.73A. Remediation of sites with off-site migration of contaminants.**

(a) Contaminated sites at which contamination has migrated to off-site properties may be remediated pursuant to this Part consistent with the remediation standards set out in G.S. 130A-310.68 if either of the following occur:

(1) The person who proposes to conduct the remediation pursuant to this Part remediates the contaminated off-site property to unrestricted use standards.

(2) The person who proposes to conduct the remediation pursuant to this Part (i) provides the owner of the contaminated off-site property with a copy of this Part and the publication produced by the Department pursuant to subsection (b) of this section and (ii) obtains written consent from the owner of the contaminated off-site property for the person to remediate the contaminated off-site property using site-specific remediation standards pursuant to this Part; provided that the site-specific remediation standards shall not allow concentrations of contaminants on the off-site property to increase above the levels present on the date the written consent is obtained. Written consent from the owner of the off-site property shall be on a form prescribed by the Department and include an affirmation that the owner has received and read the publication and authorizes the person to remediate the owner's property using site-specific remediation standards pursuant to this Part.

(b) In order to inform owners of contaminated off-site property of the issues and liabilities associated with the contamination on their property, the Department, in consultation with the Consumer Protection Division of the North Carolina Department of Justice and the North Carolina Real Estate Commission, shall develop and make available a publication entitled "Contaminated Property: Issues and Liabilities" to provide information on the nature of risk-based remediation and how it differs from remediation to unrestricted use standards, potential health impacts that may arise from residual contamination, as well as identification of liabilities that arise from contaminated property and associated issues, including potential impacts to real estate transactions and real estate financing. The Department shall update the publication as necessary.

(c) If, after issuance of a no further action determination, the Department determines that additional remedial action is required for a contaminated off-site property pursuant to G.S. 130A-310.73(c), the responsible party shall be liable for the additional remediation deemed necessary.

(d) Nothing in this section shall be construed to preclude or impair any person from obtaining any and all other remedies allowed by law.

"§ **130A-310.74. Compliance with other laws.**

Where a site is covered by an agreement under the Brownfields Property Reuse Act of 1997, as codified as Part 5 of Article 9 of Chapter 130A of the General Statutes, any work performed by the prospective developer pursuant to that agreement is not required to comply with this Part, but any work not covered by such agreement and performed at the site by another person not a party to that agreement may be performed pursuant to this Part.

"§ **130A-310.75. Use of registered environmental consultants.**

The Department may approve the use of a registered environmental consultant to provide oversight for the assessment and remediation of a site under this ~~Part.~~Part based on the risk posed by the site and the availability of Department staff for oversight of remediation activities. If remediation under this Part is not undertaken voluntarily, the Department may not require the use of a registered environmental consultant to provide oversight for the assessment and remediation of a site under this Part.

"§ **130A-310.76. Fees; permissible uses of fees.**

(a) ~~A person who undertakes remediation of environmental contamination under site-specific remediation standards as provided in G.S. 130A-310.68 shall pay a fee to the Fund in an amount equal to four thousand five hundred dollars ($4,500) for each acre or portion of an acre of contamination, including any area that will become contaminated as a result of the~~

~~release; however, no person shall be required to pay more than one hundred twenty-five thousand dollars ($125,000) to the Fund for any individual site, regardless of its size. This one-time fee shall be payable at the time the person undertaking remediation submits the remedial action plan to the Department.~~The following fees, payable to the Risk-Based Remediation Fund established under G.S. 130A-310.76A, are applicable to activities under this Part:

(1) Application fee. – A person who proposes to conduct remediation pursuant to this Part shall pay an application fee due at the time a proposed remedial action plan is submitted to the Department for approval. The application fee shall not exceed five thousand dollars ($5,000) for each acre or portion of an acre of contamination, including any area that will become contaminated as a result of the release; however, no person shall be required to pay more than one hundred thousand dollars ($100,000) in fees attributable to this subdivision to the Fund, with the total amount owed calculated by the Department after evaluation of the factors set forth in subsection (a1) of this section and any rules promulgated thereunder.

(2) Oversight fee. – A person who has been approved by the Department to conduct a remedial action plan pursuant to this Part shall pay an oversight fee to the Department within 30 days of such approval or at such other time as the Department may authorize. The total ongoing oversight fees shall not exceed five hundred dollars ($500.00) for each acre or portion of an acre of contamination, including any area that will become contaminated as a result of the release; however, no person shall be required to pay more than twenty-five thousand dollars ($25,000) in fees attributable to this subdivision to the Fund, with the total amount owed calculated by the Department after evaluation of the factors set forth in subsection (a1) of this section and any rules promulgated thereunder.

(a1) The Department shall take all of the following factors into account prior to imposing a fee on a person pursuant to subsection (a) of this section and provide the person written documentation of the Department's findings with respect to each factor at the time the fee is imposed:

(1) The size of the site subject to a proposed remedial action plan.

(2) Whether groundwater contamination from the site has migrated, or is likely to migrate, to off-site properties.

(3) The complexity of the work to be conducted at a site under a proposed remedial action plan.

(4) The resources that the Department will need to evaluate and oversee the work to be conducted at a site under a proposed remedial action plan and the resources the Department will need to monitor a site after completion of remediation. If such work, or any portion thereof, is to be performed by a registered environmental consultant in accordance with the provisions of G.S. 130A-310.75, the Department shall take this into account accordingly in imposing a reduced fee.

(b) Funds collected pursuant to subsection (a) of this section may be used only for the following purposes:

(1) To pay for administrative and operating expenses necessary to implement this ~~Part.~~Part, including the full cost of the Department's activities associated with any human health or ecological risk assessments, groundwater modeling, financial assurance matters, or community outreach.

(2) To establish, administer, and maintain a system for the tracking of land-use restrictions recorded at sites that are remediated pursuant to this Part.

(c) The Department shall report to the Joint Legislative Commission on Governmental Operations, the Environmental Review Commission, and the Fiscal Research Division on or

before October 1 of each year on the amounts and sources of funds collected by year received pursuant to this Part, the amounts and sources of those funds paid into the Risk-Based Remediation Fund established under G.S. 130A-310.76A, the number of acres of contamination for which funds have been received pursuant to subsection (a) of this section, and a detailed annual accounting of how the funds collected pursuant to this Part have been utilized by the Department to advance the purposes of this Part.

(d) The Commission may adopt rules to implement the requirements of subsection (a1) of this section.

"**§ 130A-310.76A. Risk-Based Remediation Fund.**

There is established under the control and direction of the Department the Risk-Based Remediation Fund. This fund shall be a revolving fund consisting of fees collected pursuant to G.S. 130A-310.76 and other monies paid to it or recovered by or on behalf of the Department. The Risk-Based Remediation Fund shall be treated as a nonreverting special trust fund pursuant to G.S. 147-69.2 and G.S. 147-69.3, except that interest and other income received on the Fund balance shall be treated as set forth in G.S. 147-69.1(d).

…."

SECTION 4.7.(b) Article 21A of Chapter 143 of the General Statutes is amended by adding a new Part to read:

"Part 7. Risk-Based Remediation for Petroleum Releases from Aboveground Storage Tanks and Other Sources.

"**§ 143-215.104AA. Standards for petroleum releases from aboveground storage tanks and other sources.**

(a) Legislative Findings and Intent. –

(1) The General Assembly finds the following:

a. Risk-based corrective action gives the State flexibility in requiring different levels of cleanup based on scientific analysis of different site characteristics and allowing no action or no further action at sites that pose little risk to human health or the environment.

b. A risk-based approach to the cleanup of environmental damage can adequately protect human health and the environment while preventing excessive or unproductive cleanup efforts, thereby assuring that limited resources are directed toward those sites that pose the greatest risk to human health and the environment.

c. Risk-based corrective action has successfully been used to clean up contamination from petroleum underground storage tanks, as well as contamination at sites governed by other environmental programs.

(2) The General Assembly intends the following:

a. To direct the Commission to adopt rules that will provide for risk-based assessment and cleanup of discharges and releases of petroleum from aboveground storage tanks and other sources. These rules are intended to combine groundwater standards that protect current and potential future uses of groundwater with risk-based analysis to determine the appropriate cleanup levels and actions.

b. That these rules apply to all discharges or releases that are reported on or after the date the rules become effective in order to ascertain whether cleanup is necessary, and if so, the appropriate level of cleanup.

c. That these rules may be applied to any discharge or release that has been reported at the time the rules become effective at the discretion of the Commission.

d. That these rules, and decisions of the Commission and the Department in implementing these rules, facilitate the completion of more cleanups in a shorter period of time.

(b) The Commission shall adopt rules to establish a risk-based approach for the cleanup of discharges and releases of petroleum from aboveground storage tanks and other sources. At a minimum, the rules shall address all of the following:

(1) The circumstances where site-specific information should be considered.

(2) Criteria for determining acceptable cleanup levels.

(3) The acceptable level or range of levels of risk to human health and the environment. Rules that use the distance between a source area of a confirmed discharge or release to a water supply well or a private drinking water well, as those terms are defined under G.S. 87-85, shall include a determination whether a nearby well is likely to be affected by the discharge or release as a factor in determining levels of risk.

(4) Remediation standards and processes.

(5) Requirements for financial assurance, where the Commission deems it necessary.

(6) Appropriate fees to be applied to persons who undertake remediation of environmental contamination under site-specific remediation pursuant to this Part to pay for administrative and operating expenses necessary to implement this Part and rules adopted to implement this Part.

(c) The Commission may require an owner, operator, or landowner to provide information necessary to determine the degree of risk to human health and the environment that is posed by a discharge or release of petroleum from an aboveground storage tank or other source.

(d) If the Commission concludes that a discharge or release poses a degree of risk to human health or the environment that is no greater than the acceptable level of risk established by the Commission, the Commission shall notify an owner, operator, or landowner who provides the information required by subsection (c) of this section that no cleanup, further cleanup, or further action will be required unless the Commission later determines that the discharge or release poses an unacceptable level of risk or a potentially unacceptable level of risk to human health or the environment. If the Commission concludes that a discharge or release poses a degree of risk to human health or the environment that requires further cleanup, the Commission shall notify the owner, operator, or landowner who provides the information required by subsection (c) of this section of the cleanup method approved by the Commission. This section shall not be construed to prohibit an owner, operator, or landowner from selecting a cleanup method other than the cleanup method approved by the Commission so long as the Commission determines that the alternative cleanup method will address imminent threats to human health and the environment.

(e) Remediation of sites with off-site migration shall be subject to the following provisions:

(1) Contaminated sites at which contamination has migrated to off-site properties may be remediated pursuant to this Part if either of the following occur:

a. The person who proposes to conduct the remediation pursuant to this Part remediates the contaminated off-site property to unrestricted use standards.

b. The person who proposes to conduct the remediation pursuant to this Part (i) provides the owner of the contaminated off-site property with a copy of this Part and the publication produced by the Department pursuant to subdivision (2) of this subsection and (ii) obtains written consent from the owner of the contaminated off-site property for the person to remediate the contaminated off-site property using site-specific remediation standards pursuant to this Part. Provided that the site-specific remediation standards shall not allow concentrations of contaminants on the off-site property to increase

above the levels present on the date the written consent is obtained. Written consent from the owner of the off-site property shall be on a form prescribed by the Department and include an affirmation that the owner has received and read the publication and authorizes the person to remediate the owner's property using site-specific remediation standards pursuant to this Part.

(2) In order to inform owners of contaminated off-site property of the issues and liabilities associated with the contamination on their property, the Department, in consultation with the Consumer Protection Division of the North Carolina Department of Justice and the North Carolina Real Estate Commission, shall develop and make available a publication entitled "Contaminated Property: Issues and Liabilities" to provide information on the nature of risk-based remediation and how it differs from remediation to unrestricted use standards, potential health impacts that may arise from residual contamination, as well as identification of liabilities that arise from contaminated property and associated issues, including potential impacts to real estate transactions and real estate financing. The Department shall update the publication as necessary.

(3) If, after issuance of a no further action determination, the Department determines that additional remedial action is required for a contaminated off-site property, the responsible party shall be liable for the additional remediation deemed necessary.

(4) Nothing in this subsection shall be construed to preclude or impair any person from obtaining any and all other remedies allowed by law.

(f) This section shall not be construed to limit the authority of the Commission to require investigation, initial response, and abatement of a discharge or release pending a determination by the Commission under subsection (d) of this section as to whether cleanup, further cleanup, or further action will be required. Notwithstanding any authority provided under this section to the Commission and the Department allowing use of a risk-based approach for the cleanup of discharges and releases of petroleum from aboveground storage tanks and other sources, a responsible party shall, at a minimum, do all of the following:

(1) Perform initial abatement actions to (i) measure for the presence of a release where contamination is most likely to be present and to confirm the precise source of the release; (ii) determine the possible presence of free product and to begin free product removal immediately; (iii) continue to monitor and mitigate any additional fire, vapor, or explosion hazards posed by vapors or by free product; and (iv) submit a report summarizing these initial abatement actions within 20 days after a discharge or release. For purposes of this subdivision, the term "free product" means a non-aqueous phase liquid which may be present within the saturated zone or in surface water.

(2) Remove, or in situ remediate, contaminated soil or free product that would act as a continuing source of contamination to groundwater. Actions conducted in conformance with this subdivision shall require approval by the Department.

(g) This section shall apply to discharges of petroleum from aboveground storage tanks and other sources not otherwise governed by the provisions of G.S. 143-215.94V."

SECTION 4.7.(c) G.S. 130A-310.8 is amended by adding a new subsection to read:

"§ **130A-310.8. Recordation of inactive hazardous substance or waste disposal sites.**

…

(i) If a site subject to the requirements of this section is remediated pursuant to the requirements of Part 8 of Article 9 of Chapter 130A of the General Statutes, a Notice of

Residual Contamination may be prepared and filed in accordance with G.S. 130A-310.71(a)(9), in lieu of a Notice prepared and filed pursuant to this section."

SECTION 4.7.(d) G.S. 143-215.85A is amended by adding a new subsection to read:

"§ **143-215.85A. Recordation of oil or hazardous substance discharge sites.**

…

(g) If a site subject to the requirements of this section is remediated pursuant to the requirements of Part 8 of Article 9 of Chapter 130A of the General Statutes, a Notice of Residual Contamination may be prepared and filed in accordance with G.S. 130A-310.71(a)(9), in lieu of a Notice prepared and filed pursuant to this section."

SECTION 4.7.(e) G.S. 143B-279.10 is amended by adding a new subsection to read:

"§ **143B-279.10. Recordation of contaminated sites.**

…

(i) If a site subject to the requirements of this section is remediated pursuant to the requirements of Part 8 of Article 9 of Chapter 130A of the General Statutes, a Notice of Residual Contamination may be prepared and filed in accordance with G.S. 130A-310.71(a)(9), in lieu of a Notice prepared and filed pursuant to this section."

SECTION 4.7.(f) G.S. 130A-310.10(a)(8a) is repealed.

SECTION 4.8.(a) No later than March 1, 2016, the Department of Environment and Natural Resources shall do all of the following:

(1) Develop internal processes to govern remediation of contaminated sites conducted under this Part that are consistent across all programs or requirements identified in subsection (a) of G.S. 130A-310.67.

(2) Develop a coordinated program and processes for remediation of contaminated sites conducted under this Part that are subject to more than one program or requirement identified in subsection (a) of G.S. 130A-310.67.

(3) Develop reforms to expand the role, and otherwise enhance the use of, registered environmental consultants approved to implement and oversee voluntary remedial actions pursuant to this Part.

(4) Examine the criteria for development of site-specific remediation standards pursuant to this Part, specifically distances between water bodies and other receptors to plumes of contamination that originate from the source, to ensure that such standards are protective of public health, safety, and welfare; the environment; and natural resources.

SECTION 4.8.(b) No later than April 1, 2016, the Department shall report to the Environmental Review Commission on its activities conducted pursuant to subsection (a) of this section, together with any pertinent findings or recommendations, including any legislative proposals that it deems advisable.

SECTION 4.8A.(a) The Department of Environment and Natural Resources, in conjunction with the Department of Health and Human Services, shall study the State's groundwater standards under 15A NCAC 2L, or State Interim Allowable Maximum Contaminant Levels (IMAC), as applicable, as well as State health screening levels, for hexavalent chromium and vanadium relative to other southeastern states' standards for these contaminants and the federal maximum contaminant levels (MCLs) for these contaminants under the Safe Drinking Water Act, in order to identify appropriate standards to protect public health, safety, and welfare; the environment; and natural resources. The Department shall also evaluate background standards for these contaminants where they naturally occur in groundwater in the State.

SECTION 4.8A.(b) The Department shall submit an interim report no later than November 1, 2015, and a final report no later than April 1, 2016, to the Environmental Review Commission and the Joint Legislative Oversight Committee on Health and Human Services on

its activities conducted pursuant to subsection (a) of this section, together with any pertinent findings or recommendations, including any legislative proposals that it deems advisable.

MODIFY EFFECTIVE DATE FOR LIFE-OF-SITE PERMITS FOR SANITARY LANDFILLS AND TRANSFER STATIONS AND MAKE OTHER TECHNICAL, CLARIFYING, AND CONFORMING CHANGES

SECTION 4.9.(a) Section 14.20(a) of S.L. 2015-241 reads as rewritten:

"**SECTION 14.20.(a)** G.S. 130A-294 reads as rewritten:

"§ **130A-294. Solid waste management program.**

(a) The Department is authorized and directed to engage in research, conduct investigations and surveys, make inspections and establish a statewide solid waste management program. In establishing a program, the Department shall have authority to:

…

(4) a. Develop a permit system governing the establishment and operation of solid waste management facilities. A landfill with a disposal area of 1/2 acre or less for the on-site disposal of land clearing and inert debris is exempt from the permit requirement of this section and shall be governed by G.S. 130A-301.1. Demolition debris from the decommissioning of manufacturing buildings, including electric generating stations, that is disposed of on the same site as the decommissioned buildings, is exempt from the permit requirement of this section and rules adopted pursuant to this section and shall be governed by G.S. 130A-301.3. The Department shall not approve an application for a new ~~permit, the renewal of a permit, or a substantial amendment to a~~ permit for a sanitary landfill, excluding demolition landfills as defined in the rules of the Commission, except as provided in subdivisions (3) and (4) of subsection (b1) of this section. No permit shall be granted for a solid waste management facility having discharges that are point sources until the Department has referred the complete plans and specifications to the Commission and has received advice in writing that the plans and specifications are approved in accordance with the provisions of G.S. 143-215.1. In any case where the Department denies a permit for a solid waste management facility, it shall state in writing the reason for denial and shall also state its estimate of the changes in the applicant's proposed activities or plans that will be required for the applicant to obtain a permit.

…

(a2) Permits for sanitary landfills and transfer stations shall be issued for ~~(i) a design and operation phase of five years or (ii) a design and operation phase of 10 years. A permit issued for a design and operation phase of 10 years shall be subject to a limited review within five years of the issuance date.~~the life-of-site of the facility unless revoked as otherwise provided under this Article or upon the expiration of any local government franchise required for the facility pursuant to subsection (b1) of this section. For purposes of this section, "life-of-site" means the period from the initial receipt of solid waste at the facility until the Department approves final closure of the facility. Permits issued pursuant to this subsection shall take into account the duration of any permits previously issued for the facility and the remaining capacity at the facility.

(a3) As used in this section, the following definitions apply:

(1) "New permit" means any of the following:

a. An application for a permit for a solid waste management facility that has not been previously permitted by the Department. The term

includes one site suitability review, the initial permit to construct, and one permit to operate.

b. An application that proposes to expand the permitted activity of the waste management facility through an increase of ten percent (10%) or more in (i) the population of the geographic area to be served by the sanitary landfill; (ii) the quantity of solid waste to be disposed of in the sanitary landfill; or (iii) the geographic area to be served by the sanitary landfill.

c. An application that includes a proposed expansion to the boundary of a waste disposal unit within a permitted solid waste management facility.

d. An application that includes a proposed change in the categories of solid waste to be disposed of in the sanitary landfill.

e. An application for a permit to be issued pursuant to G.S. 130A-294(a2), which is issued for a duration of less than a facility's life-of-site based upon permits previously issued to a facility.

(2) "Permit amendment" means any of the following:

a. An application for the five-year renewal of a permit for a permitted solid waste management facility or for a permit review of a permitted solid waste management facility. This sub-subdivision shall not apply to sanitary landfills or transfer stations.

b. Any application that proposes a change in ownership or corporate structure of a permitted solid waste management facility.

(3) "Permit modification" means any of the following:

a. An application for any change to the plans approved in a permit for a solid waste management facility that does not constitute a "permit amendment" or a "new permit."

b. An application for a five-year limited review of a 10-year permit, including review of the operations plan, closure plan, post-closure plan, financial assurance cost estimates, environmental monitoring plans, and any other applicable plans for the facility.

(b) The Commission shall adopt and the Department shall enforce rules to implement a comprehensive statewide solid waste management program. The rules shall be consistent with applicable State and federal law; and shall be designed to protect the public health, safety, and welfare; preserve the environment; and provide for the greatest possible conservation of cultural and natural resources. Rules for the establishment, location, operation, maintenance, use, discontinuance, recordation, post-closure care of solid waste management facilities also shall be based upon recognized public health practices and procedures, including applicable epidemiological research and studies; hydrogeological research and studies; sanitary engineering research and studies; and current technological development in equipment and methods. The rules shall not apply to the management of solid waste that is generated by an individual or individual family or household unit on the individual's property and is disposed of on the individual's property.

(b1) (1) For purposes of this subsection and subdivision (4) of subsection (a) of this section, a "substantial amendment" means either:

a. An increase of ten percent (10%) or more in:

1. The population of the geographic area to be served by the sanitary landfill;
2. The quantity of solid waste to be disposed of in the sanitary landfill; or
3. The geographic area to be served by the sanitary landfill.

b. A change in the categories of solid waste to be disposed of in the sanitary landfill or any other change to the application for a permit or to the permit for a sanitary landfill that the Commission or the Department determines to be substantial.

(2) A person who intends to apply for a new ~~permit, the renewal of a permit, or a substantial amendment to a~~ permit for a sanitary landfill shall obtain, prior to applying for a permit, a franchise for the operation of the sanitary landfill from each local government having jurisdiction over any part of the land on which the sanitary landfill and its appurtenances are located or to be located. A local government may adopt a franchise ordinance under G.S. 153A-136 or G.S. 160A-319. A franchise granted for a sanitary landfill shall be granted for the life-of-site of the landfill and shall include all of the following:

a. A statement of the population to be served, including a description of the geographic area.

b. A description of the volume and characteristics of the waste stream.

c. A projection of the useful life of the sanitary landfill.

d. Repealed by Session Laws 2013-409, s. 8, effective August 23, 2013.

e. The procedures to be followed for governmental oversight and regulation of the fees and rates to be charged by facilities subject to the franchise for waste generated in the jurisdiction of the franchising entity.

f. A facility plan for the sanitary landfill that shall include the boundaries of the proposed facility, proposed development of the facility ~~site in five-year operational phases,~~ site, the boundaries of all waste disposal units, final elevations and capacity of all waste disposal units, the amount of waste to be received per day in tons, the total waste disposal capacity of the sanitary landfill in tons, a description of environmental controls, and a description of any other waste management activities to be conducted at the facility. In addition, the facility plan shall show the proposed location of soil borrow areas, leachate facilities, and all other facilities and infrastructure, including ingress and egress to the facility.

…

(4) An applicant for a new ~~permit, the renewal of a permit, or a substantial amendment to a~~ permit for a sanitary landfill shall request each local government having jurisdiction over any part of the land on which the sanitary landfill and its appurtenances are located or to be located to issue a determination as to whether the local government has in effect a franchise, zoning, subdivision, or land-use planning ordinance applicable to the sanitary landfill and whether the proposed sanitary landfill, or the existing sanitary landfill as it would be operated under the ~~renewed or substantially amended~~ permit, would be consistent with the applicable ordinances. The request to the local government shall be accompanied by a copy of the permit application and shall be delivered to the clerk of the local government personally or by certified mail. In order to serve as a basis for a determination that an application for a new ~~permit, the renewal of a permit, or a substantial amendment to a~~ permit for a sanitary landfill is consistent with a zoning, subdivision, or land-use planning ordinance, an ordinance or zoning classification applicable to the real property designated in the permit application shall have been in effect not less than 90 days prior to the date the request for a determination of consistency is delivered to the clerk of the local government. The determination shall be verified or supported by affidavit signed by the chief administrative officer, the chief administrative

officer's designee, clerk, or other official designated by the local government to make the determination and, if the local government states that the sanitary landfill as it would be operated under the ~~new, renewed, or substantially amended~~ new permit is inconsistent with a franchise, zoning, subdivision, or land-use planning ordinance, shall include a copy of the ordinance and the specific reasons for the determination of inconsistency. A copy of the determination shall be provided to the applicant when the determination is submitted to the Department. The Department shall not act upon an application for a permit under this section until it has received a determination from each local government requested to make a determination by the applicant; provided that if a local government fails to submit a determination to the Department as provided by this subsection within 15 days after receipt of the request, the Department shall proceed to consider the permit application without regard to a franchise, local zoning, subdivision, and land-use planning ordinances. Unless the local government makes a subsequent determination of consistency with all ordinances cited in the determination or the sanitary landfill as it would be operated under the ~~new, renewed, or substantially amended~~ new permit is determined by a court of competent jurisdiction to be consistent with the cited ordinances, the Department shall attach as a condition of the permit a requirement that the applicant, prior to construction or operation of the sanitary landfill under the permit, comply with all lawfully adopted local ordinances cited in the determination that apply to the sanitary landfill. This subsection shall not be construed to affect the validity of any lawfully adopted franchise, local zoning, subdivision, or land-use planning ordinance or to affect the responsibility of any person to comply with any lawfully adopted franchise, local zoning, subdivision, or land-use planning ordinance. This subsection shall not be construed to limit any opportunity a local government may have to comment on a permit application under any other law or rule. This subsection shall not apply to any facility with respect to which local ordinances are subject to review under either G.S. 104E-6.2 or G.S. 130A-293.

(5) As used in this subdivision, "coal-fired generating unit" and "investor-owned public utility" have the same meaning as in G.S. 143-215.107D(a). Notwithstanding subdivisions (a)(4), (b1)(3), or (b1)(4) of this section, no franchise shall be required for a sanitary landfill used only to dispose of waste generated by a coal-fired generating unit that is owned or operated by an investor-owned utility subject to the requirements of G.S. 143-215.107D.

…."

SECTION 4.9.(b) Section 14.20(a) of S.L. 2015-241 reads as rewritten:

"**SECTION 14.20.(c)** G.S. 130A-295.8 reads as rewritten:

"§ **130A-295.8. Fees applicable to permits for solid waste management facilities.**

(a) The Solid Waste Management Account is established as a nonreverting account within the Department. All fees collected under this section shall be credited to the Account and shall be used to support the solid waste management program established pursuant to G.S. 130A-294.

~~(b) As used in this section:~~

~~(1) "Major permit modification" means an application for any change to the approved engineering plans for a sanitary landfill or transfer station permitted for a 10-year design capacity that does not constitute a "permit amendment," "new permit," or "permit modification."~~

~~(1a) "New permit" means any of the following:~~

a. An application for a permit for a solid waste management facility that has not been previously permitted by the Department. The term includes one site suitability review, the initial permit to construct, and one permit to operate the constructed portion of a phase included in the permit to construct.

b. An application that proposes to expand the boundary of a permitted waste management facility for the purpose of expanding the permitted activity.

c. An application that includes a proposed expansion to the boundary of a waste disposal unit within a permitted solid waste management facility.

d. An application for a substantial amendment to a solid waste permit, as defined in G.S. 130A-294.

(2) "Permit amendment" means any of the following:

a. An application for a permit to construct and one permit to operate for the second and subsequent phases of landfill development described in the approved facility plan for a permitted solid waste management facility.

b. An application for the five-year renewal of a permit for a permitted solid waste management facility or for a permit review of a permitted solid waste management facility.

c. Any application that proposes a change in ownership or corporate structure of a permitted solid waste management facility.

(3) "Permit modification" means any of the following:

a. An application for any change to the plans approved in a permit for a solid waste management facility that does not constitute a "permit amendment" or a "new permit".

b. A second or subsequent permit to operate for a constructed portion of a phase included in the permit to construct.

c. An application for a five-year limited review of a 10-year permit, including review of the operations plan, closure plan, post-closure plan, financial assurance cost estimates, environmental monitoring plans, and any other applicable plans for the facility.

(c) An applicant for a permit shall pay an application fee upon submission of an application according to the following schedule:

(1) Municipal Solid Waste Landfill accepting less than 100,000 tons/year of solid waste, New Permit (Five-Year) – $25,000.

(1a) Municipal Solid Waste Landfill accepting less than 100,000 tons/year of solid waste, New Permit (Ten-Year) – $38,500.

(2) Municipal Solid Waste Landfill accepting less than 100,000 tons/year of solid waste, Amendment (Five-Year) – $15,000.

(2a) Municipal Solid Waste Landfill accepting less than 100,000 tons/year of solid waste, Amendment (Ten-Year) – $28,500.

(3) Municipal Solid Waste Landfill accepting less than 100,000 tons/year of solid waste, Modification (Five-Year) – $1,500.

(3a) Municipal Solid Waste Landfill accepting less than 100,000 tons/year of solid waste, Major Modification (Ten-Year) – $7,500.

(4) Municipal Solid Waste Landfill accepting 100,000 tons/year or more of solid waste, New Permit (Five-Year) – $50,000.

(4a) Municipal Solid Waste Landfill accepting 100,000 tons/year or more of solid waste, New Permit (Ten-Year) – $77,000.

(5) Municipal Solid Waste Landfill accepting 100,000 tons/year or more of solid waste, Amendment (Five-Year) – $30,000.

~~(5a) Municipal Solid Waste Landfill accepting 100,000 tons/year or more of solid waste, Amendment (Ten-Year) – $57,000.~~

~~(6) Municipal Solid Waste Landfill accepting 100,000 tons/year or more of solid waste, Modification (Five-Year) – $3,000.~~

~~(6a) Municipal Solid Waste Landfill accepting 100,000 tons/year or more of solid waste, Major Modification (Ten-Year) – $15,000.~~

~~(7) Construction and Demolition Landfill accepting less than 100,000 tons/year of solid waste, New Permit (Five-Year) – $15,000.~~

~~(7a) Construction and Demolition Landfill accepting less than 100,000 tons/year of solid waste, New Permit (Ten-Year) – $22,500.~~

~~(8) Construction and Demolition Landfill accepting less than 100,000 tons/year of solid waste, Amendment (Five-Year) – $9,000.~~

~~(8a) Construction and Demolition Landfill accepting less than 100,000 tons/year of solid waste, Amendment (Ten-Year) – $16,500.~~

~~(9) Construction and Demolition Landfill accepting less than 100,000 tons/year of solid waste, Modification (Five-Year) – $1,500.~~

~~(9a) Construction and Demolition Landfill accepting less than 100,000 tons/year of solid waste, Major Modification (Ten-Year) – $4,500.~~

~~(10) Construction and Demolition Landfill accepting 100,000 tons/year or more of solid waste, New Permit (Five-Year) – $30,000.~~

~~(10a) Construction and Demolition Landfill accepting 100,000 tons/year or more of solid waste, New Permit (Ten-Year) – $46,000.~~

~~(11) Construction and Demolition Landfill accepting 100,000 tons/year or more of solid waste, Amendment (Five-Year) – $18,500.~~

~~(11a) Construction and Demolition Landfill accepting 100,000 tons/year or more of solid waste, Amendment (Ten-Year) – $34,500.~~

~~(12) Construction and Demolition Landfill accepting 100,000 tons/year or more of solid waste, Modification (Five-Year) – $2,500.~~

~~(12a) Construction and Demolition Landfill accepting 100,000 tons/year or more of solid waste, Major Modification (Ten-Year) – $9,250.~~

~~(13) Industrial Landfill accepting less than 100,000 tons/year of solid waste, New Permit (Five-Year) – $15,000.~~

~~(13a) Industrial Landfill accepting less than 100,000 tons/year of solid waste, New Permit (Ten-Year) – $22,500.~~

~~(14) Industrial Landfill accepting less than 100,000 tons/year of solid waste, Amendment (Five-Year) – $9,000.~~

~~(14a) Industrial Landfill accepting less than 100,000 tons/year of solid waste, Amendment (Ten-Year) – $16,500.~~

~~(15) Industrial Landfill accepting less than 100,000 tons/year of solid waste, Modification (Five-Year) – $1,500.~~

~~(15a) Industrial Landfill accepting less than 100,000 tons/year of solid waste, Major Modification (Ten-Year) – $4,500.~~

~~(16) Industrial Landfill accepting 100,000 tons/year or more of solid waste, New Permit (Five-Year) – $30,000.~~

~~(16a) Industrial Landfill accepting 100,000 tons/year or more of solid waste, New Permit (Ten-Year) – $46,000.~~

~~(17) Industrial Landfill accepting 100,000 tons/year or more of solid waste, Amendment (Five-Year) – $18,500.~~

~~(17a) Industrial Landfill accepting 100,000 tons/year or more of solid waste, Amendment (Ten-Year) – $34,500.~~

~~(18) Industrial Landfill accepting 100,000 tons/year or more of solid waste, Modification (Five-Year) – $2,500.~~

~~(18a) Industrial Landfill accepting 100,000 tons/year or more of solid waste, Major Modification (Ten-Year) – $9,250.~~
~~(19) Tire Monofill, New Permit – $1,750.~~
~~(19a) Tire Monofill, New Permit (Ten-Year) – $2,500.~~
~~(20) Tire Monofill, Amendment – $1,250.~~
~~(20A) Tire Monofill, Amendment (Ten-Year) – $2,000.~~
~~(21) Tire Monofill, Modification – $500.~~
~~(21A) Tire Monofill, Major Modification – $625.~~
~~(22) Treatment and Processing, New Permit – $1,750.~~
~~(23) Treatment and Processing, Amendment – $1,250.~~
~~(24) Treatment and Processing, Modification – $500.~~
~~(25) Transfer Station, New Permit (Five-Year) – $5,000.~~
~~(25a) Transfer Station, New Permit (Ten-Year) – $7,500.~~
~~(26) Transfer Station, Amendment (Five-Year) – $3,000.~~
~~(26a) Transfer Station, Amendment (Ten-Year) – $5,500.~~
~~(27) Transfer Station, Modification (Five-Year) – $500.~~
~~(27a) Transfer Station, Major Modification (Ten-Year) – $1,500.~~
~~(28) Incinerator, New Permit – $1,750.~~
~~(29) Incinerator, Amendment – $1,250.~~
~~(30) Incinerator, Modification – $500.~~
~~(31) Large Compost Facility, New Permit – $1,750.~~
~~(32) Large Compost Facility, Amendment – $1,250.~~
~~(33) Large Compost Facility, Modification – $500.~~
~~(34) Land Clearing and Inert, New Permit – $1,000.~~
~~(35) Land Clearing and Inert, Amendment – $500.~~
~~(36) Land Clearing and Inert, Modification – $250.~~

~~(d) A permitted solid waste management facility shall pay an annual permit fee on or before 1 August of each year according to the following schedule:~~

~~(1) Municipal Solid Waste Landfill – $3,500.~~
~~(2) Post-Closure Municipal Solid Waste Landfill – $1,000.~~
~~(3) Construction and Demolition Landfill – $2,750.~~
~~(4) Post-Closure Construction and Demolition Landfill – $500.~~
~~(5) Industrial Landfill – $2,750.~~
~~(6) Post-Closure Industrial Landfill – $500.~~
~~(7) Transfer Station – $750.~~
~~(8) Treatment and Processing Facility – $500.~~
~~(9) Tire Monofill – $500.~~
~~(10) Incinerator – $500.~~
~~(11) Large Compost Facility – $500.~~
~~(12) Land Clearing and Inert Debris Landfill – $500.~~

(d1) A permitted solid waste management facility shall pay an annual permit fee on or before August 1 of each year according to the following schedule:

(1) Municipal Solid Waste Landfill accepting less than 100,000 tons/year of solid waste – $6,125.
(2) Municipal Solid Waste Landfill accepting 100,000 tons/year or more but less than 250,000 tons/year of solid waste – $7,000.
(3) Municipal Solid Waste Landfill accepting 250,000 tons/year or more of solid waste – $8,750.
(4) Post-Closure Municipal Solid Waste Landfill – $1,000.
(5) Construction and Demolition Landfill accepting less than 25,000 tons/year of solid waste – $4,813.
(6) Construction and Demolition Landfill accepting 25,000 tons/year or more of solid waste – $5,500.

(7) Post-Closure Construction and Demolition Landfill – $500.
(8) Industrial Landfill accepting less than 100,000 tons/year of solid waste – $5,500.
(9) Industrial Landfill accepting 100,000 tons/year or more of solid waste – $6,875.
(10) Post-Closure Industrial Landfill – $500.
(11) Transfer Station accepting less than 25,000 tons/year of solid waste – $1,500.
(12) Transfer Station accepting 25,000 tons/year or more of solid waste – $1,875.
(13) Treatment and Processing Facility – $500.
(14) Tire Monofill – $1,000.
(15) Incinerator – $500.
(16) Large Compost Facility – $500.
(17) Land Clearing and Inert Debris Landfill – $500.

(d2) Upon submission of an application for a new permit, an applicant shall pay an application fee in the amount of ten percent (10%) of the annual permit fee imposed for that type of solid waste management facility as identified in subdivisions (1) through (17) of subsection (d1) of this section.

…."

SECTION 4.9.(c) Section 14.20(d) of S.L. 2015-241 reads as rewritten:

"**SECTION 14.20.(d)** G.S. 130A-295.3 reads as rewritten:

"§ **130A-295.3. Environmental compliance review requirements for applicants and permit holders.**

…

(b) The Department shall conduct an environmental compliance review of each applicant for a new ~~permit, permit renewal,~~ permit and permit amendment under this Article. The environmental compliance review shall evaluate the environmental compliance history of the applicant for a period of five years prior to the date of the application and may cover a longer period at the discretion of the Department. The environmental compliance review of an applicant may include consideration of the environmental compliance history of the parents, subsidiaries, or other affiliates of an applicant or parent that is a business entity, including any business entity or joint venturer with a direct or indirect interest in the applicant, and other facilities owned or operated by any of them. The Department shall determine the scope of the review of the environmental compliance history of the applicant, parents, subsidiaries, or other affiliates of the applicant or parent, including any business entity or joint venturer with a direct or indirect interest in the applicant, and of other facilities owned or operated by any of them. An applicant for a permit shall provide environmental compliance history information for each facility, business entity, joint venture, or other undertaking in which any of the persons listed in this subsection is or has been an owner, operator, officer, director, manager, member, or partner, or in which any of the persons listed in this subsection has had a direct or indirect interest as requested by the Department.

…."

SECTION 4.9.(d) Section 14.20(f) of S.L. 2015-241 reads as rewritten:

"**SECTION 14.20.(f)** This section becomes effective October 1, 2015. G.S. 130A-294(b1)(2), as amended by subsection (a) of this section, applies to franchise agreements executed on or after October 1, 2015. The remainder of G.S. 130A-294, as amended by subsection (a) of this section, and G.S. 130A-295.8, as amended by subsection (c) of this section, apply to (i) existing sanitary landfills and transfer stations, with a valid permit issued before the date this act becomes effective, on July 1, 2016, at which point a permittee may choose to apply for a life-of-site permit pursuant to G.S. 130A-294(a2), as amended by Section 14.20(b) of this act, or may choose to apply for a life-of-site permit for the facility when ~~that~~ the facility's permit is next subject to renewal after July 1, 2016, (ii) new sanitary landfills and transfer stations, for applications submitted on or after July 1, 2016, and (iii)

applications for sanitary landfills or transfer stations submitted before July 1, 2015, and pending on the date this act becomes law shall be evaluated by the Department based on the applicable laws that were in effect on July 1, 2015, and the Department shall not delay in processing such permit applications in consideration of changes made by this act, but such landfills and transfer stations shall be eligible for issuance of life-of-site permits pursuant to G.S. 130A-294(a2), as amended by Section 14.20(b) of this act, on July 1, 2016, at which point a permittee may choose to apply for a life-of-site permit pursuant to G.S. 130A-294(a2), as amended by Section 14.20(b) of this act, or may choose to apply for a life-of-site permit for the facility when ~~that~~ the facility's permit is next subject to renewal after July 1, 2016."

AMEND THE DEFINITION FOR "PROSPECTIVE DEVELOPER" UNDER THE LAW GOVERNING BROWNFIELDS REDEVELOPMENT

SECTION 4.10.(a) G.S. 130A-310.31(b)(10) reads as rewritten:

"§ **130A-310.31. Definitions.**

(a) Unless a different meaning is required by the context or unless a different meaning is set out in subsection (b) of this section, the definitions in G.S. 130A-2 and G.S. 130A-310 apply throughout this Part.

(b) Unless a different meaning is required by the context:

…

(10) "Prospective developer" means any person with a bona fide, demonstrable desire to ~~either buy or sell a brownfields property for the purpose of developing or redeveloping that~~develop or redevelop a brownfields property and who did not cause or contribute to the contamination at the brownfields property."

SECTION 4.10.(b) This section becomes effective December 1, 2015, and applies to Notices of Intent to Redevelop a Brownfields Property filed on or after that date.

ELIMINATE OUTDATED FEES RELATED TO SOLID WASTE MATTERS

SECTION 4.11.(a) G.S. 105-102.6 is repealed.

SECTION 4.11.(b) G.S. 130A-309.17(d) and (i) are repealed.

DELETE OR REPEAL VARIOUS ENVIRONMENTAL AND NATURAL RESOURCES REPORTING REQUIREMENTS

SECTION 4.12.(a) G.S. 113-175.6 is repealed.

SECTION 4.12.(b) G.S. 113-182.1(e) reads as rewritten:

"§ **113-182.1. Fishery Management Plans.**

…

(e) The Secretary of Environment and Natural Resources shall monitor progress in the development and adoption of Fishery Management Plans in relation to the Schedule for development and adoption of the plans established by the Marine Fisheries Commission. ~~The Secretary of Environment and Natural Resources shall report to the Joint Legislative Commission on Governmental Operations on progress in developing and implementing the Fishery Management Plans on or before 1 September of each year.~~ The Secretary of Environment and Natural Resources shall report to the Joint Legislative Commission on Governmental Operations within 30 days of the completion or substantial revision of each proposed Fishery Management Plan. The Joint Legislative Commission on Governmental Operations shall review each proposed Fishery Management Plan within 30 days of the date the proposed Plan is submitted by the Secretary. The Joint Legislative Commission on Governmental Operations may submit comments and recommendations on the proposed Plan to the Secretary within 30 days of the date the proposed Plan is submitted by the Secretary."

SECTION 4.12.(c) G.S. 143B-279.15 is repealed.

SECTION 4.12.(d) G.S. 143B-289.44(d) is repealed.

SECTION 4.12.(e) G.S. 159I-29 is repealed.

SECTION 4.12.(f) Section 2.3 of S.L. 2007-485 is repealed.

ON-SITE WASTEWATER AMENDMENTS AND CLARIFICATIONS

SECTION 4.14.(a) G.S. 130A-334 reads as rewritten:

"§ **130A-334. Definitions.**

The following definitions shall apply throughout this Article:

(1) "Accepted wastewater system" has the same meaning as in G.S. 130A-343.

(1a) "Approved agency for special inspection" means an individual, corporation, company, association, or partnership that is objective, competent, and independent from the contractor who is responsible for the work that is inspected. The agency shall disclose possible conflicts of interest in a manner such that objectivity can be confirmed.

(1b) "Approved special inspector" means a person who demonstrates competence to the satisfaction of the professional engineer who designed the wastewater system for the inspection of the construction or operation subject to special inspection.

~~(1)~~(1c) "Construction" means any work at the site of placement done for the purpose of preparing a residence, place of business or place of public assembly for initial occupancy, or subsequent additions or modifications which increase sewage flow.

(1d) "Construction observation" means the visual observation of the construction and installation of the wastewater system for general conformance with the construction documents prepared by the professional engineer who designed the wastewater system. Construction observation that is conducted by the professional engineer who designed the wastewater system does not include or waive the requirement to conduct special inspections.

(1e) "Conventional wastewater system" has the same meaning as in G.S. 130A-343.

~~(1a)~~(1f) "Department" means the Department of Health and Human Services.

(1g) "Engineered option permit" means an on-site wastewater system that is permitted pursuant to the rules adopted by the Commission in accordance with this Article, meets the criteria established by G.S. 130A-336.1, and is designed by a professional engineer who is licensed under Chapter 89C of the General Statutes who has expertise in the design of on-site wastewater systems.

~~(1b)~~(1h) "Ground absorption system" means a system of tanks, treatment units, nitrification fields, and appurtenances for wastewater collection, treatment, and subsurface disposal.

(2) Repealed by Session Laws 1985, c. 462, s. 18.

(2a) "Industrial process wastewater" means any water-carried waste resulting from any process of industry, manufacture, trade, or business.

(2b) "Licensed geologist" means a person who is licensed as a geologist under the provisions of Chapter 89E of the General Statutes.

(2c) "Licensed soil scientist" has the same meaning as in G.S. 89F-3.

(3) "Location" means the initial placement for occupancy of a residence, place of business or place of public assembly.

(3a) "Maintenance" means normal or routine maintenance including replacement of broken pipes, cleaning, or adjustment to an existing wastewater system.

(4), (5) Repealed by Session Laws 1985, c. 462, s. 18.

(6) "Place of business" means a store, warehouse, manufacturing establishment, place of amusement or recreation, service station, office building or any other place where people work.

(7) "Place of public assembly" means a fairground, auditorium, stadium, church, campground, theater or any other place where people assemble.

(7a) "Plat" means a property survey prepared by a registered land surveyor, drawn to a scale of one inch equals no more than 60 feet, that includes: the specific location of the proposed facility and appurtenances, the site for the proposed wastewater system, and the location of water supplies and surface waters. "Plat" also means, for subdivision lots approved by the local planning authority if a local planning authority exists at the time of application for a permit under this Article, a copy of the subdivision plat that has been recorded with the county register of deeds and is accompanied by a site plan that is drawn to scale.

(7b) "Pretreatment" means any biological, chemical, or physical process or system for improving wastewater quality and reducing wastewater constituents prior to final treatment and disposal in a subsurface wastewater system and includes, but is not limited to aeration, clarification, digestion, disinfection, filtration, separation, and settling.

(7c) "Professional engineer" has the same meaning as in G.S. 89C-3.

(8) "Public or community wastewater system" means a single system of wastewater collection, treatment and disposal owned and operated by a sanitary district, a metropolitan sewage district, a water and sewer authority, a county or municipality or a public utility.

(9) "Relocation" means the displacement of a residence or place of business from one site to another.

(9a) "Repair" means the extension, alteration, replacement, or relocation of existing components of a wastewater system.

(10) "Residence" means a private home, dwelling unit in a multiple family structure, hotel, motel, summer camp, labor work camp, manufactured home, institution or any other place where people reside.

(10a) "Secretary" means the Secretary of ~~Environment and Natural Resources.~~Health and Human Services.

(11) Repealed by Session Laws 1992, c. 944, s. 3.

(12) "Septic tank system" means a subsurface wastewater system consisting of a settling tank and a subsurface disposal field.

(13) "Sewage" means the liquid and solid human body waste and liquid waste generated by water-using fixtures and appliances, including those associated with foodhandling. The term does not include industrial process wastewater or sewage that is combined with industrial process wastewater.

(13a) "Site plan" means a drawing not necessarily drawn to scale that shows the existing and proposed property lines with dimensions, the location of the facility and appurtenances, the site for the proposed wastewater system, and the location of water supplies and surface waters.

(13b) "Special inspection" means a required inspection of the materials, installation, fabrication, erection, or placement of components and systems that require special expertise to ensure compliance with referenced standards and the construction documents prepared by the professional engineer.

(14) "Wastewater" means any sewage or industrial process wastewater discharged, transmitted, or collected from a residence, place of business, place of public assembly, or other places into a wastewater system.

(15) "Wastewater system" means a system of wastewater collection, treatment, and disposal in single or multiple components, including a ground absorption system, privy, septic tank system, public or community wastewater system, wastewater reuse or recycle system, mechanical or biological wastewater treatment system, any other similar system, and any chemical toilet used only for human waste. A wastewater system located on multiple adjoining lots or tracts of land under common ownership or control

shall be considered a single system for purposes of permitting under this Article."

SECTION 4.14.(b) G.S. 130A-335 reads as rewritten:

"§ **130A-335. Wastewater collection, treatment and disposal; rules.**

(a) A person owning or controlling a residence, place of business or a place of public assembly shall provide an approved wastewater system. Except as may be allowed under another provision of law, all wastewater from water-using fixtures and appliances connected to a water supply source shall discharge to the approved wastewater system. A wastewater system may include components for collection, treatment and disposal of wastewater.

(a1) Any proposed site for a residence, place of business, or a place of public assembly located in an area that is not served by an approved wastewater system for which a new wastewater system is proposed or repair is necessary for compliance may be evaluated for soil conditions and site features by a licensed soil scientist or licensed geologist. For purposes of this subsection, "site features" include topography and landscape position; soil characteristics (morphology); soil wetness; soil depth; restrictive horizons; available space; and other applicable factors that involve accepted public health principles.

(b) All wastewater systems shall either (i) be regulated by the Department under rules adopted by the Commission or (ii) conform with the engineered option permit criteria set forth in G.S. 130A-336.1 and under rules adopted by the Commission except for the following wastewater systems that shall be regulated by the Department under rules adopted by the Environmental Management Commission:

(1) Wastewater collection, treatment, and disposal systems designed to discharge effluent to the land surface or surface waters.

(2) Wastewater systems designed for groundwater remediation, groundwater injection, or landfill leachate collection and disposal.

(3) Wastewater systems designed for the complete recycle or reuse of industrial process wastewater.

(4) Gray water systems as defined in G.S. 143-350.

(c) A wastewater system subject to approval under rules of the Commission shall be reviewed and approved under rules of a local board of health in the following circumstances:

(1) The local board of health, on its own motion, has requested the Department to review its proposed rules concerning wastewater systems; and

(2) The local board of health has adopted by reference the wastewater system rules adopted by the Commission, with any more stringent modifications or additions deemed necessary by the local board of health to protect the public health; and

(3) The Department has found that the rules of the local board of health concerning wastewater collection, treatment and disposal systems are at least as stringent as rules adopted by the Commission and are sufficient and necessary to safeguard the public health.

(c1) The rules adopted by the Commission for wastewater systems approved under the engineered option permit criteria pursuant to G.S. 130A-336.1 shall be, at a minimum, as stringent as the rules for wastewater systems established by the Commission.

(d) The Department may, upon its own motion, upon the request of a local board of health or upon the request of a citizen of an affected county, review its findings under subsection (c) of this section.

The Department shall review its findings under subsection (c) of this section upon modification by the Commission of the rules applicable to wastewater systems. The Department may deny, suspend, or revoke the approval of local board of health wastewater system rules upon a finding that the local wastewater rules are not as stringent as rules adopted by the Commission, are not sufficient and necessary to safeguard the public health, or are not being enforced. Suspension and revocation of approval shall be in accordance with G.S. 130A-23.

(d1) The Department or owner of a wastewater system may file a written complaint with the North Carolina Board of Examiners for Engineers and Surveyors in accordance with rules and procedures adopted by the Board pursuant to Chapter 89C of the General Statutes citing failure of a professional engineer to adhere to the rules adopted by the Commission pursuant to this Article. The Department or owner of a wastewater system may file a written complaint with the North Carolina Board of Licensed Soil Scientists in accordance with rules and procedures adopted by the Board pursuant to Chapter 89F of the General Statutes citing failure of a licensed soil scientist to adhere to the rules adopted by the Commission pursuant to this Article. The Department or owner of a wastewater system may file a written complaint with the North Carolina Board for Licensing of Geologists in accordance with rules and procedures adopted by the Board pursuant to Chapter 89E of the General Statutes citing failure of a licensed geologist to adhere to the rules adopted by the Commission pursuant to this Article. The Department or owner of a wastewater system may file a written complaint with the North Carolina On-Site Wastewater Contractors and Inspectors Certification Board in accordance with rules and procedures adopted by the Board pursuant to Article 5 of Chapter 90A of the General Statutes citing failure of a contractor to adhere to the rules adopted by the Commission pursuant to this Article.

…."

SECTION 4.14.(c) Article 11 of Chapter 130A of the General Statutes is amended by adding a new section to read:

"§ **130A-336.1. Alternative process for wastewater system approvals.**

(a) Engineered Option Permit Authorized. – A professional engineer licensed under Chapter 89C of the General Statutes may, at the direction of the owner of a proposed wastewater system who wishes to utilize the engineered option permit, prepare signed and sealed drawings, specifications, plans, and reports for the design, construction, operation, and maintenance of the wastewater system in accordance with this section and rules adopted thereunder.

(b) Notice of Intent to Construct. – Prior to commencing or assisting in the construction, siting, or relocation of a wastewater system, the owner of a proposed wastewater system who wishes to utilize the engineered option permit, or a professional engineer authorized as the legal representative of the owner, shall submit to the local health department with jurisdiction over the location of the proposed wastewater system a notice of intent to construct a wastewater system utilizing the engineered permit option. The Department shall develop a common form for use as the notice of intent to construct that includes all of the following:

(1) The owner's name, address, e-mail address, and telephone number.

(2) The professional engineer's name, license number, address, e-mail address, and telephone number.

(3) For the professional engineer, the licensed soil scientist, the licensed geologist, and any on-site wastewater contractors, proof of errors and omissions insurance coverage or other appropriate liability insurance.

(4) A description of the facility the proposed site is to serve and any factors that would affect the wastewater load.

(5) The type of proposed wastewater system and its location.

(6) The design wastewater flow and characteristics.

(7) Any proposed landscape, site, drainage, or soil modifications.

(8) A soil evaluation that is conducted and signed and sealed by a either a licensed soil scientist or licensed geologist.

(9) A plat, as defined in G.S. 130A-334(7a).

(c) Completeness Review for Notice of Intent to Construct. – The local health department shall determine whether a notice of intent to construct, as required pursuant subsection (b) of this section, is complete within 15 business days after the local health department receives the notice of intent to construct. A determination of completeness means

that the notice of intent to construct includes all of the required components. If the local health department determines that the notice of intent to construct is incomplete, the department shall notify the owner or the professional engineer of the components needed to complete the notice. The owner or professional engineer may submit additional information to the department to cure the deficiencies in the notice. The local health department shall make a final determination as to whether the notice of intent to construct is complete within 10 business days after the department receives the additional information from the owner or professional engineer. If the department fails to act within any time period set out in this subsection, the owner or professional engineer may treat the failure to act as a determination of completeness.

(d) Submission of Notice of Intent to Construct to Department for Certain Systems. – Prior to commencing in the construction, siting, or relocation of a wastewater system designed (i) for the collection, treatment, and disposal of industrial process wastewater or (ii) to treat greater than 3,000 gallons per day, the owner of a proposed wastewater system who wishes to utilize the engineered option permit, or a professional engineer authorized as the legal representative of the owner, shall provide to the Department a duplicate copy of the notice of intent to construct submitted to the local health department required pursuant to subsection (b) of this section.

(e) Site Design, Construction, and Activities. –

(1) The professional engineer designing the proposed wastewater system shall use recognized principles and practices of engineering and applicable rules of the Commission in the calculations and design of the wastewater system. The investigations and findings of the professional engineer shall include, at a minimum, the information required in rules adopted by the Commission pursuant to G.S. 130A-335(e). The professional engineer may, at the engineer's discretion, employ pretreatment technologies not yet approved in this State.

(2) Notwithstanding G.S. 130A-335(a1), the owner of the proposed wastewater system shall employ either a licensed soil scientist or a geologist, licensed pursuant to Chapter 89E of the General Statutes and who has applicable professional experience, to evaluate soil conditions and site features.

(3) The professional engineer designing the proposed wastewater system:

a. Shall be responsible for the engineer's scope of work, including all aspects of the design and any drawings, specifications, plans, or reports that are signed and sealed by the professional engineer.

b. Shall prepare a signed and sealed statement of special inspections that includes the following items:

1. The materials, systems, components, and work subject to special inspection or testing.

2. The type and extent of each special inspection and each test.

3. The frequency of each type of special inspection. For purposes of this sub-sub-subdivision, frequency of special inspections shall be required on either a continuous or periodic basis. Continuous special inspections mean the full-time observation of work requiring special inspection by an approved special inspector who is present in the area where the work is performed. Periodic special inspections mean the part-time or intermittent observation of work requiring a special inspection by an approved special inspector who is present in the area where the work is or has been performed and at the completion of the work.

c. May assist the owner of the proposed wastewater system with the selection of an on-site wastewater system contractor certified pursuant to Article 5 of Chapter 90A of the General Statutes.

(4) An on-site wastewater system contractor, licensed pursuant to Article 5 of Chapter 90A of the General Statutes, who is employed by the owner of the wastewater system, shall:

a. Be responsible for all aspects of the construction and installation of the wastewater system or components of the wastewater system, including adherence to the design, specifications, and any special inspections that are prepared, signed, and sealed by the professional engineer in accordance with all the applicable provisions of this section.

b. Submit a signed and dated statement of responsibility to the owner of the wastewater system, prior to the commencement of work, that contains acknowledgement and awareness of the requirements in the professional engineer's statement of special inspections.

(5) Where the professional engineer's designs, plans, and specifications call for the installation of a conventional wastewater system, such designs, plans, and specifications shall allow for the installation of an accepted system in lieu of a conventional system in accordance with the accepted system approval.

(6) In addition to the requirements of this section, the owner, the professional engineer designing the proposed wastewater system, and any on-site wastewater system contractors employed to construct or install the wastewater system shall comply with applicable federal, State, and local laws, regulations, rules, and ordinances.

(f) No Public Liability. – The Department, the Department's authorized agents, or local health departments shall have no liability for wastewater systems designed, constructed, and installed pursuant to a engineered option permit.

(g) Inspections, Construction Observations, and Reports. –

(1) Site visits. – The local health department may, at any time, conduct a site visit of the wastewater system.

(2) Construction observations. – The professional engineer who designed the wastewater system shall make periodic visits to the site, at intervals appropriate to the stage of construction, to observe the progress and quality of the construction and to determine, generally, if the construction is proceeding in accordance with the engineer's plans and specifications.

(3) Special inspections. – The owner of the proposed wastewater system shall employ one or more approved special inspectors to conduct special inspections during the construction of the wastewater system. The professional engineer who designed the wastewater system, or the engineer's personnel, may function as an approved agency to conduct special inspections required by this subdivision. The professional engineer's personnel shall only operate as an approved agency for special inspections if the personnel can demonstrate competence and relevant experience or training. For purposes of this subdivision, experience or training shall be considered relevant when the documented experience or training is related in complexity to the same type of special inspection activities for projects of similar complexity and material qualities.

(4) Inspection reports. – Approved special inspectors shall maintain and furnish all inspection records to the professional engineer who designed the wastewater system. The records shall indicate whether the work inspected was completed in conformance with the engineer's design and specifications. Any discrepancies identified between the completed work and the engineer's design shall be brought to the immediate attention of the on-site wastewater system contractor for correction. If discrepancies are not corrected, they

shall be brought to the attention of the professional engineer who designed the wastewater system prior to completion of work. A final inspection report documenting the required special inspections and the correction of any identified discrepancies shall be provided to the professional engineer and the owner of the wastewater system for review at the post-construction conference required pursuant to subsection (j) of this section.

(h) Local Authority. – This section shall not relieve the owner or operator of a wastewater system from complying with any and all modifications or additions to rules adopted by a local health department to protect public health pursuant to G.S. 130A-335(c) that are required at the time the owner or operator submits the notice of intent to construct pursuant to G.S. 130A-336.1(b). The local health department shall notify the owner or operator of the wastewater system of any issues of compliance related to such modifications or additions.

(i) Operations and Management. –

(1) The professional engineer designing the wastewater system shall establish a written operations and management program based on the size and complexity of the wastewater system and shall provide the program to the owner.

(2) The owner shall enter into a contract with a water pollution control system operator certified pursuant to Part 1 of Article 3 of Chapter 90A of the General Statutes and who is selected from the list of certified operators maintained by the Division of Water Resources in the Department of Environment and Natural Resources for operation and maintenance of the wastewater system in accordance with rules adopted by the Commission.

(3) The owner of the wastewater system shall be responsible for the continued adherence to the operations and management program established by the professional engineer pursuant to subdivision (1) of this subsection.

(j) Post-Construction Conference. – The professional engineer designing the wastewater system shall hold a post-construction conference with the owner of the wastewater system; the licensed soil scientist or licensed geologist who performed the soils evaluation for the wastewater system; the on-site wastewater system contractor, certified pursuant to Article 5 of Chapter 90A of the General Statutes, who installed the wastewater system; the certified operator of the wastewater system, if any; and representatives from the local health department and, as applicable, the Department. The post-construction conference shall include start-up of the wastewater system and any required verification of system design or system components.

(k) Required Documentation. –

(1) At the completion of the post-construction conference conducted pursuant to subsection (j) of this section, the professional engineer who designed the wastewater system shall deliver to the owner signed, sealed, and dated copies of the engineer's report, which, for purposes of this subsection, shall include the following:

a. The evaluation of soil conditions and site features as prepared by either the licensed soil scientist or licensed geologist.

b. The drawings, specifications, plans, and reports of the wastewater system, including the statement of special inspections required pursuant to G.S. 130A-336.1(e)(3); the on-site wastewater system contractor's signed statement of responsibility required pursuant to G.S. 130A-336.1(e)(4); records of all special inspections; and the final inspection report documenting the correction of any identified discrepancies required pursuant to subsection (g) of this section.

c. The operator's management program manual that includes a copy of the contract with the certified water pollution control system operator required pursuant to subsection (i) of this section.

d. Any reports and findings related to the design and installation of the wastewater system.

(2) Upon reviewing the professional engineer's report, the owner of the wastewater system shall sign and notarize the report as having been received.

(l) Reporting Requirements. –

(1) The owner of the wastewater system shall submit the following to the local health department:

a. A copy of the professional engineer's report required pursuant to G.S. 130A-336.1(k)(1).

b. A copy of the operations and management program.

c. The fee required pursuant to subsection (n) of this section.

d. A notarized letter that documents the owner's acceptance of the system from the professional engineer.

(2) The owner of any wastewater system that is subject to subsection (d) of this section shall deliver to the Department copies of the engineer's report, as described G.S. 130A-336.1(k)(1).

(m) Authorization to Operate. – Within 15 business days of receipt of the documents and fees required pursuant to G.S. 130A-336.1(l)(1), the local health department shall issue the owner a letter of confirmation that states the documents and information contained therein have been received and that the wastewater system may operate in accordance with rules adopted by the Commission.

(n) Fees. – The local health department may assess a fee for the engineered option permit of up to thirty percent (30%) of the cumulative total of the fees the department has established to obtain an improvement permit, an authorization to construct, and an operations permit for wastewater systems under its jurisdiction. The fee shall only be used by the department in support of its work pursuant to this section to conduct site inspections; support the department's staff participation at post-construction conference meetings; and archive the engineered permit with the county register of deeds or other recordation of the wastewater system as required.

(o) Change in System Ownership. – A wastewater system authorized pursuant to this section shall not be affected by change in ownership of the site for the wastewater system, provided both the site for the wastewater system and the facility the system serves are unchanged and remain under the ownership or control of the person owning the facility.

(p) Remedies. – Notwithstanding any other provision of this section or any other provision of law, owners; operators; professional engineers who utilize the engineered option permit, who prepare drawings, specifications, plans, and reports; licensed soil scientists; licensed geologists; and on-site wastewater system contractors employed for the construction or installation of the wastewater system shall be subject to the provisions and remedies provided to the Department and local health departments pursuant to Article 1 of this Chapter.

(q) Rule Making. – The Commission shall adopt rules to implement the provisions of this section.

(r) Reports. – The Department shall report to the Environmental Review Commission and the Joint Legislative Oversight Committee on Health and Human Services on or before January 1, 2017, and annually thereafter, on the implementation and effectiveness of this section. For the report due on or before January 1, 2017, the Department shall specifically study (i) whether the engineered option permit resulted in a reduction in the length of time improvement permits or authorizations to construct are pending; (ii) whether the engineered option permit resulted in increased system failures or other adverse impacts; (iii) if the engineered option permit resulted in new or increased environmental or public health impacts; (iv) an amount of errors and omissions insurance or other liability sufficient for covering professional engineers, licensed soil scientists, licensed geologists, and contractors who employ the engineered option permit; and (v) the fees charged by local health departments to

administer the engineered option permit pursuant to subsection (n) of this section. The Department may include recommendations, including any legislative proposals, in its reports to the Commission and Committee."

SECTION 4.14.(d) G.S. 130A-338 reads as rewritten:

"§ **130A-338. Authorization for wastewater system construction required before other permits to be issued.**

Where construction, location or relocation is proposed to be done upon a residence, place of business or place of public assembly, no permit required for electrical, plumbing, heating, air conditioning or other construction, location or relocation activity under any provision of general or special law shall be issued until an authorization for wastewater system construction has been issued under ~~G.S. 130A-336~~ G.S. 130A-336, or authorization has been obtained under ~~G.S. 130A-337(c).~~G.S. 130A-337(c), or a decision on the completeness of the notice of intent to construct is made by the local health department pursuant to G.S. 130A-336.1(c)."

SECTION 4.14.(e) G.S. 130A-339 reads as rewritten:

"§ **130A-339. Limitation on electrical service.**

No person shall allow permanent electrical service to a residence, place of business or place of public assembly upon construction, location or relocation until the official electrical inspector with jurisdiction as provided in G.S. 143-143.2 certifies to the electrical supplier that the required improvement permit authorization for wastewater system construction and an operation permit or authorization under G.S. 130A-337(c) or the letter of confirmation authorizing wastewater system operation under G.S. 130A-336.1(m) has been obtained. Temporary electrical service necessary for constructing a residence, place of business or place of public assembly can be provided upon compliance with G.S. 130A-338."

SECTION 4.14.(f) The Commission for Public Health, in consultation with the Department of Health and Human Services, local health departments, and stakeholders representing the wastewater system industry, shall study the minimum on-site wastewater system inspection frequency established pursuant to Table V(a) in 15A NCAC 18A .1961 to evaluate the feasibility and desirability of eliminating duplicative inspections of on-site wastewater systems. In the conduct of its study, the Commission shall consider (i) the compliance history of wastewater systems, including whether operators' reports and laboratory reports are in compliance with Article 11 of Chapter 130A of the General Statutes and the rules adopted pursuant to that Article; (ii) alternative inspection frequencies, including the use of remote Web-based monitoring for alarm and compliance notification; (iii) whether the required verification visit conducted by local health departments shows a statistically significant justification for duplicative costs to the owner of the wastewater system; (iv) methods for notifications of changes to and expirations of operations contracts; and (v) methods for local health departments to provide certified operator management for sites that are not under contract with a water pollution control system operator certified pursuant to Part 1 of Article 3 of Chapter 90A of the General Statutes. The Commission shall report its findings and recommendations, including any legislative proposals, to the Environmental Review Commission and the Joint Legislative Oversight Committee on Health and Human Services on or before March 1, 2016.

SECTION 4.14.(g) G.S. 130A-336 reads as rewritten:

"§ **130A-336. Improvement permit and authorization for wastewater system construction required.**

(a) Any proposed site for a residence, place of business, or place of public assembly in an area not served by an approved wastewater system shall be evaluated by either (i) the local health department in accordance with rules adopted pursuant to this ~~Article.~~Article or (ii) by a professional engineer, licensed soil scientist, or licensed geologist acting within the engineer's, soil scientist's, or geologist's scope of work, as applicable, and pursuant to the conditions of the engineered option permit in G.S. 130A-336.1. An improvement permit ~~shall be issued in compliance with the rules adopted pursuant to this Article. An improvement permit~~issued by a local health department shall include:

(1) For permits that are valid without expiration, a ~~plat~~ plat, or, for permits that are valid for five years, a site plan.
(2) A description of the facility the proposed site is to serve.
(3) The proposed wastewater system and its location.
(4) The design wastewater flow and characteristics.
(5) The conditions for any site modifications.
(6) Any other information required by the rules of the Commission.

~~The~~ Neither the improvement permit nor the authorization for wastewater system construction shall ~~not~~ be affected by change ~~in~~ of ownership of the site for the wastewater system provided both the site for the wastewater system and the facility the system serves are unchanged and remain under the ownership or control of the person owning the facility. No person shall commence or assist in the construction, location, or relocation of a residence, place of business, or place of public assembly in an area not served by an approved wastewater system unless an improvement permit and an authorization for wastewater system construction are obtained from the local health ~~department.~~department unless that person is acting in accordance with the conditions and criteria of an engineered option permit pursuant to G.S. 130A-336.1. This requirement shall not apply to a manufactured residence exhibited for sale or stored for later sale and intended to be located at another site after sale.

(b) The local health department shall issue an authorization for wastewater system construction authorizing work to proceed and the installation or repair of a wastewater system when it has determined after a field investigation that the system can be installed and operated in compliance with this Article and rules adopted pursuant to this Article. This authorization for wastewater system construction shall be valid for a period equal to the period of validity of the improvement permit and may be issued at the same time the improvement permit is issued. No person shall commence or assist in the installation, construction, or repair of a wastewater system unless an improvement permit and an authorization for wastewater system construction have been obtained from the Department or the local health ~~department.~~department unless that person is acting in accordance with the conditions and criteria of an engineered option permit pursuant to G.S. 130A-336.1. No improvement permit or authorization for wastewater system construction shall be required for maintenance of a wastewater system. The Department and the local health department may impose conditions on the issuance of an improvement permit and an authorization for wastewater system construction.

(c) Unless the Commission otherwise provides by rule, plans, and specifications for all wastewater systems designed for the collection, treatment, and disposal of industrial process wastewater shall be reviewed and approved by the Department prior to the issuance of an authorization for wastewater system construction by the local health department.

(d) If a local health department repeatedly fails to issue or deny improvement permits for conventional or accepted septic tank systems within 60 ~~days of~~ days, or within 90 days for provisional or innovative systems, after receiving completed applications for the permits, then the Department of ~~Environment and Natural Resources~~ Health and Human Services may withhold public health funding from that local health department."

SECTION 4.14.(h) The Commission for Public Health, in consultation with the Department of Health and Human Services, local health departments, stakeholders who represent the wastewater system industry, and other interested parties shall study the period of validity for improvement permits and authorizations for wastewater system construction and evaluate the costs and benefits of a range of periods of validity. In the conduct of this study, the Commission shall also evaluate the feasibility and desirability of conducting an abbreviated review and possible extension of a permit or authorization that is due to expire at a lower cost to the applicant. The Commission shall report its findings and recommendations, including any legislative proposals, to the Environmental Review Commission and the Joint Legislative Oversight Committee on Health and Human Services on or before April 1, 2016.

SECTION 4.14.(i) Any improvement permit or authorization for wastewater system construction that is in effect on the effective date of this act which is scheduled to expire on or before July 1, 2016, shall remain in effect until July 1, 2016.

SECTION 4.14.(j) G.S. 130A-342 reads as rewritten:

"§ **130A-342. Residential wastewater treatment systems.**

(a) Individual residential wastewater treatment systems that are approved and listed in accordance with the standards adopted by the National Sanitation Foundation, Inc. for Class I residential wastewater treatment systems, as set out in Standard 40 of the National Sanitation Foundation, Inc., (as approved 13 January 2001) as amended, shall be permitted under rules adopted by the Commission. The Commission may establish standards in addition to those set by the National Sanitation Foundation, Inc.

(b) A permitted system with a design flow of less than 1,500 gallons per day shall be operated ~~and maintained by a certified wastewater treatment facility operator.~~by a person who is a Subsurface Water Pollution Control System Operator as certified by the Water Pollution Control System Operators Certification Commission and authorized by the manufacturer of the individual residential wastewater treatment system. The Commission may, in addition to the requirement for a certified Subsurface Water Pollution Control System Operator, establish additional standards for wastewater systems with a design flow of 1,500 gallons or greater per day.

(c) Each county, in which one or more residential wastewater treatment systems permitted pursuant to this section are in use, shall document the performance of each system and report the results to the Department annually."

SECTION 4.14.(k) This section is effective when this act becomes law. The Commission for Public Health shall adopt temporary rules pursuant to Sections 4.14(a) through 4.14(e), Section 4.14(g), and Section 4.14(j) of this act no later than June 1, 2016, and shall adopt permanent rules pursuant to Sections 4.14(a) through 4.14(e), Section 4.14(g), and Section 4.14(j) of this act no later than January 1, 2017. No person shall utilize the engineered permit option authorized pursuant to G.S. 130A-336.1, as enacted by Section 4.14(c) of this act, however, until such time as the rules adopted by the Commission pursuant to Section 4.14(c) of this act become effective.

CLARIFY CERTIFICATION REQUIREMENTS FOR PLUMBING CONTRACTORS WHO INSTALL OR REPAIR GREASE TRAPS

SECTION 4.14A. G.S. 90A-72 reads as rewritten:

"§ **90A-72. Certification required; applicability.**

(a) Certification Required. – No person shall construct, install, or repair or offer to construct, install, or repair an on-site wastewater system permitted under Article 11 of Chapter 130A of the General Statutes without being certified as a contractor at the required level of certification for the specified system. No person shall conduct an inspection or offer to conduct an inspection of an on-site wastewater system as permitted under Article 11 of Chapter 130A of the General Statutes without being certified in accordance with the provisions of this Article.

(b) Applicability. – This Article does not apply to the following:

(1) A person who is employed by a certified contractor or inspector in connection with the construction, installation, repair, or inspection of an on-site wastewater system performed under the direct and personal supervision of the certified contractor or inspector in charge.

(2) A person who constructs, installs, or repairs an on-site wastewater system described as a single septic tank with a gravity-fed gravel trench dispersal media when located on land owned by that person and that is intended solely for use by that person and members of that person's immediate family who reside in the same dwelling.

(3) A person licensed under Article 1 of Chapter 87 of the General Statutes who constructs or installs an on-site wastewater system ancillary to the building

being constructed or who provides corrective services and labor for an on-site wastewater system ancillary to the building being constructed.

(4) A person who is certified by the Water Pollution Control System Operators Certification Commission and contracted to provide necessary operation and maintenance on the permitted on-site wastewater system.

(5) A person permitted under Article 21 of Chapter 143 of the General Statutes who is constructing a water pollution control facility necessary to comply with the terms and conditions of a National Pollutant Discharge Elimination System (NPDES) permit.

(6) A person licensed under Article 1 of Chapter 87 of the General Statutes as a licensed public utilities contractor who is installing or expanding a wastewater treatment facility, including a collection system, designed by a registered professional engineer.

(7) A plumbing contractor licensed under Article 2 of Chapter 87 of the General Statutes, so long as the plumber is not performing plumbing work that includes the installation or repair of a septic tank or similar depository, such as a treatment or pretreatment tank or system, or ~~lines~~ lines, tanks, or appurtenances downstream from the point where the house or building sewer lines from the plumbing system meet the septic tank or similar depository. This subdivision shall not be construed to require a plumbing contractor to become certified as a contractor pursuant to this section to install or repair a grease trap, interceptor, or separator upstream from a septic tank or similar depository that complies with the requirements of the local health department.

(8) A person employed by the Department, a local health department, or a local health district, when conducting a regulatory inspection of an on-site wastewater system for purposes of determining compliance."

AMEND APPROVAL OF ON-SITE WASTEWATER SYSTEMS

SECTION 4.15.(a) G.S. 130A-343 reads as rewritten:

"§ **130A-343. Approval of on-site subsurface wastewater systems.**

(a) Definitions. – As used in this section:

(1) "Accepted wastewater dispersal system" means any subsurface wastewater dispersal system, other than a conventional wastewater system, ~~or any technology, device, or component of a wastewater system~~ that: (i) has been previously approved as an innovative wastewater dispersal system by the Department; (ii) has been in general use in this State as an innovative wastewater dispersal system for more than five years; and (iii) has been approved by the Commission for general use or use in one or more specific applications. An accepted wastewater dispersal system may be approved for use in applications for which a conventional wastewater system is unsuitable. The Commission may impose any design, operation, maintenance, monitoring, and management requirements on the use of an accepted wastewater dispersal system that it determines to be appropriate.

(2) "~~Controlled demonstration~~Provisional wastewater system" means any wastewater system or any technology, device, or component of a wastewater system that, on the basis of (i) research acceptable ~~research, is approved by~~ to the Department or (ii) approval of the wastewater system by a nationally recognized certification body for a period that exceeds one year for research, testing, or trial use under actual field conditions in this State pursuant to a protocol that has been approved by the Department.

(3) "Conventional wastewater system", "conventional sewage system", or "conventional septic tank system" means a subsurface wastewater system

that consists of a traditional septic or settling tank and a gravity-fed subsurface ~~disposal~~ dispersal field that uses washed natural stone or gravel ~~or crushed stone~~of approved size and grade and piping to distribute effluent to soil in one or more nitrification trenches and that does not include any other appurtenance.

~~(4) "Experimental wastewater system" means any wastewater system or any technology, device, or component of a wastewater system that is approved by the Department for research, testing, or limited trial use under actual field conditions in this State pursuant to a protocol that has been approved by the Department.~~

(5) "Innovative wastewater system" means any wastewater system, other than a conventional wastewater system or a provisional wastewater system, or any technology, device, or component of a wastewater system that: (i) has been demonstrated to perform in a manner equal or superior to a conventional wastewater system; (ii) is constructed of materials whose physical and chemical properties provide the strength, durability, and chemical resistance to allow the system to withstand loads and conditions as required by rules adopted by the Commission; and (iii) has been approved by the Department for general use or for one or more specific applications. An innovative wastewater system may be approved for use in applications for which a conventional wastewater system is unsuitable. The Department may impose any design, operation, maintenance, monitoring, and management requirements on the use of an innovative wastewater system that it determines to be appropriate. A wastewater system approved by a nationally recognized certification body and in compliance with the ongoing verification program of such body may submit a sampling protocol for innovative system approval that reduces the data sets required for such approval by fifty percent (50%). Such an application shall include all of the data associated with the nationally recognized certification body's verification of the system's performance.

(6) "Nationally recognized certification body" means a third-party certification body for wastewater systems or system components that is accredited by an entity widely recognized in the United States such as the American National Standards Institute, the Standards Council of Canada, or the International Accreditation Service, Inc.

(b) Adoption of Rules Governing Approvals. – The Commission shall adopt rules for the approval and permitting of ~~experimental, controlled demonstration,~~ innovative, conventional, provisional, and accepted wastewater systems. The rules shall address the criteria to be considered prior to issuing ~~a permit~~ an approval for a system, requirements for preliminary design plans and specifications that must be submitted, methodology to be used, standards for monitoring and evaluating the system, research evaluation of the system, the plan of work for monitoring system performance and maintenance, and any additional matters the Commission ~~deems appropriate.~~determines are necessary for verification of the performance of a wastewater system or system component.

(c) ~~Approved Systems. –~~ Procedure for Modifications or Revocations. – The Department may modify, suspend, or revoke the approval of a wastewater system if the Department determines that the approval is based on false, incomplete, or misleading information or if the Department finds that modification, suspension, or revocation is necessary to protect public health, safety, or welfare. The Department shall provide a listing of all approved ~~experimental, controlled demonstration,~~ innovative, provisional, and accepted wastewater systems to the local health departments annually, and ~~more frequently, when the Department makes a final agency decision related to the approval of a wastewater system or the Commission adopts rules related to the~~ notify the local health departments within 30 days of

any modification or revocation of an approval of a wastewater ~~system.~~system or system component.

(d) Evaluation Protocols. – The Department shall approve one or more nationally recognized protocols for the evaluation of ~~on-site subsurface~~ wastewater systems. Any protocol approved by the Department shall specify a minimum number of sites that must be evaluated and the duration of the evaluation period. At the request of a manufacturer of a wastewater system, the Department may approve an alternative protocol for use in the evaluation of the performance of the manufacturer's wastewater system. A protocol for the evaluation of ~~an on-site subsurface~~ a wastewater system approved by the Department pursuant to this section is a scientific standard within the meaning of G.S. 150B-2(8a)h.

~~(e) Experimental Systems. A manufacturer of a wastewater system that is intended for on-site subsurface use may apply to the Department to have the system evaluated as an experimental wastewater system as provided in this subsection. The manufacturer shall submit a proposal for evaluation of the system to the Department. The proposal for evaluation shall include the design of the system, a description of any laboratory or field research or testing that will be used to evaluate the system, a description of the research or testing protocol, and the credentials of the independent laboratory, consultant, or other entity that will be conducting the research or testing on the system. The proposal may include an evaluation of research and testing conducted in other states to the extent that the research and testing involves soil types, climate, hydrology, and other relevant conditions that are comparable to conditions in this State and if the research or testing was conducted pursuant to a protocol acceptable to the Department. The manufacturer shall enter into a contract for an evaluation of the performance of the experimental wastewater system with an independent laboratory, consultant, or other entity that has expertise in the evaluation of wastewater systems and that is approved by the Department. The manufacturer may install up to 50 experimental systems pursuant to a protocol approved by the Department on sites that are suitable for a conventional wastewater system and that have a repair area of sufficient size to allow installation of a conventional wastewater system, an approved innovative wastewater system, or an accepted wastewater system if the experimental wastewater system fails to perform properly.~~

(f) ~~Controlled Demonstration~~ Provisional Systems. – A manufacturer of a wastewater system ~~intended for on-site subsurface use~~ may apply to the Department to have the system ~~evaluated as a controlled demonstration wastewater system as provided in this subsection.~~ provisionally approved for use in this State. Any wastewater system approved based on its approval by a nationally recognized certification body must be designed and installed in a manner consistent with the system evaluated and approved by the nationally recognized certification body. The manufacturer shall submit a proposal for evaluation of the system to the Department. The proposal shall contain procedures for obtaining specified information necessary to achieve innovative status upon completion of the provisional status. The proposal for evaluation shall include the design of the system, a description of any laboratory or field research or testing that will be used to evaluate the system, a description of the research or testing protocol, and the credentials of the independent laboratory, consultant, or other entity that will be conducting the research or testing on the system. ~~If the system was evaluated as an experimental system under subsection (e) of this section, the proposal shall include the results of the evaluation.~~ The proposal may include an evaluation of research and testing conducted in other states to the extent that the research and testing involves soil types, climate, hydrology, and other relevant conditions that are comparable to conditions in this State and if the research or testing was conducted pursuant to a protocol acceptable to the Department. The manufacturer shall enter into a contract for an evaluation of the performance of the controlled demonstration wastewater system with an independent laboratory, consultant, or other entity that has expertise in the evaluation of wastewater systems and that is approved by the Department. The manufacturer may install up to 200 ~~controlled demonstration~~provisional wastewater systems ~~pursuant to a protocol approved by the Department~~ on sites that are suitable for a conventional wastewater system and that have a repair area of sufficient size to

allow installation of a conventional wastewater system, an approved innovative wastewater system, or an accepted wastewater system if the ~~controlled demonstration~~ provisional wastewater system fails to perform properly. If the ~~controlled demonstration~~provisional wastewater system is intended for use on sites that are not ~~suitable, or that are provisionally suitable,~~suitable for a conventional wastewater system, the Department may approve the installation of the ~~controlled demonstration~~provisional wastewater system if the Department determines that the manufacturer can provide an acceptable alternative method for collection, treatment, and ~~disposal~~ dispersal of the wastewater. The Department shall approve applications for provisional systems based on approval by a nationally recognized certification body within 90 days of receipt of a complete application. A manufacturer that chooses to remove its product from the nationally recognized standard during the provisional approval may continue its application in this State pursuant to requirements and procedures established by the Department.

(g) Innovative Systems. – A manufacturer of a wastewater system for on-site subsurface use ~~that has been evaluated as an experimental wastewater system as provided in subsection (e) of this section or that has been evaluated as a controlled demonstration wastewater system as provided in subsection (f) of this section may apply to the Department to have the system approved as an innovative wastewater system as provided in this subsection.~~ may apply for and be considered for innovative system status by the Department in one of the following ways:

(1) If the wastewater system has been approved as a provisional wastewater system pursuant to subsection (f) of this section, the manufacturer may apply to have the system approved as an innovative wastewater system based on successful completion of the evaluation protocols established pursuant to subsection (d) of this section.

(2) ~~A manufacturer of a~~ If the wastewater system ~~for on-site subsurface use that~~ has not been evaluated or approved as ~~an experimental~~a provisional wastewater system ~~or as a controlled demonstration wastewater system~~ pursuant to subsection (f) of this section, the manufacturer may ~~also~~ apply to the Department to have the system approved as an innovative wastewater system on the basis of comparable research and testing conducted in other states. The manufacturer shall provide the Department with the data and findings of all evaluations of the performance of the system that have been conducted in any state by or on behalf of the manufacturer. The manufacturer shall also provide the Department with a summary of the data and findings of all other evaluations of the performance of the system that are known to the manufacturer.

(3) If the wastewater system has not been evaluated or approved as a provisional system pursuant to subsection (f) of this section, but has been evaluated under protocol established by a nationally recognized certification body for at least two consecutive years, has been found to perform acceptably based on the criteria of the protocol, and is designed and will be installed in a manner consistent with the system evaluated and approved by the nationally recognized certification body, the manufacturer may apply to have the system approved as an innovative wastewater system.

Within 30 days of receipt of the initial application, the Department shall either (i) notify the manufacturer of any items necessary to complete the application or (ii) notify the manufacturer that its application is complete. The Department shall publish a notice that the manufacturer has submitted an application under this subsection in the North Carolina Register and may provide additional notice to the public via the Internet or by other means. The Department shall receive public comment on the application for at least 30 days after the date the notice is published in the North Carolina Register. In making a determination under this subsection, the Department shall consider the data, findings, and recommendations submitted by the manufacturer and all public comment. The Department may also consider any other information that the Department

determines to be relevant. The Department shall determine: (i) whether the system performs in a manner equal or superior to a conventional wastewater ~~system;~~system, in terms of structural integrity, treatment, and hydraulic performance; (ii) whether the system is constructed of materials whose physical and chemical properties provide the strength, durability, and chemical resistance to allow the system to withstand loads and conditions as required by rules adopted by the Commission; (iii) the circumstances in which use of the system is appropriate; and (iv) any conditions and limitations related to the use of the system. The Department shall make the determinations required by this subsection and approve or deny the application within ~~180~~ 90 days after the Department receives a complete application from a manufacturer. If the Department fails to act on the application within ~~180 days,~~90 days of the notice of receipt of the complete application, the manufacturer may treat the application as denied and challenge the denial by filing a contested case as provided in Article 3 of Chapter 150B of the General Statutes. If the Department approves an innovative wastewater system, the Department shall notify the manufacturer of the approval and specify the circumstances in which use of the system is appropriate and any conditions and limitations related to the use of the system.

(g1) Approval of Functionally Equivalent Trench Systems as Innovative Systems. – A manufacturer of a wastewater trench system may petition the Commission to have the wastewater trench system approved as an innovative wastewater system as provided in this subsection.

(1) The Commission shall approve a wastewater trench system as an innovative wastewater system if it finds that there is clear, convincing, and cogent evidence that the wastewater trench system is functionally equivalent to a wastewater trench system that is approved as an accepted wastewater system. A wastewater trench system shall be considered functionally equivalent to an accepted wastewater trench system if the performance characteristics of the wastewater trench system satisfy all of the following requirements:
   a. The physical properties and chemical durability of the materials from which the wastewater trench system is constructed are equal to or superior to the physical properties and chemical durability of the materials from which the accepted wastewater trench system is constructed.
   b. The permeable sidewall area and bottom infiltrative area of the wastewater trench system are equal to or greater than the permeable sidewall area and bottom infiltrative area of the accepted wastewater trench system at a field-installed size.
   c. The wastewater trench system utilizes a similar method and manner of function for the conveyance and application of effluent as the accepted wastewater trench system.
   d. The structural integrity of the wastewater trench system is equal to or superior to the structural integrity of the accepted wastewater trench system.
   e. The wastewater trench system shall provide a field installed system storage volume equal to or greater than the field installed system storage volume of the accepted wastewater trench system.

(2) As part of its petition, the manufacturer shall provide to the Commission all of the following information:
   a. Specifications of the wastewater trench system.
   b. Data necessary to demonstrate that the wastewater trench system is functionally equivalent to a wastewater trench system that is approved as an accepted wastewater system.
   c. A certified statement from an independent, third-party professional engineer or testing laboratory that, based on verified documentation,

the wastewater trench system is functionally equivalent to an accepted wastewater system.

(3) Approval of a wastewater trench system as an innovative wastewater system shall not be conditioned on the manufacturer of the wastewater trench system having operational systems installed in the State.

(4) The Commission shall authorize the use of a wastewater trench system as an innovative wastewater system in the same applications as the accepted wastewater trench system.

(5) The Commission shall not include conditions and limitations in the approval of a wastewater trench system as an innovative wastewater system that are not included in the approval of the accepted wastewater trench system.

(h) Accepted Wastewater Dispersal Systems. – A manufacturer of an innovative wastewater dispersal system that has been in general use in this State for ~~more than~~a minimum of five years may petition the Commission to have the system designated as an accepted wastewater system as provided in this subsection. The manufacturer shall provide the Commission with the data and findings of all prior evaluations of the performance of the ~~system.~~system in this State and other states referenced in the petition, including disclosure of any conditions found to result in unacceptable structural integrity, treatment, or hydraulic performance. In addition, the manufacturer shall provide the Commission with information sufficient to enable the Commission to fully evaluate the performance of the system in this State for at least the five-year period immediately preceding the petition. The Commission shall designate a wastewater system as an accepted wastewater system only if it finds that there is clear, convincing, and cogent evidence (i) to confirm the findings made by the Department at the time the Department approved the system as an innovative wastewater system and (ii) that the system performs in a manner that is equal or superior to a conventional wastewater system under actual field conditions in this State. The Commission shall specify the circumstances in which use of the system is appropriate and any conditions and limitations related to the use of the system.

(i) ~~Miscellaneous Provisions. –~~Nonproprietary Wastewater Systems. –

~~(1) In evaluating applications for approval under this section, the Department may consult with persons who have special training and experience related to on-site subsurface wastewater systems and may form a technical advisory committee for this purpose. However, the Department is responsible for making timely and appropriate determinations under this section.~~

~~(2)~~ The Department may initiate a review of a nonproprietary wastewater system and approve the system for ~~on-site subsurface~~ use ~~as an experimental wastewater system, a controlled demonstration wastewater system,~~ as a provisional wastewater system or an innovative wastewater system without having received an application from a manufacturer. The Department may recommend that the Commission designate a nonproprietary wastewater system as an accepted wastewater system without having received a petition from a manufacturer.

~~(j) Warranty Required in Certain Circumstances. The Department shall not approve a reduction of the total nitrification trench length for an innovative wastewater system or accepted wastewater system handling untreated septic tank effluent of more than twenty-five percent (25%) as compared to the total nitrification trench length required for a 36-inch wide conventional wastewater system unless the manufacturer of the innovative wastewater system or accepted wastewater system provides a performance warranty for the nitrification trench system to each owner or purchaser of the system for a warranty period of at least five years from the date on which the wastewater system is placed in operation. The warranty shall provide that the manufacturer shall provide all material and labor that may be necessary to provide a fully functional wastewater system. The Commission shall establish minimum terms and conditions for the warranty required by this subsection. This subsection shall not be~~

~~construed to require that a manufacturer warrant a wastewater system that is not properly sized to meet the design load required for a particular use, that is improperly installed, or that is improperly operated and maintained.~~

(j1) Clarification With Respect to Certain Dispersal Media. – In considering the application by a manufacturer of a wastewater system utilizing expanded polystyrene synthetic aggregate particles as a septic effluent dispersal medium for approval of the system under this section, neither the Commission nor the Department may condition, delay, or deny the approval based on the particle or bulk density of the expanded polystyrene material. With respect to approvals already issued by the Department or Commission that include conditions or requirements related to the particle or bulk density of expanded polystyrene material, the Commission or Department, as applicable, shall promptly reissue all such approvals with the conditions and requirements relating to the density of expanded polystyrene material permanently deleted while leaving all other terms and conditions of the approval intact.

(k) Fees. – The Department shall collect the following fees under this section:

(1)	Review of an alternative protocol under subsection (d) of this section	$1,000.00
~~(2)~~	~~Review of an experimental system~~	~~$3,000.00~~
(3)	Review of a ~~controlled demonstration~~provisional system	$3,000.00
(4)	Review of an innovative system	$3,000.00
(5)	Review of an accepted system	$3,000.00
(6)	Review of a residential wastewater treatment system pursuant to G.S. 130A-342	$1,500.00
(7)	Review of a component or device required of a system	$ 100.00
(8)	Modification to approved accepted, provisional, or innovative system	$1,000.00

(l) On-Site Wastewater System Account. – The On-Site Wastewater System Account is established as a nonreverting account within the Department. Fees collected pursuant to this section shall be placed in the On-Site Wastewater System Account and shall be applied only to the costs of implementing this section."

SECTION 4.15.(b) The Commission for Public Health shall review and amend its rules to implement Section 4.15(a) of this act.

SECTION 4.15.(c) Beginning January 1, 2016, and every quarter thereafter until all rules required pursuant to Sections 4.14 and 4.15 of this act are adopted or amended, the Commission for Public Health shall submit written reports as to its progress on adopting or amending rules as required by Sections 4.14 and 4.15 of this act to the Environmental Review Commission and the Joint Legislative Oversight Committee on Health and Human Services. The Commission shall supplement the written reports required by this subsection with additional written and oral reports as may be requested by the Environmental Review Commission and the Joint Legislative Oversight Committee on Health and Human Services. The Commission shall submit the written reports required by this subsection whether or not the General Assembly is in session at the time the report is due.

SECTION 4.15.(d) The Commission for Public Health, in consultation with the Department of Health and Human Services, local health departments, and stakeholders representing the wastewater system industry, shall study the costs and benefits of requiring treatment standards greater than those listed by nationally recognized standards, including the recorded advantage of such higher treatment standards for the protection of the public health and the environment. The Commission shall report its findings and recommendations, including any legislative proposals, to the Environmental Review Commission and the Joint Legislative Oversight Committee on Health and Human Services on or before March 1, 2016.

CONTESTED CASES FOR AIR PERMITS

SECTION 4.17.(a) G.S. 143-215.108 reads as rewritten:

"§ **143-215.108. Control of sources of air pollution; permits required.**

…

(e) A permit ~~applicant, permittee, or third party~~applicant or permittee who is dissatisfied with a decision of the Commission on a permit application may commence a contested case by filing a petition under G.S. 150B-23 within 30 days after the Commission notifies the applicant or permittee of its decision. If the permit ~~applicant, permittee, or third party~~applicant or permittee does not file a petition within the required time, the Commission's decision on the application is final and is not subject to review. The filing of a petition under this subsection will stay the Commission's decision until resolution of the contested case.

(e1) A person other than a permit applicant or permittee who is a person aggrieved by the Commission's decision on a permit application may commence a contested case by filing a petition under G.S. 150B-23 within 30 days after the Commission provides notice of its decision on a permit application, as provided in G.S. 150B-23(f), or by posting the decision on a publicly available Web site. The filing of a petition under this subsection does not stay the Commission's decision except as ordered by the administrative law judge under G.S. 150B-33(b).

…."

SECTION 4.17.(b) The Department of Environment and Natural Resources shall study whether the amendments to G.S. 143-215.108, as enacted by Section 4.17(a) of this act, should be expanded into other programs administered by the Department. The Department shall specifically consider whether these changes should be made to the water and solid waste permitting programs. No later than March 1, 2016, the Department shall report the results of this study, including any recommendations, to the Environmental Review Commission.

AMEND ISOLATED WETLANDS LAW

SECTION 4.18.(a) For the purposes of implementing Section .1300 of Subchapter 2H of Chapter 2 of Title 15A of the North Carolina Administrative Code (Discharges to Isolated Wetlands and Isolated Waters), the isolated wetlands provisions of Section .1300 shall apply only to Basin Wetlands and Bogs and no other wetland types as described in the North Carolina Wetland Assessment User Manual prepared by the North Carolina Wetland Functional Assessment Team, version 4.1 October 2010 that are not jurisdictional wetlands under the federal Clean Water Act. The isolated wetlands provisions of Section .1300 shall not apply to an isolated man-made ditch or pond constructed for stormwater management purposes or any other man-made isolated pond.

SECTION 4.18.(b) The Environmental Management Commission may adopt rules to amend Section .1300 of Subchapter 2H of Chapter 2 of Title 15A of the North Carolina Administrative Code consistent with subsection (a) of this section.

SECTION 4.18.(c) Section 54 of S.L. 2014-120 reads as rewritten:

"**SECTION 54.(a)** Until the effective date of the revised permanent rule that the Environmental Management Commission is required to adopt pursuant to Section 54(c) of this act, the Commission and the Department of Environment and Natural Resources shall implement 15A NCAC 02H .1305 (Review of Applications) as provided in Section 54(b) of this act.

"**SECTION 54.(b)** Notwithstanding 15A NCAC 02H .1305 (Review of Applications), all of the following shall apply to the implementation of 15A NCAC 02H .1305:

(1) The amount of impacts of isolated wetlands under 15A NCAC 02H .1305(d)(2) shall be less than or equal to one acre of isolated wetlands east of I-95 for the entire project and less than or equal to 1/3 acre of isolated wetlands west of I-95 for the entire project.

(2) Mitigation requirements for impacts to isolated wetlands shall only apply to the amount of impact that exceeds the threshold set out in subdivision (1) of this section. The mitigation ratio for impacts ~~of greater than one acre~~

exceeding the threshold for the entire project under 15A NCAC 02H .1305(g)(6) shall be 1:1 and may be located on the same parcel.

~~(3) For purposes of Section 54(b) of this section, "isolated wetlands" means a Basin Wetland or Bog as described in the North Carolina Wetland Assessment User Manual prepared by the North Carolina Wetland Functional Assessment Team, version 4.1 October, 2010, that are not jurisdictional wetlands under the federal Clean Water Act. An "isolated wetland" does not include an isolated man-made ditch or pond constructed for stormwater management purposes or any other man-made isolated pond.~~

(4) Impacts to isolated wetlands shall not be combined with the project impacts to 404 jurisdictional wetlands or streams for the purpose of determining when impact thresholds that trigger a mitigation requirement are met.

"**SECTION 54.(c)** The Environmental Management Commission shall adopt rules to amend 15A NCAC 02H .1300 through 15A NCAC 02H .1305 consistent with Section 54(b) of this act. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this subsection shall be substantively identical to the provisions of Section 54(b) of this act. Rules adopted pursuant to this subsection are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this subsection shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

"**SECTION 54.(d)** The Department of Environment and Natural Resources shall study (i) how the term "isolated wetland" has been previously defined in State law and whether the term should be clarified in order to provide greater certainty in identifying isolated wetlands; (ii) the surface area thresholds for the regulation of mountain bog isolated wetlands, including whether mountain bog isolated wetlands should have surface area regulatory thresholds different from other types of isolated wetlands; and (iii) whether impacts to isolated wetlands should be combined with the project impacts to jurisdictional wetlands or streams for the purpose of determining when impact thresholds that trigger a mitigation requirement are met. The Department shall report its findings and recommendations to the Environmental Review Commission on or before November 1, 2014.

"**SECTION 54.(e)** This section is effective when it becomes law. Section 54(b) of this act expires on the date that rules adopted pursuant to Section 54(c) of this act become effective."

SECTION 4.18.(d) No later than March 1, 2016, the Environmental Management Commission shall amend 15A NCAC 02H .1305 (Review of Applications) to establish a coastal region, piedmont region, and mountain region for purposes of regulating impacts to isolated wetlands. The amount of impacts of isolated wetlands under 15A NCAC 02H .1305(d)(2) shall be the following:

(1) Less than or equal to one acre of isolated wetlands for the entire project in the coastal region.

(2) Less than or equal to one-half acre of isolated wetlands for the entire project for the piedmont region.

(3) Less than or equal to one-third acre of isolated wetlands for the entire project for the mountain region.

In no event shall the regulatory requirements for impacts to isolated wetlands be more stringent than required under current law. When the rules required by this section become effective, subdivision (1) of Section 54(b) of S.L. 2014-120 is repealed.

STUDY COASTAL WATER QUALITY AND COASTAL STORMWATER REQUIREMENTS

SECTION 4.19. The Department of Environment and Natural Resources shall evaluate the water quality of surface waters in the Coastal Counties and the impact of stormwater on this water quality. The Department shall study and determine the maximum allowable built-upon area for the low density state stormwater option as directly related to the

length of grassed swale treatment length; therefore providing data for a property to achieve increased built-upon area above current limits by providing a longer length of grassed swale through which the stormwater must pass. If it is determined that increases in the percentage of built-upon area can be allowed in this way without detriment to the water quality, the Department shall submit recommendations to the General Assembly for the levels of increases in built-upon area that can be supported with corresponding increases in the length of grassed swale through which the stormwater shall pass. No later than April 1, 2016, the Department shall report the results of its study, including recommendations, to the Environmental Review Commission.

AMEND STORMWATER MANAGEMENT LAW

SECTION 4.20.(a) Section 3 of S.L. 2013-82 reads as rewritten:

"**SECTION 3.** The Environmental Management Commission shall adopt rules implementing Section 2 of this act no later than ~~July 1, 2016.~~November 1, 2016."

SECTION 4.20.(b) G.S. 143-214.7, as amended by S.L. 2015-149, reads as rewritten:

"§ **143-214.7. Stormwater runoff rules and programs.**

…

(b2) For purposes of implementing stormwater programs, "built-upon area" means impervious surface and partially impervious surface to the extent that the partially impervious surface does not allow water to infiltrate through the surface and into the subsoil. "Built-upon area" does not include a slatted deck; the water area of a swimming pool; a surface of number 57 stone, as designated by the American Society for Testing and Materials, laid at least four inches thick over a geotextile fabric; or a trail as defined in G.S. 113A-85 that is either unpaved or paved as long as the pavement is porous with a hydraulic conductivity greater than 0.001 centimeters per second (1.41 inches per hour). For State stormwater programs and local stormwater programs approved pursuant to subsection (d) of this section, all of the following shall apply:

(1) The volume, velocity, and discharge rates of water associated with the one-year, 24-hour storm and the difference in stormwater runoff from the predevelopment and postdevelopment conditions for the one-year, 24-hour storm shall be calculated using any acceptable engineering hydrologic and hydraulic methods.

(2) Development may occur within the area that would otherwise be required to be placed within a vegetative buffer required by the Commission pursuant to G.S. 143-214.1 and G.S. 143-214.7 to protect classified shellfish waters, outstanding resource waters, and high-quality waters provided the stormwater runoff from the development is collected and treated from the entire impervious area and discharged so that it passes through the vegetative buffer and is managed so that it otherwise complies with all applicable State and federal stormwater management requirements.

(3) The requirements that apply to development activities within one-half mile of and draining to Class SA waters or within one-half mile of Class SA waters and draining to unnamed freshwater tributaries shall not apply to development activities and associated stormwater discharges that do not occur within one-half mile of and draining to Class SA waters or are not within one-half mile of Class SA waters and draining to unnamed freshwater tributaries.

…

(d) The Commission shall review each stormwater management program submitted by a State agency or unit of local government and shall notify the State agency or unit of local government that submitted the program that the program has been approved, approved with modifications, or disapproved. The Commission shall approve a program only if it finds that

the standards of the program equal ~~or exceed~~ those of the model program adopted by the Commission pursuant to this section.

…."

SECTION 4.20.(c) No later than March 1, 2016, a State agency or local government that implements a stormwater management program approved pursuant to subsection (d) of G.S. 143-214.7 shall submit its current stormwater management program or a revised stormwater management program to the Environmental Management Commission. No later than December 1, 2016, the Environmental Management Commission shall review and act on each of the submitted stormwater management programs in accordance with subsection (d) of G.S. 143-214.7, as amended by this section.

SECTION 4.20.(d) The Environmental Review Commission, with the assistance of the Department of Environment and Natural Resources, shall review the current status of State statutes, session laws, rules, and guidance documents related to the management of stormwater in the State. The Commission shall specifically examine whether State statutes, session laws, rules, and guidance documents related to the management of stormwater in the State should be recodified or reorganized in order to clarify State law for the management of stormwater. The Commission shall submit legislative recommendations, if any, to the 2016 Regular Session of the 2015 General Assembly.

SECTION 4.20A. Section 46 of S.L. 2014-120 reads as rewritten:

"**SECTION 46.(a)** Notwithstanding the requirements of Article 21 of Chapter 143 of the General Statutes and rules adopted pursuant to that Article, the addition of a cluster box unit to a single-family or duplex development permitted by a local government shall not require a modification to any stormwater permit for that development. This section shall only apply to single-family or duplex developments in which individual curbside mailboxes are replaced with cluster box units whereupon the associated built-upon area supporting the cluster box units shall be considered incidental and shall not be required in the calculation of built-upon area for the development for stormwater permitting purposes.

"**SECTION 46.(b)** This section is effective when this act becomes law and expires on December 31, ~~2015,~~ 2017, or when regulations on cluster box design and placement by the United States Postal Service become effective and those regulations are adopted by local governments, whichever is earlier."

STUDY EXEMPTING LINEAR UTILITY PROJECTS FROM CERTAIN ENVIRONMENTAL REGULATIONS

SECTION 4.21. The Department of Environment and Natural Resources shall study whether and to what extent activities related to the construction, maintenance, and removal of linear utility projects should be exempt from certain environmental regulations. For purposes of this section, "linear utility project" means an electric power line, water line, sewage line, stormwater drainage line, telephone line, cable television line, data transmission line, communications-related line, or natural gas pipeline. For purposes of this section, "environmental regulation" means a regulation established or implemented by any of the following:

(1) The Department of Environment and Natural Resources created pursuant to G.S. 143B-279.1.
(2) The Environmental Management Commission created pursuant to G.S. 143B-282.
(3) The Coastal Resources Commission established pursuant to G.S. 113A-104.
(4) The Marine Fisheries Commission created pursuant to G.S. 143B-289.51.
(5) The Wildlife Resources Commission created pursuant to G.S. 143-240.
(6) The Commission for Public Health created pursuant to G.S. 130A-29.
(7) The Sedimentation Control Commission created pursuant to G.S. 143B-298.
(8) The North Carolina Mining and Energy Commission created pursuant to G.S. 143B-293.1.

(9) The North Carolina Oil and Gas Commission created pursuant to G.S. 143B-293.1.

No later than March 1, 2016, the Department shall report the results of this study, including any recommendations, to the Environmental Review Commission.

REPEAL DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES IDLING RULES

SECTION 4.24. The Secretary of Environment and Natural Resources shall repeal 15A NCAC 02D .1010 (Heavy-Duty Vehicle Idling Restrictions) on or before March 1, 2016. Until the effective date of the repeal of the rule required pursuant to this section, the Secretary, the Department of Environment and Natural Resources, the Environmental Management Commission, or any other political subdivision of the State shall not implement or enforce 15A NCAC 02D .1010 (Heavy-Duty Vehicle Idling Restrictions).

AMBIENT AIR MONITORING

SECTION 4.25.(a) The Department of Environment and Natural Resources shall review its ambient air monitoring network and, in the next annual monitoring network plan submitted to the United States Environmental Protection Agency, shall request the removal of any ambient air monitors that are not required by applicable federal laws and regulations and that the Department has determined are not necessary to protect public health, safety, and welfare; the environment; and natural resources.

SECTION 4.25.(b) No later than September 1, 2016, the Department of Environment and Natural Resources shall discontinue all ambient air monitors not required by applicable federal laws and regulations if approval from the United States Environmental Protection Agency is not required for the discontinuance and the Department has determined that the monitors are not necessary to protect public health, safety, and welfare; the environment; and natural resources.

SECTION 4.25.(c) Nothing in this section is intended to prevent the Department from installing temporary ambient air monitors as part of an investigation of a suspected violation of air quality rules, standards, or limitations or in response to an emergency situation causing an imminent danger to human health and safety.

SECTION 4.25.(d) The Division of Air Quality, Department of Environment and Natural Resources, shall report to the Environmental Review Commission no later than November 1, 2016, on the status of the ambient air monitoring network and the Division's implementation of the requirements of this section.

DIVISION OF AIR QUALITY NOTICE REQUIREMENTS

SECTION 4.27. G.S. 143-215.110 reads as rewritten:

"§ **143-215.110. Special orders.**

(a) Issuance. – The Commission is hereby empowered, after the effective date of standards and classifications adopted pursuant to G.S. 143-215.107, to issue (and from time to time to modify or revoke) a special order or other appropriate instrument, to any person whom it finds responsible for causing or contributing to any pollution of the air within the area for which standards have been established. Such an order or instrument may direct such person to take or refrain from taking such action, or to achieve such results, within a period of time specified by such special order, as the Commission deems necessary and feasible in order to alleviate or eliminate such pollution. The Commission is authorized to enter into consent special orders, assurances of voluntary compliance or other similar documents by agreement with the person responsible for pollution of the air, subject to the provisions of subsection (a1) of this section regarding proposed orders, and such consent order, when entered into by the Commission after public review, shall have the same force and effect as a special order of the Commission issued pursuant to hearing.

(a1) Public Notice and Review of Consent Orders.

(1) The Commission shall give notice of a proposed consent order to the proper State, interstate, and federal agencies, to interested persons, and to the public. The Commission may also provide any other data it considers appropriate to those notified. The Commission shall prescribe the form and content of the notice. The notice shall be given at least ~~45~~ 30 days prior to any final action regarding the consent order. Public notice shall be given by publication of the notice ~~one time in a newspaper having general circulation within the county in which the pollution originates.~~for 30 days on the regulatory agency Web site.

(2) Any person who desires a public meeting on any proposed consent order may request one in writing to the Commission within 30 days following date of the notice of the proposed consent order. The Commission shall consider all such requests for meetings. If the Commission determines that there is significant public interest in holding a meeting, the Commission shall schedule a meeting and shall give notice of such meeting at least 30 days in advance to all persons to whom notice of the proposed consent order was given and to any other person requesting notice. At least 30 days prior to the date of meeting, the Commission shall also have a copy of the notice of the meeting published ~~at least one time in a newspaper having general circulation within the county in which the pollution originates.~~for 30 days on the regulatory agency Web site. The Commission shall prescribe the form and content of notices under this subsection.

…."

PROHIBIT THE REQUIREMENT OF MITIGATION FOR IMPACTS TO INTERMITTENT STREAMS

SECTION 4.31.(a) Article 21 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"**§ 143-214.7C. Prohibit the requirement of mitigation for impacts to intermittent streams.**

Except as required by federal law, the Department of Environment and Natural Resources shall not require mitigation for impacts to an intermittent stream. For purposes of this section, "intermittent stream" means a well-defined channel that has all of the following characteristics:

(1) It contains water for only part of the year, typically during winter and spring when the aquatic bed is below the water table.

(2) The flow of water in the intermittent stream may be heavily supplemented by stormwater runoff.

(3) It often lacks the biological and hydrological characteristics commonly associated with the conveyance of water."

SECTION 4.31.(b) The Department of Environment and Natural Resources and the Environmental Management Commission shall amend their rules so that the rules are consistent with the provisions of G.S. 143-214.7C, as enacted by subsection (a) of this section.

PIGEON HUNTING

SECTION 4.32(a) G.S. 14-360(c) reads as rewritten:

"(c) As used in this section, the words "torture", "torment", and "cruelly" include or refer to any act, omission, or neglect causing or permitting unjustifiable pain, suffering, or death. As used in this section, the word "intentionally" refers to an act committed knowingly and without justifiable excuse, while the word "maliciously" means an act committed intentionally and with malice or bad motive. As used in this section, the term "animal" includes every living vertebrate in the classes Amphibia, Reptilia, Aves, and Mammalia except human beings. However, this section shall not apply to the following activities:

(1) The lawful taking of animals under the jurisdiction and regulation of the Wildlife Resources Commission, except that this section shall apply to those

birds other than pigeons exempted by the Wildlife Resources Commission from its definition of "wild birds" pursuant to G.S. 113-129(15a).

(2) Lawful activities conducted for purposes of biomedical research or training or for purposes of production of livestock, poultry, or aquatic species.

(2a) Lawful activities conducted for the primary purpose of providing food for human or animal consumption.

(3) Activities conducted for lawful veterinary purposes.

(4) The lawful destruction of any animal for the purposes of protecting the public, other animals, property, or the public health.

(5) The physical alteration of livestock or poultry for the purpose of conforming with breed or show standards."

SECTION 4.32.(b) G.S. 19A-1.1 reads as rewritten:

"§ **19A-1.1. Exemptions.**

This Article shall not apply to the following:

(1) The lawful taking of animals under the jurisdiction and regulation of the Wildlife Resources Commission, except that this Article applies to those birds other than pigeons exempted by the Wildlife Resources Commission from its definition of "wild birds" pursuant to G.S. 113-129(15a).

…."

WILDLIFE RESOURCES COMMISSION STUDIES

SECTION 4.33.(a) The Wildlife Resources Commission shall review the methods and criteria by which it adds, removes, or changes the status of animals on the State protected animal list as defined in G.S. 113-331 and compare these to federal regulations and the methods and criteria of other states in the region. The Commission shall also review the policies by which the State addresses introduced species and make recommendations for improving these policies, including impacts associated with hybridization that occurs among federally listed, State-listed, and nonlisted animals.

SECTION 4.33.(b) The Wildlife Resources Commission shall report its findings and recommendations to the Environmental Review Commission by March 1, 2016.

SECTION 4.34.(a) The Wildlife Resources Commission shall establish a coyote management plan to address the impacts of coyotes in this State and the threats that coyotes pose to citizens, industries, and populations of native wildlife species within the State.

SECTION 4.34.(b) The Wildlife Resources Commission shall report its findings and recommendations, including any proposed legislation to address overpopulation of coyotes, to the Environmental Review Commission by March 1, 2016.

SECTION 4.35.(a) The Wildlife Resources Commission shall establish a pilot coyote management assistance program in Mitchell County. In implementing the program, the Commission shall document and assess private property damage associated with coyotes; evaluate effectiveness of different coyote control methodologies, including lethal removal; and evaluate potential for a scalable statewide coyote assistance program.

SECTION 4.35.(b) The Wildlife Resources Commission shall submit an interim report on the progress of the pilot program to the Environmental Review Commission by March 1, 2016. The Wildlife Resources Commission shall submit a final report on the results of the pilot program, including any proposed legislation, to the Environmental Review Commission by January 1, 2017.

ANIMAL WELFARE HOTLINE AND COURT FEE TO SUPPORT THE INVESTIGATION OF ANIMAL CRUELTY VIOLATIONS

SECTION 4.36.(a) Article 1 of Chapter 114 of the General Statutes is amended by adding a new section to read:

"**§ 114-8.7. Reports of animal cruelty and animal welfare violations.**

(a) The Attorney General shall establish a hotline to receive reports of allegations of animal cruelty or violations of the Animal Welfare Act, Article 3 of Chapter 19A of the

General Statutes, against animals under private ownership, by means including telephone, electronic mail, and Internet Web site. The Attorney General shall periodically publicize the hotline telephone number, electronic mail address, Internet Web site address, and any other means by which the Attorney General may receive reports of allegations of animal cruelty or violations of the Animal Welfare Act. Any individual who makes a report under this section shall disclose his or her name and telephone number and any other information the Attorney General may require.

(b) When the Attorney General receives allegations involving activity that the Attorney General determines may involve cruelty to animals under private ownership in violation of Article 47 of Chapter 14 of the General Statutes, the allegations shall be referred to the appropriate local animal control authority for the unit or units of local government within which the violations are alleged to have occurred. When the Attorney General receives allegations involving activity that the Attorney General determines may involve violations of the Animal Welfare Act, the allegations shall be referred to the Department of Agriculture and Consumer Services. The Attorney General shall record the total number of reports received on the hotline and the number of reports received against any individual on the hotline.

(c) Notwithstanding other provisions of law, the Department of Justice is authorized to spend any federal, State, local, or private funds available for this purpose to administer the provisions of this section.

(d) Notwithstanding G.S. 147-33.72C and related provisions of law, in order to expedite the timely implementation of technology systems to record and manage public allegations and complaints received pursuant to this section, the Department of Justice is exempted from external agency project approval standards."

SECTION 4.36.(b) This section becomes effective March 1, 2016.

STUDY FLOOD ELEVATIONS AND BUILDING HEIGHT REQUIREMENTS

SECTION 4.38. The Department of Insurance, the Department of Public Safety, and the Building Code Council shall jointly study how flood elevations and building heights for structures are established and measured in the coastal region of the State. The Departments and the Council shall specifically consider how flood elevations and coastal building height requirements affect flood insurance rates and how height calculation methods might be made more consistent and uniform in order to provide flood insurance rate relief. In conducting this study, the Departments and the Council shall engage a broad group of stakeholders, including property owners, local governments, representatives of the surveying industry, and representatives of the development industry. No later than March 1, 2016, the Departments and the Council shall jointly submit the results of their study, including any legislative recommendations, to the 2015 General Assembly.

ALLOW ALTERNATE DISPOSAL OF BIODEGRADABLE AGRICULTURAL PLASTICS

SECTION 4.39.(a) G.S. 106-950 reads as rewritten:

"§ **106-950. Exempt fires; no permit fees.**

(a) This Article shall not apply to any fires started, or caused to be started, within 100 feet of an occupied dwelling house if such fire shall be confined (i) within an enclosure from which burning material may not escape or (ii) within a protected area upon which a watch is being maintained and which is provided with adequate fire protection equipment.

(a1) Except in cases where the Commissioner has prohibited all open burning during periods of hazardous forest fire conditions or during air pollution episodes declared pursuant to Article 21B of Chapter 143 of the General Statutes, this Article shall not apply to, and no air quality permit shall be required for, the burning of polyethylene agricultural plastic used in connection with agricultural operations related to the growing, harvesting, or maintenance of crops, when all of the following conditions apply:

(1) The burning does not violate any State or federal ambient air quality standards.

(2) The burning is conducted between an hour after sunrise and an hour before sunset.

(3) The fire is set back at least 250 feet from any paved public roadway and at least 500 feet from any dwelling, group of dwellings, commercial or institutional establishment, or other occupied structure not located on the property on which the burning is conducted.

(4) The burning is conducted in a manner such that it does not constitute a public nuisance.

(5) The burning is conducted by any of the following means:

a. By professionally manufactured equipment solely for the purpose of plastic mulch burning or incineration and approved by the Commissioner.

b. By a fire that is enclosed in a noncombustible container.

c. By a fire that is restricted to a pile no greater than eight feet in diameter built upon ground cleared of all combustible material.

(b) No charge shall be made for the granting of any permit required by this Article."

SECTION 4.39.(b) The Department of Agriculture and Consumer Services may adopt rules to implement the provisions of this section.

SECTION 4.39.(c) This section becomes effective January 1, 2015.

PART V. SEVERABILITY CLAUSE AND EFFECTIVE DATE

SECTION 5.1. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part declared to be unconstitutional or invalid.

SECTION 5.2. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 30th day of September, 2015.

Became law upon approval of the Governor at 8:45 a.m. on the 22nd day of October, 2015.

Session Law 2015-287 **H.B. 850**

AN ACT TO PROVIDE AUTHORITY FOR THE EASTERN BAND OF CHEROKEE INDIANS TO ESTABLISH A POLICE DEPARTMENT, A TRIBAL ALCOHOL LAW ENFORCEMENT DIVISION, A NATURAL RESOURCES LAW ENFORCEMENT AGENCY, AND A PROBATION AND PAROLE AGENCY.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 1E of the General Statutes reads as rewritten:

"**Chapter 1E.**

"**Eastern Band of Cherokee Indians.**

"Article 1.

"Full Faith and Credit.

"§ **1E-1. Full faith and credit.**

(a) The courts of this State shall give full faith and credit to a judgment, decree, or order signed by a judicial officer of the Eastern Band of Cherokee Indians and filed in the Cherokee Tribal ~~Court~~Courts to the same extent as is given a judgment, decree, or order of another state, subject to the provisions of ~~subsection (b)~~subsections (b) and (c) of this section; provided that the judgments, decrees, and orders of the courts of this State are given full faith and credit by the Tribal ~~Court~~Courts of the Eastern Band of Cherokee Indians.

(b) Judgments, decrees, and orders specified in subsection (a) of this section shall be given full faith and credit subject to the provisions of ~~G.S. 1C-1705, G.S. 1C-1708,~~

~~G.S. 1C-1804, and G.S. 1C-1805~~G.S. 1C-1705 and G.S. 1C-1708 and shall be considered a foreign judgment for purposes of these statutes.

(c) Any limited driving privilege signed and issued by a Judge or Justice of the Cherokee Tribal Courts in accordance with the applicable provisions of Chapter 20 of the General Statutes and filed in the Cherokee Tribal Courts Clerk's Office shall be valid and given full faith and credit as specified in subsection (a) of this section. For purposes of this subsection, any reference to the issuing "judge" or "court" in the applicable provisions of Chapter 20 of the General Statutes shall be construed to mean the appropriate Judge or Justice in the Cherokee Tribal Courts or the appropriate Cherokee Tribal Court.

"Article 2.

"Tribal Law Enforcement Authority.

"**§ 1E-2. Tribal law enforcement**.

(a) Except for the sections listed in subsection (b) of this section, Article 13 of Chapter 160A of the General Statutes is applicable to the Eastern Band of Cherokee Indians.

(b) The following provisions of Article 13 of Chapter 160A of the General Statutes shall not apply to the Eastern Band of Cherokee Indians:

(1) G.S. 160A-283.
(2) G.S. 160A-286.
(3) G.S. 160A-287.
(4) G.S. 160A-289.1.

"**§ 1E-3. Application and meaning of terms.**

For purposes of the application of the applicable provisions of Article 13 of Chapter 160A of the General Statutes, the following terms contained in Article 13 of Chapter 160A of the General Statutes shall be construed as follows:

(1) City. – To mean the Eastern Band of Cherokee Indians.
(2) Council or governing body. – To mean the Tribal Council of the Eastern Band of Cherokee Indians.
(3) City clerk. – To mean the clerk of the Tribal Council of the Eastern Band of the Cherokee Indians.
(4) Corporate limits of the city. – To mean the boundaries of the trust lands of the Eastern Band of the Cherokee Indians wherever located within the State of North Carolina.
(5) Law enforcement agency or local law enforcement agency. – To include the Cherokee Police Department, the Cherokee Marshals Service, the Tribal Alcohol Law Enforcement Division of the Eastern Band of the Cherokee Indians, and the Natural Resources Enforcement Agency of the Eastern Band of Cherokee Indians.

"**§ 1E-4. Qualification of law enforcement officers; limitations of authority.**

(a) For purposes of this section, "law enforcement officer" means any person appointed or employed as (i) Chief of Police of the Cherokee Police Department, Chief of the Cherokee Marshals Service, Chief of the Tribal Alcohol Law Enforcement Division of the Eastern Band of the Cherokee Indians, or Chief of the Natural Resources Enforcement Agency of the Eastern Band of the Cherokee Indians or (ii) a police officer, auxiliary police officer, marshal, alcohol law enforcement agent, reserve alcohol law enforcement agent, or resources officer with the Cherokee Police Department, the Cherokee Marshals Service, the Tribal Alcohol Law Enforcement Division of the Eastern Band of the Cherokee Indians, or the Natural Resources Enforcement Agency of the Eastern Band of the Cherokee Indians.

(b) A law enforcement officer shall, prior to the exercise of the officer's authority pursuant to Article 13 of Chapter 160A of the General Statutes, comply with the provisions of Chapter 17C of the General Statutes and any rules or regulations adopted pursuant to the authority of Chapter 17C of the General Statutes. The courts of this State shall have the jurisdiction pursuant to G.S. 17C-11 to enjoin the Cherokee Police Department, the Cherokee Marshals Service, the Tribal Alcohol Law Enforcement Division of the Eastern Band of

Cherokee Indians, the Natural Resources Enforcement Agency of the Eastern Band of the Cherokee Indians, or any law enforcement officer or agent employed or appointed by the department, agency, or division from exercising any or all of the authority under color of State law conferred by Article 13 of Chapter 160A of the General Statutes if any law enforcement officer or agent of the department, agency, or division fails to meet the required standards established pursuant to Chapter 17C of the General Statutes.

(c) The jurisdiction of a law enforcement officer shall be (i) on all property owned by or leased to the Eastern Band of Cherokee Indians located within the trust lands of the Eastern Band of the Cherokee Indians and (ii) during the immediate and continuous flight of an offender in accordance with G.S. 15A-402(d).

(d) Service as a law enforcement officer shall constitute service as (i) a "criminal justice officer" as defined in G.S. 17C-2(c) and (ii) a "law enforcement officer" for purposes of Article 12E of Chapter 143 of the General Statutes. For purposes of Article 12E of Chapter 143 of the General Statutes, the term "employer," as defined in G.S. 143-166.50, shall be construed to include the Eastern Band of Cherokee Indians with respect to law enforcement officers.

(e) A law enforcement officer may be enjoined from exercising his authority under color of State law pursuant to Article 13 of Chapter 160A of the General Statutes for the reasons set forth in G.S. 128-16 and pursuant to the provisions of Article 2 of Chapter 128 of the General Statutes.

(f) Nothing contained in this Chapter or in Article 13 of Chapter 160A of the General Statutes shall be construed as doing any of the following:

(1) Limiting or revoking the authority of the Eastern Band of Cherokee Indians, the Cherokee Police Department, the Cherokee Marshals Service, the Tribal Alcohol Law Enforcement Division of the Eastern Band of the Cherokee Indians, the Natural Resources Enforcement Agency of the Eastern Band of the Cherokee Indians, or any law enforcement officers or other persons appointed or employed by those entities, in the exercise of their inherent powers of self-government, or exercise of authority conferred by federal law, regulation, or common law.

(2) Modifying, either by way of enlargement or limitation, the jurisdiction of the Cherokee Tribal Courts.

(3) Waiving any sovereign immunity that may otherwise apply.

(g) Nothing contained in this Chapter shall be construed as modifying, either by way of enlargement or limitation, the jurisdiction or authority of any federal, State, or local law enforcement agency, governmental entity, or any of their officers or employees, except the Eastern Band of Cherokee Indians, the Cherokee Police Department, the Cherokee Marshals Service, the Tribal Alcohol Law Enforcement Division of the Eastern Band of the Cherokee Indians, the Natural Resources Enforcement Agency of the Eastern Band of the Cherokee Indians, and their law enforcement officers, agents, and employees to the extent set forth in this Chapter.

"Article 3.

"Probation and Parole.

"**§ 1E-5. Cherokee Marshals Service.**

(a) The Supreme Court of the Eastern Band of Cherokee Indians is authorized to establish a probation and parole agency known as the "Cherokee Marshals Service."

(b) Marshals of the Cherokee Marshals Service shall (i) be required to meet the standards set forth in G.S. 1E-4 for law enforcement officers and (ii) have the same territorial jurisdiction, powers, and immunities as a law enforcement officer under G.S. 1E-4.

(c) Notwithstanding any other provision of law, marshals of the Cherokee Marshals Service shall have access to all probation and parole records of the North Carolina Department of Public Safety to the same extent as a probation or post-release supervision officer of the Department for any person over which the Cherokee Tribal Courts have jurisdiction to proceed in a criminal case and impose a sentence, including a fine, community service, or

imprisonment. The Department may enter into a memorandum of understanding addressing the specifics of transferring information to the Cherokee Tribal Courts."

SECTION 2. The North Carolina Department of Public Safety is authorized to work with the Eastern Band of Cherokee Indians to establish Originating Agency Identification (ORI) numbers for the law enforcement departments, agencies, and divisions authorized by this act. Each department, agency, and division shall be issued its own ORI number.

SECTION 3. Sections 1 through 9 of S.L. 1987-427 are repealed.

SECTION 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 23rd day of September, 2015.

Became law upon approval of the Governor at 12:05 p.m. on the 23rd day of October, 2015.

Session Law 2015-288 **S.B. 698**

AN ACT TO PROVIDE FOR CERTAIN EXEMPTIONS UNDER THE CERTIFICATE OF NEED LAW.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 131E-176 is amended by adding a new subdivision to read:

"(14f) "Legacy Medical Care Facility" means an institution that meets all of the following requirements:

a. Is not presently operating.

b. Has not continuously operated for at least the past six months.

c. Within the last 24 months:

1. Was operated by a person holding a license under G.S. 131E-77; and

2. Was primarily engaged in providing to inpatients, by or under supervision of physicians, (i) diagnostic services and therapeutic services for medical diagnosis, treatment, and care of injured, disabled, or sick persons or (ii) rehabilitation services for the rehabilitation of injured, disabled, or sick persons."

SECTION 2. G.S. 131E-184 is amended by adding a new subsection to read:

"(h) The Department shall exempt from certificate of need review the acquisition or reopening of a Legacy Medical Care Facility. The person seeking to operate a Legacy Medical Care Facility must give the Department written notice (i) of its intention to acquire or reopen a Legacy Medical Care Facility and (ii) that the hospital will be operational within 36 months of the notice."

SECTION 3. G.S. 131E-13 is amended by adding a new subsection to read:

"(h) A municipality or hospital authority that has complied with the requirements of subdivisions (1) through (6) of subsection (d) of this section but has not, following good-faith negotiations, approved any lease, sale, or conveyance as required by subdivisions (7) and (8) of subsection (d) of this section may, not less than 120 days following the public hearing required by subdivision (5) of subsection (d) of this section, solicit additional prospective lessees or buyers not previously solicited as required by subdivision (2) of subsection (d) of this section and may approve any lease, sale, or conveyance without the necessity to repeat compliance with the requirements of subdivisions (1) through (6) of subsection (d) of this section, except for the following:

(1) Before considering any proposal to lease or purchase the hospital facility or part thereof, the municipality or hospital authority shall require information on charges, services, and indigent care at similar facilities leased, owned, or operated by the proposed lessee or buyer.

(2) The municipality or hospital authority shall declare its intent to approve any lease or sale in the manner authorized by this subsection at a regular or special meeting held on 10 days' public notice. Such notice shall state that copies of the lease, sale, or conveyance proposed for approval will be available 10 days prior to the regular or special meeting required by subdivision (3) of this subsection and that the lease, sale, or conveyance shall be considered for approval at a regular or special meeting not less than 10 days following the regular or special meeting required by this subsection. Notice shall be given by publication in one or more papers of general circulation in the affected area describing the intent to lease, sell, or convey the hospital facility involved and the potential buyer or lessee.

(3) Not less than 10 days following the regular or special meeting required by subdivision (2) of this subsection, the municipality or hospital authority shall approve any lease, sale, or conveyance by a resolution at a regular or special meeting.

(4) At least 10 days before the regular or special meeting at which any lease, sale, or conveyance is approved, the municipality or hospital authority shall make copies of the proposed contract available to the public."

SECTION 4. Article 1E of Chapter 90 of the General Statutes and Article 9A of Chapter 131E of the General Statutes are repealed.

SECTION 5. G.S. 131E-23 is amended by adding a new subdivision to read:

"§ **131E-23. Powers of the authority.**

(a) An authority shall have all powers necessary or convenient to carry out the purposes of this Part, including the following powers, which are in addition to those powers granted elsewhere in this Part:

…

(38) To engage in health care activities outside the State."

SECTION 6. Section 4 of this act is effective January 1, 2018. The remainder of this act is effective when it becomes law.

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

Became law upon approval of the Governor at 9:30 a.m. on the 29th day of October, 2015.

Session Law 2015-289 **H.B. 215**

AN ACT TO ESTABLISH PROCEDURE FOR WAIVER OF THE RIGHT TO A JURY TRIAL IN CRIMINAL CASES IN SUPERIOR COURT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 15A-1201 reads as rewritten:

"§ **15A-1201. Right to trial by jury; waiver of jury ~~trial.~~trial; procedure for waiver.**

(a) Right to Jury Trial. – In all criminal cases the defendant has the right to be tried by a jury of 12 whose verdict must be unanimous. In the district court the judge is the finder of fact in criminal cases, but the defendant has the right to appeal for trial de novo in superior court as provided in G.S. 15A-1431. In superior court all criminal trials in which the defendant enters a plea of not guilty must be tried before a jury, unless the defendant waives the right to a jury trial, as provided in subsection (b) of this section.

(b) Waiver of Right to Jury Trial. – A defendant accused of any criminal offense for which the State is not seeking a sentence of death in superior court may, knowingly and voluntarily, in writing or on the record in the court and with the consent of the trial judge, waive the right to trial by jury. When a defendant waives the right to trial by jury under this section, the jury is dispensed with as provided by law, and the whole matter of law and ~~fact~~

fact, to include all factors referred to in G.S. 20-179 and subsections (a1) and (a3) of G.S. 15A-1340.16, shall be heard and judgment given by the court. If a motion for joinder of co-defendants is allowed, there shall be a jury trial unless all defendants waive the right to trial by jury, or the court, in its discretion, severs the case.

(c) A defendant seeking to waive the right to trial by jury under subsection (b) of this section shall give notice of intent to waive a jury trial by any of the following methods:

(1) Stipulation, which may be conditioned on each party's consent to the trial judge, signed by both the State and the defendant and served on the counsel for any co-defendants.

(2) Filing a written notice of intent to waive a jury trial with the court and serving on the State and counsel for any co-defendants within the earliest of (i) 10 working days after arraignment, (ii) 10 working days after service of a calendar setting under G.S. 7A-49.4(b), or (iii) 10 working days after the setting of a definite trial date under G.S. 7A-49.4(c).

(3) Giving notice of intent to waive a jury trial on the record in open court by the earlier of (i) the time of arraignment or (ii) the calling of the calendar under G.S. 7A-49.4(b) or G.S. 7A-49.4(c).

(d) Judicial Consent to Jury Waiver. – Upon notice of waiver by the defense pursuant to subsection (c) of this section, the State shall schedule the matter to be heard in open court to determine whether the judge agrees to hear the case without a jury. The decision to grant or deny the defendant's request for a bench trial shall be made by the judge who will actually preside over the trial. Before consenting to a defendant's waiver of the right to a trial by jury, the trial judge shall do all of the following:

(1) Address the defendant personally and determine whether the defendant fully understands and appreciates the consequences of the defendant's decision to waive the right to trial by jury.

(2) Determine whether the State objects to the waiver and, if so, why. Consider the arguments presented by both the State and the defendant regarding the defendant's waiver of a jury trial.

(e) Revocation of Waiver. – Once waiver of a jury trial has been made and consented to by the trial judge pursuant to subsection (d) of this section, the defendant may revoke the waiver one time as of right within 10 business days of the defendant's initial notice pursuant to subsection (c) of this section if the defendant does so in open court with the State present or in writing to both the State and the judge. In all other circumstances, the defendant may only revoke the waiver of trial by jury upon the trial judge finding the revocation would not cause unreasonable hardship or delay to the State. Once a revocation has been granted pursuant to this subsection, the decision is final and binding.

(f) Suppression of Evidence. – In the event that a defendant who has waived the right to trial by jury pursuant to this section makes a motion to suppress evidence under Article 53 of this Chapter, the court shall make written findings of fact and conclusions of law."

SECTION 2. G.S. 20-179 is amended by adding a new subsection to read:

"(a3) Procedure When Jury Trial Waived. – If a defendant waives the right to a jury trial under G.S. 15A-1201, the trial judge shall make all findings that are conferred upon the jury under the provisions of this section."

SECTION 3. G.S. 15A-1340.16 is amended by adding a new subsection to read:

"(a6) Procedure When Jury Trial Waived. – If a defendant waives the right to a jury trial under G.S. 15A-1201, the trial judge shall make all findings that are conferred upon the jury under the provisions of this section."

SECTION 4. This act becomes effective October 1, 2015, and applies to defendants waiving their right to trial by jury on or after that date.

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

Became law upon approval of the Governor at 9:30 a.m. on the 29th day of October, 2015.

Session Law 2015-290 **H.B. 327**

AN ACT TO MAKE TECHNICAL AND CONFORMING CHANGES TO THE STATUTES GOVERNING THE REGULATION OF EMERGENCY MEDICAL SERVICES TO REFLECT NEW NATIONAL STANDARDS FOR EMERGENCY MEDICAL PERSONNEL.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 131E-155 reads as rewritten:

"§ **131E-155. Definitions.**

As used in this Article, unless otherwise specified:

(1) "Ambulance" means any privately or publicly owned motor vehicle, aircraft, or vessel that is specially designed, constructed, or modified and equipped and is intended to be used for and is maintained or operated for the transportation of patients on the streets or highways, waterways or airways of this State.

(2) Repealed by Session Laws 1997-443, s. 11A.129C.

(3) Redesignated as subdivision (13a).

(4) "Commission" means the North Carolina Medical Care Commission.

(5) "Emergency medical dispatcher" means an emergency telecommunicator who has completed an educational program approved by the Department and has been credentialed as an emergency medical dispatcher by the Department.

(6) "Emergency medical services" means services rendered by emergency medical services personnel in responding to improve the health and wellness of the community and to address the individual's need for emergency medical care within the scope of practice as defined by the North Carolina Medical Board in accordance with G.S. 143-514 in order to prevent loss of life or further aggravation of physiological or psychological illness or injury.

(6a) "Emergency medical services instructor" means an individual who has completed educational requirements approved by the Department and has been credentialed as an emergency medical services instructor by the Department.

(6b) "Emergency Medical Services Peer Review Committee" means a panel composed of EMS program representatives to be responsible for analyzing patient care data and outcome measures to evaluate the ongoing quality of patient care, system performance, and medical direction within the EMS system. The committee membership shall include physicians, nurses, EMS personnel, medical facility personnel, and county government officials. Review of medical records by the EMS Peer Review Committee is confidential and protected under G.S. 143-518. An EMS Peer Review Committee, its members, proceedings, records and materials produced, and materials considered shall be afforded the same protections afforded Medical Review Committees, their members, proceedings, records, and materials under G.S. 131E-95.

(7) "Emergency medical services personnel" means all the personnel defined in subdivisions (5), (6a), (8), (9), (10), (12), (13), (14), and (15) of this section.

(8) "Emergency medical services-nurse practitioner" means a registered nurse who is licensed to practice nursing in North Carolina and approved to perform medical acts by the North Carolina Medical Board and the North

Carolina Board of Nursing. Upon successful completion of an orientation program conducted under the authority of the medical director and approved by the Department, emergency medical services-nurse practitioners shall be approved by the medical director to issue instructions to EMS personnel. These instructions shall be in accordance with protocols approved by the EMS system and Office of Emergency Medical Services and under the direction of the medical director.

(9) "Emergency medical services-physician assistant" means a physician assistant who is licensed by the North Carolina Medical Board. Upon successful completion of an orientation program conducted under the authority of the medical director and approved by the Department, emergency medical services-physician assistants shall be approved by the medical director to issue instructions to EMS personnel. These instructions shall be in accordance with protocols approved by the EMS system and Office of Emergency Medical Services and under the direction of the medical director.

(10) "Emergency medical technician" means an individual who has completed an educational program in emergency medical care approved by the Department and has been credentialed as an emergency medical technician by the Department.

(11) Repealed by Session Laws 2003-392, s. 2(a), effective August 7, 2003.

(12) ~~"Emergency medical technician-intermediate"~~"Advanced emergency medical technician" means an individual who has completed an educational program in emergency medical care approved by the Department and has been credentialed as an ~~emergency medical technician-intermediate~~ advanced emergency medical technician by the Department.

(13) ~~"Emergency medical technician-paramedic"~~"Paramedic" means an individual who has completed an educational program in emergency medical care approved by the Department and has been credentialed as ~~an emergency medical technician-paramedic~~ a paramedic by the Department.

(13a) "EMS provider" means a firm, corporation or association which engages in or professes to provide emergency medical services.

(14) "~~Medical responder~~"Emergency medical responder" means an individual who has completed an educational program in emergency medical care and first aid approved by the Department and has been credentialed as ~~a~~ an emergency medical responder by the Department.

(15) "Mobile intensive care nurse" means a registered nurse who is licensed to practice nursing in North Carolina and is approved by the medical director, following successful completion of an orientation program conducted under the authority of the medical director and approved by the Department, to issue instructions to EMS personnel. These instructions shall be in accordance with protocols approved by the EMS system and Office of Emergency Medical Services and under the direction of the medical director.

(16) "Patient" means an individual who is sick, injured, wounded, or otherwise incapacitated or helpless such that the need for some medical assistance might be anticipated.

(17) "Practical examination" means a test where an applicant for credentialing as an emergency medical technician, emergency medical responder, ~~emergency medical technician-intermediate, or emergency medical technician-paramedic~~advanced emergency medical technician, or paramedic demonstrates the ability to perform specified emergency medical care skills."

SECTION 2. G.S. 131E-158 reads as rewritten:

"§ **131E-158. Credentialed personnel required.**

(a) Every ambulance when transporting a patient shall be occupied at a minimum by all of the following:

(1) At least one emergency medical technician who shall be responsible for the medical aspects of the mission prior to arrival at the medical facility, assuming no other individual with higher credentials is available.

(2) One emergency medical responder who is responsible for the operation of the vehicle and rendering assistance to the emergency medical technician.

An ambulance owned and operated by a licensed health care facility that is used solely to transport sick or infirm patients with known nonemergency medical conditions between facilities or between a residence and a facility for scheduled medical appointments is exempt from the requirements of this subsection.

(b) The Commission shall adopt rules setting forth exemptions to the requirements stated in (a) of this section applicable to situations where exemptions are considered by the Commission to be in the public interest."

SECTION 3. G.S. 131E-159 reads as rewritten:

"§ **131E-159. Credentialing requirements.**

(a) Individuals seeking credentials as an emergency medical technician, ~~emergency medical technician-intermediate, emergency medical technician-paramedic,~~ advanced emergency medical technician, paramedic, emergency medical responder, emergency medical dispatcher, or emergency medical services instructor shall apply to the Department using forms prescribed by that agency. The Department's representatives shall examine the applicant by either written, practical, or written and practical examination. The Department shall issue appropriate credentials to the applicant who meets all the requirements set forth in this Article and the rules adopted for this Article and who successfully completes the examinations required for credentialing. Emergency medical technician, emergency medical responder, emergency medical dispatcher, ~~emergency medical technician-intermediate, emergency medical technician-paramedic~~advanced emergency medical technician, paramedic, and emergency medical services instructor credentials shall be valid for a period not to exceed four years and may be renewed if the holder meets the requirements set forth in the rules of the Commission. The Department is authorized to revoke or suspend these credentials at any time it determines that the holder no longer meets the qualifications prescribed.

(b) The Commission shall adopt rules setting forth the qualifications required for credentialing of emergency medical responders, emergency medical technicians, ~~emergency medical technician-intermediates, emergency medical technician-paramedics,~~ advanced emergency medical technicians, paramedics, emergency medical dispatchers, and emergency medical services instructors.

(c) Individuals currently credentialed as an emergency medical technician, ~~emergency medical technician-intermediate, emergency medical technician-paramedic,~~ advanced emergency medical technician, paramedic, emergency medical responder, and emergency medical services instructor by the National Registry of Emergency Medical Technicians or by another state where the education/credentialing requirements have been approved for legal recognition by the Department of Health and Human Services, in accordance with rules promulgated by the Medical Care Commission, and who is either currently residing in North Carolina or affiliated with a permitted EMS provider offering service within North Carolina, may be eligible for credentialing as an emergency medical technician, ~~emergency medical technician-intermediate, emergency medical technician-paramedic,~~advanced emergency medical technician, paramedic, emergency medical responder, and emergency medical services instructor without examination. This credentialing shall be valid for a period not to exceed the length of the applicant's original credentialing or four years, whichever is less.

…

(f) The Department may deny, suspend, amend, or revoke the credentials of ~~a~~ an emergency medical responder, emergency medical technician, ~~emergency medical~~

~~technician-intermediate, emergency medical technician-paramedic,~~ advanced emergency medical technician, paramedic, emergency medical dispatcher, or emergency medical services instructor in any case in which the Department finds that there has been a substantial failure to comply with the provisions of this Article or the rules issued under this Article. Prior to implementation of any of the above disciplinary actions, the Department shall consider the recommendations of the EMS Disciplinary Committee pursuant to G.S. 143-519. The Department's decision to deny, suspend, amend, or revoke credentials may be appealed by the applicant or credentialed personnel pursuant to the provisions of Article 3 of Chapter 150B of the General Statutes, the Administrative Procedure Act.

…."

SECTION 4. G.S. 14-276.1 reads as rewritten:

"§ **14-276.1. Impersonation of firemen or emergency medical services personnel.**

It is a Class 3 misdemeanor, for any person, with intent to deceive, to impersonate a fireman or any emergency medical services personnel, whether paid or voluntary, by a false statement, display of insignia, emblem, or other identification on his person or property, or any other act, which indicates a false status of affiliation, membership, or level of training or proficiency, if:

(1) The impersonation is made with intent to impede the performance of the duties of a fireman or any emergency medical services personnel, or

(2) Any person reasonably relies on the impersonation and as a result suffers injury to person or property.

For purposes of this section, emergency medical services personnel means ~~a~~ an emergency medical responder, emergency medical technician, ~~emergency medical technician intermediates, emergency medical technician paramedics,~~ advanced emergency medical technician, paramedic, or other member of a rescue squad or other emergency medical organization."

SECTION 5. The North Carolina Medical Care Commission shall amend its applicable rules consistent with this act no later than December 31, 2015.

SECTION 6. This act is effective when it becomes law.

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

Became law upon approval of the Governor at 9:30 a.m. on the 29th day of October, 2015.

Session Law 2015-291 **S.B. 524**

AN ACT TO ENHANCE THE RIGOR OF INSTRUCTION OF THE FOUNDING PRINCIPLES AND TO AUTHORIZE THE DEPARTMENT OF PUBLIC INSTRUCTION TO USE FUNDS TO CONDUCT A PILOT PROGRAM ON INTEGRATED COMMUNITY-BASED ADAPTED SPORTS PROGRAMS FOR STUDENTS WITH DISABILITIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-81(g) reads as rewritten:

"(g) Civic Literacy. –

(1) ~~Local boards of education~~ The State Board of Education shall require during the high school years the teaching of a semester course ~~"American History I – The Founding Principles," to include at least~~that includes instruction in the ~~following:~~following Founding Principles of the United States of America and the State of North Carolina:

a. The Creator-endowed inalienable rights of the people.

b. Structure of government, separation of powers with checks and balances.

c. Frequent and free elections in a representative government.
d. Rule of law.
e. Equal justice under the law.
f. Private property rights.
g. Federalism.
h. Due process.
i. Individual rights as set forth in the Bill of Rights.
j. Individual responsibility.
k. Constitutional limitations on government power to tax and spend and prompt payment of public debt.
l. Strong defense and supremacy of civil authority over military.
m. Peace, commerce, and honest friendship with all nations, entangling alliances with none.

A passing grade in the course shall be required for graduation from high school.

(2), (3) Repealed by Session Laws 2011-273, s. 2, effective June 23, 2011, and applicable beginning with the 2014-2015 school year.

(3a) Local boards of education shall allow and may encourage any public school teacher or administrator to read or post in a public school building, classroom, or event, excerpts or portions of writings, documents, and records that reflect the history of the United States, including, but not limited to, (i) the preamble to the North Carolina Constitution, (ii) the Declaration of Independence, (iii) the United States Constitution, (iv) the Mayflower Compact, (v) the national motto, (vi) the National Anthem, (vii) the Pledge of Allegiance, (viii) the writings, speeches, documents, and proclamations of the founding fathers and Presidents of the United States, (ix) decisions of the Supreme Court of the United States, and (x) acts of the Congress of the United States, including the published text of the Congressional Record. Local boards, superintendents, principals, and supervisors shall not allow content-based censorship of American history in the public schools of this State, including religious references in these writings, documents, and records. Local boards and professional school personnel may develop curricula and use materials that are limited to specified topics provided the curricula and materials are aligned with the standard course of study or are grade level appropriate.

(3b) A local school administrative unit may display on real property controlled by that local school administrative unit documents and objects of historical significance that have formed and influenced the United States legal or governmental system and that exemplify the development of the rule of law, such as the Magna Carta, the Mecklenburg Declaration, the Ten Commandments, the Justinian Code, and documents set out in subdivision (3a) of this subsection. This display may include, but shall not be limited to, documents that contain words associated with a religion; provided however, no display shall seek to establish or promote religion or to persuade any person to embrace a particular religion, denomination of a religion, or other philosophy. The display of a document containing words associated with a religion shall be in the same manner and appearance generally as other documents and objects displayed and shall not be presented or displayed in any fashion that results in calling attention to it apart from the other displayed documents and objects. The display also shall be accompanied by a prominent sign quoting the First Amendment of the United States Constitution as follows: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or

abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances."

(4) The State Board of Education shall require that any high school level curriculum-based tests for the course required in subdivision (1) of this subsection developed and administered statewide beginning with the ~~2014-2015~~2016-2017 academic year include questions related to the philosophical foundations of our form of government and the principles underlying the Declaration of Independence, the United States Constitution and its amendments, and the most important of the Federalist Papers.

(5) The Department of Public Instruction and the local boards of education, as appropriate, shall provide or cause to be provided curriculum content for the semester course required in subdivision (1) of this subsection and teacher training to ensure that the intent and provisions of this subsection are carried out. The curriculum content established shall include a review of the contributions made by Americans of all races.

(6) The Department of Public Instruction shall submit a biennial report by October 15 of each odd-numbered year to the Joint Legislative Education Oversight Committee covering the implementation of this subsection."

SECTION 3. Of the funds appropriated to the Department of Public Instruction or State Aid for Public Schools for the 2015-2017 fiscal biennium, the Department may use up to three hundred thousand dollars ($300,000) each fiscal year to develop and implement a pilot program for an integrated community-based adapted sports program for students with disabilities in grades kindergarten through 12. If the Department uses funds for this purpose, the pilot program shall be consistent with the "Dear Colleague" letter addressing equal access to extracurricular athletics for students with disabilities released by the U.S. Department of Education, Office for Civil Rights, on January 25, 2013. The pilot program shall also include specific strategies to overcome barriers to the participation of students with disabilities in extracurricular athletics and incorporate a philosophy of personal empowerment for those students. The pilot program may be conducted in one or more local school administrative units and provide for collaboration with universities and community colleges and other community organizations to achieve the purposes of the program.

SECTION 4. Section 1 of this act is effective when this act becomes law and applies beginning with students entering the ninth grade in the 2016-2017 school year. Section 3 of this act becomes effective July 1, 2015. The remainder of this act is effective when it becomes law.

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

Became law upon approval of the Governor at 9:32 a.m. on the 29th day of October, 2015.

Session Law 2015-292 **H.B. 8**

AN ACT TO CREATE OPEN JUDICIAL ELECTIONS WITH PARTY DESIGNATIONS FOR THE COURT OF APPEALS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 163-165.5 reads as rewritten:

"§ **163-165.5. Contents of official ballots.**

Each official ballot shall contain all the following elements:

(1) The heading prescribed by the State Board of Elections. The heading shall include the term "Official Ballot".

(2) The title of each office to be voted on and the number of seats to be filled in each ballot item.

(3) The names of the candidates as they appear on their notice of candidacy filed pursuant to G.S. 163-106 or G.S. 163-323, or on petition forms filed in accordance with G.S. 163-122. No title, appendage, or appellation indicating rank, status, or position shall be printed on the official ballot in connection with the candidate's name. Candidates, however, may use the title Mr., Mrs., Miss, or Ms. Nicknames shall be permitted on an official ballot if used in the notice of candidacy or qualifying petition, but the nickname shall appear according to standards adopted by the State Board of Elections. Those standards shall allow the presentation of legitimate nicknames in ways that do not mislead the voter or unduly advertise the candidacy. In the case of candidates for presidential elector, the official ballot shall not contain the names of the candidates for elector but instead shall contain the nominees for President and Vice President which the candidates for elector represent. The State Board of Elections shall establish a review procedure that local boards of elections shall follow to ensure that candidates' names appear on the official ballot in accordance with this subdivision.

(4) Party designations in partisan ballot ~~items.~~items and in nonpartisan ballot items as required by G.S. 163-323(h).

(5) A means by which the voter may cast write-in votes, as provided in G.S. 163-123. No space for write-ins is required unless a write-in candidate has qualified under G.S. 163-123 or unless the ballot item is exempt from G.S. 163-123.

(6) Instructions to voters, unless the State Board of Elections allows instructions to be placed elsewhere than on the official ballot.

(7) The printed title and facsimile signature of the chair of the county board of elections."

SECTION 2. G.S. 163-323 is amended by adding a new subsection to read:

"(h) A candidate for Judge of the Court of Appeals, at the time of filing the notice of candidacy under this section, shall indicate on the notice of candidacy the political party recognized under Article 9 of this Chapter with which that candidate is affiliated or any unaffiliated status. The certificate required by subsection (d) of this section shall verify the party designation or unaffiliated status, and the verified party designation or unaffiliated status shall be included on the ballot."

SECTION 3. This act is effective when it becomes law and applies to elections held on or after that date.

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

Became law upon approval of the Governor at 9:32 a.m. on the 29th day of October, 2015.

Session Law 2015-293 **H.B. 126**

AN ACT TO AUTHORIZE THE OFFICE OF THE COMMISSIONER OF BANKS TO IMPLEMENT A REGISTRATION SYSTEM FOR PERSONS ENGAGED EXCLUSIVELY IN THE PROCESSING OR UNDERWRITING OF RESIDENTIAL MORTGAGE LOANS AND NOT ENGAGED IN THE MORTGAGE BUSINESS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 19B of Chapter 53 of the General Statutes reads as rewritten:

"Article 19B.

"The Secure and Fair Enforcement Mortgage Licensing Act.

…

"§ **53-244.030. Definitions.**

For purposes of the Article, the following definitions apply:

…

(20) "Mortgage lender" means a person engaged in the mortgage business as defined in sub-subdivision b. of subdivision (11) of this section. However, the definition does not include a person who acts as a mortgage lender only in a tablefunding transaction.

(20a) "Mortgage origination support registrant" or "registrant" means a person engaged exclusively in the processing or underwriting of residential mortgage loans and not engaged in the mortgage business.

…

"§ **53-244.040. License and registration requirements.**

…

(c) Each mortgage loan originator and person engaged in the mortgage business must register with and maintain a valid unique identifier issued by the Nationwide Mortgage Licensing System and Registry.

(c1) A registrant operating in this State must register with the Commissioner. Upon issuance of the registration, a registrant is authorized to sponsor and employ licensed mortgage loan originators or transitional mortgage loan originators to control and supervise the registrant's loan processors or underwriters in accordance with Title V of the Housing and Economic Recovery Act of 2008, P.L. 110-289, and 24 C.F.R. 3400. Nothing in this subsection shall be construed as authorizing a registrant to engage in the mortgage business.

…

(e) Each mortgage broker, mortgage lender, or mortgage servicer licensed under this ~~Article~~Article, or registrant registered under this Article, shall have a qualifying individual who operates the business under that person's full charge, control, and supervision. Each mortgage broker, mortgage lender, or mortgage servicer licensed under this ~~Article~~Article, or registrant registered under this Article, shall file through the Nationwide Mortgage Licensing System and Registry a form acceptable to the Commissioner indicating the licensee's designation of a qualifying individual and each qualifying individual's acceptance of the responsibility. Each mortgage broker, mortgage lender, or mortgage servicer licensed under this ~~Article~~Article, or registrant registered under this Article, shall notify the Commissioner within 15 days of any change in its designated qualifying individual. Any individual licensee who operates as a sole proprietorship shall qualify as and be considered the qualifying individual for the purposes of this subsection.

…

"§ **53-244.050. License and registration application; claim of exemption.**

(a) Applicants for a license or registration shall apply through the Nationwide Mortgage Licensing System and Registry on a form acceptable to the Commissioner, including the following information:

…

(b) The eligibility requirements for an application for licensure or registration under this Article are as follows:

…

(2) Each applicant for licensure as a mortgage ~~broker or~~broker, mortgage ~~lender~~lender, or mortgage ~~servicer~~servicer, or registration as a registrant, at the time of application shall comply with the following requirements:

a. If the applicant is a sole proprietor, the applicant shall have at least three years of experience in residential mortgage lending or other experience or meet competency requirements as the Commissioner may impose.

b. If the applicant is a corporation, limited liability company, general or limited partnership, association, or other group engaged in a joint enterprise, however organized, at least one of its principal officers, managers, or general partners shall have three years of experience in residential mortgage lending or other experience or meet competency requirements as the Commissioner may impose.

c. If the applicant will be a qualifying individual or branch manager, the applicant shall have at least three years of experience in residential mortgage lending or other experience or meet competency requirements as the Commissioner may impose.

…

(c) In connection with an application for licensing as a mortgage loan originator, transitional mortgage loan originator, mortgage lender, mortgage broker, or mortgage servicer, or registration as a registrant, the applicant and its owners, qualifying individual, and controlling persons shall furnish to the Nationwide Mortgage Licensing System and Registry information concerning the applicant's identity, including:

(1) Fingerprints for submission to the Federal Bureau of Investigation and any governmental agency or entity authorized to receive such information for a state, national, and international criminal history background check.

(2) Personal history and experience in a form prescribed by the Nationwide Mortgage Licensing System and Registry and the Commissioner to obtain:

a. Independent credit reports obtained from a consumer reporting agency described in section 603(p) of the Fair Credit Reporting Act; and

b. Information related to any administrative, civil, or criminal findings by any governmental jurisdiction.

(3) The personal history may be obtained by the Commissioner at any time and the fingerprint information shall be furnished upon the Commissioner's request.

(4) An authorization for the Commissioner to obtain personal history or fingerprint information at any time.

…

(f) For purposes of this section, the Commissioner may request and the North Carolina Department of Public Safety may provide a criminal record check to the Commissioner for any person who (i) has applied for or holds a mortgage lender, mortgage broker, mortgage servicer, mortgage loan originator, or transitional mortgage loan originator license as provided by this ~~section.~~section or (ii) has applied for or holds a registration as a registrant under this section. The Commissioner shall provide the Department of Public Safety, along with the request, the fingerprints of the person, any additional information required by the Department of Public Safety, and a form signed by the person consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The person's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Department of Public Safety may charge a fee for each person for conducting the checks of criminal history records authorized by this section.

…

"§ **53-244.060. Issuance of ~~license.~~license or registration.**

If an applicant satisfies the requirements of G.S. 53-244.050, the Commissioner shall issue a mortgage lender, mortgage broker, mortgage servicer, mortgage loan originator, or transitional mortgage loan originator ~~license~~license, or a mortgage origination support registrant registration, unless the Commissioner finds any of the following:

(1) The applicant has had a mortgage loan originator or mortgage lender, mortgage broker, or mortgage servicer ~~license~~license, or mortgage origination support registrant registration or its equivalent, revoked in any governmental jurisdiction, except that a subsequent formal vacation of the revocation shall not be deemed a revocation.

…

(4) The applicant has demonstrated a lack of financial responsibility, character, or general fitness such as to fail to command the confidence of the community and to warrant a determination that the mortgage loan originator, transitional mortgage loan originator, or other licensee or registrant will operate honestly, fairly, and efficiently within the purposes of this Article. For purposes of this subdivision, a person shows a lack of financial responsibility when the person has shown a disregard in the management of the person's own financial affairs. Evidence that a person has not shown financial responsibility may include:

a. Current outstanding judgments, except judgments resulting solely from medical expenses;
b. Current outstanding tax liens or other government liens and filings;
c. Foreclosures within the past three years; or
d. A pattern of serious delinquent accounts within the past three years.

…

"§ **53-244.090. ~~License application~~Application fees.**

(a) Every applicant for initial licensure shall pay a nonrefundable filing fee of one thousand two hundred fifty dollars ($1,250) for licensure as a mortgage broker, mortgage lender, or mortgage servicer, three hundred dollars ($300.00) for licensure as an exclusive mortgage broker, or one hundred twenty-five dollars ($125.00) for licensure as a mortgage loan originator or transitional mortgage loan originator.

Every applicant for initial registration as a mortgage origination support registrant shall pay a nonrefundable filing fee of (i) two hundred fifty dollars ($250.00) for applicants who employ or contract with fewer than a total of five individuals engaged solely as loan processors or underwriters, (ii) one thousand dollars ($1,000) for applicants who employ or contract with between a total of five and 30 individuals engaged solely as loan processors or underwriters, or (iii) two thousand dollars ($2,000) for applicants who employ or contract with more than a total of 30 individuals engaged solely as loan processors or underwriters.

In addition, ~~an~~every applicant for initial licensure or registration must pay the actual cost of obtaining a credit report, State and national criminal history record checks, and the processing fees required by the Nationwide Mortgage Licensing System and Registry.

…

"§ **53-244.100. Active license or registration requirements and assignability.**

(a) It is unlawful for any person to engage in the mortgage business without first obtaining a license as a mortgage loan originator, transitional mortgage loan originator, mortgage lender, mortgage broker, or mortgage servicer issued by the Commissioner under this Article. It is unlawful for any person to employ, to compensate, or to appoint as its agent a mortgage loan originator unless the person is a licensed mortgage loan originator or a transitional mortgage loan originator under this Article. Persons defined in G.S. 53-244.030(8) or G.S. 53-244.030(29) are not subject to this subsection.

(b) The license of a mortgage loan originator or transitional mortgage loan originator is not effective during any period when that person is not employed by (i) a mortgage lender, mortgage broker, or mortgage servicer licensed under this ~~Article.~~Article or (ii) a mortgage origination support registrant registered under this Article, but only for the purpose of supervising and controlling loan processors or underwriters. When a mortgage loan originator or transitional mortgage loan originator ceases to be employed by a mortgage lender, mortgage broker, or mortgage servicer licensed under this ~~Article,~~Article, or a mortgage origination

support registrant registered under this Article, the mortgage loan originator or transitional mortgage loan originator and the mortgage lender, mortgage broker, or mortgage servicer licensed under this ~~Article~~Article, or the mortgage origination support registrant registered under this Article, by whom that person ~~is~~was employed shall promptly notify the Commissioner in writing. The mortgage lender, mortgage broker, ~~or~~ mortgage ~~servicer~~servicer, or mortgage origination support registrant shall include a statement of the specific reason for the termination of the mortgage loan originator's or transitional mortgage loan originator's employment. A mortgage loan originator or transitional mortgage loan originator shall not be employed simultaneously by more than one mortgage lender, mortgage broker, ~~or~~ mortgage ~~servicer~~servicer, or mortgage support registrant licensed or registered under this Article.

(c) Each mortgage lender, mortgage broker, ~~and~~ mortgage ~~servicer~~servicer, and mortgage origination support registrant licensed or registered under this Article shall maintain on file with the Commissioner a list of all mortgage loan originators and transitional mortgage loan originators who are employed with the mortgage lender, mortgage broker, ~~or~~ mortgage ~~servicer.~~servicer, or mortgage origination support registrant.

(d) No person, other than an exempt person, shall hold himself or herself out as a mortgage lender, a mortgage broker, a mortgage servicer, a mortgage loan originator, ~~or~~ a transitional mortgage loan ~~originator~~originator, or mortgage origination support registrant unless the person is licensed or registered in accordance with this Article.

(e) Licenses and registrations issued under this Article are not assignable. Control of a licensee or registrant shall not be acquired through a stock purchase, merger, or other device without the prior written consent of the Commissioner. The Commissioner shall not give written consent if the Commissioner finds that any of the grounds for denial, revocation, or suspension of a license or registration are applicable to the acquiring person.

…

"§ **53-244.101. License and registration renewal.**

(a) All licenses and registrations issued by the Commissioner under the provisions of this Article shall expire annually on the 31st day of December following issuance or on any other date that the Commissioner may determine. The license is invalid after that date and shall remain invalid unless renewed under subsection (b) of this section.

(b) A license or registration may be renewed on or after November 1 of each year by complying with the requirements of subsection (c) of this section.

A mortgage loan originator shall pay a nonrefundable renewal fee of one hundred twenty-five dollars ($125.00) plus the actual cost of obtaining credit reports and State and national criminal history record checks and processing fees for the Nationwide Mortgage Licensing System and Registry as the Commissioner shall require.

A mortgage origination support registrant shall pay a nonrefundable renewal fee of (i) one hundred twenty-five dollars ($125.00) for registrants who employ or contract with fewer than a total of five individuals engaged solely as loan processors or underwriters, (ii) five hundred dollars ($500.00) for registrants who employ or contract with between a total of five and 30 individuals engaged solely as loan processors or underwriters, or (iii) one thousand dollars ($1,000) for registrants who employ or contract with more than a total of 30 individuals engaged solely as loan processors or underwriters. In addition to the nonrefundable renewal fee, a mortgage support registrant shall pay the actual cost of obtaining credit reports and State and national criminal history record checks and processing fees for the Nationwide Mortgage Licensing System and Registry as the Commissioner shall require.

(c) Licensees may apply to renew a mortgage loan originator, mortgage lender, mortgage broker, and mortgage servicer ~~license.~~license, and registrants may apply to renew a mortgage origination support registrant registration. The application for renewal shall demonstrate ~~that:~~that all of the following applicable requirements are met:

(1) The licensee or registrant continues to meet the initial minimum standards for licensure or registration under ~~G.S. 53-244.060;~~G.S. 53-244.060.

(2) The mortgage loan originator has satisfied the annual continuing education requirements described in ~~G.S. 53-244.102; and~~G.S. 53-244.102.

(3) The licensee or registrant has paid all required fees and assessments.

(d) If a mortgage lender, mortgage broker, or mortgage servicer's license is not renewed prior to the expiration date, then the licensee shall pay two hundred fifty dollars ($250.00) as a nonrefundable late fee. If a mortgage loan originator's license is not renewed prior to the expiration date, then the licensee shall pay a nonrefundable late fee of one hundred dollars ($100.00) in addition to the renewal fee set forth in subsection (b) of this section. In the event a licensee fails to obtain a reinstatement of the license prior to March 1, the Commissioner shall require the licensee to comply with the requirements for the initial issuance of a license under the provisions of this Article.

(d1) If a mortgage origination support registrant registration is not renewed prior to the expiration date, in addition to the renewal fees set forth in subsection (b) of this section, the registrant shall pay a nonrefundable late fee of (i) sixty-two dollars and fifty cents ($62.50) for registrants who employ or contract with fewer than a total of five individuals engaged solely as loan processors or underwriters, (ii) two hundred fifty dollars ($250.00) for persons who employ or contract with between a total of five and 30 individuals engaged solely as loan processors or underwriters, or (iii) five hundred dollars ($500.00) for persons who employ or contract with more than a total of 30 individuals engaged solely as loan processors or underwriters.

In the event a registrant fails to obtain a reinstatement of the registration prior to March 1, the Commissioner shall require the registrant to comply with the requirements for the initial issuance of a registration under the provisions of this Article.

(e) When required by the Commissioner, each person shall furnish to the Commissioner the person's consent to a criminal history record check and a set of the person's fingerprints in a form acceptable to the Commissioner or to the Nationwide Mortgage Licensing System and Registry. Refusal to consent to a criminal history record check shall constitute grounds for the Commissioner to deny renewal of the license of the person as well as the license of any other person by whom the person is employed, over which the person has control, or as to which the person is the current or proposed qualifying individual or current or proposed branch manager.

…

"§ **53-244.103. Surety bond requirements.**

(a) ~~Each~~Except as provided in subsection (a1) of this section, each mortgage loan originator or transitional mortgage loan originator shall be covered by a surety bond through employment with a licensee in accordance with this section. The surety bond shall provide coverage for each mortgage loan originator or transitional mortgage loan originator employed by the licensee in an amount as prescribed by subsection (b) of this section and shall be in a form prescribed by the Commissioner. The Commissioner may adopt rules with respect to the requirements for the surety bonds as needed to accomplish the purposes of the Article.

(a1) The requirements of subsection (a) of this section shall not apply to a mortgage loan originator or transitional mortgage loan originator employed only by a registrant for the sole purpose of supervising and controlling loan processors or underwriters.

…

"§ **53-244.105. Records, addresses, escrow funds, or trust accounts.**

(a) Every licensee or registrant shall make and keep the accounts, correspondence, memoranda, papers, books, and other records as prescribed in rules adopted by the Commissioner. All records shall be preserved for three years unless the Commissioner, by rule, prescribes otherwise for particular types of records.

(b) No person shall make any false statement or knowingly and willfully make any omission of a material fact in connection with any information or reports filed with the Commissioner, a governmental agency, or the Nationwide Mortgage Licensing System and Registry or in connection with any oral or written communication with the Commissioner or another governmental agency. If the information contained in any document filed with the

Commissioner or the Nationwide Mortgage Licensing System and Registry is or becomes inaccurate or incomplete in any material respect, the ~~licensee~~licensee, registrant, or exempt entity shall within 30 days file a correcting amendment to the information contained in the document.

(c) ~~Each mortgage broker licensee shall maintain and transact business from a principal place of business in this State.~~ The Commissioner may, by rule, impose terms and conditions under which the records and files of a mortgage ~~lender or~~lender, mortgage broker, mortgage ~~servicer~~servicer, or mortgage origination support registrant may be maintained outside of this State. ~~A~~Except for a mortgage origination support registrant, a principal place of business shall not be located at an individual's home or residence. A mortgage lender, mortgage broker, or mortgage servicer ~~licensee~~licensee, or a mortgage origination support registrant, shall maintain a record of the principal place of business with the Commissioner and report any change of address of the principal place of business or any branch office within 15 days after the change.

(d) A licensee shall maintain in a segregated escrow fund or trust account any funds which come into the licensee's possession but which are not the licensee's property and which the licensee is not entitled to retain under the circumstances. The escrow fund or trust account shall be held on deposit in a federally insured financial institution. Individual loan applicants' or borrowers' accounts may be aggregated into a common trust fund so long as (i) interests in the common fund can be individually tracked and accounted for and (ii) the common fund is kept separate from and is not commingled with the licensee's own funds.

…

"§ **53-244.108. Reports.**

Each mortgage lender, mortgage ~~broker, or~~broker, mortgage servicer ~~licensee~~licensee, or mortgage origination support registrant shall submit to the Commissioner and to the Nationwide Mortgage Licensing System and Registry reports of condition and any other reports requested by the Commissioner pursuant to G.S. 53-244.115(d). The reports shall be in the form and shall contain any information that the Commissioner or Nationwide Mortgage Licensing System and Registry may require.

…

"§ **53-244.113. Regulatory authority.**

(a) Unless otherwise provided, all actions, hearings, and procedures under this Article shall be governed by Article 3A of Chapter 150B of the General Statutes.

(b) For purposes of this Article, the Commissioner shall be deemed to have complied with the requirements of law concerning service of process upon mailing by certified mail any notice required or permitted to a licensee or registrant under this Article, postage prepaid and addressed to the last known address of the licensee or registrant on file with the Commissioner pursuant to G.S. 53-244.105(c).

(c) Upon the issuance of any summary order permitted under this Article, including summary suspensions and cease and desist orders, the Commissioner shall promptly notify the person subject to the order that the order has been entered and the reasons for the order. Within 20 days of receiving notice of the order, the person subject to the order may request in writing a hearing before the Commissioner. Upon receipt of such a request, the Commissioner shall calendar a hearing within 15 days. If a licensee or registrant does not request a hearing, the order will remain in effect unless it is modified or vacated by the Commissioner.

"§ **53-244.114. Licensure and registration authority.**

(a) The Commissioner may, by order, deny, suspend, revoke, or refuse to issue or renew a license or registration of a ~~licensee~~licensee, registrant, or applicant under this Article, or may restrict or limit the manner in which a licensee, registrant, applicant, ~~or~~ any person who owns an interest in or participates in the business of a licensee and engages in the mortgage ~~business,~~business, or any person who owns an interest in or participates in the business of a registrant and engages in the business of a registrant, if the Commissioner finds both of the following:

(1) That the order is in the public interest; and

(2) That any of the following circumstances apply to the applicant, licensee, registrant, or any partner, member, manager, officer, director, loan originator, qualifying individual, or any person occupying a similar status or performing similar functions or any person directly or indirectly controlling the ~~applicant or licensee.~~applicant, licensee, or registrant. The person:

a. Has filed an application for ~~licensure,~~licensure or registration, report, or other document to the Commissioner that, as of its effective date or as of any date after filing, contained any statement that, in light of the circumstances under which it was made, is false or misleading with respect to any material ~~fact;~~fact.

b. Has violated or failed to comply with any provision of this Article, rule adopted by the Commissioner, or order of the ~~Commissioner;~~Commissioner.

c. Is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the mortgage ~~business;~~business.

d. Is the subject of an order of the Commissioner denying or suspending that person's (i) license as a mortgage loan originator, transitional mortgage loan originator, mortgage broker, mortgage lender, or mortgage ~~servicer;~~servicer or (ii) registration as a registrant or its equivalent.

e. Is the subject of an order entered within the past five years by the authority of any state or federal agency with jurisdiction over the mortgage brokerage, mortgage lending, or mortgage servicing ~~industry;~~industry.

f. Fails at any time to meet the requirements of G.S. 53-244.060, 53-244.070, 53-244.080, 53-244.090, 53-244.100, 53-244.103, or ~~53-244.104;~~53-244.104.

g. Controls or has controlled any mortgage broker, mortgage lender, ~~or~~ mortgage ~~servicer~~servicer, or registrant or its equivalent who has been subject to an order or injunction described in sub-subdivision c., d., or e. of this ~~subdivision;~~subdivision.

h. Has been the qualifying individual, branch manager, mortgage loan originator, or transitional mortgage loan originator of a licensee or registrant who had knowledge of or reasonably should have had knowledge of, or participated in, any activity that resulted in the entry of an order under this Article suspending or withdrawing the license of a ~~licensee;~~licensee or registration of a registrant.

i. Has failed to respond to inquiries from the Commissioner or the Commissioner's designee regarding any complaints filed against the licensee or registrant which allege or appear to involve violation of this Article or any law or rule affecting the mortgage lending ~~business; or~~business.

j. Has failed to respond to and cooperate fully with notices from the Commissioner or the Commissioner's designee relating to the scheduling and conducting of an examination or investigation under this Article.

(b) In the event the Commissioner has reason to believe that a licensee, registrant, individual, or person subject to this Article may have violated or failed to comply with any provision of this Article, the Commissioner ~~may:~~may take either of the following actions:

(1) Summarily order the licensee, registrant, individual, or person to cease and desist from any harmful activities or violations of this ~~Article; or~~Article.

(2) Summarily suspend the (i) license of the licensee under this ~~Article.~~Article or (ii) the registration of a registrant under this Article.

These summary powers are in addition to the summary suspension procedures authorized by G.S. 150B-3(c).

"§ **53-244.115. Investigation and examination authority.**

(a) For purposes of initial ~~licensing, license~~licensing or registration, renewal, suspension, conditioning, revocation, or termination, or general or specific inquiry, investigation, or examination to determine compliance with this Article, the Commissioner may access, receive, and use any books, accounts, records, files, documents, information, or evidence, ~~including:~~including all of the following:

(1) Criminal, civil, and administrative history information, including nonconviction ~~data;~~data.

(2) Personal history and experience information, including independent credit reports obtained from a consumer reporting agency described in section 603(p) of the Fair Credit Reporting ~~Act; and~~Act.

(3) Any other documents, information, or evidence the Commissioner deems relevant to the inquiry, investigation, or examination regardless of the location, possession, control, or custody of the documents, information, or evidence.

(b) For purposes of investigating violations or complaints arising under this Article, or for the purposes of examination, the Commissioner may review, investigate, or examine any licensee, registrant, individual, or person subject to this Article as often as necessary in order to carry out the purposes of this Article. The Commissioner may interview the officer, principals, person with control, qualified individual, mortgage loan originators, transitional mortgage loan originators, employees, independent contractors, agents, and customers of the licensee, registrant, individual, or person concerning their business. The Commissioner may direct, subpoena, or order the attendance of and examine under oath all persons whose testimony may be required about the loans or the business or subject matter of any examination or investigation and may direct, subpoena, or order the person to produce books, accounts, records, files, and any other documents the Commissioner deems relevant to the inquiry. The assessment set forth in G.S. 53-244.100A is for the purpose of meeting the cost of regulation under this Article. Any investigation or examination that, in the opinion of the Commissioner of Banks, requires extraordinary review, investigation, or special examination shall be subject to the actual costs of additional expenses and the hourly rate for the staff's time, to be determined annually by the Banking Commission.

(c) Each licensee, registrant, individual, or person subject to this Article shall make available to the Commissioner upon request the books and records relating to the operations of the licensee, registrant, individual, or person. No licensee, registrant, individual, or person subject to investigation or examination under this section may knowingly withhold, abstract, remove, mutilate, destroy, or secrete any books, records, computer records, or other information. Each licensee, registrant, individual, or person subject to this Article shall also make available for interview by the Commissioner the officers, principals, persons with control, qualified individuals, mortgage loan originators, transitional mortgage loan originators, employees, independent contractors, agents, and customers of the licensee, registrant, individual, or person concerning their business.

(d) Each licensee, registrant, individual, or person subject to this Article shall make or compile such reports or prepare other information as may be directed or requested by the Commissioner in order to carry out the purposes of this section, ~~including:~~including any of the following:

(1) Accounting ~~compilations;~~compilations.

(2) Information lists and data concerning loan transactions in a format prescribed by the ~~Commissioner;~~Commissioner.

(3) Periodic reports, ~~including:~~including any of the following:

a. Annual Report ~~Questionnaire,~~Questionnaire.
b. Servicer Activity ~~Report,~~Report.
c. Servicer Schedule of the Ranges of Costs and ~~Fees,~~Fees.
d. Lender/Servicer Audited Statements of Financial ~~Condition,~~Condition.
e. Broker Certified Statements of Financial ~~Condition, and~~Condition.
f. Quarterly Loan Origination Reports.

(4) Any other information deemed necessary to carry out the purposes of this section.

(e) In making any examination or investigation authorized by this Article, the Commissioner may control access to any documents and records of the ~~licensee~~licensee, registrant, or person under examination or investigation. The Commissioner may take possession of the documents and records or place a person in exclusive charge of the documents and records in the place where they are usually kept. During the period of control, no individual or person shall remove or attempt to remove any of the documents and records except pursuant to a court order or with the consent of the Commissioner. Unless the Commissioner has reasonable grounds to believe the documents or records of the licensee or registrant have been or are at risk of being altered or destroyed for purposes of concealing a violation of this Article, the ~~licensee~~licensee, registrant, or owner of the documents and records shall have access to the documents or records as necessary to conduct its ordinary business.

(f) In order to carry out the purposes of this section, the Commissioner ~~may:~~may do any of the following:

(1) Retain attorneys, accountants, or other professionals and specialists as examiners, auditors, or investigators to conduct or assist in the conduct of examinations or ~~investigations;~~investigations.
(2) Enter into agreements or relationships with other government officials or regulatory associations in order to improve efficiencies and reduce regulatory burden by sharing resources, standardized or uniform methods or procedures, documents, records, information, or evidence obtained under this ~~section;~~section.
(3) Use, hire, contract, or employ public or privately available analytical systems, methods, or software to examine or investigate the licensee, individual, or person subject to this ~~Article;~~Article.
(4) Accept and rely on examination or investigation reports made by other government officials, within or without this ~~State; or~~State.
(5) Accept audit reports made by an independent certified public accountant for the licensee, registrant, individual, or person in the course of that part of the examination covering the same general subject matter as the audit and may incorporate the audit report in the report of the examination, report of investigation, or other writing of the Commissioner.

(g) In addition to the authority granted by G.S. 53-244.113 and G.S. 53-244.115, the Commissioner is authorized to take action, including summary suspension of the ~~license,~~license or registration, if the licensee or registrant fails, within 20 days or a lesser time if specifically requested for good cause, ~~to:~~to do any of the following:

(1) Respond to inquiries from the Commissioner or the Commissioner's designee regarding any complaints filed against the licensee or registrant that allege or appear to involve violation of this Article or any law or rule affecting the mortgage lending ~~business;~~business.
(2) Respond to and cooperate fully with notices from the Commissioner or the Commissioner's designee relating to the scheduling and conducting of an examination or investigation under this ~~Article; or~~Article.

(3) Consent to a criminal history record check. The refusal shall constitute grounds for the Commissioner to deny licensure to the applicant as well as to any ~~entity:~~entity that meets any of the following criteria:

a. By whom or by which the applicant is ~~employed,~~employed.

b. Over which the applicant has ~~control, or~~control.

c. As to which the applicant is the current or proposed qualifying individual or a current or proposed branch manager.

(h) The authority of this section shall remain in effect, whether a licensee, registrant, individual, or person subject to this Article acts or claims to act under any licensing or registration law of the State, or claims to act without such authority.

"§ **53-244.116. Disciplinary authority.**

(a) The Commissioner may, by order:

(1) Take any action authorized under G.S. 53-244.113.

(2) Impose a civil penalty upon a licensee, registrant, individual, or person subject to this Article, or upon any partner, officer, director, or other person occupying a similar status or performing similar functions on behalf of a ~~licensee~~licensee, registrant, or other person subject to this Article for any violation of or failure to comply with this Article. The civil penalty shall not exceed twenty-five thousand dollars ($25,000) for each violation of or failure to comply with this Article. Each violation of or failure to comply with this Article shall be a separate and distinct violation.

(3) Impose a civil penalty upon a licensee, registrant, individual, or person subject to this Article, or upon any partner, officer, director, or other person occupying a similar status or performing similar functions on behalf of a ~~licensee~~licensee, registrant, or other person subject to this Article for any violation of or failure to comply with any directive or order of the Commissioner. The civil penalty shall not exceed twenty-five thousand dollars ($25,000) for each violation of or failure to comply with any directive or order of the Commissioner. Each violation of or failure to comply with any directive or order of the Commissioner shall be a separate and distinct violation.

(4) Require a licensee, registrant, individual, or person subject to this Article to disgorge and pay to a borrower or other individual any amounts received by the licensee, registrant, individual, or person subject to the Article, including any employee of the person, to the extent that the amounts were collected in violation of Chapter 24 of the General Statutes or in excess of those allowed by law.

(5) Prohibit licensees or registrants under this Article from engaging in acts and practices in connection with residential mortgage loans that the Commissioner finds to be unfair, deceptive, designed to evade the laws of this State, or that are not in the best interest of the borrowing public.

(b) When a licensee or registrant is accused of any act, omission, or misconduct that would subject the licensee or registrant to disciplinary action, the ~~licensee,~~licensee or registrant, with the consent and approval of the Commissioner, may surrender the license or registration and all the rights and privileges pertaining to it. A person who surrenders a license shall not be eligible for or submit any application for licensure under this Article during any period specified by the ~~Commissioner.~~Commissioner, and a person who surrenders a registration shall not be eligible for or submit any application for registration under this Article during any period specified by the Commissioner.

(c) The requirements of this Article apply to any person who seeks to avoid its application by any device, subterfuge, or pretense whatsoever, including structuring a loan in a manner to avoid classification of the loan as a residential mortgage loan.

…

"§ **53-244.118. Rule-making authority; records.**

(a) The Commissioner may adopt any rules that the Commissioner deems necessary to carry out the provisions of this Article, to provide for the protection of the borrowing public, to prohibit unfair or deceptive practices, to instruct mortgage lenders, mortgage brokers, mortgage servicers, mortgage loan originators, ~~or~~ transitional mortgage loan ~~originators~~originators, or registrants in interpreting this Article, and to implement and interpret the provisions of G.S. 24-1.1E, 24-1.1F, and 24-10.2 as they apply to licensees and registrants under this Article.

(b) The Commissioner shall keep a list of all applicants for licensure or registration under this Article or claimants of exempt status under G.S. 53-244.050(g) that includes the date of application, name, place of residence, and whether the ~~license~~license, registration, or claim of exempt status was granted or denied.

(c) The Commissioner shall keep a current roster showing the names and places of business of all licensees and registrants that shows their respective mortgage loan originators and transitional mortgage loan originators and a roster of exempt persons required to file a notice under G.S. 53-244.050(g). The roster ~~shall:~~shall meet all of the following requirements:

(1) Be kept on file in the office of the ~~Commissioner;~~Commissioner.

(2) Contain information regarding all orders or other actions taken against the ~~licensees~~licensees, registrants, and other ~~persons; and~~persons.

(3) Be open to public inspection.

"§ **53-244.119. Commissioner's participation in nationwide registry.**

(a) The Commissioner shall require mortgage loan originators and transitional mortgage loan originators to be licensed and registered through the Nationwide Mortgage Licensing System and Registry. In order to carry out this requirement, the Commissioner is authorized to participate in the Nationwide Mortgage Licensing System and Registry. For this purpose, the Commissioner may establish by rule any requirements as necessary, including:

(1) Background checks for:

a. Criminal history through fingerprint or other databases;

b. Civil or administrative records;

c. Credit history; or

d. Any other information as deemed necessary by the Nationwide Mortgage Licensing System and Registry.

(2) The payment of fees to apply for, renew, or amend licenses through the Nationwide Mortgage Licensing System and Registry;

(3) The setting or resetting as necessary of renewal or reporting dates; and

(4) Requirements for amending or surrendering a license or any other activities as the Commissioner deems necessary for participation in the Nationwide Mortgage Licensing System and Registry.

(b) The Commissioner is authorized to establish relationships or contracts with the Nationwide Mortgage Licensing System and Registry or other entities designated by the Nationwide Mortgage Licensing System and Registry to collect and maintain records and process transaction fees or other fees related to ~~licensees~~licensees, registrants, or other persons subject to this Article.

…

"§ **53-244.120. Confidentiality of information.**

…

(e) The confidentiality provisions contained in subsection (c) of this section shall not apply with respect to the information or material relating to the employment history of and publicly adjudicated disciplinary and enforcement actions against mortgage lenders, mortgage brokers, mortgage servicers, mortgage loan originators, ~~or~~ transitional mortgage loan ~~originators~~originators, or registrants that are included in the Nationwide Mortgage Licensing System and Registry for access by the public.

…."

SECTION 2. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected. Any provision of this act deemed by Housing and Urban Development (HUD) to conflict with its interpretation of Title V of the Secure and Fair Enforcement for Mortgage Licensing Act (S.A.F.E. Act) shall be interpreted, applied, or amended in such a way as to comply with the S.A.F.E. Act as interpreted by HUD.

SECTION 3. The Commissioner of Banks may adopt temporary rules to administer this act.

SECTION 4. Section 3 of this act is effective when this act becomes law. The remainder of this act becomes effective November 1, 2015, and applies to all applications for registration as a mortgage origination support registrant filed on or after that date.

In the General Assembly read three times and ratified this the 30th day of September, 2015.

Became law upon approval of the Governor at 9:32 a.m. on the 29th day of October, 2015.

Session Law 2015-294 **H.B. 318**

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

The General Assembly of North Carolina enacts:

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

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

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

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

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

(1) Expenses related to travel, including transportation and lodging, for employees, officers, agents, or members of State or local boards, commissions, committees, or councils.

(2) Contracts solely for the purchase of goods, apparatus, supplies, materials, or equipment.

(3) Contracts let under G.S. 143-129(e)(1), (9), or (9a).

(4) Contracts let under G.S. 143-129(g)."

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

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

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

"(e) Penalties. – If an officer or employee of a local government or public authority incurs an obligation or pays out or causes to be paid out any funds in violation of this section, he and the sureties on his official bond are liable for any sums so committed or disbursed. If the

finance officer or any properly designated deputy finance officer gives a false certificate to any contract, agreement, purchase order, check, draft, or other document, he and the sureties on his official bond are liable for any sums illegally committed or disbursed thereby. Inclusion of the contract term in accordance with G.S. 143-133.3(b) shall be deemed in compliance with G.S. 143-133.3(a)."

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For violation of G.S. 143-133.3, the Commissioner shall notify the board or governing body of the State, or of any institution of the State government, or of any political subdivision of the State, found to have committed the violation that the board or governing body of the State, or of any institution of the State government, or of any political subdivision of the State, is in violation of the applicable statute. The Department of Labor shall maintain a list of any boards or governing bodies of the State, or of any institutions of the State government, or of any political subdivisions of the State, issued notices pursuant to this section and shall make that list available on its Web site."

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

"Article 18.

"Identification Documents.

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

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

(1) A matricula consular or other similar document, other than a valid passport, issued by a consulate or embassy of another country.

(2) An identity document issued or created by any person, organization, county, city, or other local authority, except where expressly authorized to be used for this purpose by the General Assembly.

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

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

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

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

(1) A pay stub with the payee's address.

(2) A utility bill showing the address of the applicant-payor.

(3) A contract for an apartment, house, modular unit, or manufactured home with a North Carolina address signed by the applicant.

(4) A receipt for personal property taxes paid.

(5) A receipt for real property taxes paid to a North Carolina locality.

(6) A current automobile insurance policy issued to the applicant and showing the applicant's address.

(7) A monthly or quarterly financial statement from a North Carolina regulated financial institution.

~~(8) A matricula consular or substantially similar document issued by the Mexican Consulate for North Carolina.~~

~~(9) A document similar to that described in subsection (8) of this section, issued by the consulate or embassy of another country. This subdivision only applies if the Division has consulted with the United State Department of State and is satisfied with the reliability of such document.~~"

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

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

(1) A pay stub with the payee's address.

(2) A utility bill showing the address of the applicant-payor.

(3) A lease for an apartment, house, modular unit, or manufactured home with a North Carolina address signed by the applicant.

(4) A receipt for personal property taxes paid.

(5) A receipt for real property taxes paid to a North Carolina locality.

(6) A monthly or quarterly financial statement from a North Carolina regulated financial institution.

(7) A valid unexpired North Carolina driver's license.

~~(8) A matricula consular or substantially similar document issued by the Mexican Consulate for North Carolina.~~

~~(9) A document similar to that described in subdivision (8) of this section, issued by the consulate or embassy of another country that would be accepted by the North Carolina Division of Motor Vehicles as set forth in G.S. 20-7(b4)(9).~~

(10) A valid North Carolina vehicle registration.

(11) A valid military ID.

(12) A valid student ID for a North Carolina school or university."

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

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

(1) A valid North Carolina drivers license or other identification card issued by the North Carolina Division of Motor Vehicles.

(2) A current North Carolina rent or mortgage payment receipt, or current utility bill in the name of the applicant or the applicant's legal spouse showing a North Carolina address.

(3) A valid North Carolina motor vehicle registration in the applicant's name and showing the applicant's current address.

(4) A document showing that the applicant is employed in this State.

(5) One or more documents proving that the applicant's domicile in the applicant's prior state of domicile has ended, such as closing of a bank account, termination of employment, or sale of a home.

(6) The tax records of the applicant or the applicant's legal spouse, showing a current North Carolina address.

(7) A document showing that the applicant has registered with a public or private employment service in this State.

(8) A document showing that the applicant has enrolled the applicant's children in a public or private school or child care facility located in this State.

(9) A document showing that the applicant is receiving public assistance or other services requiring proof of domicile, other than medical assistance, in this State.

(10) Records from a health department or other health care provider located in this State showing the applicant's current North Carolina address.

(11) A written declaration made under penalty of perjury from a person who has a social, family, or economic relationship with the applicant and who has personal knowledge of the applicant's intent to live in North Carolina permanently or for an indefinite period of time or that the applicant is residing in North Carolina to seek employment or with a job commitment.

(12) Current North Carolina voter registration card.

(13) A document from the U.S. Department of Veterans Affairs, U.S. Department of Defense, or the U.S. Department of Homeland Security verifying the applicant's intent to live in North Carolina permanently or for an indefinite period of time or that the applicant is residing in North Carolina to seek employment or with a job commitment.

(14) Official North Carolina school records, signed by school officials, or diplomas issued by North Carolina schools, including secondary schools, community colleges, colleges, and universities verifying the applicant's intent to live in North Carolina permanently or for an indefinite period of time or that the applicant is residing in North Carolina to seek employment or with a job commitment.

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

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

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

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

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

(1) Prohibit law enforcement officials or agencies from gathering such information.

(2) Direct law enforcement officials or agencies not to gather such information.

(3) Prohibit the communication of such information to federal law enforcement agencies."

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

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

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

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

(1) Prohibit law enforcement officials or agencies from gathering such information.

(2) Direct law enforcement officials or agencies not to gather such information.

(3) Prohibit the communication of such information to federal law enforcement agencies."

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

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

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

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

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

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

Became law upon approval of the Governor at 2:35 p.m. on the 29th day of October, 2015.

Session Law 2015-295 **S.B. 97**

AN ACT TO MODIFY THE MEMBERSHIP OF THE STATE ADVISORY COUNCIL ON INDIAN EDUCATION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-210.1 reads as rewritten:

"§ **115C-210.1. Membership – How appointed.**

(a) The Council shall consist of 15 members, as follows:

(1) Two legislative members appointed as follows:

a. ~~(one senator~~One member appointed by the President Pro Tempore of the ~~Senate and one representative~~Senate.

b. One member appointed by the Speaker of the ~~House);~~House of Representatives.

(2) Two American Indian members from higher ~~education to be appointed by the Board of Governors of the University system;~~education, who are preferably faculty members. The Board of Governors of The University of North Carolina and the State Board of Community Colleges shall each appoint a member.

(3) One American Indian member from the North Carolina Commission on Indian Affairs to be appointed by that ~~Commission;~~Commission.

(4) ~~Eight~~Five American Indian parents of students enrolled in K-12 public ~~schools and~~schools, including charter schools.

(4a) ~~two~~Five American Indian ~~educators from public elementary/secondary schools~~ K-12 public school educators, one member who shall be a Title VII director or coordinator, to be appointed by the State Board of Education from a list of recommendations submitted by the North Carolina Commission on Indian ~~Affairs;~~Affairs. For the purposes of this subdivision, a K-12 educator may be a school administrator, classroom teacher, resource teacher, or school counselor. A member appointed pursuant to this subdivision must hold a current North Carolina professional educator license.

~~(5) Indian members of the Council shall be broadly representative of North Carolina Indian tribes and organizations, specifically, the Eastern Band of Cherokee, Lumbee, Coharie, Waccamaw-Siouan, Haliwa-Saponi, Meherrin, Person County Indians, Cumberland County Association for Indian People, the Guilford Native American Association, the Metrolina Native American Association, and any other Indian tribe gaining State recognition in the future.~~

(b) American Indian members of the Council shall be broadly representative of North Carolina Indian tribes and organizations, North Carolina State-recognized tribes and organizations (Coharie Tribe, Eastern Band of the Cherokee Nation, Haliwa-Saponi Indian Tribe, Lumbee Tribe of North Carolina, Meherrin Indian Tribe, Occaneechi Band of the Saponi Nation, Sappony, Waccamaw Siouan Tribe, Cumberland County Association for Indian People, Guilford Native American Association, Metrolina Native American Association, Triangle Native American Society, and any other Indian tribe gaining State recognition in the future), and parents and educators from tribes recognized by the United States Department of the Interior, Bureau of Indian Affairs."

SECTION 2. Notwithstanding G.S. 115C-210.1, as amended by this act, the current members serving on the State Advisory Council on Indian Education as of the effective date of this act shall serve the remainder of their terms. Thereafter, as terms expire, or when a vacancy occurs prior to the expiration of a term, members on the Council shall be appointed in accordance with G.S. 115C-210.1, as amended by this act.

SECTION 3. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 23rd day of September, 2015.

Became law upon approval of the Governor at 4:11 p.m. on the 29th day of October, 2015.

Session Law 2015-296 **S.B. 37**

AN ACT TO PROVIDE THAT THE TUITION WAIVER FOR SURVIVORS OF LAW ENFORCEMENT OFFICERS, FIREFIGHTERS, OR RESCUE SQUAD WORKERS AND CERTAIN OTHERS ALSO APPLIES TO CHILDREN WHOSE LEGAL GUARDIANS OR LEGAL CUSTODIANS ARE LAW ENFORCEMENT OFFICERS, FIREFIGHTERS, OR RESCUE SQUAD WORKERS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115B-1(6) reads as rewritten:

"§ **115B-1. Definitions.**

The following definitions apply in this Chapter:

…

(6) Survivor. – Any person whose ~~parent~~ parent, legal guardian, legal custodian, or spouse: (i) was a law enforcement officer, a firefighter, a volunteer

firefighter, or a rescue squad worker, (ii) was killed while in active service or training for active service or died as a result of a service-connected disability, and (iii) at the time of active service or training was a North Carolina resident. The term does not include the widow or widower of a law enforcement officer, firefighter, volunteer firefighter, or a rescue squad worker if the widow or widower has remarried."

SECTION 2. G.S. 115B-2(a) reads as rewritten:

"(a) The constituent institutions of The University of North Carolina and the community colleges as defined in G.S. 115D-2(2) shall permit the following persons to attend classes for credit or noncredit purposes without the required payment of tuition:

(1) Repealed by Session Laws 2009-451, s. 8.11(a), effective July 1, 2009.

(2) Any person who is the survivor of a law enforcement officer, firefighter, volunteer firefighter, or rescue squad worker killed as a direct result of a traumatic injury sustained in the line of duty.

(3) The spouse of a law enforcement officer, firefighter, volunteer firefighter, or rescue squad worker who is permanently and totally disabled as a direct result of a traumatic injury sustained in the line of duty.

(4) Any child, if the child is at least 17 years old but not yet 24 years old, whose ~~parent~~ parent, legal guardian, or legal custodian is a law enforcement officer, firefighter, volunteer firefighter, or rescue squad worker who is permanently and totally disabled as a direct result of a traumatic injury sustained in the line of duty. However, a child's eligibility for a waiver of tuition under this Chapter shall not exceed: (i) 54 months, if the child is seeking a baccalaureate degree, or (ii) if the child is not seeking a baccalaureate degree, the number of months required to complete the educational program to which the child is applying.

(5) Any child, if the child (i) is at least 17 years old but not yet 24 years old, (ii) is a ward of North Carolina or was a ward of the State at the time the child reached the age of 18, (iii) is a resident of the State; and (iv) is eligible for services under the Chaffee Education and Training Vouchers Program; but the waiver shall only be to the extent that there is any tuition still payable after receipt of other financial aid received by the student.

(6) Any child enrolled in a regional school established pursuant to Part 10 of Article 16 of Chapter 115C of the General Statutes who enrolls in classes at a constituent institution or community college which has a written agreement with the regional school."

SECTION 3. G.S. 115B-5(b) reads as rewritten:

"(b) The officials of the institutions charged with administration of this Chapter shall require the following proof to insure that a person applying to the institution and who requests a tuition waiver under ~~G.S. 115B-2(2),~~G.S. 115B-2(a)(2), (3), or (4) is eligible for the benefits provided by this Chapter.

(1) The parent-child relationship shall be verified by a birth certificate, legal adoption papers, or other documentary evidence deemed appropriate by the institution.

(1a) The legal guardian-child relationship shall be verified by an order from a court proceeding that established the legal guardianship.

(1b) The legal custodian-child relationship shall be verified by an order from a court proceeding that established the legal custodianship.

(2) The marital relationship shall be verified by a marriage certificate or other documentary evidence deemed appropriate by the institution.

(3) The cause of death of the law enforcement officer, firefighter, volunteer firefighter, or rescue squad worker shall be verified by certification from the records of the Department of State Treasurer, the appropriate city or county

law enforcement agency that employed the deceased, the administrative agency for the fire department or fire protection district recognized for funding under the Department of State Auditor, or the administrative agency having jurisdiction over any paid firefighters of all counties and cities.

(4) The permanent and total disability shall be verified by documentation deemed necessary by the institution from the North Carolina Industrial Commission."

SECTION 3.5. G.S. 115B-5(c) reads as rewritten:

"(c) The officials of the institutions charged with administration of this Chapter may require proof to verify that a person applying to the institution under ~~G.S. 115B-2(5)~~ G.S. 115B-2(a)(5) is eligible for the benefits provided by this Chapter."

SECTION 3.7. G.S. 115B-5.1 reads as rewritten:

"§ **115B-5.1. Student to be credited for scholarship value.**

If a person obtains a tuition waiver under ~~G.S. 115B-2(2),~~ G.S. 115B-2(a)(2), (3), or (4) and the person also receives a cash scholarship paid or payable to the institution, from whatever source, the amount of the scholarship shall be applied to the credit of the person in the payment of incidental expenses of the person's attendance at the institution, and any balance, if the terms of the scholarship permit, shall be returned to the student."

SECTION 4. This act is effective when it becomes law and applies to the 2016 spring academic semester and each subsequent semester.

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

Became law upon approval of the Governor at 11:30 a.m. on the 30th day of October, 2015.

Session Law 2015-297 **H.B. 558**

AN ACT TO ENSURE REPRESENTATION ON THE NORTH CAROLINA MILITARY AFFAIRS COMMISSION OF THE NORTH CAROLINA NATIONAL GUARD AND A RESERVE COMPONENT OF THE UNITED STATES ARMED FORCES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 127C-2(b)(1) reads as rewritten:

"§ **127C-2. Membership.**

(a) The North Carolina Military Affairs Commission shall consist of ~~21~~ 23 voting members who are appointed by the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate, nonvoting members, and nonvoting ex officio members as designated in this section.

(b) The voting members of the Commission shall be appointed as follows:

(1) ~~Eleven~~ Thirteen members appointed by the Governor, consisting of:

…

g. One person who is a resident of North Carolina with a long-term connection to the State and who is a current or retired member of the North Carolina National Guard involved in a military affairs organization or involved in military issues through civil, commercial, or governmental relationships.

h. One person who is a resident of North Carolina with a long-term connection to the State and who is a current or retired member of a reserve component of the Air Force, Army, Navy, or Marines and who is involved in a military affairs organization or involved in military issues through civic, commercial, or governmental relationships."

SECTION 2. This act is effective when it becomes law.

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

Became law upon approval of the Governor at 11:30 a.m. on the 30th day of October, 2015.

Session Law 2015-298 **H.B. 709**

AN ACT TO ALLOW MEMBERS OF THE NORTH CAROLINA NATIONAL GUARD WHO ARE ENROLLED IN A PROGRAM GRANTING A GRADUATE CERTIFICATE TO BE ELIGIBLE FOR THE NORTH CAROLINA NATIONAL GUARD TUITION ASSISTANCE BENEFIT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 116-209.54(b) reads as rewritten:

"§ **116-209.54. Eligibility.**

…

(b) This tuition assistance benefit shall be applicable to students in the following categories:

(1) Students seeking to achieve completion of their secondary school education at a community college or technical institute.

(2) Students seeking trade or vocational training or education.

(3) Students seeking to achieve a two-year associate degree.

(4) Students seeking to achieve a four-year baccalaureate degree.

(5) Students seeking to achieve a graduate degree.

(6) Students enrolled in a program granting a graduate certificate."

SECTION 2. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 21st day of September, 2015.

Became law upon approval of the Governor at 11:30 a.m. on the 30th day of October, 2015.

Session Law 2015-299 **S.B. 313**

AN ACT TO RECOGNIZE THE IMPORTANCE AND LEGITIMACY OF INDUSTRIAL HEMP RESEARCH, TO PROVIDE FOR COMPLIANCE WITH PORTIONS OF THE FEDERAL AGRICULTURAL ACT OF 2014, AND TO PROMOTE INCREASED AGRICULTURAL EMPLOYMENT.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 106 of the General Statutes is amended by adding a new Article to read:

"Article 50E.

"Industrial Hemp.

"§ **106-568.50. Legislative findings and purpose.**

The General Assembly finds and declares that it is in the best interest of the citizens of North Carolina to promote and encourage the development of an industrial hemp industry in the State in order to expand employment, promote economic activity, and provide opportunities to small farmers for an environmentally sustainable and profitable use of crop lands that might otherwise be lost to agricultural production. The purposes of this Article are to establish an agricultural pilot program for the cultivation of industrial hemp in the State, to provide for reporting on the program by growers and processors for agricultural or other research, and to pursue any federal permits or waivers necessary to allow industrial hemp to be grown in the State.

"§ **106-568.51. Definitions.**

The following definitions apply in this Article:

(1) Certified seed. – Industrial hemp seed that has been certified as having a delta-9 tetrahydrocannabinol concentration less than that adopted by federal law in the Controlled Substances Act, 21 U.S.C. §§ 801 et seq.

(2) Commercial use. – The use of industrial hemp as a raw ingredient in the production of hemp products.

(3) Commission. – The North Carolina Industrial Hemp Commission created by this Article.

(4) Department. – The North Carolina Department of Agriculture.

(5) Grower. – Any person licensed to grow industrial hemp by the Commission pursuant to this Article.

(6) Hemp products. – All products made from industrial hemp, including, but not limited to, cloth, cordage, fiber, food, fuel, paint, paper, particleboard, plastics, seed, seed meal and seed oil for consumption, and certified seed for cultivation if the seeds originate from industrial hemp varieties.

(7) Industrial hemp. – All parts and varieties of the plant Cannabis sativa (L.), cultivated or possessed by a grower licensed by the Commission, whether growing or not, that contain a delta-9 tetrahydrocannabinol concentration of not more than three-tenths of one percent (0.3%) on a dry weight basis.

(8) Tetrahydrocannabinol or THC. – The natural or synthetic equivalents of the substances contained in the plant, or in the resinous extractives of, cannabis, or any synthetic substances, compounds, salts, or derivatives of the plant or chemicals and their isomers with similar chemical structure and pharmacological activity.

"§ **106-568.52. North Carolina Industrial Hemp Commission.**

(a) Creation and Membership. – The North Carolina Industrial Hemp Commission is established and shall consist of five members as follows:

(1) The Commissioner of Agriculture or the Commissioner's designee, who shall serve as vice-chair.

(2) One appointed by the General Assembly upon recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121, who shall at the time of appointment be a municipal chief of police.

(3) One appointed by the General Assembly upon recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121, who shall at the time of appointment be an elected sheriff or the sheriff's designee.

(4) One appointed by the Governor who shall at the time of appointment be a full-time faculty member of a State university who regularly teaches in the field of agricultural science.

(5) One appointed by the Commissioner of Agriculture, who shall be a full-time farmer with at least 10 years' of experience in agricultural production in the State.

(b) Terms of Members. – Members of the Commission shall serve terms of four years, beginning effective July 1 of the year of appointment, and may be reappointed to a second four-year term. The terms of members designated by subdivisions (a)(1), (a)(2), and (a)(4) of this section shall expire on June 30 of any year evenly divisible by four. The terms of the remaining members shall expire on June 30 of any year that follows by two years a year evenly divisible by four.

(c) Chair. – The members of the Commission shall elect a chair. The chair shall serve a two-year term and may be reelected.

(d) Vacancies. – Any appointment to fill a vacancy on the Commission created by the resignation, dismissal, death, or disability of a member shall be made by the original appointing authority and shall be for the balance of the unexpired term.

(e) Removal. – The appointing authority shall have the power to remove any member of the Commission appointed by that authority from office for misfeasance, malfeasance, or nonfeasance.

(f) Reimbursement. – The members of the Commission shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5.

(g) Quorum. – Three members of the Commission shall constitute a quorum for the transaction of business.

(h) Staff. – The Commission is authorized and empowered to employ no more than two persons as staff to assist the Commission in the proper discharge of its duties and responsibilities. The chair of the Commission shall organize and direct the work of the Commission staff. The salaries and compensation of all such personnel shall be determined by the Commission; provided, however, that the aggregate cost for salaries and benefits of the staff may not exceed two hundred thousand dollars ($200,000).

"**§ 106-568.53. Powers and duties of the Commission.**

The Commission shall have the following powers and duties:

(1) To establish an agricultural program to grow or cultivate industrial hemp in the State. The Commission shall pursue any permits or waivers from the United States Drug Enforcement Agency or any other federal agency that are necessary for the establishment of the industrial hemp cultivation pilot program established by this Article.

(2) To issue licenses allowing a person, firm, or corporation to cultivate industrial hemp for commercial purposes to the extent allowed by federal law, upon proper application as the Commission may specify. Each licensee shall provide a complete and accurate legal description of the location of the industrial hemp farming operation, including GPS coordinates, and the license shall be issued for cultivation only in those locations identified in the application and shall include on its face the description of those areas. The Department shall provide administrative support to the Commission for the processing of applications and issuance of licenses.

(3) To support the Commission's activities, and to reimburse the Department for expenses associated with the issuance of cultivation licenses under subdivision (2) of this section, the Commission may charge the following fees:

a. An initial, graduated license fee, to be paid by each cultivator, based upon the number of acres proposed for cultivation of industrial hemp, not to exceed ten thousand dollars ($10,000), with incentive provisions to encourage the participation of small acreage farmers.

b. An annual fee that is the sum of two hundred fifty dollars ($250.00) and two dollars ($2.00) per acre of industrial hemp cultivated.

In setting fees under this subdivision, the Commission may create fair and reasonable licensing preferences for license applicants from North Carolina counties that have been recognized as economically depressed or disadvantaged.

(4) To receive gifts, grants, federal funds, and any other funds both public and private needed to support the Commission's duties and programs.

(5) To establish procedures for reporting to the Commission by the growers and processors for agricultural or academic research and to collaborate and coordinate research efforts with the appropriate departments or programs of North Carolina State University and North Carolina A & T State University.

(6) To study and investigate marketplace opportunities for hemp products to increase the job base in the State by means of employment related to the production of industrial hemp.

(7) To study and investigate methods of industrial hemp cultivation that are best suited to soil conservation and restoration.

(8) To propose to the Board of Agriculture for adoption reasonable rules and regulations necessary to carry out the purposes of this Article, which shall include, but are not limited to, rules for all of the following:

a. Testing of the industrial hemp during growth to determine tetrahydrocannabinol levels. Testing methods and protocols shall comply in all respects with any and all applicable federal requirements.

b. Supervision of the industrial hemp during its growth and harvest, including rules for verification of the type of seeds and plants used and grown by licensees.

c. The production and sale of industrial hemp, consistent with the rules of the United States Department of Justice and Drug Enforcement Administration for the production, distribution, and sale of industrial hemp.

d. Means and methods for assisting law enforcement agencies to efficiently ascertain information regarding the legitimate and lawful production of industrial hemp.

e. Strategies and programs for the promotion of industrial hemp products and markets, in conjunction with the North Carolina Department of Agriculture, the North Carolina Department of Commerce, the University of North Carolina system, and the community college system.

f. The fees authorized by subdivision (3) of this section.

The Commission shall include in its rulemaking proposals the adoption by reference or otherwise the federal regulations in effect regarding industrial hemp and any subsequent amendments to those regulations. No North Carolina rule, regulation, or statute shall be construed to authorize any person to violate any federal law or regulation.

(9) To undertake any additional studies relating to the production, distribution, or use of industrial hemp as requested by the General Assembly, the Governor, or the Commissioner of Agriculture.

"**§ 106-568.54. Limitations.**

The Commission shall not meet or undertake any of its powers and duties under this Article until it has obtained funding from sources other than State funds of at least two hundred thousand dollars ($200,000) to support operations of the Commission. Funding from non-State sources for the Commission's activities may be returned to the donor or funder if not spent or encumbered within 12 months, upon request of the donor or funder. Non-State funds donated and carried over at the end of the fiscal year in which they are donated shall be retained and remain eligible for expenditure in the following fiscal year."

SECTION 2. G.S. 90-87(16) reads as rewritten:

"(16) "Marijuana" means all parts of the plant of the genus Cannabis, whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or resin, but shall not include the mature stalks of such plant, fiber produced from such stalks, oil, or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of such plant which is

incapable of germination. The term does not include industrial hemp as defined in G.S. 106-568.51, when the industrial hemp is produced and used in compliance with rules issued by the Board of Agriculture upon the recommendation of the North Carolina Industrial Hemp Commission."

SECTION 3. The Board of Agriculture may adopt temporary rules to implement the provisions of this act and shall adopt permanent rules as recommended by the North Carolina Industrial Hemp Commission.

SECTION 4. Section 2 of this act becomes effective on the first day of the month following the adoption of permanent rules pursuant to Section 3 of this act and applies to acts involving the production, possession, or use of industrial hemp occurring on or after that date. The remainder of this act is effective when it becomes law. This act shall expire on June 30 of the fiscal year in which the North Carolina Industrial Hemp Commission adopts and submits to the Governor and to the Revisor of Statutes a resolution that a State pilot program allowing farmers to lawfully grow industrial hemp is no longer necessary because (i) the United States Congress has enacted legislation that removes industrial hemp from the federal Controlled Substances Act and (ii) the legislation has taken effect.

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

This bill having been presented to the Governor for signature on the 30th day of September, 2015 and the governor having failed to approve it within the time prescribed by law, the same is hereby declared to have become a law. This 31st day of October, 2015.

Session Law 2015-300 **S.B. 670**

AN ACT TO LIMIT MEMBERS OF THE UNIVERSITY OF NORTH CAROLINA BOARD OF GOVERNORS TO THREE TERMS, AND BY ESTABLISHING A PROCESS FOR SELECTION OF A PRESIDENT OF THE UNIVERSITY OF NORTH CAROLINA.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 116-6(e) reads as rewritten:

"(e) ~~No~~ Beginning with elections held on or after January 1, 2017, no person may be elected ~~to:~~

~~(1)~~ ~~More~~ to more than three full four-year ~~terms in succession;~~terms. Election for a partial term to fill a vacancy as provided in G.S. 116-7 shall not count toward the three-term limitation.

~~(2) A four-year term if preceded immediately by election to two full eight-year terms in succession; or~~

~~(3) A four-year term if preceded immediately by election to an eight-year term and a four-year term in succession.~~

~~Resignation from a term of office does not constitute a break in service for the purpose of this subsection. Service prior to the beginning of those terms in 1989 shall be included in the limitations.~~"

SECTION 1.5. G.S. 116-14 is amended by adding a new subsection to read:

"(a1) The Board shall use the following process whenever the Board conducts a search for a President of The University of North Carolina:

(1) At least three final candidates shall be submitted to the full Board from which the full Board shall make its selection for the President.

(2) The Board shall conduct a vote on the selection of the President and the candidate shall receive a majority of votes of the entire Board in order to be elected President of The University of North Carolina.

(a2) The Board may appoint an interim President. Subsection (a1) of this section shall not apply to the appointment of an interim President under this subsection. The Interim

President shall serve until the Board appoints a President of The University of North Carolina using the procedures specified in subsection (a1) of this section."

SECTION 2. This act is effective when it becomes law. Members of the Board of Governors of The University of North Carolina who would otherwise be affected by this act shall nevertheless complete the full term to which they were elected.

In the General Assembly read three times and ratified this the 30th day of September, 2015.

This bill having been presented to the Governor for signature on the 1st day of October, 2015 and the Governor having failed to approve it within the time prescribed by law, the same is hereby declared to have become a law. This 31st day of October, 2015.

VETOES
OF
GOVERNOR PAT McCRORY

G.S. 120-34(a) provides that "In any case where the Governor has returned a bill to the General Assembly with objections, those objections shall be printed verbatim in the Session Laws, regardless of whether or not the bill became law notwithstanding the objections."

Bill Number	Title of Bill
HOUSE BILL 405	AN ACT TO PROTECT PROPERTY OWNERS FROM DAMAGES RESULTING FROM INDIVIDUALS ACTING IN EXCESS OF THE SCOPE OF PERMISSIBLE ACCESS AND CONDUCT GRANTED TO THEM.
SENATE BILL 2	AN ACT TO ALLOW MAGISTRATES, ASSISTANT REGISTERS OF DEEDS, AND DEPUTY REGISTERS OF DEEDS TO RECUSE THEMSELVES FROM PERFORMING DUTIES RELATED TO MARRIAGE CEREMONIES DUE TO SINCERELY HELD RELIGIOUS OBJECTION.

This bill is intended to address a valid concern of our state's businesses - how to discourage those bad actors who seek employment with the intent to engage in corporate espionage or act as an undercover investigator. This practice is unethical and unfair to employers, and is a particular problem for our agricultural industry. It needs to be stopped.

While I support the purpose of this bill, I believe it does not adequately protect or give clear guidance to honest employees who uncover criminal activity. I am concerned that subjecting these employees to potential civil penalties will create an environment that discourages them from reporting illegal activities.

Earlier this week, I was proud to sign Burt's Law. It requires adult care home employees who witness sexual abuse of patients to report it to the proper authorities. I signed Burt's Law because it protects a vulnerable population and gives clear direction to employees to report any abuse they witness. I don't want to discourage good employees of any industry from reporting illegal activities to the proper authorities, which is why I am vetoing House Bill 405. In good conscience, I cannot sign Burt's Law and then in the same week turnaround and sign contradictory legislation.

I encourage the General Assembly to reconsider this bill as soon as possible and add protections for those employees who report illegal activities directly and confidentially to the proper authorities. I stand ready to work with legislators during this process, and I am very optimistic that we can reach a solution that addresses the concerns of our North Carolina employers while still protecting honest employees.

Pat McCrory
May 29, 2015

RECEIVED FROM GOVERNOR
12:30 pm
mp 5-29-15

I recognize that for many North Carolinians, including myself, opinions on same-sex marriage come from sincerely held religious beliefs that marriage is between a man and a woman. However, we are a nation and a state of laws. Whether it is the president, governor, mayor, a law enforcement officer, or magistrate, no public official who voluntarily swears to support and defend the Constitution and to discharge all duties of their office should be exempt from upholding that oath; therefore, I veto Senate Bill 2.

Pat McCrory
May 28, 2015

read: June 1, 20

RECEIVED FROM GOVERNOR
Date May 29, 2015
Time 10:30 a.m.
Signed Sarah Large

RESOLUTIONS

OF THE

STATE OF NORTH CAROLINA

REGULAR SESSION 2015

Resolution 2015-1 **H.J.R. 2**

A JOINT RESOLUTION ADJOURNING THE 2015 REGULAR SESSION OF THE GENERAL ASSEMBLY TO A DATE CERTAIN, AS PROVIDED BY LAW.

Whereas, G.S. 120-11.1 provides for the 2015 Regular Session of the General Assembly to convene at 9:00 A.M. on January 14, 2015, and on that day meet solely to elect officers, adopt rules, and otherwise organize the session and provides that, when they adjourn that day, they stand adjourned until 12:00 noon on Wednesday, January 28, 2015; Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. When the House of Representatives and the Senate adjourn on Wednesday, January 14, 2015, they stand adjourned to reconvene on Wednesday, January 28, 2015, at 12:00 noon.

SECTION 2. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 14th day of January, 2015.

Resolution 2015-2 **S.J.R. 4**

A JOINT RESOLUTION INFORMING HIS EXCELLENCY, GOVERNOR PAT MCCRORY, THAT THE GENERAL ASSEMBLY IS ORGANIZED AND READY TO PROCEED WITH PUBLIC BUSINESS AND INVITING THE GOVERNOR TO ADDRESS A JOINT SESSION OF THE SENATE AND HOUSE OF REPRESENTATIVES.

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. A committee of six senators appointed by the President Pro Tempore of the Senate and six representatives appointed by the Speaker of the House of Representatives shall notify His Excellency, Governor Pat McCrory, that the General Assembly is organized and is ready to proceed with public business and to invite him to address a joint session of the Senate and House of Representatives in the Hall of the House of Representatives at 7:00 P.M. on February 4, 2015.

SECTION 2. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 29th day of January, 2015.

Resolution 2015-3 **S.J.R. 109**

A JOINT RESOLUTION INVITING THE HONORABLE MARK MARTIN, CHIEF JUSTICE OF THE SUPREME COURT OF NORTH CAROLINA, TO ADDRESS A JOINT SESSION OF THE HOUSE OF REPRESENTATIVES AND THE SENATE.

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. The Honorable Mark Martin, Chief Justice of the Supreme Court of North Carolina, is invited to address a joint session of the House of Representatives and the Senate in the Hall of the House of Representatives at 4:00 P.M., Wednesday, March 4, 2015.

SECTION 2. The Secretary of State shall transmit a certified copy of this resolution to the Honorable Mark Martin.

SECTION 3. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 2nd day of March, 2015.

Resolution 2015-4 **S.J.R. 334**

A JOINT RESOLUTION SETTING THE DATE FOR THE HOUSE OF REPRESENTATIVES AND THE SENATE TO ELECT MEMBERS TO THE STATE BOARD OF COMMUNITY COLLEGES.

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. Pursuant to G.S. 115D-2.1(b)(4)f., the House of Representatives and the Senate shall elect members to the State Board of Community Colleges during the regular sessions of the two chambers to be held on Thursday, April 16, 2015. At that time, the House of Representatives shall elect two members to the State Board for a term of six years beginning July 1, 2015. The Senate also shall elect two members to the State Board for a term of six years beginning July 1, 2015.

SECTION 2. Each chamber shall follow the procedure set out in G.S. 115D-2.1 for the nomination and election of members to the State Board.

SECTION 3. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 30th day of March, 2015.

Resolution 2015-5 **S.J.R. 712**

A JOINT RESOLUTION PROVIDING FOR THE CONFIRMATION OF BERNARD WARREN (B.W.) COLLIER, II, AS DIRECTOR OF THE STATE BUREAU OF INVESTIGATION.

Whereas, under the provisions of G.S. 143B-926, the appointment made by the Governor of the Director of the State Bureau of Investigation is subject to confirmation by the General Assembly by joint resolution; and

Whereas, the Governor has submitted to the presiding officers of the House of Representatives and the Senate the name of his appointee, Bernard Warren (B.W.) Collier, II, for a term to begin July 1, 2015, and expire June 30, 2023; Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. The appointment of Bernard Warren (B.W.) Collier, II, as Director of the State Bureau of Investigation for a term to begin July 1, 2015, and expire June 30, 2023, is confirmed.

SECTION 2. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 29th day of April, 2015.

Resolution 2015-6 **H.J.R. 668**

A JOINT RESOLUTION HONORING THE MEMORY AND LIVES OF VICTIMS OF THE HOLOCAUST, INCLUDING THOSE WHO PERISHED IN AND THOSE WHO SURVIVED NAZI CONCENTRATION CAMPS, AND RECOGNIZING AND HONORING THE UNITED STATES ARMED FORCES WHOSE COURAGE AND BRAVERY LED TO THE LIBERATION OF THOSE CAMPS ON THIS SEVENTIETH ANNIVERSARY OF THE UNITED STATES ARMY'S LIBERATION OF THE INFAMOUS DACHAU CONCENTRATION CAMP.

Whereas, April 29, 2015, marks the 70th anniversary of the liberation of the infamous Nazi concentration camp at Dachau, Germany; and

Whereas, in 1933, Dachau became the first major concentration camp established by the Nazi regime, serving as a training center for SS concentration camp guards and incarcerating clergy, Jews, political opponents of the Nazis, and homosexuals and others labeled as "undesirable elements" by the Nazis; and

Whereas, prisoners were executed in Dachau and its many surrounding sub-camps, as well as being starved to death and worked to death; and

Whereas, Dachau included an "experimental station," which conducted medical experiments through the use of hypothermia, forced diseases, and other atrocities to observe and document their gruesome and agonizing effects on defenseless prisoners; and

Whereas, Dachau was one of a system of concentration camps and their sub-camps in which millions perished during World War II; and

Whereas, the estimates of prisoners who died or were executed at Dachau is nearly 50,000 persons; and

Whereas, prior to its liberation, Dachau held nearly 70,000 prisoners; and

Whereas, the United States Armed Forces, and particularly the United States Seventh Army's 42nd and 45th Infantry Divisions, with support of the 20th Armored Division, played the lead role in the liberation of Dachau and its surrounding camps; and

Whereas, on April 29, 1945, these divisions of the U.S. Army, which had fought their way through Europe and were proceeding to capture the German city of Munich, arrived at the concentration camp at Dachau on April 29, 1945, and seized control of that camp; and

Whereas, upon their arrival at Dachau, the United States Army discovered a string of approximately 40 railway cars sitting on a siding near the camp entrance, loaded with thousands of emaciated corpses of prisoners who had been moved from other concentration camps; and

Whereas, the Dachau concentration camp included a crematorium, gas chamber, and adjacent rooms piled high with naked and emaciated human corpses at the time the U.S. Army liberated the camp; and

Whereas, on the days prior to and following the liberation of Dachau, the U.S. Army liberated Jews and others who were on forced death marches or transports to and from Dachau and other concentration camps, including North Carolina residents Morris Glass, Abe Piasek, Harry Weiss, and others; and

Whereas, on the days following their liberation of Dachau, the U.S. Seventh Army took over administration of the Dachau camp, supplying food and medical supplies and establishing evacuation hospitals to assume the care and feeding of the prisoners; and

Whereas, a Dachau survivor gave U.S. Army Air Corps soldier David Walter Corsbie, Jr., an "ashcake" containing the ashes of an unknown number of individuals killed at Dachau and urged him to take them home as a reminder of the horrors of the Holocaust; and

Whereas, David Walter Corsbie hid the ashes in his Surry County home until shortly before his death in 1986, before transmitting them to his son Joe; and

Whereas, through the efforts of David Walter Corsbie's family and Holocaust survivors and their children, and The Holocaust Speakers Bureau in Chapel Hill and Durham's Beth El Synagogue, those ashes were given a proper burial at the Durham Hebrew Cemetery on May 25, 2014; and

Whereas, North Carolina is the home to many Holocaust survivors and veterans who were involved in the liberation of concentration camps during World War II and whose age and mortality are diminishing their ranks, including the recently deceased U.S. Army veteran liberators Robert Patton and Bud Parsons, North Carolinians who spoke at the State's commemoration of the annual "Days of Remembrance" program in 2011, presented by the North Carolina Council on the Holocaust; and

Whereas, North Carolina is the home of major military bases, including Fort Bragg, the Marine Corps Air Station Cherry Point, Marine Corps Air Station New River, Marine Corps Base Camp Lejeune, Seymour Johnson and Pope Air Force bases, and the Coast Guard station at Elizabeth City, as well as the North Carolina National Guard; and

Whereas, the North Carolina Veterans of Foreign Wars, American Legion, and Division of Veterans Affairs serve and bear witness to the courage of the United States Armed Forces involved in these liberation efforts; and

Whereas, the North Carolina Council on the Holocaust, established by the State in 1981, works tirelessly with Holocaust survivors to promote and provide Holocaust education for our teachers and students throughout the State and has worked tirelessly to organize this and various other recognitions to give meaning to the promise, "never again"; Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. The General Assembly of North Carolina honors the courage, memories, and sacrifices of victims of the Holocaust, including those who perished in and those who survived Nazi concentration camps, including Dachau.

SECTION 2. The General Assembly recognizes and honors the courage and bravery of United States Armed Forces whose mighty and heroic efforts led to the liberation of those camps.

SECTION 3. The General Assembly of North Carolina recognizes and honors those Holocaust survivors, together with military commanders and representatives of the liberators of the United States Armed Forces based in North Carolina and representatives of the American Legion, Veterans of Foreign Wars, and North Carolina Division of Veterans Affairs.

SECTION 4. The General Assembly of North Carolina expresses gratitude to those persons and entities hosting and participating in events this year commemorating the 70th anniversary of the liberation of Dachau and other concentration camps and applauds the efforts of the North Carolina Council on the Holocaust and its members and hereby reaffirms its support of and commitment to educational efforts to teach current and future generations about the Holocaust, to preserve the memory of those murdered, and to prevent future genocides.

SECTION 5. The Secretary of State shall transmit a certified copy of this resolution to the Secretary of the United States Army in recognition of its liberation of the Dachau concentration camp, and to the commanders of all military bases in North Carolina, the North Carolina Council on the Holocaust, the Holocaust Speakers Bureau in Chapel Hill, the Director of the United States Holocaust Memorial Museum, and the Director of the North Carolina Museum of History.

SECTION 6. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 30th day of April, 2015.

Resolution 2015-7 **S.J.R. 715**

A JOINT RESOLUTION PROVIDING THAT THE GENERAL ASSEMBLY SHALL MEET IN JOINT SESSION TO HONOR THE DUKE UNIVERSITY MEN'S BASKETBALL TEAM FOR WINNING THE 2015 NCAA CHAMPIONSHIP.

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. On Tuesday, May 19, 2015, at 2:00 P.M., the Senate and the House of Representatives shall meet in joint session in the Hall of the Senate to honor the Duke University men's basketball team for winning the 2015 National Collegiate Athletic Association Division I Men's Basketball Championship.

SECTION 2. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 18th day of May, 2015.

Resolution 2015-8 **S.J.R. 714**

A JOINT RESOLUTION HONORING THE DUKE BLUE DEVILS ON WINNING THE 2015 NATIONAL BASKETBALL CHAMPIONSHIP.

Whereas, on April 6, 2015, the Duke University men's basketball team won the 2015 National Collegiate Athletic Association (NCAA) Division I Championship by defeating the University of Wisconsin by a score of 68-63; and

Whereas, this championship gives Duke University its fifth Division I NCAA title for the men's basketball program, adding to the championships won in 1991, 1992, 2001, and 2010; and

Whereas, the Blue Devils have achieved an outstanding record during their NCAA tournament history, which includes being selected 13 times as a No. 1 seed and appearing in 39 tournaments with 11 championship game appearances, 16 Final Four appearances, 20 Elite Eight appearances, and 24 Sweet 16 appearances; and

Whereas, the Blue Devils finished the 2014-2015 season with a record of 35-4 and were ranked No. 1 by the USA Today Top 25 men's basketball coaches' poll; and

Whereas, much of the Blue Devils' success can be attributed to the leadership of head coach, Mike Krzyzewski, a Hall of Fame coach, who during his 35 seasons at Duke has led his teams to a record of 945-251; and

Whereas, Coach Krzyzewski along with his coaching staff of associate head coach Jeff Capel and assistant coaches Nate James and Jon Scheyer guided the Blue Devils to an 11-2 record against nationally ranked opponents, including a 6-1 mark against top 10 foes; and

Whereas, Coach Krzyzewski maintains the record for the most number of NCAA tournament wins, capturing his 88th NCAA win during the 2015 tournament, and with five championship titles he owns the second most championships in NCAA history; and

Whereas, Duke's historic run also saw Coach Krzyzewski become the first NCAA Division I men's basketball coach to amass 1,000 career victories with the monumental win coming by virtue of a 77-68 triumph over St. John's at Madison Square Garden on January 25, 2015; and

Whereas, many individual team members were recognized for their efforts during the year and throughout their college careers, including Jahlil Okafor, who was a consensus first team All-America, National Freshman of the Year, and became the first freshman in ACC history to be named conference player of the year; and

Whereas, senior co-captain Quinn Cook earned second team All-America and All-ACC honors after posting career-bests in scoring, field goal percentage, free throw percentage, three-point field goal percentage, and three-point field goals; and

Whereas, freshman Tyus Jones was named the Final Four Most Outstanding Player and was selected to the All-Tournament team along with teammates Grayson Allen and Justise Winslow. Tyus Jones was also the South Regional MOP with Justise Winslow and Matt Jones earning spots on the South Regional All-Tournament team; and

Whereas, each year Duke University is recognized as one the nation's best academic institutions and its basketball program continues to have one of the highest graduation rates for its athletes. In 2015, the Blue Devils placed five members (Grayson Allen, Tyus Jones, Amile Jefferson, Marshall Plumlee, and Justise Winslow) on the ACC All-Academic team for the first time in program history; and

Whereas, these accomplishments reflect favorably on the basketball tradition that began in 1906 when Duke alumnus Wilbur Wade "Cap" Card established the sport of basketball at Duke University (then Trinity College); and

Whereas, these extraordinary accomplishments bring great honor and distinction to the State of North Carolina and deserve recognition by the State; Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. The General Assembly expresses the appreciation and admiration of the people of North Carolina to Duke University's men's basketball team for winning the 2015 National Collegiate Athletic Association Division I Championship.

SECTION 2. The General Assembly especially recognizes the achievements of team members Grayson Allen, Quinn Cook, Amile Jefferson, Matt Jones, Tyus Jones, Sean Kelly, Sean Obi, Jahlil Okafor, Nick Pagliuca, Marshall Plumlee, and Justise Winslow along with assistant coaches Nate James and Jon Scheyer; associate head coach Jeff Capel; and head coach Mike Krzyzewski.

SECTION 3. The General Assembly honors the memory of Wilbur Wade "Cap" Card for his contributions to the basketball program at Duke University.

SECTION 4. The Secretary of State shall transmit a certified copy of this resolution to Duke University President Richard H. Brodhead, Vice President and Director of Athletics Kevin White, and all of the individuals honored in this resolution.

SECTION 5. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 20th day of May, 2015.

Resolution 2015-9 **S.J.R. 421**

A JOINT RESOLUTION EXPRESSING GRATITUDE AND APPRECIATION TO THE MEN AND WOMEN OF THE UNITED STATES ARMED FORCES.

Whereas, the month of May is National Military Appreciation Month and honors, remembers, recognizes, and appreciates all military personnel; those men and women who have served throughout our history, and all who now serve in uniform and their families, as well as those Americans who have given their lives in defense of our freedoms we all enjoy today; and

Whereas, North Carolina is the home of six major Department of Defense (DOD)/Department of Homeland Security (DHS) installations: Coast Guard Station, Elizabeth City; Fort Bragg; Marine Corps Air Station Cherry Point; Marine Corps Air Station New River; Marine Corps Base Camp Lejeune; and Seymour Johnson Air Force Base, as well as the North Carolina National Guard and other DOD/DHS activities and organizations; and

Whereas, nearly 800,000 veterans live in North Carolina and, according to North Carolina Military Business Center's most recent data, North Carolina has the third-highest active duty military presence in the United States, with over 106,400 active duty personnel and close to 12,000 members of the North Carolina National Guard; and

Whereas, more than 540,000 individuals are either directly employed by the military or work in jobs providing goods or services that support the military's presence in North Carolina; and

Whereas, according to recent estimates, the impact of the military on State personal income was $30 billion and the impact on gross State product was $48 billion, which supported about 10% of the economic activity in North Carolina; and

Whereas, in 2014, businesses with defense-related contracts operated in 79 of North Carolina's 100 counties and contributed $2.49 billion in prime defense procurement contracts to the State; and

Whereas, the observance of events recognizing the contributions of the military is a tangible and highly effective way of sustaining morale and improving quality of life for service members and their families; and

Whereas, North Carolina prides itself as being the nation's "Most Military-Friendly State"; and

Whereas, veterans, service members, their families, and their communities have shouldered a heavy burden exemplified by repeated combat deployments for their nation; and

Whereas, the support of the families of service members enhances the effectiveness and capabilities of the military; and

Whereas, North Carolina is committed to supporting and promoting the military within the State; and

Whereas, the continued long-term military presence in North Carolina is directly dependent on DOD/DHS's ability to operate not only its installations but also its training and other readiness functions critical to national defense; and

Whereas, it is therefore of paramount importance to the future of North Carolina to maintain the best possible relationship with all branches of the United States military and to promote practices that maintain North Carolina's preeminent position as the best location for military bases and training installations; and

Whereas, to those ends, it is critical for all North Carolinians, all North Carolina businesses, all sectors of North Carolina's economy, and especially all branches and agencies of North Carolina's State and local governments to be knowledgeable about not only the military's presence and contributions to our State but also of the military's special and unique requirements that are critical to carrying out its national defense mission; and

Whereas, North Carolina also seeks to promote the economic development, growth, and expansion of other industries within the State, such as the agriculture/agribusiness industry, the renewable energy industry, the tourism/outdoor recreation industry, and the fisheries industry; and

Whereas, North Carolina has a vested economic interest in the preservation and enhancement of land uses that are compatible with military activities; Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. The General Assembly expresses its profound gratitude and appreciation to all the men and women of the United States military for their selfless service and pays tribute to those who paid the ultimate sacrifice.

SECTION 2. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 28th day of May, 2015.

Resolution 2015-10 **H.J.R. 670**

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF DEAN EDWARDS SMITH, LEGENDARY MEN'S BASKETBALL COACH OF THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL.

Whereas, Dean Edwards Smith was born on February 28, 1931 in Emporia, Kansas, to Alfred and Vesta Smith, both public school teachers; and

Whereas, Dean Smith graduated from Topeka High School in 1949 and attended the University of Kansas on an academic scholarship, during which time he was a student athlete playing varsity basketball and baseball and freshman football, and was a member of the Jayhawk basketball team that won the NCAA title in 1952 and finished second in 1953; and

Whereas, after graduating college in 1953, Dean Smith remained at the University of Kansas where he served as an assistant basketball coach to Phog Allen and Dick Harp; and

Whereas, in 1954, Dean Smith joined the U.S. Air Force, where he played and coached basketball in Europe and later served as an assistant basketball coach to Bob Spear, and was the head coach of the Air Force Academy's baseball and golf teams; and

Whereas, in 1958, Coach Smith became an assistant to Frank McGuire at the University of North Carolina at Chapel Hill (UNC) and, in 1961, at the age of 30, became the head coach when Coach McGuire resigned to become head coach of the NBA's Philadelphia Warriors; and

Whereas, in 1966, Coach Smith helped integrate UNC athletics by recruiting Charles Scott, the first African-American scholarship player at the university and one of the first black athletes to sign at a major college in the South; and

Whereas, with a fierce winning spirit and talented players, Coach Smith guided the Tar Heels in ACC play to a record of 364-136 and won 13 ACC Tournament titles and finished at least third in the ACC regular-season standings for 33 successive seasons, including 17 first place titles, 11 second place finishes, and five third place finishes; and

Whereas, the Tar Heels under Coach Smith's skilled hand won at least 20 games in 27 straight seasons, including 30 of his last 31 games, a record matched by no other coach; and

Whereas, Coach Smith led his teams to 27 NCAA appearances of which 23 were consecutive; 13 straight Sweet 16 appearances from 1981 to 1993; 11 Final Four appearances; NCAA championships in 1982 and 1993; and a NIT championship in 1971; and

Whereas, as head coach, Coach Smith was instrumental in guiding the United States basketball team to a gold medal at the 1976 Olympic Games; and

Whereas, on March 15, 1997 Coach Smith became the "all-time winningest coach" in the history of NCAA Division I basketball by passing Adolph Rupp's record of 876 wins; and

Whereas, Dean Smith retired from coaching on October 9, 1997 with a record of 879-254 and the distinction of having won more games than any other Division I men's basketball college coach in history, a record that held until 2007; and

Whereas, at UNC, Coach Smith established a tradition of excellence during his 36 years as head coach, building an outstanding men's basketball program made up of young men who succeeded not only on the basketball court but also in the classroom where they achieved a graduation rate better than 95%; and

Whereas, Coach Smith created or perfected the run-and-jump and scramble defenses, the team huddle before a free throw, the clenched fist to signal a needed rest from the game, the acknowledgment of an assist by pointing to the passer, and the "Four Corners" offense that proved so effective the shot clock was instituted by the NCAA in 1985; and

Whereas, many of Coach Smith's players went on to become professional basketball players, basketball coaches, entrepreneurs, professionals, and other leaders, many of whom still contribute to their communities throughout the world; and

Whereas, Coach Smith received numerous awards and honors, as he was named the ACC Coach of the Year eight times, National Coach of the Year four times, and the Sportsman

of the Year by Sports Illustrated, and received the Arthur Ashe Award for Courage at the ESPY Awards and the Naismith Good Sportsmanship Award; and

Whereas, Coach Smith was the first recipient of the Mentor Award for Lifetime Achievement given by the University of North Carolina Committee on Teaching Awards for "a broader range of teaching beyond the classroom" and was the recipient of the Order of the Longleaf Pine in 1988 and the Presidential Medal of Freedom in 2013, the highest civilian award granted by the United States government; and

Whereas, Coach Smith was recognized by SportsCentury, an award-winning program on ESPN, as one of the top seven coaches of the 20th century; and

Whereas, Coach Smith was honored with The University Award, the highest distinction bestowed by UNC, in 1998 in recognition of his "illustrious service to higher education"; and an Honorary Doctor of Laws from UNC in 2007, which recognizes "outstanding service to humanity in the world arena, in our nation, in the American South, or our State of North Carolina; people who have made outstanding contributions to knowledge in the world of scholarship; people whose talent and creativity in the world of the arts has enriched our lives; and people whose devotion to and support of our University merits our highest recognition"; and

Whereas, Coach Smith was inducted into the North Carolina Sports Hall of Fame in 1981, Naismith Memorial Basketball Hall of Fame in 1983, National Collegiate Basketball Hall of Fame in 2006, and FIBA Hall of Fame in 2007; and

Whereas, Coach Smith was a very humble man who did not seek fame or fortune or recognition for any of the things he did for others; and

Whereas, Coach Smith was a man of great character who believed in equality for every citizen that was demonstrated over and over in his life's work, including when he, in the late 1960s, integrated a segregated Chapel Hill restaurant when he walked in with his pastor and black theology student; and

Whereas, Coach Smith was revered and loved by his players, coaching staff, and members of the UNC basketball family and was respected and admired by his peers, colleagues, and UNC fans; and

Whereas, Coach Smith was an active member of Binkley Baptist Church in Chapel Hill; and

Whereas, Dean Smith died on February 7, 2015 at the age of 83 leaving his wife, Linnea; children, Sharon, Sandy, Scott, Kristen, and Kelly; seven grandchildren; and one great-grandchild to mourn his loss; Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. The General Assembly honors the memory of Dean Edwards Smith, former head coach of the men's basketball team at the University of North Carolina at Chapel Hill, and expresses the appreciation of this State for his many contributions to the game of basketball, the University of North Carolina at Chapel Hill, and thereby the entire State of North Carolina as well as public education and social justice.

SECTION 2. The General Assembly extends its deepest sympathy to the family of Dean Edwards Smith for the loss of a beloved family member.

SECTION 3. The Secretary of State shall send certified copies of this resolution to the family of Dean Edwards Smith.

SECTION 4. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 11th day of June, 2015.

Resolution 2015-11 **S.J.R. 717**

A JOINT RESOLUTION ADJOURNING THE 2015 REGULAR SESSION OF THE GENERAL ASSEMBLY TO A DATE CERTAIN.

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. When the Senate and the House of Representatives adjourn on Thursday, July 2, 2015, they stand adjourned to reconvene on Monday, July 13, 2015, at 7:00 P.M.

SECTION 2. During the regular session that reconvenes Monday, July 13, 2015, those matters that were eligible for consideration upon adjournment on Thursday, July 2, 2015, may be considered during the reconvened session.

SECTION 3. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 2nd day of July, 2015.

Resolution 2015-12 **S.J.R. 162**

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF DANIEL REID SIMPSON, FORMER MEMBER OF THE GENERAL ASSEMBLY.

Whereas, Daniel Reid Simpson was born on February 20, 1927, in the Town of Glen Alpine, to James Reid Simpson and Ethel Newton Simpson; and

Whereas, Daniel Reid Simpson was educated in the Glen Alpine public schools, and graduated from Wake Forest University with a bachelor's degree in 1949, and a law degree in 1951; and

Whereas, Daniel Reid Simpson served his country as a member of the United States Army from 1945 to 1946, where he was stationed in the South Pacific theater; and

Whereas, Daniel Reid Simpson practiced law for over 50 years with the firm of Simpson, Aycock, Beyer, and Simpson and, during that time, was a member of good standing in the Burke County Bar Association and the American Bar Association; and

Whereas, Daniel Reid Simpson showed an interest in public service throughout his adult life, serving with distinction in the General Assembly as a member of the House of Representatives during the 1957, 1961, and 1963 sessions, and as a member of the Senate during the 1985 through 1995 sessions, where he proposed several important changes in State government, including a bill that created Western Piedmont Community College; and

Whereas, Daniel Reid Simpson was elected Mayor of the Town of Glen Alpine and also as an Alderman for the Town; served as the attorney for the Town of Glen Alpine, Burke County, and Burke County Schools, and as a Burke County criminal court judge, and a delegate to the Republican National Convention in 1968 and 1972; and

Whereas, Daniel Reid Simpson was active in the civic, fraternal, financial, and social life of his community, serving as a member of the Catawba Valley Lodge No. 217 Free and Accepted Masons, the Lions Club, the First Union National Bank, of which he served as Director, and the Glen Alpine Recreation Foundation, which he helped establish to create opportunities for local children to play organized football and baseball; and

Whereas, in 2007, Daniel Reid Simpson was honored by the Glen Alpine Recreation Foundation when it named its athletic facilities "Simpson Field"; and

Whereas, Daniel Reid Simpson was a devoted member of the First Baptist Church in Morganton; and

Whereas, Daniel Reid Simpson died on January 24, 2015, at the age of 87; and

Whereas, Daniel Reid Simpson is survived by his wife of 63 years, Mary Alice Leonard Simpson; daughters Ethel Barie Simpson and Mary Simpson Beyer and her husband, Richard; son, James Reid Simpson II and wife, Lannie; eight grandchildren: Kate Beyer Haas and husband Tyrone; Elizabeth Beyer; Caroline Beyer LaCalamito and husband Michael; Daniel Reid Simpson II; Elliott Simpson Todd; James G. Simpson; Mary Helen Simpson; and

J. Reid Simpson III; and great-grandsons Beyer Simpson Haas and Hughes Reid Haas; and brother, James Abernathy Simpson; Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. The General Assembly honors the memory of Daniel Reid Simpson and expresses its appreciation for his service to his county, State, and nation.

SECTION 2. The General Assembly of North Carolina extends its sincere sympathy to the family of Daniel Reid Simpson for the loss of a beloved family member.

SECTION 3. The Secretary of State shall transmit a certified copy of this resolution to the family of Daniel Reid Simpson.

SECTION 4. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 13th day of August, 2015.

Resolution 2015-13 **S.J.R. 720**

A JOINT RESOLUTION HONORING THE VETERANS OF WORLD WAR II.

Whereas, World War II was a global conflict involving more than 30 countries which lasted from 1939 to 1945, with major battles across Europe, the Pacific Ocean, and the Middle East; and

Whereas, in 1941, the United States of America, seeking peaceful solutions to issues vital to U.S. national security interests, was engaged in diplomatic negotiations with envoys of the Empire of Japan to resolve these issues; and

Whereas, on Sunday, December 7, 1941, while these negotiations were in progress, military forces of the Empire of Japan executed a surprise attack at Pearl Harbor, Hawaii, then a Territory of the United States; and

Whereas, most of the U.S. Pacific Fleet was at anchor at Pearl Harbor on that day and was the main target of that surprise attack, within less than two hours Japanese warplanes sank or damaged eight battleships (including the USS Arizona), three light cruisers, three destroyers, and four other naval vessels, destroyed over 130 aircraft, and killed more than 2,400 Americans; and

Whereas, this act of aggression prompted President Franklin D. Roosevelt to address the U.S. Congress on December 8, 1941, to ask for a declaration of war and opened his remarks with these historic words: "Yesterday, December 7, 1941, a date which will live in infamy – the United States of America was suddenly and deliberately attacked by naval and air forces of the Empire of Japan"; and

Whereas, on December 11, 1941, in support of Japan's aggression, Nazi Germany also declared war on the U.S.; and

Whereas, because of Japan's "unprovoked and dastardly attack" on a U.S. Territory and U.S. Forces and Nazi Germany's declaration of war, the United States of America was entered into World War II; and

Whereas, more than 16 million courageous Americans of the "greatest generation" served with honor, distinction, and patriotism, fighting in every theater of operation during that war for the freedoms we enjoy today and playing a critical role in decisive battles around the world, with more than 405,000 making the supreme sacrifice; and

Whereas, over 360,000 North Carolinians served in that War, of which more than 6,300 were killed; and

Whereas, on May 7, 1945, Nazi Germany surrendered unconditionally to the U.S., marking that date V-E Day, leaving its ally, The Empire of Japan, to stand alone against the U.S. and its allies in the Pacific Theater; and

Whereas, on August 6, 1945, an American B-29 "Flying Fortress" named "Enola Gay" with North Carolina native, Colonel (Retired) Thomas W. Ferebee, a veteran of 60 bombing missions in the European Theater, serving as the lead bombardier, dropped the world's

first atomic bomb on the city of Hiroshima, Japan, which was followed by a second atomic bomb mission on Nagasaki, Japan, three days later; and

Whereas, on August 14, 1945, due largely to the effects of those atomic weapons, the Japanese government accepted the provisions of the Potsdam Declaration and agreed to an unconditional surrender marking that day as V-J Day, bringing an end to hostilities in the Pacific, thus ending World War II and saving an estimated one million or more U.S. casualties had the war continued and the allies been forced to invade Japan's home islands; and

Whereas, 2015 marks the 70th anniversary of the surrender of the Empire of Japan and the end of World War II; and

Whereas, with less than one million World War II veterans alive today in the United States, we must take the time to honor and remember and thank the men and women of "the greatest generation," who valiantly and with great honor defended our great Nation's freedoms against the forces of darkness and evil who would surely have denied us those freedoms; Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. The General Assembly wishes to express its deepest and most heartfelt appreciation to the veterans of World War II and their families for their remarkable contributions and service to the people of North Carolina, the United States of America, and the free world. They held high the torch of freedom and we should be ever mindful that the task of preserving that fragile freedom is now ours.

SECTION 2. The General Assembly wishes to honor the life and memory of those who died while serving during World War II.

SECTION 3. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 19th day of August, 2015.

Resolution 2015-14 **S.J.R. 721**

A JOINT RESOLUTION ADJOURNING THE 2015 REGULAR SESSION OF THE GENERAL ASSEMBLY TO A DATE CERTAIN AND LIMITING THE MATTERS THAT MAY BE CONSIDERED UPON RECONVENING.

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. When the Senate and the House of Representatives adjourn on Wednesday, September 30, 2015, they stand adjourned to reconvene on Monday, April 25, 2016, at 7:00 P.M.

SECTION 2. During the regular session that reconvenes on Monday, April 25, 2016, only the following matters may be considered:

(1) Bills directly and primarily affecting the State budget, including the budget of an occupational licensing board for fiscal year 2016-2017, provided that the bill must be submitted to the Bill Drafting Division of the Legislative Services Office no later than 4:00 P.M. Wednesday, April 27, 2016, and must be introduced in the House of Representatives or filed for introduction in the Senate no later than 4:00 P.M. Tuesday, May 10, 2016.

(2) Bills amending the Constitution of North Carolina.

(3) Bills and resolutions introduced in 2015 and having passed third reading in 2015 in the house in which introduced, received in the other house in accordance with Senate Rule 41 or House Rule 31.1(h), as appropriate, and not disposed of in the other house by tabling, unfavorable committee report, indefinite postponement, or failure to pass any reading, and which do not violate the rules of the receiving house.

(4) Bills and resolutions implementing the recommendations of:

a. Study commissions, authorities, and statutory commissions authorized or directed to report to the 2016 Regular Session;
b. The General Statutes Commission, the Courts Commission, or any commission created under Chapter 120 of the General Statutes that is authorized or directed to report to the General Assembly;
c. The House Ethics Committee;
d. Select committees; or
e. The Joint Legislative Ethics Committee or its Advisory Subcommittee.

A bill authorized by this subdivision must be submitted to the Bill Drafting Division of the Legislative Services Office no later than 4:00 P.M. Tuesday, April 26, 2016, and must be filed for introduction in the Senate or introduced in the House of Representatives no later than 4:00 P.M. Tuesday, May 10, 2016.

(5) Any local bill that has been submitted to the Bill Drafting Division of the Legislative Services Office by 4:00 P.M. Tuesday, May 3, 2016, is introduced in the House of Representatives or filed for introduction in the Senate by 4:00 P.M. Thursday, May 19, 2016, and is accompanied by a certificate signed by the principal sponsor stating that no public hearing will be required or asked for by a member on the bill, the bill is noncontroversial, and that the bill is approved for introduction by each member of the House of Representatives and the Senate whose district includes the area to which the bill applies.

(6) Selection, appointment, or confirmation as required by law, including the filling of vacancies of positions for which the appointees were elected by the General Assembly upon recommendation of the Speaker of the House of Representatives, President of the Senate, or President Pro Tempore of the Senate.

(7) Any matter authorized by joint resolution passed by a two-thirds majority of the members of the House of Representatives present and voting and by a two-thirds majority of the members of the Senate present and voting. A bill or resolution filed in either house under the provisions of this subdivision shall have a copy of the ratified enabling resolution attached to the jacket before filing for introduction in the Senate or introduction in the House of Representatives.

(8) A joint resolution authorizing the introduction of a bill pursuant to subdivision (7) of this section.

(9) Any bills primarily affecting any State or local pension or retirement system, provided that the bill has been submitted to the Bill Drafting Division of the Legislative Services Office no later than 4:00 P.M. Tuesday, May 3, 2016, and is introduced in the House of Representatives or filed for introduction in the Senate no later than 4:00 P.M. Thursday, May 19, 2016.

(10) Joint resolutions, House resolutions, and Senate resolutions authorized for introduction under Senate Rule 40(b) or House Rule 31.

(11) Bills:
a. Revising the Senate districts and the apportionment of senators among those districts.
b. Revising the Representative districts and the apportionment of representatives among those districts.
c. Revising the districts for the election of members of the House of Representatives of the Congress of the United States and the apportionment of representatives among those districts.
d. Bills responding to actions related to the Voting Rights Act of 1965.

e. Bills responding to actions related to litigation concerning Congressional, State House, or State Senate districts.

(12) Bills returned by the Governor with objections under Section 22 of Article II of the North Carolina Constitution, but solely for the purpose of considering overriding of the veto upon reconsideration of the bill.

(13) Any bills relating to election laws.

(14) Bills to disapprove rules under G.S. 150B-21.3.

(15) A joint resolution adjourning the 2015 Regular Session, sine die.

SECTION 3. The Speaker of the House of Representatives or the President Pro Tempore of the Senate may authorize appropriate committees or subcommittees of their respective houses to meet during the interims between sessions to (i) review matters related to the State budget for the 2015-2017 fiscal biennium; (ii) prepare reports, including revised budgets; or (iii) consider any other matters as the Speaker of the House of Representatives or the President Pro Tempore of the Senate deems appropriate. A conference committee may meet in the interim upon approval by the Speaker of the House of Representatives or the President Pro Tempore of the Senate.

SECTION 4. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 30th day of September, 2015.

EXECUTIVE ORDERS
OF
GOVERNOR PAT McCRORY

Title **Number**

EMERGENCY RELIEF FOR THE NORTHEAST REGION OF THE UNITED STATES THAT IS BEING IMPACTED BY A MAJOR WINTER STORM 64

NOTICE OF TERMINATION OF EXECUTIVE ORDER 64 65

DECLARATION OF A STATE OF EMERGENCY BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA 66

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE RESTORATION OF UTILITY SERVICES AND TRANSPORTING ESSENTIALS 67

NOTICE OF TERMINATION OF EXECUTIVE ORDERS 68

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE ADEQUATE FUEL SUPPLIES THROUGHOUT THE STATE 69

DECLARATION OF A STATE OF EMERGENCY BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA 70

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE RESTORATION OF UTILITY SERVICES AND TRANSPORTING ESSENTIALS 71

NOTICE OF TERMINATION OF EXECUTIVE ORDERS 72

NORTH CAROLINA FOOD MANUFACTURING TASK FORCE 73

AMENDING THE GOVERNOR'S SUBSTANCE ABUSE AND UNDERAGE DRINKING PREVENTION AND TREATMENT TASK FORCE 74

NORTH CAROLINA EMERGENCY RESPONSE COMMISSION 75

THE GOVERNOR'S TASK FORCE ON MENTAL HEALTH AND SUBSTANCE USE 76

DISASTER DECLARATION FOR THE TOWN OF LAKE SANTEETLAH 77

CONTINUITY OF OPERATIONS PLANNING 78

TERMINATING EXECUTIVE ORDER NO. 30 79

DECLARATION OF A STATE OF EMERGENCY BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA 80

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE RESTORATION OF UTILITY SERVICES, TRANSPORTATION OF ESSENTIALS AND AGRICULTURAL COMMODITIES 81

NOTICE OF TERMINATION OF EXECUTIVE ORDER 80 AND AMENDMENT OF EXECUTIVE ORDER 81 82

State of North Carolina

PAT McCRORY

GOVERNOR

January 26, 2015

EXECUTIVE ORDER NO. 64

EMERGENCY RELIEF FOR THE NORTHEAST REGION OF THE UNITED STATES THAT IS BEING IMPACTED BY A MAJOR WINTER STORM

WHEREAS, due to the anticipated impact and disaster associated with the expected major winter storm in the Northeastern region of the United States, vehicles bearing equipment, supplies and those used to restore utility services to relieve the damage to those states need to be moved on the interstate highways of North Carolina; and

WHEREAS, I hereby declare that a state of emergency as defined in N.C.G.S. § 166A-19.3(6) and N.C.G.S. § 166A-19.3(19) exists for the purposes of responding to the anticipated impact of the major winter storm. The emergency area as defined in N.C.G.S. § 166A-19.3(7) and N.C.G.S. § 166A-19.20(b) are States located in the Northeastern region of the United States.

WHEREAS, under the provisions of N.C.G.S. § 166A-19.30(b)(3) the Governor, with the concurrence of the Council of State, may regulate and control the flow of vehicular traffic and the operation of transportation services; and

WHEREAS, with the concurrence of the Council of State, I have found that vehicles bearing equipment, supplies and engaged in restoring utility services to relieve the emergency area must adhere to the registration requirements of N.C.G.S. § 20-86.1 and 20-382, fuel tax requirements of N.C.G.S. § 105-449.47, and the size and weight requirements of N.C.G.S. §§ 20-116 and 20-118. I have further found that citizens in the emergency area may suffer losses and will likely suffer further widespread damage within the meaning of N.C.G.S § 166A-19.3(3) and N.C.G.S. § 166A-19.21(b) and;

WHEREAS, the prompt restoration of utility services to citizens is essential to their safety and well-being; and

WHEREAS, 49 CFR § 390.23 allows the Governor of a state to suspend the rules and regulations under 49 CFR Parts 390-399 for up to 30 days if the Governor determines that an emergency condition exists; and

WHEREAS, under N.C.G.S. § 166A-19.70, the Governor may declare that the health, safety, or economic well-being of persons or property requires that the maximum hours of service for drivers prescribed by N.C.G.S. § 20-381 should be waived for persons transporting essential fuels, food, water, and medical supplies, and for the restoration of utility services.

Section 1.

The Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive the maximum hours of service for drivers prescribed by the Department of Public Safety pursuant to N.C.G.S. § 20-381.

Section 2.

The Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive certain size and weight restrictions and penalties arising under N.C.G.S. §§ 20-116, 20-118, 20-119 and certain registration requirements and penalties arising under N.C.G.S. §§ 20-86.1, 20-382, 105-449.47, and 105-449.49 for the vehicles transporting equipment, supplies and engaged in restoring utility services in order to relieve the emergency area as described herein.

Section 3.

Notwithstanding the waivers set forth above, size and weight restrictions and penalties have not been waived under the following conditions:

a. When the vehicle weight exceeds the maximum gross weight criteria established by the manufacturer (GVWR) or 90,000 pounds gross weight, whichever is less.

b. When the tandem axle weight exceeds 42,000 pounds and the single axle weight exceeds 22,000 pounds.

c. When a vehicle and vehicle combination exceeds 12 feet in width and a total overall vehicle combination length of 75 feet from bumper to bumper.

Vehicles and vehicle combinations subject to exemptions or permits by authority of this Executive Order shall not be exempt from the requirement of having a yellow banner on the front and rear measuring a total length of 7 feet by 18 inches bearing the legend "Oversized Load" in 10 inch black letters 1.5 inches wide and red flags measuring 18 inches square to be displayed on all sides at the widest point of the load. In addition, when operating between sunset and sunrise, a certified escort shall be required for loads exceeding 8 feet 6 inches in width.

Section 4.

Vehicles referenced under Sections 2 and 3 shall be exempt from the following registration requirements:

a. The $50.00 fee listed in N.C.G.S. § 105-449.49 for a temporary trip permit is waived for the vehicles described above. No quarterly fuel tax is required because the exception in N.C.G.S. § 105-449.45(a)(1) applies.

b. The registration requirements under N.C.G.S. § 20-382.1 concerning intrastate and interstate for-hire authority is waived; however, vehicles shall maintain the required limits of insurance as required.

c. Non-participants in North Carolina's International Registration Plan will be permitted into North Carolina in accordance with the exemptions identified by this Executive Order.

Section 5.

The size and weight exemption for vehicles will only be allowed on all North Carolina Interstate Highways.

Section 6.

The waiver of regulations under Title 49 of the Code of Federal Regulations (Federal Motor Carrier Safety Regulations) does not apply to the CDL and Insurance Requirements. This waiver shall be in effect for 30 days or the duration of the emergency, whichever is less.

Section 7.

The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 1 through 6 of this Executive Order in a manner which will implement these provisions without endangering motorists in North Carolina.

Section 8.

Upon request by law enforcement officers, exempted vehicles must produce documentation sufficient to establish their loads are for relief efforts associated with transporting equipment, supplies and restoring utility services.

Section 9.

This Order shall not apply on posted bridges pursuant to N.C.G.S. § 136-72 and light traffic roads pursuant to N.C.G.S. § 20-118.

Section 10.

This Executive Order does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 11.

This Executive Order is effective immediately and shall remain in effect for thirty (30) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 26th day of January in the year of our Lord two thousand and fifteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State



State of North Carolina

PAT McCRORY
GOVERNOR

January 29, 2015

EXECUTIVE ORDER NO. 65

NOTICE OF TERMINATION OF EXECUTIVE ORDER 64

WHEREAS, Executive Order No. 64, issued on January 26, 2015 declared a state of emergency and waived certain safety, size and weight regulations on vehicles traveling through North Carolina to expedite utility restoration for a major winter storm in the northeastern United States.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of North Carolina, **IT IS ORDERED:**

Pursuant to N.C.G.S § 166A-19.20(c) the state of emergency and waiver that was declared by Executive Order 64 is hereby terminated immediately.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 29th day of January in the year of our Lord two thousand and fifteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

February 16, 2015

EXECUTIVE ORDER NO. 66

DECLARATION OF A STATE OF EMERGENCY

BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA

Section 1.

I hereby declare that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in the State of North Carolina due to a winter storm. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is the State of North Carolina.

Section 2.

I order all state and local government entities and agencies to cooperate in the implementation of the provisions of this declaration and the provisions of the North Carolina Emergency Operations Plan.

Section 3.

I delegate to Frank L. Perry, the Secretary of Public Safety, or his designee, all power and authority granted to me and required of me by Article 1A of Chapter 166A of the General Statutes for the purpose of implementing the State's Emergency Operations Plan and deploying the State Emergency Response Team to take the appropriate actions as is necessary to promote and secure the safety and protection of the populace in North Carolina.

Section 4.

Further, Secretary Perry, as chief coordinating officer for the State of North Carolina, shall exercise the powers prescribed in N.C.G.S. § 143B-602.

Section 5.

I further direct Secretary Perry or his designee, to seek assistance from agencies of the United States Government as may be needed to meet the emergency and seek

reimbursement for costs incurred by the State of North Carolina in responding to this emergency.

Section 6.

I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) unless the circumstances of the state of emergency prevent or impede, to be promptly filed with the Secretary of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to assure proper implementation of this declaration.

Section 7.

This declaration does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 8.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. §§ 75-37 and 75-38 in the declared emergency area.

Section 9.

This declaration is effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this sixteenth day of February in the year of our Lord two thousand and fifteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory

Governor

ATTEST:

Elaine F. Marshall

Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

February 16, 2015

EXECUTIVE ORDER NO. 67

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE RESTORATION OF UTILITY SERVICES AND TRANSPORTING ESSENTIALS

WHEREAS, due to the approach of a winter storm, vehicles bearing equipment and supplies for utility restoration and debris removal, carrying essentials such as food and medicine, transporting livestock and poultry and feed for livestock and poultry need to be moved on the highways of North Carolina; and

WHEREAS, I have declared that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in North Carolina due to the likely impact of the winter storm; and

WHEREAS, the prompt restoration of utility services and uninterrupted supply of electricity, gasoline and other essentials in commerce to citizens of North Carolina is essential to their safety and well-being; and

WHEREAS, under the provisions of N.C.G.S. § 166A-19.30(b)(3) the Governor, with the concurrence of the Council of State, may regulate and control the flow of vehicular traffic and the operation of transportation services; and

WHEREAS, with the concurrence of the Council of State, I have found that vehicles bearing equipment and supplies for utility restoration, carrying essentials and for debris removal must adhere to the registration requirements of N.C.G.S. § 20-86.1 and 20-382, fuel tax requirements of N.C.G.S. § 105-449.47, and the size and weight requirements of N.C.G.S. §§ 20-116, 20-118, and 20-119. I have further found that citizens in this state may suffer imminent widespread damage within the meaning of N.C.G.S § 166A-19.3(3) and N.C.G.S. § 166A-19.21(b); and

WHEREAS, pursuant to N.C.G.S. § 166A-19.70(g) on the recommendation of the Commissioner of Agriculture, upon a finding that there is an imminent threat of severe economic loss of livestock or poultry, the Governor shall direct the Department of Public Safety to temporarily suspend weighing those vehicles used to transport livestock and poultry and feed for livestock and poultry; and

WHEREAS, 49 CFR § 390.23 allows the Governor of a state to suspend the rules and regulations under 49 CFR Parts 390-399 for up to 30 days if the Governor determines that an emergency condition exists; and

WHEREAS, under N.C.G.S. § 166A-19.70, the Governor may declare that the health, safety, or economic well-being of persons or property requires that the maximum hours of service for drivers prescribed by N.C.G.S. § 20-381 should be waived for persons transporting essential

fuels, food, water, medical supplies, debris removal, feed for livestock and poultry, transporting livestock and poultry and for vehicles used in the restoration of utility services.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1.

The Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive the maximum hours of service for drivers prescribed by the Department of Public Safety pursuant to N.C.G.S. § 20-381.

Section 2.

The Department of Public Safety in conjunction with the Department of Transportation shall waive certain size and weight restrictions and penalties arising under N.C.G.S. §§ 20-116, 20-118, and 20-119. This order also waives certain registration requirements and penalties arising under N.C.G.S. §§ 20-86.1, 20-382, 105-449.47, and 105-449.49 for vehicles transporting equipment and supplies for the restoration of utility services, carrying essentials, and for equipment for any debris removal. The Department of Public Safety shall suspend weighing pursuant to N.C.G.S. § 20-118.1 vehicles used to transport livestock and poultry and carrying livestock and poultry feed in the emergency area.

Section 3.

Notwithstanding the waivers set forth above, size and weight restrictions and penalties have not been waived under the following conditions:

a. When the vehicle weight exceeds the maximum gross weight criteria established by the manufacturer (GVWR) or 90,000 pounds gross weight, whichever is less.

b. When the tandem axle weight exceeds 42,000 pounds and the single axle weight exceeds 22,000 pounds.

c. When a vehicle and vehicle combination exceeds 12 feet in width and a total overall vehicle combination length of 75 feet from bumper to bumper.

d. Vehicles and vehicle combinations subject to exemptions or permits by authority of this Executive Order shall not be exempt from the requirement of having a yellow banner on the front and rear measuring a total length of 7 feet by 18 inches bearing the legend "Oversized Load" in 10 inch black letters 1.5 inches wide and red flags measuring 18 inches square to be displayed on all sides at the widest point of the load. In addition, when operating between sunset and sunrise, a certified escort shall be required for loads exceeding 8 feet 6 inches in width.

Section 4.

Vehicles referenced under Sections 2 and 3 shall be exempt from the following registration requirements:

a. The $50.00 fee listed in N.C.G.S. § 105-449.49 for a temporary trip permit is waived for the vehicles described above. No quarterly fuel tax is required because the exception in N.C.G.S. § 105-449.45(a)(1) applies.

b. The registration requirements under N.C.G.S. § 20-382.1 concerning intrastate and interstate for-hire authority is waived; however, vehicles shall maintain the required limits of insurance as required.

c. Non-participants in North Carolina's International Registration Plan will be permitted into North Carolina in accordance with the exemptions identified by this Executive Order.

Section 5.

The size and weight exemption for vehicles will be allowed on all routes designated by the North Carolina Department of Transportation, except those routes designated as light traffic roads under N.C.G.S. § 20-118. This order shall not be in effect on bridges posted pursuant to N.C.G.S. § 136-72.

Section 6.

The waiver of regulations under Title 49 of the Code of Federal Regulations (Federal Motor Carrier Safety Regulations) does not apply to the CDL and Insurance Requirements. This waiver shall be in effect for 30 days or the duration of the emergency, whichever is less.

Section 7.

The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 1 through 6 of this Executive Order in a manner which will implement these provisions without endangering motorists in North Carolina.

Section 8.

Upon request by law enforcement officers, exempted vehicles must produce documentation sufficient to establish their loads are being used for bearing equipment and supplies for utility restoration, debris removal, carrying essentials in commerce, carrying feed for livestock and poultry, or transporting livestock and poultry in the State of North Carolina.

Section 9.

This Executive Order does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 10.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. §§ 75-37 and 75-38 in the declared emergency area.

Section 11.

This Executive Order is effective immediately and shall remain in effect for thirty (30) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this sixteenth day of February in the year of our Lord two thousand and fifteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State



State of North Carolina

PAT McCRORY

GOVERNOR

February 18, 2015

EXECUTIVE ORDER No. 68

NOTICE OF TERMINATION OF EXECUTIVE ORDERS

WHEREAS, Executive Order No. 66, issued on February 16, 2015, declared a state of emergency in the State of North Carolina due to a major winter storm; and

WHEREAS, Executive Order No. 67 issued on February 16, 2015, waived the maximum hours of service for drivers transporting supplies and equipment for utility restoration and essentials in commerce, and with the concurrence of the Council of State temporarily suspended size and weight restrictions on vehicles used for utility restoration and carrying essentials on the interstate and intrastate highways due to anticipated damage and impacts from the winter storm. In addition, the order also directed the Department of Public Safety to suspend weighing those vehicles used to transport livestock and poultry and feed for livestock and poultry.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of North Carolina, **IT IS ORDERED**:

Pursuant to N.C.G.S § 166A-19.20(c) the state of emergency that was declared by Executive Order 66 was terminated on February 17, 2015 at 5:00 p.m.

Executive Order 67 is hereby terminated at 11:59 p.m. on February 23, 2015.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this eighteenth day of February in the year of our Lord two thousand and fifteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State



State of North Carolina

PAT McCRORY

GOVERNOR

February 23, 2015

EXECUTIVE ORDER No. 69

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE ADEQUATE FUEL SUPPLIES THROUGHOUT THE STATE

WHEREAS, the uninterrupted supply of fuel oil, diesel oil, gasoline, kerosene, propane, and liquid petroleum gas to residential and commercial establishments is an essential need of the public during the winter, and any interruption in the delivery of those fuels threatens the public welfare; and

WHEREAS, the periods of extreme cold weather this month have increased the demand for those heating fuels, and severe weather conditions have hindered the uninterrupted delivery of those fuels to residential and commercial customers, thereby justifying an exemption from 49 CFR Part 395 (Federal Motor Carrier Safety Regulations); and

WHEREAS, 49 CFR § 390.23 allows the Governor of a state to suspend the rules and regulations under 49 CFR Parts 390-399 for up to 30 days if the Governor determines that an emergency condition exists; and

WHEREAS, under N.C.G.S. §§ 166A-19.3(6) and 166A-19.70, the Governor may declare that the health, safety, or economic well-being of persons or property in this State require that the maximum hours of service for drivers prescribed by N.C.G.S. § 20-381 be waived for persons transporting essential fuels.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1.

The Department of Public Safety, in conjunction with the North Carolina Department of Transportation, shall waive the maximum hours of service for drivers prescribed by the Department of Public Safety pursuant to N.C.G.S. § 20-381.

Section 2.

Notwithstanding the waiver set forth above, size and weight restrictions and penalties are not waived.

Section 3.

The waiver of regulations under 49 CFR Part 395 (Federal Motor Carrier Safety Regulations) does not apply to the commercial drivers' licenses and insurance requirements.

Section 4.

The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 1, 2, and 3 of this Executive Order in a manner which will implement this rule without endangering motorists in North Carolina.

Section 5.

Upon request by law enforcement officers, exempted vehicles must produce documentation sufficient to establish their loads are being used for relief efforts associated with the cold weather.

Section 6.

This Executive Order is effective immediately and shall remain in effect for thirty (30) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this twenty third day of February in the year of our Lord two thousand and fifteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor



ATTEST:

Elaine F. Marshall
Secretary of State

Chief Deputy

State of North Carolina

PAT McCRORY
GOVERNOR

February 25, 2015

Executive Order No. 70

DECLARATION OF A STATE OF EMERGENCY BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA

Section 1.

I hereby declare that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in the State of North Carolina due to a winter storm. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is the entire State of North Carolina.

Section 2.

I order all state and local government entities and agencies to cooperate in the implementation of the provisions of this declaration and the provisions of the North Carolina Emergency Operations Plan.

Section 3.

I delegate to Frank L. Perry, the Secretary of Public Safety, or his designee, all power and authority granted to me and required of me by Article 1A of Chapter 166A of the General Statutes for the purpose of implementing the State's Emergency Operations Plan and deploying the State Emergency Response Team to take the appropriate actions as is necessary to promote and secure the safety and protection of the populace in North Carolina.

Section 4.

Further, Secretary Perry, as chief coordinating officer for the State of North Carolina, shall exercise the powers prescribed in N.C.G.S. § 143B-602.

Section 5.

I further direct Secretary Perry or his designee, to seek assistance from agencies of the United States Government as may be needed to meet the emergency and seek reimbursement for costs incurred by the State of North Carolina in responding to this emergency.

Section 6.

I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) unless the circumstances of the state of emergency prevent or impede, to be promptly filed with the Secretary of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to assure proper implementation of this declaration.

Section 7.

This declaration does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 8.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. §§ 75-37 and 75-38 in the declared emergency area.

Section 9.

This declaration is effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this twenty-fifth day of February in the year of our Lord two thousand and fifteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State



State of North Carolina

PAT McCRORY

GOVERNOR

February 25, 2015

EXECUTIVE ORDER No. 71

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE RESTORATION OF UTILITY SERVICES AND TRANSPORTING ESSENTIALS

WHEREAS, due to the approach of a winter storm, vehicles bearing equipment and supplies for utility restoration and debris removal, carrying essentials such as food and medicine, transporting livestock and poultry and feed for livestock and poultry need to be moved on the highways of North Carolina; and

WHEREAS, I have declared that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in North Carolina due to the likely impact of the winter storm; and

WHEREAS, the prompt restoration of utility services and uninterrupted supply of electricity, gasoline and other essentials in commerce to citizens of North Carolina is essential to their safety and well-being; and

WHEREAS, under the provisions of N.C.G.S. § 166A-19.30(b)(3) the Governor, with the concurrence of the Council of State, may regulate and control the flow of vehicular traffic and the operation of transportation services; and

WHEREAS, with the concurrence of the Council of State, I have found that vehicles bearing equipment and supplies for utility restoration, carrying essentials and for debris removal must adhere to the registration requirements of N.C.G.S. § 20-86.1 and 20-382, fuel tax requirements of N.C.G.S. § 105-449.47, and the size and weight requirements of N.C.G.S. §§ 20-116, 20-118, and 20-119. I have further found that citizens in this state may suffer imminent widespread damage within the meaning of N.C.G.S § 166A-19.3(3) and N.C.G.S. § 166A-19.21(b); and

WHEREAS, pursuant to N.C.G.S. § 166A-19.70(g) on the recommendation of the Commissioner of Agriculture, upon a finding that there is an imminent threat of severe economic loss of livestock or poultry, the Governor shall direct the Department of Public Safety to temporarily suspend weighing those vehicles used to transport livestock and poultry and feed for livestock and poultry; and

WHEREAS, 49 CFR § 390.23 allows the Governor of a state to suspend the rules and regulations under 49 CFR Parts 390-399 for up to 30 days if the Governor determines that an emergency condition exists; and

WHEREAS, under N.C.G.S. § 166A-19.70, the Governor may declare that the health, safety, or economic well-being of persons or property requires that the maximum hours of service for drivers prescribed by N.C.G.S. § 20-381 should be waived for persons transporting essential

fuels, food, water, medical supplies, debris removal, feed for livestock and poultry, transporting livestock and poultry and for vehicles used in the restoration of utility services.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1.

The Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive the maximum hours of service for drivers prescribed by the Department of Public Safety pursuant to N.C.G.S. § 20-381.

Section 2.

The Department of Public Safety in conjunction with the Department of Transportation shall waive certain size and weight restrictions and penalties arising under N.C.G.S. §§ 20-116, 20-118, and 20-119. This order also waives certain registration requirements and penalties arising under N.C.G.S. §§ 20-86.1, 20-382, 105-449.47, and 105-449.49 for vehicles transporting equipment and supplies for the restoration of utility services, carrying essentials, and for equipment for any debris removal. The Department of Public Safety shall suspend weighing pursuant to N.C.G.S. § 20-118.1 vehicles used to transport livestock and poultry and carrying livestock and poultry feed in the emergency area.

Section 3.

Notwithstanding the waivers set forth above, size and weight restrictions and penalties have not been waived under the following conditions:

a. When the vehicle weight exceeds the maximum gross weight criteria established by the manufacturer (GVWR) or 90,000 pounds gross weight, whichever is less.

b. When the tandem axle weight exceeds 42,000 pounds and the single axle weight exceeds 22,000 pounds.

c. When a vehicle and vehicle combination exceeds 12 feet in width and a total overall vehicle combination length of 75 feet from bumper to bumper.

d. Vehicles and vehicle combinations subject to exemptions or permits by authority of this Executive Order shall not be exempt from the requirement of having a yellow banner on the front and rear measuring a total length of 7 feet by 18 inches bearing the legend "Oversized Load" in 10 inch black letters 1.5 inches wide and red flags measuring 18 inches square to be displayed on all sides at the widest point of the load. In addition, when operating between sunset and sunrise, a certified escort shall be required for loads exceeding 8 feet 6 inches in width.

Section 4.

Vehicles referenced under Sections 2 and 3 shall be exempt from the following registration requirements:

a. The $50.00 fee listed in N.C.G.S. § 105-449.49 for a temporary trip permit is waived for the vehicles described above. No quarterly fuel tax is required because the exception in N.C.G.S. § 105-449.45(a)(1) applies.

b. The registration requirements under N.C.G.S. § 20-382.1 concerning intrastate and interstate for-hire authority is waived; however, vehicles shall maintain the required limits of insurance as required.

c. Non-participants in North Carolina's International Registration Plan will be permitted into North Carolina in accordance with the exemptions identified by this Executive Order.

Section 5.

The size and weight exemption for vehicles will be allowed on all routes designated by the North Carolina Department of Transportation, except those routes designated as light traffic roads under N.C.G.S. § 20-118. This order shall not be in effect on bridges posted pursuant to N.C.G.S. § 136-72.

Section 6.

The waiver of regulations under Title 49 of the Code of Federal Regulations (Federal Motor Carrier Safety Regulations) does not apply to the CDL and Insurance Requirements. This waiver shall be in effect for 30 days or the duration of the emergency, whichever is less.

Section 7.

The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 1 through 6 of this Executive Order in a manner which will implement these provisions without endangering motorists in North Carolina.

Section 8.

Upon request by law enforcement officers, exempted vehicles must produce documentation sufficient to establish their loads are being used for bearing equipment and supplies for utility restoration, debris removal, carrying essentials in commerce, carrying feed for livestock and poultry, or transporting livestock and poultry in the State of North Carolina.

Section 9.

This Executive Order does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 10.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. §§ 75-37 and 75-38 in the declared emergency area.

Section 11.

This Executive Order is effective immediately and shall remain in effect for thirty (30) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this twenty-fifth day of February in the year of our Lord two thousand and fifteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State



State of North Carolina

PAT McCRORY

GOVERNOR

February 27, 2015

EXECUTIVE ORDER No. 72

NOTICE OF TERMINATION OF EXECUTIVE ORDERS

WHEREAS, Executive Order No. 70, issued on February 25, 2015, declared a state of emergency in the State of North Carolina due to a major winter storm; and

WHEREAS, Executive Order No. 71, issued on February 25, 2015, waived the maximum hours of service for drivers transporting supplies and equipment for utility restoration and essentials in commerce, and with the concurrence of the Council of State temporarily suspended size and weight restrictions on vehicles used for utility restoration and carrying essentials on the interstate and intrastate highways due to anticipated damage and impacts from the winter storm. In addition, the order also directed the Department of Public Safety to suspend weighing those vehicles used to transport livestock and poultry and feed for livestock and poultry.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of North Carolina, **IT IS ORDERED**:

Pursuant to N.C.G.S § 166A-19.20(c) the state of emergency that was declared by Executive Order No. 70 is hereby terminated on February 27, 2015 at 12:00 p.m.

Executive Order No. 71 is hereby terminated at 11:59 p.m. on March 2, 2015.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this twenty-seventh day of February in the year of our Lord two thousand and fifteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

APRIL 9, 2015

EXECUTIVE ORDER NO. 73

NORTH CAROLINA FOOD MANUFACTURING TASK FORCE

WHEREAS, agriculture is vital to the economy of the State of North Carolina; and

WHEREAS, agriculture industry contributes $78 billion to the economy of the State of North Carolina and employs 16% of the state's work force; and

WHEREAS, 8.4 million acres of North Carolina land is utilized in agriculture; and

WHEREAS, there is a need for the in-state processing and manufacturing of the agricultural products of North Carolina; and

WHEREAS, the College of Agriculture and Life Sciences at North Carolina State University and the North Carolina Department of Agriculture and Consumer Services have jointly studied the economic feasibility of food processing and manufacturing in North Carolina; and

WHEREAS, the economic feasibility study estimated that advancement of a new Food Processing and Manufacturing Initiative, could add nearly 38,000 jobs and $10.3 billion to North Carolina's economic output within five years;

NOW THEREFORE, by the powers vested in me as Governor by the Constitution and laws of the State of North Carolina, **IT IS ORDERED:**

Section 1. Established

The North Carolina Food Manufacturing Task Force (hereinafter "Task Force") is hereby established.

Section 2. Membership

The Task Force shall consist of not more than thirty-five (35) members. The Dean of the College of Agriculture and Life Sciences at North Carolina State University shall serve as the chair. The Lieutenant Governor, the Commissioner of Agriculture, and the Secretary of Commerce shall serve as voting members. The remaining advisory members of the Task Force shall be appointed by the Governor. All members shall serve at the pleasure of the Governor.

The Task Force shall be composed of individuals who are collectively experienced in agriculture, poultry production, beef production, pork production, dairy production, crop production, agribusiness, food processing, food packaging, transportation, education, government, and economic development.

Section 3. Duties

The Task Force will focus on:

1. Developing a strategic business plan to leverage existing activities in food processing and manufacturing.
2. Establishing a statewide food processing and manufacturing organization, directory and data base.
3. Creating a plan to develop a proactive industrial recruitment campaign for new business development.
4. Planning to foster the growth of food manufacturing entrepreneurial endeavors, enhance development of innovative food products and processes, and provide sector-specific regulatory training and outreach.

The Task Force shall report to the Governor on its activities regularly.

Section 4. Meetings

The Task Force shall meet upon the calling of the Governor or the Chair.

Section 5. Administration

The Department of Commerce and the Department of Agriculture shall cooperatively provide administrative and staff support services required by the Task Force. Members shall serve without compensation, but may receive necessary travel and subsistence expenses from the Department of Agriculture in accordance with state law and the policies and regulations of the Office of State Budget Management.

Section 6. Effect and Duration

This Executive Order is effective immediately and shall remain in effect until June 30, 2016, or until earlier rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this ninth day of April in the year of our Lord two thousand and fifteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

May 11, 2015

EXECUTIVE ORDER NO. 74

AMENDING THE GOVERNOR'S SUBSTANCE ABUSE AND UNDERAGE DRINKING PREVENTION AND TREATMENT TASK FORCE

By the power vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED:

Executive Order No. 52, *Establishment of North Carolina Governor's Substance Abuse and Underage Drinking Prevention and Treatment Task Force,* signed May 13, 2014, is hereby amended as follows:

Section 4. Purpose.

(b) The Task Force shall prepare and submit to the Governor and the General Assembly by May 1, 2016 a comprehensive plan for effectively addressing (1) the underage sale and use of alcohol and drugs, (2) risky behaviors and substance abuse among collegians, (3) and the provision of treatment and recovery services for individuals struggling with substance abuse. The Task Force shall review and consider the reports outlined in Section (a) above in the development of the report to submit to the Governor and General Assembly no later than May 1, 2016.

Section 7. Effect and Duration.

This Executive Order is effective immediately and shall remain in effect until December 31, 2016, pursuant to N.C. Gen. Stat. § 147-16.2, or until earlier rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this eleventh day of May in the year of our Lord two thousand fifteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

JUNE 24, 2015

EXECUTIVE ORDER NO. 75

NORTH CAROLINA EMERGENCY RESPONSE COMMISSION

By the authority vested in me as Governor by the Constitution and laws of the State of North Carolina, **IT IS ORDERED:**

Section 1. Establishment

There is hereby established the North Carolina Emergency Response Commission, hereinafter referred to as the "Commission." The Commission shall consist of not less than 14 members and shall be composed of at least the following persons, or their designee as approved by the Commission Chairperson:

a. Secretary of the North Carolina Department of Public Safety, who shall serve as the Chairperson;

b. Director of Emergency Management, North Carolina Department of Public Safety, who shall serve as the Vice-Chairperson;

c. Commissioner of the Division of Law Enforcement, North Carolina Department of Public Safety;

d. The Adjutant General, North Carolina National Guard;

e. Commander of the State Highway Patrol, North Carolina Department of Public Safety;

f. Deputy Secretary of the North Carolina Department of Environment and Natural Resources;

g. Chief Deputy Secretary of the North Carolina Department of Transportation;

h. Chief of the Office of Emergency Medical Services, Division of Health Service Regulation, North Carolina Department of Health and Human Services;

i. Assistant State Fire Marshall, Office of the State Fire Marshall, North Carolina Department of Insurance;

j. Director of the State Bureau of Investigation, North Carolina Department of Public Safety;

k. Director, Division of Public Health, North Carolina Department of Health and Human Services;

l. Assistant Deputy Commissioner of Labor for Occupational Safety and Health, North Carolina Department of Labor;

m. President of the North Carolina Community College System; and

n. Director of the Emergency Programs Division, North Carolina Department of Agriculture and Consumer Services.

In addition to the foregoing, up to eight (8) at-large members from local government, private industry and the public may be appointed by the Governor and serve terms of two (2) years at the pleasure of the Governor. These members may consist of the following persons:

a. A Chief of Police;

b. A Sheriff;

c. A Fire Chief;

d. A representative of emergency medical services in North Carolina;

e. A representative of emergency managers in North Carolina;

f. A representative of medium or large sized public assembly venues in North Carolina;

g. A representative affiliated with the production, storage or transportation of hazardous materials;

h. A private citizen of the state of North Carolina.

Section 2. Duties

The Commission is designated as the State Emergency Response Commission as defined in the Emergency Planning and Community Right-to-Know Act of 1986 enacted by the United States Congress and hereinafter referred to as the "Act." The Commission serves in three roles:

a. The Commission will perform all of the duties required under the Act and other advisory, administrative, regulatory, or legislative actions.

1. Designate emergency planning districts to facilitate preparation and implementation of emergency plans as required under Section 301(b) of the Act.

2. Appoint local emergency planning committees described under Section 301(c) of the Act and supervise and coordinate the activities of such committees for each planning district.

3. Establish procedures for reviewing and processing requests from the public for information under Section 324 of the Act.

4. Designate additional facilities that may be subject to the Act under Section 302 of the Act and notify the Administrator of the Environmental Protection Agency of any such additional facilities.

5. Review the emergency plans submitted by the local emergency planning committees and recommend revisions of the plans that may be necessary to ensure their coordination with emergency response plans of adjacent districts and state plans.

b. The Commission will act in an advisory capacity to the Homeland Security Advisor, as designated by the Governor, to provide input regarding the activities of the North

Carolina State Homeland Security Program and the Domestic Preparedness Regions. Specifically, the Commission will:

1. Review the State Homeland Security Strategy to ensure it is aligned with local, state, and federal priorities as required by the United States Department of Homeland Security (DHS), and that its goals and objectives are being met in accordance with program intent.

2. Review applications and subsequent allocations for state and regional homeland security projects funded by DHS grant programs.

3. Review plans for preventing, preparing for, responding to, and recovering from acts of terrorism and all hazards – man-made or natural.

c. The Commission will act in an advisory capacity to provide coordinated stakeholder input to the Secretary of the Department of Public Safety/Emergency Management in the preparation, implementation, evaluation, and revision of the North Carolina emergency management program. To this purpose, the Commission will work to:

1. Increase state and local disaster/emergency response capabilities; and
2. Coordinate training, education, technical assistance, and outreach activities.

Section 3. Administration

a. The Department of Public Safety shall provide administrative support and staff to the Commission as may be required.

b. Members of the Commission shall serve without compensation but may receive reimbursement for travel and subsistence expenses in accordance with state guidelines and procedures and contingent on the availability of funds.

Section 4. Effect and Duration

This Executive Order is effective immediately. It supersedes and replaces all other executive orders on this subject. It shall remain in effect until December 31, 2016, pursuant to N.C. Gen. Stat. § 147-16.2 or until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this 24th day of June in the year of our Lord two thousand and fifteen, and of the Independence of the United States of America the two hundred and thirty-eight.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

July 14, 2015

EXECUTIVE ORDER NO. 76

THE GOVERNOR'S TASK FORCE ON MENTAL HEALTH AND SUBSTANCE USE

WHEREAS, mental illness and substance use disorders are among the biggest health care challenges that our state will face over the next decade; and

WHEREAS, providing appropriate treatment for people with mental illness and substance use disorders can significantly benefit individuals, families, communities, and taxpayers; and

WHEREAS, the issues surrounding access to mental health and substance use treatment and recovery services must be addressed in a comprehensive approach to better use our existing resources and break down silos between government agencies and jurisdictions and the private sector; and

WHEREAS, the DHHS Crisis Solutions Initiative has resulted in initiatives to improve our mental health system, brought together community leaders to provide creative solutions, and promoted strategic crisis solutions that have been supported by the Governor and General Assembly; and

WHEREAS, pilot Mental Health and Substance Abuse Courts have shown success in obtaining compliance with appropriate treatment regimens and have the potential to reduce the amount of mental illness-related and substance use-related crime and the number of individuals with mental illness and substance use disorders in our jails and prisons; and

WHEREAS, providing appropriate early identification and treatment of mental illness and substance use disorders was a focus area for the Governor's Safer Schools initiative because untreated mental health disorders or substance use can affect academic achievement, family violence, medical needs, out of home placement, incarceration rates, and the overall cost associated with these problems to society.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and laws of the State of North Carolina, **IT IS ORDERED:**

Section 1. Establishment

The Governor's Task Force on Mental Health and Substance Use is hereby established (hereinafter, "Task Force").

Section 2. Membership

1. The Task Force shall consist of twenty four (24) members, including the Secretary of the Department of Health and Human Services, the Chief Justice of the North Carolina Supreme Court, the Secretary of the Department of Public Safety, and the Superintendent of the Department of Public Instruction. One member from the House of Representatives shall be appointed by the Speaker of the House, and one member of the Senate appointed by the President Pro Tempore. Seven members from the justice system and related private sector professionals shall be appointed by the Chief Justice. The Governor shall appoint 11 public members, including those from the healthcare provider community, county leadership, government and non-governmental entities, and private sector employers. The Task Force shall be Co-Chaired by the Secretary of Health and Human Services and the Chief Justice of the Supreme Court of North Carolina.

Section 3. Meetings

The Task Force shall meet as necessary to properly exercise its functions, but no less frequently than quarterly, or upon the call of the Governor or the Co-Chairs.

Section 4. Duties

The Task Force shall, by May 1, 2016, submit finding and strategic recommendations to the Governor for improving the lives of North Carolina children and adults with mental illness and substance use disorders and their families. In creating these strategic findings and recommendations, the non-judicial members of the Task Force shall do the following:

1. Evaluate the linkages between agencies of state government and local government and create recommendations for the transfer of existing best practices across the state;

2. Examine the role of mental health and other specialty courts currently in North Carolina to determine how they can best be utilized to improve our efforts to address and reduce the extent to which individuals suffer from untreated mental health disorders and substance use problems;

3. Examine successful efforts to heighten awareness and reduce stigma associated with mental health treatment in our state and recommendations on how to improve these efforts;

4. Examine the ways the justice system can best handle cases of young people with mental illness and substance use disorders to provide them the best opportunity to reach their full potential as North Carolina citizens;

5. Examine the link between foster care and the need for mental health and substance use services to improve outcomes for teenagers when they leave the foster care system; and

6. Any other duties as assigned by the Governor or the Co-Chairs.

Any strategic findings and recommendations made by judicial members of the Task Force shall be limited to how mental health and substance use issues relate to the administration of justice. Judicial members of the Task Force will be deemed to have recused themselves from any findings or recommendations unrelated to the court system or the administration of justice.

Section 5. Administration

The Department of Health and Human Services shall provide administrative and staff support services, including meeting space, as may be required. Members of the Task Force shall serve without compensation, but may receive reimbursement for travel in accordance with State law and the policies and regulations of the Office of State Budget and Management.

Section 6. Effect and Duration

This Executive Order is effective immediately and shall remain in effect until October 1, 2016.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this fourteenth day of July in the year of our Lord two thousand and fifteen, and of the Independence of the United States of America the two hundred and thirty-nine.

Pat McCrory
Governor



ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

September 1, 2015

EXECUTIVE ORDER NO. 77

DISASTER DECLARATION FOR THE TOWN OF LAKE SANTEETLAH

WHEREAS, the North Carolina Emergency Management Act, Chapter 166A of the North Carolina General Statutes authorizes the issuance of a disaster declaration for an emergency area as defined in N.C.G.S. § 166A-19.3(7) and categorizing the disaster as a Type I, Type II or Type III disaster as defined in N.C.G.S. § 166A-19.21(b); and

WHEREAS, starting on July 14, 2015, the Town of Lake Santeetlah, located in Graham County, North Carolina was impacted by severe weather which included straight-line winds; and

WHEREAS, as a result of the straight-line winds the Town of Lake Santeetlah proclaimed a local state of emergency on July 14, 2015; and

WHEREAS, due to the impact of the straight-line winds, a joint preliminary damage assessment was done by state and local emergency management officials on July 17, 2015; and

WHEREAS, I have determined that a Type I disaster, as defined in N.C.G.S. §166A-19.21(b)(1), exists in the State of North Carolina, specifically in the Town of Lake Santeetlah; and

WHEREAS, pursuant to N.C.G.S. § 166A-19.21(b)(1), the criteria for a Type I disaster are met if: (1) the Secretary of the Department of Public Safety has provided a preliminary damage assessment to the Governor and the General Assembly; (2) the Town of Lake Santeetlah declared a local state of emergency pursuant to N.C.G.S. § 166A-19.22; (3) the preliminary damage assessment meets or exceeds the State infrastructure criteria set out in G.S. 166A-19.41(b)(2)a.; and (4) a major disaster declaration by the President of the United States pursuant to the Stafford Act has not been declared; and

WHEREAS, pursuant to N.C.G.S. § 166A-19.41(a), if a disaster is declared, the Governor may make State funds available for emergency assistance in the form of individual assistance and public assistance for recovery from those disasters for which federal assistance under the Stafford Act is either not available or does not adequately meet the needs of the citizens of the State in the emergency area.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1. Pursuant to N.C.G.S. § 166A-19.21(b)(1), a Type I disaster is hereby declared for the Town of Lake Santeetlah in Graham County, North Carolina.

Section 2. I authorize state disaster assistance in the form of public assistance grants to eligible governments located within the emergency area that meet the terms and conditions under N.C.G.S. § 166A-19.41(b)(2). The public assistance grants are for the following:

a. Debris clearance.

Section 3. I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) to be promptly filed with the Secretary of the Department of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to ensure proper implementation of this declaration.

Section 4. This Type I disaster declaration shall expire 60 days after issuance unless renewed by the Governor or the General Assembly. Such renewals may be made in increments of 30 days each, not to exceed a total of 120 days from the date of first issuance.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this first day of September in the year of our Lord two thousand and fifteen, and of the Independence of the United States of America the two hundred and thirty-nine.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

September 1, 2015

EXECUTIVE ORDER NO. 78

CONTINUITY OF OPERATIONS PLANNING

WHEREAS, natural and man-made emergencies and disasters can hinder the ability of State agencies to deliver essential services to the People of North Carolina; and

WHEREAS, the purpose of Continuity of Operations and Continuity of Government planning is to ensure survival of a constitutional form of government and the continuity of essential State functions under all circumstances; and

WHEREAS, effective State agency planning is vital to the implementation and operation of coordinated and well-managed Continuity of Operations and Continuity of Government plans; and

WHEREAS, the possibility of a communicable disease emergency is real and demands planning effort in government as well as the private sector; and

WHEREAS, personnel shortages that could result from a communicable disease emergency or other widespread disease should be included in Continuity of Operations planning; and

WHEREAS, it is imperative that all State agencies have in place a viable Continuity of Operations Plan which ensures the performance of their essential functions during any emergency or situation that may disrupt normal operations; and

WHEREAS, a standard format will lead to more consistent, understandable, and executable Continuity of Operations plans;

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and laws of North Carolina, **IT IS ORDERED:**

Section 1:

Each North Carolina Executive Branch agency shall prepare a Continuity of Operations Plan to ensure the State's ability to deliver essential services under any circumstance. Plans will be developed using the North Carolina Continuity of Operations Planning Manual. Such plans shall be coordinated with existing business continuity plans for information technology pursuant to N.C.G.S. 147-33.89 and shall include:

1. Identification and listing of Essential Functions
2. Delegations of Authority
3. Orders of Succession
4. Alternate Facilities
5. Interoperable Communications
6. Essential Records
7. Human Resources Management
8. Provisions for Tests, Training, and Exercises
9. Devolution
10. Reconstitution

Section 2:

Each North Carolina Executive Branch agency shall include in its Continuity of Operations Plan provisions to address a communicable disease emergency. Plans shall be developed using guidance available from the North Carolina Office of State Human Resources, the North Carolina Division of Public Health, and the Federal Emergency Management Agency.

Section 3:

The North Carolina Department of Public Safety (DPS), North Carolina Emergency Management is designated as the lead agency for Continuity of Operations plans. DPS is directed to establish and organize a Continuity of Operations Steering Committee comprised of all executive agency heads or their designated representatives and chaired by the Secretary of DPS or his designated representative. North Carolina Emergency Management is directed to provide advice and assistance to all State agencies developing Continuity of Operations plans.

Section 4:

The Secretary of Department of Public Safety, as designated executive agent for the North Carolina State Government Complex Continuity of Operations Plan, shall delegate to Emergency Management, with necessary coordination, and approval authority for changes to this plan and assure it is reviewed at least annually and updated as necessary. The Department of Administration remains the lead agency for purposes of procuring and assigning alternate facilities to displaced agencies.

Section 5:

An annual review of each agency's Continuity of Operations plans is due on November 1st of each year. Continuity of Operations plans are to be updated as necessary. Compliance with this requirement should be documented by attestation submitted by November 15th each year from Executive Branch Agency heads to the Director of Emergency Management.

Section 6:

State agencies outside the Executive Branch not directly subject to this order are invited and encouraged to comply with this order and to participate fully in the North Carolina Continuity of Operations planning effort.

Section 7:

This Executive Order supersedes and replaces all other executive orders on this subject. It shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this first day of September in the year of our Lord two thousand and fifteen, and of the independence of the United States the two hundred thirty-nine.

Pat McCrory
Governor



ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY

GOVERNOR

September 30, 2015

EXECUTIVE ORDER NO. 79

TERMINATING EXECUTIVE ORDER NO. 30

By the power vested in me as Governor by the Constitution and laws of the State of North Carolina, **IT IS ORDERED**:

Executive Order No. 30, *Fix and Modernize Information Technology Governance in Cabinet Agencies by Collaborating as One IT*, adopted November 7, 2013, is hereby terminated.

This order is effective immediately.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this thirtieth day of September in the year of our Lord two thousand fifteen, and of the Independence of the United States of America the two hundred and thirty-nine.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY
GOVERNOR

October 1, 2015

EXECUTIVE ORDER NO. 80

DECLARATION OF A STATE OF EMERGENCY
BY THE GOVERNOR OF THE STATE OF NORTH CAROLINA

Section 1.

I hereby declare that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in North Carolina due to the approach and potential impacts from Hurricane Joaquin. These impacts include potential life threatening flooding from heavy rains on top of the several inches of rainfall that has already fallen in this state. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is the state of North Carolina.

Section 2.

I order all state and local government entities and agencies to cooperate in the implementation of the provisions of this declaration and the provisions of the North Carolina Emergency Operations Plan.

Section 3.

I delegate to Frank L. Perry, the Secretary of Public Safety, or his designee, all power and authority granted to me and required of me by Article 1A of Chapter 166A of the General Statutes for the purpose of implementing the State's Emergency Operations Plan and deploying the State Emergency Response Team to take the appropriate actions as is necessary to promote and secure the safety and protection of the populace in North Carolina.

Section 4.

Further, Secretary Perry, as chief coordinating officer for the State of North Carolina, shall exercise the powers prescribed in N.C.G.S. § 143B-602.

Section 5.

I further direct Secretary Perry or his designee, to seek assistance from all agencies of the United States Government as may be needed to meet the emergency and seek reimbursement for costs incurred by the State in responding to this emergency.

Section 6.

I hereby order this declaration: (a) to be distributed to the news media and other organizations calculated to bring its contents to the attention of the general public; (b) unless the circumstances of the state of emergency prevent or impede, to be promptly filed with the Secretary of Public Safety, the Secretary of State, and the clerks of superior court in the counties to which it applies; and (c) to be distributed to others as necessary to assure proper implementation of this declaration.

Section 7.

This declaration does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 8.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. § 75-37 and 75-38 in the declared emergency area.

Section 9.

This declaration is effective immediately and shall remain in effect until rescinded.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this first day of October in the year of our Lord two thousand fifteen, and of the Independence of the United States of America the two hundred and thirty-nine.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State



State of North Carolina

PAT McCRORY
GOVERNOR

October 1, 2015

EXECUTIVE ORDER NO. 81

TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE RESTORATION OF UTILITY SERVICES, TRANSPORTION OF ESSENTIALS AND AGRICULTURAL COMMODITIES

WHEREAS, due to the approach of Hurricane Joaquin, vehicles bearing equipment and supplies for utility restoration and debris removal, carrying essentials such as food and medicine, farm equipment for movement of crops, transporting livestock and poultry and feed for livestock and poultry need to be moved on the highways of North Carolina; and

WHEREAS, I have declared that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in North Carolina due to the likely impact of Hurricane Joaquin; and

WHEREAS, the prompt restoration of utility services and uninterrupted supply of electricity, gasoline and other essentials in commerce to citizens of North Carolina is essential to their safety and well-being; and

WHEREAS, under the provisions of N.C.G.S. § 166A-19.30(b)(3) the Governor, with the concurrence of the Council of State, may regulate and control the flow of vehicular traffic and the operation of transportation services; and

WHEREAS, with the concurrence of the Council of State, I have found that vehicles bearing equipment and supplies for utility restoration, carrying essentials and for debris removal must adhere to the registration requirements of N.C.G.S. § 20-86.1 and 20-382, fuel tax requirements of N.C.G.S. § 105-449.47, and the size and weight requirements of N.C.G.S. §§ 20-116, 20-118, and 20-119. I have further found that citizens in this state may suffer imminent widespread damage within the meaning of N.C.G.S § 166A-19.3(3) and N.C.G.S. § 166A-19.21(b); and

WHEREAS, pursuant to N.C.G.S. § 166A-19.70(g) on the recommendation of the Commissioner of Agriculture, upon a finding that there is an imminent threat of severe economic loss of livestock or poultry, the Governor shall direct the Department of Public Safety to temporarily suspend weighing those vehicles used to transport livestock and poultry and feed for livestock and poultry; and

WHEREAS, 49 CFR § 390.23 allows the Governor of a state to suspend the rules and regulations under 49 CFR Parts 390-399 for up to 30 days if the Governor determines that an emergency condition exists; and

WHEREAS, under N.C.G.S. § 166A-19.70, the Governor may declare that the health, safety, or economic well-being of persons or property requires that the maximum hours of service for

drivers prescribed by N.C.G.S. § 20-381 should be waived for persons transporting essential fuels, food, water, medical supplies, debris removal, feed for livestock and poultry, transporting livestock and poultry and for vehicles used in the restoration of utility services.

NOW, THEREFORE, pursuant to the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, **IT IS ORDERED:**

Section 1.

The Department of Public Safety in conjunction with the North Carolina Department of Transportation shall waive the maximum hours of service for drivers prescribed by the Department of Public Safety pursuant to N.C.G.S. § 20-381.

Section 2.

The Department of Public Safety in conjunction with the Department of Transportation shall waive certain size and weight restrictions and penalties arising under N.C.G.S. §§ 20-116, 20-118, and 20-119. This order also waives certain registration requirements and penalties arising under N.C.G.S. §§ 20-86.1, 20-382, 105-449.47, and 105-449.49 for vehicles transporting equipment and supplies for the restoration of utility services, carrying essentials, and for equipment for any debris removal. The Department of Public Safety shall suspend weighing pursuant to N.C.G.S. § 20-118.1 vehicles used to transport livestock and poultry and carrying livestock and poultry feed in the emergency area.

Section 3.

Notwithstanding the waivers set forth above, size and weight restrictions and penalties have not been waived under the following conditions:

a. When the vehicle weight exceeds the maximum gross weight criteria established by the manufacturer (GVWR) or 90,000 pounds gross weight, whichever is less.

b. When the tandem axle weight exceeds 42,000 pounds and the single axle weight exceeds 22,000 pounds.

c. When a vehicle and vehicle combination exceeds 12 feet in width and a total overall vehicle combination length of 75 feet from bumper to bumper.

d. Vehicles and vehicle combinations subject to exemptions or permits by authority of this Executive Order shall not be exempt from the requirement of having a yellow banner on the front and rear measuring a total length of 7 feet by 18 inches bearing the legend "Oversized Load" in 10 inch black letters 1.5 inches wide and red flags measuring 18 inches square to be displayed on all sides at the widest point of the load. In addition, when operating between sunset and sunrise, a certified escort shall be required for loads exceeding 8 feet 6 inches in width.

Section 4.

Vehicles referenced under Sections 2 and 3 shall be exempt from the following registration requirements:

a. The $50.00 fee listed in N.C.G.S. § 105-449.49 for a temporary trip permit is waived for the vehicles described above. No quarterly fuel tax is required because the exception in N.C.G.S. § 105-449.45(a)(1) applies.

b. The registration requirements under N.C.G.S. § 20-382.1 concerning intrastate and interstate for-hire authority is waived; however, vehicles shall maintain the required limits of insurance as required.

c. Non-participants in North Carolina's International Registration Plan will be permitted into North Carolina in accordance with the exemptions identified by this Executive Order.

Section 5.

The size and weight exemption for vehicles will be allowed on all routes designated by the North Carolina Department of Transportation, except those routes designated as light traffic roads under N.C.G.S. § 20-118. This order shall not be in effect on bridges posted pursuant to N.C.G.S. § 136-72.

Section 6.

The waiver of regulations under Title 49 of the Code of Federal Regulations (Federal Motor Carrier Safety Regulations) does not apply to the CDL and Insurance Requirements. This waiver shall be in effect for 30 days or the duration of the emergency, whichever is less.

Section 7.

The North Carolina State Highway Patrol shall enforce the conditions set forth in Sections 1 through 6 of this Executive Order in a manner which will implement these provisions without endangering motorists in North Carolina.

Section 8.

Upon request by law enforcement officers, exempted vehicles must produce documentation sufficient to establish their loads are being used for bearing equipment and supplies for utility restoration, debris removal, carrying essentials in commerce, carrying feed for livestock and poultry, or transporting livestock and poultry in the State of North Carolina.

Section 9.

This Executive Order does not prohibit or restrict lawfully possessed firearms or ammunition or impose any limitation on the consumption, transportation, sale or purchase of alcoholic beverages as provided in N.C.G.S. § 166A-19.30(c).

Section 10.

Pursuant to N.C.G.S. § 166A-19.23, this declaration triggers the prohibition against excessive pricing as provided in N.C.G.S. §§ 75-37 and 75-38 in the declared emergency area.

Section 11.

This Executive Order is effective immediately and shall remain in effect for thirty (30) days or the duration of the emergency, whichever is less.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this first day of October in the year of our Lord two thousand and fifteen, and of the Independence of the United States of America the two hundred and thirty-nine.

Pat McCrory
Governor

ATTEST:

Elaine F. Marshall
Secretary of State

State of North Carolina

PAT McCRORY
GOVERNOR

October 9, 2015

EXECUTIVE ORDER 82

NOTICE OF TERMINATION OF EXECUTIVE ORDER 80 AND AMENDMENT OF EXECUTIVE ORDER 81

WHEREAS, Executive Order No. 80, issued on October 1, 2015, declared a state of emergency in North Carolina due to the approach and potential impacts of Hurricane Joaquin; and

WHEREAS, Executive Order No. 81, issued on October 1, 2015, waived the maximum hours of service for drivers transporting supplies and equipment for utility restoration and essentials in commerce, and with the concurrence of the Council of State temporarily suspended size and weight restrictions on vehicles used for utility restoration and carrying essentials on the interstate and intrastate highways due to anticipated damage and impacts from Hurricane Joaquin. In addition, the order also directed the Department of Public Safety to suspend weighing equipment used for movement of crops, transporting livestock and poultry and feed for livestock and poultry.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of North Carolina, **IT IS ORDERED**:

Section 1.

Pursuant to N.C.G.S § 166A-19.20(c) the state of emergency that was declared by Executive Order No. 80 is hereby terminated immediately.

Section 2.

Executive Order No. 81 will remain in effect until November 1, 2015. The order is amended to repeal the following clause:

> **WHEREAS, I** have declared that a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) exists in North Carolina due to the likely impact of Hurricane Joaquin; and

Replacing it with the following clause:

> **WHEREAS;** although I have terminated Executive Order No. 80, issued on October 1, 2015, there continues to be a state of emergency as defined in N.C.G.S. §§ 166A-19.3(6) and 166A-19.3(19) for the purposes of responding to the flooding present in the region due to the historic levels of rainfall. The emergency area as defined in N.C.G.S. §§ 166A-19.3(7) and N.C.G.S. 166A-19.20(b) is the state of South Carolina and the eastern and southeastern regions of North Carolina; and

Section 3.

Section 10 of Executive Order No. 81 is rewritten to read as follows:

This order will not trigger the prohibitions against excessive pricing in the emergency area in North Carolina, notwithstanding the provisions of N.C.G.S. § 166A-19.23.

Section 4.

The remaining provisions in Executive Order No. 81 remain in effect until the order terminates on November 1, 2015.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the Great Seal of the State of North Carolina at the Capitol in the City of Raleigh, this ninth day of October in the year of our Lord two thousand and fifteen, and of the Independence of the United States of America the two hundred and thirty-nine.

Pat McCrory
Governor



ATTEST:

Elaine F. Marshall
Secretary of State

Chief Deputy

STATE OF NORTH CAROLINA
DEPARTMENT OF STATE,
RALEIGH, OCTOBER 31, 2015

I, ELAINE F. MARSHALL, Secretary of State of North Carolina, hereby certify pursuant to G.S. 120-34 that the foregoing volume was printed under the direction of the Legislative Services Commission from ratified acts and resolutions and executive orders of the Governors on file in the office of the Secretary of State.

This publication includes Session Laws 2015-1 through 2015-300, Resolutions 2015-1 through 2015-14, and Executive Orders 64 through 82 of Governor Pat McCrory.



Secretary of State

THE JOINT CONFERENCE COMMITTEE REPORT ON THE BASE, EXPANSION, AND CAPITAL BUDGETS

House Bill 97

North Carolina General Assembly

September 14, 2015

Table of Contents

General Fund Availability Statement 1

Summary: General Fund Appropriations 2

Education
- Public Education F-1
- Community Colleges F-6
- UNC System F-9

Health and Human Services G-1

Agriculture and Natural and Economic Resources
- Agriculture and Consumer Services H-1
- Labor H-7
- Environment and Natural Resources H-8
- Wildlife Resources Commission H-25
- Commerce H-29
- Commerce – State Aid H-40
- Cultural Resources H-42
- Cultural Resources – Roanoke Island Commission H-47

Justice and Public Safety
- Public Safety I-1
- Justice I-6
- Judicial – Indigent Defense I-8
- Judicial I-9
- JPS Special Funds I-11

General Government
- Military and Veterans Affairs J-1
- Office of Administrative Hearings J-3
- Treasurer J-4
- Fire Rescue National Guard Pensions and LDD Benefits J-8
- Insurance J-9
- State Board of Elections J-15
- General Assembly J-16
- Governor J-17
- Governor – Special Projects J-21
- State Budget and Management J-22
- State Budget and Management – Special Appropriations J-24
- Auditor J-25
- Housing Finance Agency J-26
- Administration J-29
- Revenue J-36
- Secretary of State J-42
- Lieutenant Governor J-43
- State Controller J-44

Transportation K-1

Reserves, Debt Service, and Adjustments L-1

Capital M-1

Information Technology N-1

General Fund Availability Statement

General Fund Availability Statement

		FY 2015-16	FY 2016-17
1	Unappropriated Balance	2,033,330	182,588,544
2	Over Collections FY 2014-15	445,820,623	0
3	Reversions FY 2014-15	415,657,138	0
4	Proceeds from Sale of Dix Received in FY 2014-15	2,000,000	0
5	Revenue Adjustment as per S.L. 2015-2	(1,000,000)	0
6	Earmarkings of Year End Fund Balance:		
7	Savings Reserve	(200,000,000)	0
8	Repairs and Renovations	(400,000,000)	0
9	**Beginning Unreserved Fund Balance**	**264,511,091**	**182,588,544**
10			
11	**Revenues Based on Existing Tax Structure**	**20,981,400,000**	**21,592,400,000**
12			
13	**Non-tax Revenues**		
14	Investment Income	17,100,000	17,400,000
15	Judicial Fees	227,800,000	225,500,000
16	Disproportionate Share	139,000,000	139,000,000
17	Insurance	78,400,000	79,600,000
18	Master Settlement Agreement	137,500,000	137,500,000
19	Other Non-Tax Revenues	168,000,000	168,800,000
20	Highway Fund Transfer	215,900,000	215,900,000
21	**Subtotal Non-tax Revenues**	**983,700,000**	**983,700,000**
22			
23	**Total General Fund Availability**	**22,229,611,091**	**22,758,688,544**
24			
25	**Adjustments to Availability: 2015 Session**		
26	Historic Preservation Tax Credit	0	(8,000,000)
27	Modify Corporate Income Tax Rate Trigger, Expand Corporate Tax Base, and Repeal Bank Privilege Tax	6,000,000	0
28	Phase-In Single Sales Factor Apportionment	(7,900,000)	(23,300,000)
29	Reduce Individual Income Tax (Reduces Rate to 5.499% in 2017, Restores Medical Deduction, and Raises Standard Deduction)	(117,300,000)	(437,100,000)
30	Expand Sales Tax Base	44,500,000	159,500,000
31	Transfer Additional Local Sales Tax Revenue for Economic Development, Public Education, and Community Colleges	0	(17,600,000)
32	Renewable Energy Safe Harbor (S.L. 2015-11)	0	(36,700,000)
33	Repeal Highway Fund Transfer	(215,900,000)	(215,900,000)
34	Transfer to Medicaid Transformation Fund	(75,000,000)	(150,000,000)
35	Standard & Poor's Settlement Funds	19,382,143	0
36	Master Settlement Agreement Funds to Golden L.E.A.F.	(10,000,000)	(10,000,000)
37	Department of Justice Tobacco Settlement	2,194,000	0
38	Transfer from Federal Insurance Contributions Act (FICA) Fund	4,296,802	641,628
39	Transfer from E-Commerce Fund Cash Balance	3,000,000	0
40	Transfer from DPS Enterprise Resource Planning System IT Fund	9,000,000	0
41	Adjustment of Transfer from Treasurer's Office	62,998	18,471
42	Adjustment of Transfer from Insurance Regulatory Fund	355,915	58,882
43	Realign Judicial Fees	25,000,000	25,000,000
44			
45	**Subtotal Adjustments to Availability: 2015 Session**	**(312,308,142)**	**(713,381,019)**
46			
47	**Revised General Fund Availability**	**21,917,302,949**	**22,045,307,525**
48			
49	**Less General Fund Appropriations**	**(21,734,714,405)**	**(21,919,468,078)**
50			
51	**Unappropriated Balance Remaining**	**182,588,544**	**125,839,447**

Summary: General Fund Appropriations

Summary of General Fund Appropriations Fiscal Year 2015-16 2015 Legislative Session						
		Legislative Adjustments				Revised
	Base Budget 2015-16	Recurring Adjustments	Nonrecurring Adjustments	Net Changes	FTE Changes	Appropriation 2015-16
Education:						
Community Colleges	1,048,495,115	(2,099,158)	22,671,041	20,571,883	7.00	1,069,066,998
Public Education	8,106,033,100	266,735,700	144,000,497	410,736,197	0.00	8,516,769,297
University System	2,647,296,221	58,742,318	40,524,039	99,266,357	0.00	2,746,562,578
Total Education	**11,801,824,436**	**323,378,860**	**207,195,577**	**530,574,437**	**7.00**	**12,332,398,873**
Health and Human Services:						
Central Management and Support	89,605,783	14,436,065	18,424,738	32,860,803	(20.00)	122,466,586
Aging and Adult Services	42,845,788	0	969,549	969,549	0.00	43,815,337
Blind and Deaf / Hard of Hearing Services	8,107,457	65,750	0	65,750	0.00	8,173,207
Child Development and Early Education	249,687,727	4,816,022	(22,040,920)	(17,224,898)	0.00	232,462,829
Health Service Regulation	16,022,641	82,606	0	82,606	2.00	16,105,247
Medical Assistance	3,532,548,786	279,094,664	(75,068,507)	204,026,157	0.00	3,736,574,943
Mental Health, Dev. Disabilities, & Sub. Abuse Services	680,179,847	6,928,916	(91,026,343)	(84,097,427)	2.00	596,082,420
NC Health Choice	41,874,629	5,522,950	(34,841,237)	(29,318,287)	0.00	12,556,342
Public Health	141,283,615	2,421,369	(2,327,764)	93,605	2.00	141,377,220
Social Services	180,017,803	2,765,460	400,000	3,165,460	1.00	183,183,263
Vocational Rehabilitation	37,752,132	0	0	0	0.00	37,752,132
Total Health and Human Services	**5,019,926,208**	**316,133,802**	**(205,510,484)**	**110,623,318**	**(13.00)**	**5,130,549,526**
Justice and Public Safety:						
Public Safety	1,758,733,006	61,996,903	27,399,201	89,396,104	112.83	1,848,129,110
Judicial	467,897,397	10,411,055	6,622,765	17,033,820	3.00	484,931,217
Judicial - Indigent Defense	112,087,174	3,485,302	430,421	3,915,723	0.00	116,002,897
Justice	50,584,602	1,852,333	1,412,529	3,264,862	13.00	53,849,464
Total Justice and Public Safety	**2,389,302,179**	**77,745,593**	**35,864,916**	**113,610,509**	**128.83**	**2,502,912,688**
Agriculture and Natural and Economic Resources:						
Agriculture and Consumer Services	113,940,604	1,892,669	481,702	2,374,371	6.00	116,314,975
Commerce	47,261,954	3,618,058	6,607,962	10,226,020	(6.60)	57,487,974
Commerce - State Aid	11,704,240	6,300,000	2,750,000	9,050,000	0.00	20,754,240
Cultural Resources	64,231,047	90,970,293	8,196,927	99,167,220	979.28	163,398,267
Cultural Resources - Roanoke Island	508,384	15,000	0	15,000	0.00	523,384
Environment and Natural Resources	162,279,549	(86,434,020)	5,461,073	(80,972,947)	(1,007.65)	81,306,602
Labor	15,945,674	(123,439)	173,124	49,685	(2.00)	15,995,359
Wildlife Resources Commission	13,317,641	(2,294,145)	(869,873)	(3,164,018)	(3.75)	10,153,623
Total Agriculture, Natural and Economic Resources	**429,189,093**	**13,944,416**	**22,800,915**	**36,745,331**	**(34.72)**	**465,934,424**

Summary of General Fund Appropriations Fiscal Year 2015-16 2015 Legislative Session						
		Legislative Adjustments				Revised
	Base Budget 2015-16	Recurring Adjustments	Nonrecurring Adjustments	Net Changes	FTE Changes	Appropriation 2015-16
General Government:						
Administration	67,409,693	(7,368,465)	1,299,684	(6,068,781)	(75.40)	61,340,912
Auditor	11,733,689	271,102	98,872	369,974	0.00	12,103,663
General Assembly	52,865,521	4,143,530	400,598	4,544,128	0.00	57,409,649
Governor	5,859,246	(293,072)	255,935	(37,137)	(2.00)	5,822,109
Governor - Special Projects	2,000,000	0	0	0	0.00	2,000,000
Housing Finance Agency	9,118,739	0	12,500,000	12,500,000	0.00	21,618,739
Insurance	38,296,364	58,882	297,033	355,915	1.00	38,652,279
Lieutenant Governor	676,874	1,098	4,903	6,001	0.00	682,875
Military and Veterans Affairs	0	7,556,254	1,980,741	9,536,995	77.90	9,536,995
Office of Administrative Hearings	4,992,437	150,976	36,771	187,747	1.00	5,180,184
Revenue	80,521,722	(213,325)	751,142	537,817	(1.00)	81,059,539
Secretary of State	11,676,506	74,189	137,996	212,185	0.00	11,888,691
State Board of Elections	6,620,578	(107,215)	251,479	144,264	0.00	6,764,842
State Budget and Management	7,586,922	(55,514)	152,541	97,027	1.00	7,683,949
State Budget and Management -- Special	0	1,500,000	13,281,688	14,781,688	0.00	14,781,688
State Controller	22,205,229	521,157	127,393	648,550	0.00	22,853,779
Treasurer - Operations	9,734,913	233,471	294,527	527,998	6.00	10,262,911
Treasurer - Retirement / Benefits	20,664,274	1,027,025	350,000	1,377,025	0.00	22,041,299
Total General Government	**351,962,707**	**7,500,093**	**32,221,303**	**39,721,396**	**8.50**	**391,684,103**
Statewide Reserves and Debt Service:						
Debt Service:						
Interest / Redemption	719,974,837	(6,815,194)	0	(6,815,194)	0.00	713,159,643
Federal Reimbursement	1,616,380	0	0	0	0.00	1,616,380
Subtotal Debt Service	**721,591,217**	**(6,815,194)**	**0**	**(6,815,194)**	**0.00**	**714,776,023**
Statewide Reserves:						
Contingency and Emergency Fund	5,000,000	0	0	0	0.00	5,000,000
Salary Adjustment Reserve	7,500,000	5,000,000	0	5,000,000	0.00	12,500,000
OSHR Minimum of Market Adjustment	0	0	0	0	0.00	0
Workers' Compensation Reserve	0	21,500,543	2,000,000	23,500,543	0.00	23,500,543
Information Technology Reserve	18,803,648	3,596,642	(1,079,447)	2,517,195	0.00	21,320,843
Information Technology Fund	24,199,049	(2,517,195)	73,337	(2,443,858)	0.00	21,755,191
IT Reserve - Budget Transparency Project	0	0	814,000	814,000	0.00	814,000
Job Development Investment Grants (JDIG)	63,045,357	0	(5,229,142)	(5,229,142)	0.00	57,816,215

Summary of General Fund Appropriations Fiscal Year 2015-16 2015 Legislative Session						
		Legislative Adjustments				Revised
	Base Budget 2015-16	Recurring Adjustments	Nonrecurring Adjustments	Net Changes	FTE Changes	Appropriation 2015-16
One North Carolina Fund	9,000,000	0	(2,004,024)	(2,004,024)	0.00	6,995,976
Pending Legislation	4,500,000	(4,500,000)	0	(4,500,000)	0.00	0
Voter Information Verification Act	1,000,000	(1,000,000)	0	(1,000,000)	0.00	0
Film and Entertainment Grant Fund	0	0	30,000,000	30,000,000	0.00	30,000,000
Subtotal Statewide Reserves	**133,048,054**	**22,079,990**	**24,574,724**	**46,654,714**	**0.00**	**179,702,768**
Total Reserves and Debt Service	**854,639,271**	**15,264,796**	**24,574,724**	**39,839,520**	**0.00**	**894,478,791**
Total General Fund for Operations	**20,846,843,894**	**753,967,560**	**117,146,951**	**871,114,511**	**96.61**	**21,717,958,405**
Capital Improvements						
Dorton Arena Roof Replacement	0	0	2,305,000	2,305,000	0.00	2,305,000
USS North Carolina Hull Repair and Cofferdam	0	0	3,500,000	3,500,000	0.00	3,500,000
Water Resources Development	0	0	5,083,000	5,083,000	0.00	5,083,000
Armory and Facility Development Projects	0	0	868,000	868,000	0.00	868,000
School of Science and Math - Technology Upgrades and Building Repairs	0	0	4,000,000	4,000,000	0.00	4,000,000
NCSU Engineering Building - Advance Planning	0	0	1,000,000	1,000,000	0.00	1,000,000
Total Capital Improvements	**0**	**0**	**16,756,000**	**16,756,000**	**0.00**	**16,756,000**
Total General Fund Budget	**20,846,843,894**	**753,967,560**	**133,902,951**	**887,870,511**	**96.61**	**21,734,714,405**

Summary of General Fund Appropriations Fiscal Year 2016-17 2015 Legislative Session						
		Legislative Adjustments				Revised
	Base Budget 2016-17	Recurring Adjustments	Nonrecurring Adjustments	Net Changes	FTE Changes	Appropriation 2016-17
Education:						
Community Colleges	1,048,495,115	17,300,405	100,000	17,400,405	7.00	1,065,895,520
Public Education	8,106,033,100	313,231,521	180,000	313,411,521	0.00	8,419,444,621
University System	2,647,304,656	25,771,233	10,232,038	36,003,271	0.00	2,683,307,927
Total Education	**11,801,832,871**	**356,303,159**	**10,512,038**	**366,815,197**	**7.00**	**12,168,648,068**
Health and Human Services:						
Central Management and Support	89,605,783	22,435,470	17,992,000	40,427,470	(17.00)	130,033,253
Aging and Adult Services	42,845,788	0	969,549	969,549	0.00	43,815,337
Blind and Deaf / Hard of Hearing Services	8,107,457	65,750	0	65,750	0.00	8,173,207
Child Development and Early Education	249,687,727	8,515,712	(15,169,463)	(6,653,751)	0.00	243,033,976
Health Service Regulation	16,022,641	88,033	0	88,033	2.00	16,110,674
Medical Assistance	3,532,548,784	455,259,298	(71,570,810)	383,688,488	0.00	3,916,237,272
Mental Health, Dev. Disabilities, & Sub. Abuse Services	680,179,847	8,067,844	(150,386,383)	(142,318,539)	2.00	537,861,308
NC Health Choice	41,874,629	6,230,413	(47,358,284)	(41,127,871)	0.00	746,758
Public Health	141,283,615	2,453,313	4,561,500	7,014,813	2.00	148,298,428
Social Services	180,017,803	5,515,460	0	5,515,460	1.00	185,533,263
Vocational Rehabilitation	37,752,132	0	0	0	0.00	37,752,132
Total Health and Human Services	**5,019,926,206**	**508,631,293**	**(260,961,891)**	**247,669,402**	**(10.00)**	**5,267,595,608**
Justice and Public Safety:						
Public Safety	1,758,773,164	84,971,162	3,621,300	88,592,462	222.83	1,847,365,626
Judicial	467,898,110	16,228,211	0	16,228,211	9.00	484,126,321
Judicial - Indigent Defense	112,097,118	4,532,846	0	4,532,846	0.00	116,629,964
Justice	50,584,602	2,130,990	0	2,130,990	13.00	52,715,592
Total Justice and Public Safety	**2,389,352,994**	**107,863,209**	**3,621,300**	**111,484,509**	**244.83**	**2,500,837,503**
Agriculture and Natural and Economic Resources:						
Agriculture and Consumer Services	113,940,604	2,015,169	1,000,000	3,015,169	6.00	116,955,773
Commerce	47,261,954	5,082,375	5,251,799	10,334,174	(8.53)	57,596,128
Commerce - State Aid	11,704,240	3,851,570	2,500,000	6,351,570	0.00	18,055,810
Cultural Resources	64,231,047	97,604,806	7,453,550	105,058,356	979.28	169,289,403
Cultural Resources - Roanoke Island	508,384	15,000	0	15,000	0.00	523,384
Environment and Natural Resources	162,279,549	(85,099,940)	5,250,000	(79,849,940)	(1,007.65)	82,429,609
Labor	15,945,674	(123,439)	0	(123,439)	(2.00)	15,822,235
Wildlife Resources Commission	13,317,641	(2,294,145)	(1,000,000)	(3,294,145)	(3.75)	10,023,496
Total Agriculture, Natural and Economic Resources	**429,189,093**	**21,051,396**	**20,455,349**	**41,506,745**	**(36.65)**	**470,695,838**

Summary of General Fund Appropriations Fiscal Year 2016-17 2015 Legislative Session						
		Legislative Adjustments				Revised
	Base Budget 2016-17	Recurring Adjustments	Nonrecurring Adjustments	Net Changes	FTE Changes	Appropriation 2016-17
General Government:						
Administration	65,932,950	(7,268,465)	0	(7,268,465)	(81.60)	58,664,485
Auditor	11,733,689	271,102	0	271,102	0.00	12,004,791
General Assembly	52,865,521	4,143,530	0	4,143,530	0.00	57,009,051
Governor	5,859,246	(293,072)	0	(293,072)	(2.00)	5,566,174
Governor - Special Projects	2,000,000	0	0	0	0.00	2,000,000
Housing Finance Agency	9,118,739	1,541,261	15,000,000	16,541,261	0.00	25,660,000
Insurance	38,296,364	58,882	0	58,882	1.00	38,355,246
Lieutenant Governor	676,874	1,098	0	1,098	0.00	677,972
Military and Veterans Affairs	0	7,556,254	250,000	7,806,254	77.90	7,806,254
Office of Administrative Hearings	4,992,437	150,976	0	150,976	1.00	5,143,413
Revenue	80,539,222	(81,543)	0	(81,543)	0.00	80,457,679
Secretary of State	11,676,506	74,189	0	74,189	0.00	11,750,695
State Board of Elections	6,620,578	(107,215)	0	(107,215)	0.00	6,513,363
State Budget and Management	7,586,922	(55,514)	0	(55,514)	1.00	7,531,408
State Budget and Management -- Special	0	1,500,000	500,000	2,000,000	0.00	2,000,000
State Controller	22,205,229	521,157	0	521,157	0.00	22,726,386
Treasurer - Operations	9,734,913	558,471	55,000	613,471	6.00	10,348,384
Treasurer - Retirement / Benefits	20,664,274	1,027,025	0	1,027,025	0.00	21,691,299
Total General Government	**350,503,464**	**9,598,136**	**15,805,000**	**25,403,136**	**3.30**	**375,906,600**
Statewide Reserves and Debt Service:						
Debt Service:						
Interest / Redemption	719,974,837	(18,125,622)	0	(18,125,622)	0.00	701,849,215
Federal Reimbursement	1,616,380	0	0	0	0.00	1,616,380
Subtotal Debt Service	**721,591,217**	**(18,125,622)**	**0**	**(18,125,622)**	**0.00**	**703,465,595**
Statewide Reserves:						
Contingency and Emergency Fund	5,000,000	0	0	0	0.00	5,000,000
Salary Adjustment Reserve	7,500,000	17,500,000	0	17,500,000	0.00	25,000,000
OSHR Minimum of Market Adjustment	0	12,000,000	0	12,000,000	0.00	12,000,000
Reserve for Future Benefit Needs	0	71,000,000	0	71,000,000	0.00	71,000,000
Workers' Compensation Reserve	0	21,500,543	0	21,500,543	0.00	21,500,543
Information Technology Reserve	18,803,648	3,876,168	(1,358,973)	2,517,195	0.00	21,320,843
Information Technology Fund	24,199,049	(2,517,195)	0	(2,517,195)	0.00	21,681,854
Job Development Investment Grants (JDIG)	63,045,357	8,682,769	0	8,682,769	0.00	71,728,126

Summary of General Fund Appropriations						
Fiscal Year 2016-17						
2015 Legislative Session						
			Legislative Adjustments			Revised
	Base Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2016-17	Adjustments	Adjustments	Changes	Changes	2016-17
One North Carolina Fund	9,000,000	0	0	0	0.00	9,000,000
Pending Legislation	4,500,000	(4,500,000)	0	(4,500,000)	0.00	0
Voter Information Verification Act	1,000,000	(1,000,000)	0	(1,000,000)	0.00	0
Film and Entertainment Grant Fund	0	0	30,000,000	30,000,000	0.00	30,000,000
Public Schools Average Daily Membership (ADM)	0	107,000,000	0	107,000,000	0.00	107,000,000
UNC System Enrollment Growth Reserve	0	31,000,000	0	31,000,000	0.00	31,000,000
Subtotal Statewide Reserves	**133,048,054**	**264,542,285**	**28,641,027**	**293,183,312**	**0.00**	**426,231,366**
Total Reserves and Debt Service	**854,639,271**	**246,416,663**	**28,641,027**	**275,057,690**	**0.00**	**1,129,696,961**
Total General Fund for Operations	**20,845,443,899**	**1,249,863,856**	**(181,927,177)**	**1,067,936,679**	**208.48**	**21,913,380,578**
Capital Improvements						
Armory and Facility Development Projects	0	0	5,087,500	5,087,500	0.00	5,087,500
NCSU Engineering Building	0	0	1,000,000	1,000,000	0.00	1,000,000
Total Capital Improvements	**0**	**0**	**6,087,500**	**6,087,500**	**0.00**	**6,087,500**
Total General Fund Budget	**20,845,443,899**	**1,249,863,856**	**(175,839,677)**	**1,074,024,179**	**0.00**	**21,919,468,078**

Education
Section F

Public Education

GENERAL FUND

	FY 15-16		FY 16-17	
Recommended Base Budget	**$8,106,033,100**		**$8,106,033,100**	
Legislative Changes				
A. Reserve for Salaries and Benefits				
1 Compensation Reserve - Educators	$62,171,653	R	$62,171,653	R
Funds several changes to the Statewide teachers salary schedule, including an increase in starting pay from $3,300 to $3,500 per month (i.e. $33,000 to $35,000 per year for a 10-month teacher), an experience-based step increase for educators earning a year of creditable experience, and a sixth tier for school psychologists, speech pathologists and school audiologists. Funds are also provided for a $750 one-time bonus for educators and to ensure that bonuses received in FY 2014-15 are continued as appropriate.	$79,521,583	NR		
2 Compensation Reserve - School-based Administrators (SBAs)	$4,550,919	R	$4,550,919	R
Provides funds for a $750 bonus for school-based administrators (SBAs) and for an experience-based step increase for SBAs earning a year of creditable experience. Funds are also appropriated to continue the bonus granted in FY 2014-15 for SBAs who did not receive a salary increase in that year; this bonus shall continue to be paid monthly.	$3,599,248	NR		
3 Compensation Reserve - Other LEA Personnel				
Provides funds for a $750 one-time bonus for central office and non-certified personnel within local education agencies. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$39,781,698	NR		
4 Compensation Reserve - DPI	$216,430	R	$216,430	R
Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes. In addition, funds are appropriated for the changes to the Statewide teacher salary schedule that affect State agency teachers within the Department.	$676,818	NR		
5 State Retirement Contributions - School District Personnel	$6,308,775	R	$6,308,775	R
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.				
6 State Retirement Contributions - DPI	$49,396	R	$49,396	R
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.				

	FY 15-16		FY 16-17	
7 State Health Plan - School District Personnel Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.	$14,124,040	R	$14,124,040	R
8 State Health Plan - DPI Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.	$77,199	R	$77,199	R
B. Technical Adjustments				
9 Average Daily Membership (ADM) (Multiple) Revises allotted FY 2015-16 ADM to reflect 17,338 more students than are included in FY 2014-15 allotted ADM. This adjustment includes revisions to multiple position, dollar, and categorical allotments. Funding associated with projected FY 2016-17 ADM growth is reserved in the "Reserves, Debt Service and Adjustments" section of this report.	$100,236,542	R	$100,236,542	R
10 Exceptional Children Headcount (1860) Adjusts funding budgeted for the Children with Disabilities preschool and school age allotments to reflect actual student headcount. This adjustment revises budgeted funding for both preschool and school-age children with special needs to reflect the April 1, 2015 headcount and does not modify per-student funding.	$404,103	R	$404,103	R
11 Average Certified Personnel Salaries (Multiple) Revises budgeted funding for certified personnel salaries based on actual salary data from December 2014. The adjustment does not reduce any salary paid to certified personnel, nor does it reduce the number of guaranteed State-funded teachers, administrators, or instructional support personnel.	($14,839,270)	R	($14,977,035)	R
12 Classroom Teachers (1800) Adjusts the receipts budgeted for the Classroom Teachers allotment to reflect a new distribution of Lottery receipts. This adjustment, while eliminating Lottery support for this allotment, does not impact the combined total funding from Lottery and other General Fund sources available to it.	$254,586,185	R	$254,586,185	R
13 Noninstructional Support Personnel (1800) Adjusts the receipts budgeted for the Noninstructional Support Personnel allotment to reflect a new distribution of Lottery receipts. This adjustment, while significantly reducing General Fund support for this allotment, does not impact the combined total funding from Lottery and other General Fund sources available to it.	($310,455,157)	R	($314,950,482)	R
14 Civil Penalties (1800) Increases budgeted receipts from Civil Penalties and takes a corresponding nonrecurring General Fund reduction. The nonrecurring reduction reflects actual overrealized receipts in FY 2014-15, while the recurring reduction reflects an increased estimate of anticipated FY 2015-17 receipts.	($3,978,850) ($3,978,850)	R NR	($3,978,850)	R

	FY 15-16		FY 16-17	
C. Public School Funding Adjustments				
15 Low Wealth Supplemental Funding (1800) Adjusts the supplemental allotment for school districts in low wealth communities to align funding availability with actual school district eligibility. This adjustment will not reduce funding to eligible districts. A related provision in this act adjusts the Low Wealth formula to provide the same amount of supplemental funding to school districts in certain low wealth counties as received in the 2012-2013 fiscal year. These local school administrative units have an average daily membership of more than 23,000 students and are in counties that also contain a base of the Armed Forces of the United States. $205.5 million will be available in this allotment.	($10,091,091)	R	($10,091,091)	R
16 Teacher Assistants (1800) Provides funding sufficient to maintain the FY 2014-15 level of support for this allotment. Additional funds are provided in the "Average Daily Membership" item that will have the impact of increasing overall support for Teacher Assistants due to increased student headcount. $377.1 million will be available in this allotment in FY 2015-16 and FY 2016-17.	$138,134,525	R	$138,134,525	R
17 Increased Funding for Classroom Teachers (1800) Increases funding to school districts for guaranteed Classroom Teachers positions in grade 1. Beginning in FY 2016-17, the teacher allotment ratio will be decreased by 1 student per teacher in grade 1 to provide 1 teacher per 16 students. Total funding for guaranteed classroom teacher positions, inclusive of salary and benefits costs, will be $4.31 billion in FY 2016-17.			$26,898,798	R
18 Textbooks and Digital Resources (1800) Increases General Fund support for textbooks and digital resources, bringing total funding for this allotment to $52.4 million in FY 2015-16 and $62.0 million in FY 2016-17.	$21,820,000	R	$31,030,837	R
19 School Connectivity Initiative (1900) Provides additional support for this initiative that brings broadband connectivity to all K-12 public school buildings in the State. New funds will allow enhancement of school-level internal Wi-Fi networks to provide high-quality, reliable connectivity to the classroom level. Total State funding for School Connectivity will total $21.9 million in FY 2015-16 and $31.9 million in FY 2016-17.	$2,000,000	R	$12,000,000	R

	FY 15-16		FY 16-17	
20 Cooperative and Innovative High Schools (1821) Provides Cooperative and Innovative High Schools (CIHS) allotment support to fulfill the funding requests for new CIHSs. Funding will support schools in Pitt, Watauga, and Wilson Counties. These schools will receive the $310,669 allotment provided to other CIHS programs. Wilson Academy of Applied Technology will receive nonrecurring planning funds in FY 2015-16 and the full CIHS allotment beginning in FY 2016-17, as it will open a year later than the other CIHSs listed above. Total support in the Public Schools budget for CIHS programs will be $24.3 million in FY 2015-16 and $24.5 million in FY 2016-17.	$621,338 $100,000	R NR	$932,007	R
21 Cooperative and Innovative High School Tuition (1821) Provides additional support to the Department of Public Instruction (DPI) for the payment of tuition at four-year colleges and universities on behalf of students taking college-level classwork through CIHS programs. Total support for tuition will be $2.5 million.	$800,000	R	$800,000	R
22 Transportation (1830) Reduces by approximately 5% the total budget for the allotment, which supports the salaries of transportation personnel, diesel fuel, replacement parts, and the maintenance of yellow school buses. This reduction reflects a lower projected cost for diesel fuel ($2.17/gallon) than is included in the base budget ($3.15/gallon). Total funding for this allotment will be $444.4 million in FY 2015-16 and FY 2016-17.	($25,079,807)	R	($25,079,807)	R
23 ADM Contingency Reserve (1800) Provides funding for the ADM Contingency Reserve to offset the potential costs associated with two virtual charter schools beginning operations in the 2015-16 school year. Total support for the reserve will be $8.8 million.	$2,500,000	R	$2,500,000	R
24 Read to Achieve (RTA) Reading Camp-1st & 2nd Grade Expansion (multiple) Provides additional funds to expand the RTA Reading Camps to serve 1st and 2nd graders, in addition to the currently served 3rd graders. As specified in a related provision, newly eligible summer camp participants will be 1st and 2nd grade students who demonstrate reading comprehension below grade level as identified through the administration of formative and diagnostic assessments. These expansion funds shall be allocated in a manner consistent with allocation of the summer camp funding for 3rd graders.	$20,000,000	R	$20,000,000	R
25 Excellent Public Schools Act (Multiple) Provides additional funds to the Department of Public Instruction to carry out elements of the Excellent Public Schools Act contained in Section 7A.1 and Section 7A.7 of S.L. 2012-142. DPI will have $41.8 million available to implement these requirements in FY 2015-16 and $46.5 million in FY 2016-17.	$3,812,141	R	$8,520,748	R

	FY 15-16		FY 16-17	
26 Education Value Added Assessment System (EVAAS) (1800) Provides additional support to expand EVAAS capacities in support of the Read to Achieve program as well as student and teacher performance measurement. Total State support for EVAAS will be $3.7 million.	$871,474	R	$871,474	R
27 Driver Training (1830) Provides nonrecurring funding to support Driver Training programs administered at the LEA level. State support in FY 2016-17 for this activity is provided by Civil Fines and Forfeitures.	$24,120,000	NR		
28 Regional Schools (1821) Provides additional funding to the Northeast Regional School of Biotechnology and Agriscience in Jamesville, NC.	$310,669	R	$310,669	R
D. Grants				
29 Beginnings for Children, Inc. (1901) Provides support to expand the programs and services provided by Beginnings for Parents of Children Who Are Deaf or Hard of Hearing, Inc. (Beginnings), as part of its outreach and support to North Carolina families. Total FY 2015-16 and FY 2016-17 State support for Beginnings will be $1,004,216.	$84,486	R	$84,486	R
30 Eastern North Carolina STEM Summer Program (1901) Provides funds to the State Board of Education to contract with an independent entity to administer a residential science, mathematics, engineering and technology (STEM) enrichment program for students traditionally underserved. Participation in the program shall be limited to students of the Northampton County Schools, Weldon City Schools, Roanoke Rapids City Schools and KIPP Pride High School.	$180,000	NR	$180,000	NR
E. Department of Public Instruction				
31 DPI Flexible Reduction (Multiple) Reduces State General Fund support for DPI by 5.2%. The State Board of Education may allocate this reduction at its discretion. $45.3 million will remain available to support DPI operations.	($2,500,000)	R	($2,500,000)	R
Total Legislative Changes	**$266,735,700**	R	**$313,231,521**	R
	$144,000,497	NR	**$180,000**	NR
Total Position Changes				
Revised Budget	**$8,516,769,297**		**$8,419,444,621**	

Community Colleges

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$1,048,495,115**		**$1,048,495,115**	
Legislative Changes				
A. Reserve for Salaries and Benefits				
32 Compensation Reserve - Community Colleges Provides funds for salary increases for State-funded local community college employees. Community Colleges are given flexibility in allocating these funds to their State-funded employees.	$10,000,000	R	$20,000,000	R
33 Compensation Reserve - Community Colleges Provides funds for a $750 one-time bonus for State-funded community college employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$14,935,807	NR		
34 Compensation Reserve - System Office Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$135,234	NR		
35 State Retirement Contributions - Community Colleges Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.	$1,025,726	R	$1,025,726	R
36 State Retirement Contributions - System Office Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.	$13,256	R	$13,256	R
37 State Health Plan - Community Colleges Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.	$1,699,899	R	$1,699,899	R
38 State Health Plan - System Office Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.	$15,392	R	$15,392	R

	FY 15-16		FY 16-17	
B. Technical and Formula Adjustments				
39 Enrollment Growth Adjustment (Multiple) Adjusts funds for the biennium based on the decline in community college enrollment. The Community College System total enrollment declined by 4,864 Full Time Equivalent (FTE) students (2.1%) from the budgeted amount in the FY 2014-15 certified budget for a savings of $6.5 million.	($6,466,443)	R	($6,466,443)	R
40 Summer Enrollment Funding (Multiple) Allows the Community College System to include curriculum courses taught year round in the enrollment funding calculation for General Fund support. There are currently 3,458 Full Time Equivalent students enrolled within these courses at a Community College campus in the Summer Term. These FTEs would now be included in the enrollment funding formula to receive State support at the Tier 2 allocation rate ($4,907 per FTE).			$16,968,959	R
41 Curriculum Tuition (1620) Increases curriculum tuition by $4.00 per credit hour and budgets the expected increase in receipts. The increase is effective beginning Spring Semester 2016. Tuition will increase from $72 to $76 per credit hour for residents and from $264 to $268 for non-residents. Tuition for resident students will increase by a maximum of $128 per year, from $2,304 to $2,432.	($8,069,397)	R	($16,138,793)	R
C. Other Adjustments				
42 Procurement Efficiencies (Multiple) Reduces funds related to purchase and contract to reflect efficiencies created by participation in the State's Procurement Transformation Program administered by the Department of Administration.	($2,519,343)	R	($2,519,343)	R
43 Audit Services (1300) Restores funding for the System Office's Audit Services division.	$551,752 7.00	R	$551,752 7.00	R
44 Equipment (1623) Provides funds for the purchase of instructional equipment and technology at all 58 colleges. These funds are in addition to the $49.0 million included in the base budget for this purpose. Funds shall be distributed in accordance with the existing equipment allocation formula.	$7,500,000	NR		
45 Caldwell Community College Truck Driver Training Program (1624) Provides funds for the Caldwell Community College Truck Driver Training program.	$150,000	R	$150,000	R
46 NC Works Career Coaches Establishes a program to place local community college-employed career coaches in high schools.	$500,000	R	$1,000,000	R

	FY 15-16		FY 16-17	
47 Fayetteville Technical Community College Botanical Lab (1624)				
Increases support for the Botanical Lab at Fayetteville Technical Community College by $100,000 nonrecurring in each year of the biennium. The total program funding for both FY 2015-16 and FY 2016-17 will be $200,000.	$100,000	NR	$100,000	NR
D. Financial Aid Adjustments				
48 Yellow Ribbon G.I. Education Enhancement Program (1900)	($1,000,000)	R	($1,000,000)	R
Eliminates funding for the Yellow Ribbon Program which leveraged federal matching funds to reduce tuition costs for certain non-resident veterans.				
49 Resident Tuition for Certain Non-Resident Veterans (1620)	$2,000,000	R	$2,000,000	R
Provides funds to offset a reduction in tuition receipts as a result of granting certain non-resident veterans resident status for tuition purposes. The federal Veterans Access, Choice, and Accountability Act of 2014 requires public institutions of higher education to charge certain non-resident veterans no more than the resident tuition and fee rates or risk losing approval to receive federal educational benefits. This item funds the expected costs of compliance with that Act for the Community College System.				
Total Legislative Changes	**($2,099,158)**	R	**$17,300,405**	R
	$22,671,041	NR	**$100,000**	NR
Total Position Changes	7.00		7.00	
Revised Budget	**$1,069,066,998**		**$1,065,895,520**	

UNC System

GENERAL FUND

	FY 15-16		FY 16-17	
Recommended Base Budget	**$2,647,296,221**		**$2,647,304,656**	
Legislative Changes				
A. Reserve for Salaries and Benefits				
50 Compensation Reserve	$58,980	R	$58,980	R
Provides funds for a $750 one-time bonus for UNC employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes. In addition, funds are appropriated for the changes to the Statewide teacher salary schedule that affect NC School of Science and Math teachers within the UNC System.	$27,212,889	NR		
51 State Retirement Contributions - TSERS Members	$1,458,018	R	$1,458,018	R
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.				
52 State Retirement Contributions - ORP Members	$988,900	R	$988,900	R
Increases the State's contribution for members of the Optional Retirement Program to fund increased retiree medical premiums.				
53 State Health Plan	$3,097,323	R	$3,097,323	R
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.				
B. Technical and Formula Adjustments				
54 Enrollment Growth Adjustments (16011)	$49,324,741	R	$49,324,741	R
Fully funds the projected enrollment growth at the University of North Carolina (UNC) System for FY 2015-16. Enrollment is expected to increase by 3,345 Full Time Equivalent (FTE) students (1.7%) in FY 2015-16. Funding associated with projected FY 2016-17 FTE growth is reserved in the "Reserves, Debt Service and Adjustments" section of this report.				
55 Building Reserves (Multiple)	$470,912	R	$714,678	R
Provides funding for new and renovated buildings coming online during the FY 2015-17 biennium at Appalachian State University, East Carolina University, North Carolina State University, and UNC-Wilmington.	$170,282	NR	$91,170	NR

	FY 15-16		FY 16-17	
C. Other Adjustments				
56 Elizabeth City State University: Budget Stabilization Funds (16086)				
Provides funds to Elizabeth City State University to stabilize enrollment. The funds will be used to enhance technology related to enrollment and recruitment of students, campus access and safety, and human resource management.	$3,000,000	NR	$3,000,000	NR
57 Management Flexibility Reduction (16011)	($17,913,812)	R	($43,474,267)	R
Mandates a management flexibility reduction for the UNC operating budget. The UNC Board of Governors shall not allocate this reduction on an across-the-board basis to constituent institutions.			($3,000,000)	NR
58 Advancement Activity Limitations (16011)			($16,354,396)	R
Caps the use of General Fund appropriations for campus advancement activities at $1 million per campus. The following campuses do not receive a reduction: Elizabeth City State University, Fayetteville State University, University of North Carolina School of the Arts, Western Carolina University, and North Carolina School of Science and Math.				
59 East Carolina University: Medical School Sustainability Funds (16066)				
Provides funds to stabilize the Brody School of Medicine due to lower revenues.	$8,000,000	NR	$8,000,000	NR
60 Mountain Area Health Education Center (16022)	$8,000,000	R	$8,000,000	R
Provides funds to the Mountain Area Health Education Center for surgery and family medicine residencies in the MAHEC service area.				
61 Medical Scholars Program (16021)	$1,000,000	R	$1,000,000	R
Provides funds to the University of North Carolina's School of Medicine Kenan Medical Scholars program at Chapel Hill. This program supports students with a specialization interest in primary care, general surgery, and psychiatry who are interested in practicing medicine in a rural area.				
62 Western Governors University Challenge Grant (16015)				
Provides a challenge grant to Western Governors University for development of a North Carolina campus contingent on the University raising $5 million in private funds.			$2,000,000	NR
63 Academic Summer Bridge Program (16011)	($1,193,000)	R	($1,193,000)	R
Eliminates funding for the Academic Summer Bridge Program.				
64 Hunt Institute (16020)	($737,230)	R	($737,230)	R
Eliminates General Fund support for The Hunt Institute.				

	FY 15-16		FY 16-17	
65 UNC Core (16020) Provides funds to support course development for UNC Core, a program of online instruction for active duty service members and veterans housed at the Friday Center for Continuing Education at UNC-Chapel Hill.	$1,000,000	R	$1,000,000	R
66 ASU: Recruit Community College Students Pilot (16080) Provides nonrecurring funds to establish a pilot program in the Appalachian State University College of Education for the purposes of recruiting and retaining community college students. The program ends in FY 2017-18.	$140,868	NR	$140,868	NR
67 Union Square Campus, Inc. (16011) Provides additional funds to the Union Square Campus, Inc., a non-profit entity providing nursing education and training facilities with North Carolina A&T, UNC Greensboro, Guilford Technical Community College, and Cone Health. This project received $2 million in nonrecurring funds in FY 2014-15.	$2,000,000	NR		
D. Financial Aid Adjustments				
68 Yellow Ribbon G.I. Education Enhancement Program (16011) Eliminates funding for the Yellow Ribbon Program which leveraged federal matching funds to reduce tuition costs for certain non-resident veterans.	($4,863,276)	R	($4,863,276)	R
69 Resident Tuition for Certain Non-Resident Veterans (16011) Provides funds to offset a reduction in tuition receipts as a result of granting certain non-resident veterans resident status for tuition purposes. The federal Veterans Access, Choice, and Accountability Act of 2014 requires public institutions of higher education to charge certain non-resident veterans no more than the resident tuition and fee rates or risk losing approval to receive federal educational benefits. This item funds the expected costs of compliance with that Act for the UNC System.	$9,300,762	R	$9,300,762	R
70 NC Need-Based Scholarships (16015) Provides additional nonrecurring funds for the NC Need-Based Scholarship for resident students attending private colleges. This represents a 2% increase in funding for this program and provides $88.4 million in scholarships once the full increase goes into effect for FY 2016-17.	$1,000,000	R	$2,000,000	R
71 Principal Preparation (16015) Creates a competitive grant program for principal development to be administered by the State Education Assistance Authority.	$500,000	R	$1,000,000	R
72 Opportunity Scholarships (16015) Increases funds for the Opportunity Scholarships program. The program provides scholarship grants of up to $2,100 per semester for eligible students to attend nonpublic schools. The total program funding will be $17.6 million in FY 2015-16 and $24.8 million in FY 2016-17. Program funding in FY 2016-17 will be an increase of 129% over FY 2014-15 levels.	$6,800,000	R	$14,000,000	R

Conference Committee Report	FY 15-16		FY 16-17	
73 National Guard Tuition Assistance Program (16012) Increases funding for the National Guard Tuition Assistance Program by 10%, which provides financial aid to active members of the North Carolina Army or Air National Guard. The total program funding after the adjustment will be $2.1 million.	$200,000	R	$200,000	R
74 Special Education Scholarships (16015) Increases funds for the Special Education Scholarships program by 6%. The program provides scholarship grants of up to $4,000 per semester for eligible students. The total funding after this adjustment will be $4.2 million.	$250,000	R	$250,000	R
Total Legislative Changes	**$58,742,318**	R	**$25,771,233**	R
	$40,524,039	NR	**$10,232,038**	NR
Total Position Changes				
Revised Budget	**$2,746,562,578**		**$2,683,307,927**	

Health
and
Human Services
Section G

Health and Human Services

GENERAL FUND

	FY 15-16		FY 16-17	
Recommended Base Budget	**$89,605,783**		**$89,605,783**	
Legislative Changes				
(1.0) Division of Central Management and Support				
1 State Health Plan Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.	$594,352	R	$594,352	R
2 State Retirement Contributions Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.	$340,897	R	$340,897	R
3 Compensation Reserve Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes. In addition, funds are appropriated for the changes to the Statewide teacher salary schedule that affect State agency teachers within the Department.	$124,148 $5,221,738	R NR	$124,148	R
4 Health Information Exchange (1910) Eliminates recurring funding for the exchange in accordance with S.L. 2015-7.	($2,000,000)	R	($2,000,000)	R
5 Vacant Positions Eliminates vacant positions within the Department of Health and Human Services.	($1,481,673) -57.00	R	($1,481,673) -57.00	R
6 Competitive Block Grant Transfer (1910) Transfers funds from the completive block grant for Accessible Electronic Information for the Blind to the Division of Services for the Blind. Combined with the Competitive Block Additional Funds item, the total competitive block grant appropriation is increased by 11% to $14,506,411.	($75,000)	R	($75,000)	R
7 Health Net Grants (1372) Eliminates the NC Health Net program and allocates half of the remaining funding to the Community Health Grants program. The Community Health Grant program is increased by 42% to $7.5 million.	($2,250,000)	R	($2,250,000)	R
8 Miscellaneous Contractual Services (1120) Reduces funding for contracts in central management. Over $3.1 million remains in the budget for this purpose in central management.	($3,200,000)	NR		

	FY 2015-16		FY 2016-17	
9 NC FAST Required Changes (2411,1122)	$360,000	R	$360,000	R
Provides funds to make the required changes to NC FAST associated with allowing the Eastern Band of the Cherokee to administer their Medicaid and Food and Nutrition Services Programs in accordance with State law.	$3,200,000	NR		
10 NC FAST- Operations and Maintenance (2411, 1122)				
Provides $9,871,059 in FY 2015-16 and $13,220,665 in FY 2016-17 in additional receipts for ongoing maintenance and operations for the NC FAST system. Three technology support analyst positions will be created and funded with the additional receipts. Total funding for this purpose is $60 million for FY 2015-16 and $47.5 million for FY 2016-17				
11 NC FAST (2411, 1122)				
Provides funding for continued system development including using prior-year earned revenue in the nonrecurring amount of $9.4 million in FY 2015-16 and FY 2016-17, to bring the total funding for NC FAST, along with federal funding, to $77.7 million for FY 2015-16 and $84.4 million for FY 2016-17.	$5,803,000 37.00	NR	$13,052,000 40.00	NR
12 NCTRACKS (2413, 1122)	$400,000	R	$400,000	R
Provides recurring funding for the operation and maintenance of NC TRACKS. Additional nonrecurring funding is provided for the development and implementation of 2 projects; ICD-10 which is used to code medical procedures and the Business Process Automated System for the Division of Health Service Regulation. Total funding for this purpose is over $60 million for FY 2015-16 and FY 2016-17.	$2,300,000	NR	$940,000	NR
13 Health Information Exchange (HIE) (1910)	$8,000,000	R	$8,000,000	R
Funding is provided to continue efforts towards the implementation of a statewide HIE.	$4,000,000	NR	$4,000,000	NR
14 Government Data Analytics Center (1910)	$250,000	R	$250,000	R
Funds a contract for the development for new and enhanced health data analytics capability and functionality for the Department.	$750,000	NR		
15 Office of Program Evaluation, Reporting and Accountability (1910)	$250,000	R	$500,000	R
Establishes an Office within the Department of Health and Human Services to evaluate effectiveness and efficiency of programs as Directed by the Secretary, Governor and as requested by the General Assembly.				
16 Community Paramedicine Pilot Project				
Provides funds to implement 3 pilot projects focused on expanding the role of paramedics to allow for community-based initiatives designed to avoid nonemergency use of hospital emergency rooms.	$350,000	NR		
17 Competitive Block Grant Additional Funds (1910)	$1,625,000	R	$1,625,000	R
Increases funds for long-term, residential substance abuse services.				

Conference Committee Report	FY 2015-16		FY 2016-17	
18 Office of the State Auditor - Financial Audit Provides funds for a comprehensive financial audit of DHHS for FY 2014-15 and FY 2015-16. These funds shall be transferred to the Office of the State Auditor to perform the financial audit.	$450,000	R	$450,000	R
19 Community Mental Health Initiatives (1910) Provides funds pursuant to the U.S. Department of Justice settlement agreement to continue to develop and implement housing, support, and other services for people with mental illness. This action increases the settlement budget to $27.5 million in FY 2015-16 and to $35.3 million in FY 2016-17.	$7,848,341	R	$15,597,746	R
Total Legislative Changes	**$14,436,065**	R	**$22,435,470**	R
	$18,424,738	NR	**$17,992,000**	NR
Total Position Changes	-20.00		-17.00	
Revised Budget	**$122,466,586**		**$130,033,253**	

Health and Human Services

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$42,845,788**		**$42,845,788**	
Legislative Changes				
(2.0) Division of Aging and Adult Services				
20 Home and Community Care Block Grant (1370,1451)				
Restores the reduction taken in FY 2014-15, increasing the Home and Community Care Block Grant total availability by 2% to $55 million.	$969,549	NR	$969,549	NR
Total Legislative Changes	**$969,549**	**NR**	**$969,549**	**NR**
Total Position Changes				
Revised Budget	**$43,815,337**		**$43,815,337**	

Health and Human Services

GENERAL FUND

	FY 15-16		FY 16-17	
Recommended Base Budget	**$249,687,727**		**$249,687,727**	
Legislative Changes				
(3.0) Division of Child Development and Early Education				
21 Federal Funding for NC Pre-K (1330) Budgets Temporary Assistance for Needy Families block grant funding on a nonrecurring basis for NC Pre-K.	($16,829,306)	NR	($12,333,981)	NR
22 Cost-Allocate Staff (1110) Budgets federal block grant funds for positions within the Division of Child Development and Early Education. Total availability for this program is not changed.	($507,577)	R	($507,577)	R
23 Child Care Subsidy (1380) Budgets Temporary Assistance for Needy Families (TANF) and TANF Contingency Block grant funds on a nonrecurring basis for child care subsidy. Total availability for this program is not changed.	($5,211,614)	NR	($2,835,482)	NR
24 NC Pre-K (1330) Provides funding for NC Pre-K, including $2,716,401 in Lottery receipts. Total availability is $144.2 million.	$2,323,599	R	$2,323,599	R
25 Child Care Subsidy Market Rate Increase (1380) Provides funding to increase the Child Care Subsidy market rate, effective January 1, 2016, to the recommended rates based on the 2015 Market Rate study for ages 0,1 and 2 in 3-, 4-, and 5-star centers and homes in Tier 1 and 2 counties. Total availability for FY 2015-16 is increased by 1.3% to $330.4 million and for FY 2016-17 is increased by 1.5% to $333.4 million.	$3,000,000	R	$6,000,000	R
26 North Carolina Early Childhood Integrated Data System (ECIDS) (1163) Provides funding for ECIDS, an integrated system of early childhood education, health, and social service information focused on children ages 0-5 receiving State and federal services. The system is designed to provide information about when and how children are being served and the program services they receive. ECIDS will connect with the Department of Public Instruction's data system to allow analysis of the effects of early childhood programs and services over time.			$699,690	R

	FY 2015-16		FY 2016-17	
Total Legislative Changes	**$4,816,022**	**R**	**$8,515,712**	**R**
	($22,040,920)	**NR**	**($15,169,463)**	**NR**
Total Position Changes				
Revised Budget	**$232,462,829**		**$243,033,976**	

Health and Human Services

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$180,017,803**		**$180,017,803**	
Legislative Changes				
(4.0) Division of Social Services				
27 State-County Special Assistance (1570) Reduces funding for State-County Special Assistance due to a decline in the number of individuals participating in the program. The FY 2015-16 total availability is decreased by 6% leaving $125.8 million. The FY 2016-17 total availability is decreased by 8.6% leaving $122.3 million.	($4,000,000)	R	($5,750,000)	R
28 Personal Services Contracts (1110) Eliminates funding for personal services contracts in the Services Support fund. There is $2.5 million remaining for this purpose across all funds in the division.	($9,540)	R	($9,540)	R
29 Foster Care Caseload Increase (1532) Increases funding for foster care to support the growth in the foster care caseload. Paid placements are expected to increase by 6% in FY 2015-16 and 3% in FY 2016-17. Increases total availability by 6.9% to $192.7 million in FY 2015-16. Increases total availability by 11.7% to $201.2 million in FY 2016-17.	$4,500,000	R	$7,500,000	R
30 Foster Care Expansion to Age 21 (1532) Provides funding to increase the age to 21 for youth in foster care. This item along with the Foster Care Caseload item increases the total availability for FY 2016-17 by 13.8% to $205 million. Social Services Program Coordinator - $58,951	$50,000 1.00	R	$1,000,000 1.00	R
31 Child Advocacy Centers Provides funding for child advocacy centers.	$400,000	NR		
32 Adoption Assistance for Youth Adopted after Age 16 (1531) Provides funds for Adoption Assistance to age 21 for youth adopted after age 16. Federal rules require that if states extend foster care past age 18, they must extend adoption assistance for youth adopted after age 16 to the same age as foster care. This increases the total availability for Adoption Assistance to $105.7 million.			$100,000	R
33 Successful Transition of Youths in Foster Care (1532) Provides funds to support a demonstration project with services provided by Youth Villages to improve outcomes for youth ages 17-21 years who transition from foster care through implementation of outcome-based Transitional Living Services.	$1,300,000	R	$1,750,000	R

Conference Committee Report	FY 2015-16		FY 2016-17	
34 Maternity Homes (1110) Provides recurring funding for maternity homes. Funding remains the same as the FY 2014-15 level of $1.3 million.	$925,000	R	$925,000	R
35 Child Support Enforcement Incentive Payments(1371) Budgets federal Child Support Enforcement incentive payments. The Division shall retain up to 15% of annual federal incentive payments it receives to enhance centralized child support services. No less than 85% of the federal incentive payments must be allocated to county child support services programs to improve effectiveness and efficiency.				
Total Legislative Changes	**$2,765,460** **$400,000**	R NR	**$5,515,460**	R
Total Position Changes	1.00		1.00	
Revised Budget	**$183,183,263**		**$185,533,263**	

Health and Human Services

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$141,283,615**		**$141,283,615**	
Legislative Changes				
(5.0) Division of Public Health				
36 Office of Minority Health (1262) Budgets additional federal Preventive Health Services Block Grant funds to be used for community health disparities grants and maintains $3,299,576 in total funds available.	($2,756,865)	NR		
37 AIDS Drug Assistance Program Receipts (1460) Budgets additional drug rebate receipts and maintains funds available for AIDS pharmaceuticals at $47,844,707.	($6,268,646)	R	($6,268,646)	R
38 Physical Activity and Nutrition Program (1261) Budgets additional federal Preventive Health Services Block Grant funds. $9,436,780 remains in total funds available.	($1,243,899)	NR		
39 Personal Services and University Contracts (1110) Reduces funding for university and personal services contracts. $3,551,989 remains available for this purpose.	($70,072)	R	($70,072)	R
40 QUITLINE Receipts (1271) Budgets additional Medicaid receipts and maintains the Quitline's budget at $1,200,000.	($100,000)	R	($100,000)	R
41 Office of Chief Medical Examiner (OCME) - Autopsy Costs (1172) Budgets revenue generated from autopsy fee increase and eliminates the $400 supplement paid for autopsies performed by contractors, a savings of $1,080,000. This is offset by the increased contract rate that OCME will pay for contracted autopsies that are not billed to counties, a cost of $418,500. Total funding after all actions in this report will be $8.6 million in FY 2015-16 and $10.4 million in FY 2016-17.	($661,500)	R	($661,500)	R
42 Office of Chief Medical Examiner - Equipment (1172) Provides funds to replace outdated and obsolete equipment. Total funding after all actions in this report will be $8.6 million in FY 2015-16 and $10.4 million in FY 2016-17.	$400,000	NR	$400,000	NR
43 Office of Chief Medical Examiner - Automation (1172) Provides funds to replace and upgrade the Medical Examiner Information System. Total funding after all actions in this report will be $8.6 million in FY 2015-16 and $10.4 million in FY 2016-17.			$2,195,000	NR

	FY 2015-16		FY 2016-17	
44 Office of Chief Medical Examiner - Transportation (1172) Provides funds to increase the rate paid for transporting bodies for death investigations or to the OCME autopsy centers. Total funding after all actions in this report will be $8.6 million in FY 2015-16 and $10.4 million in FY 2016-17.	$400,000	R	$400,000	R
45 Office of Chief Medical Examiner - Training (1172) Provides funds to implement mandatory annual training for county medical examiners. Total funding after all actions in this report will be $8.6 million in FY 2015-16 and $10.4 million in FY 2016-17.	$100,000	R	$100,000	R
46 ECU and Wake Forest University Forensic Pathologist Fellowships (1172) Provides funds to support 1 Forensic Pathologist Fellowship each at East Carolina and Wake Forest Universities. The fellows will perform autopsies at the State's regional autopsy centers. Total funding after all actions in this report will be $8.6 million in FY 2015-16 and $10.4 million in FY 2016-17.	$250,000	R	$250,000	R
47 Office of Chief Medical Examiner - Autopsy Fee Receipts (1172) Budgets increased annual autopsy fee receipts of $585,000 paid by counties. Effective October 1, 2015, the autopsy fee will increase from $1,250 to $2,800. The new fee approximates the actual cost to perform an autopsy. Total funding after all actions in this report will be $8.6 million in FY 2015-16 and $10.4 million in FY 2016-17.	$0	R	$0	R
48 Office of Chief Medical Examiner (OCME) - Autopsy Fee Supplement Provides funds to offset the difference between the rate that counties will be billed for autopsies, $1,750, and the cost of performing an autopsy, $2,800.	$3,780,000	R	$3,780,000	R
49 State Public Health Laboratory (1174) Budgets funds to provide rabies drugs to indigent persons who have been exposed to rabid animals. This action increases funds available for drug supplies to $280,466.	$110,000	R	$110,000	R
50 Electronic Death Records System (1173)	$106,587	R	$138,531	R
Provides funds to develop and implement an Electronic Death Records System. This action increases the vital records automation budget from $36,052 to $510,639 in FY 2015-16 and to $1,506,083 in FY 2016-17.	$368,000 2.00	NR	$1,331,500 2.00	NR
51 Local Health Departments - Improve Birth Outcomes (13A1) Provides funds for a competitive block grant process for county health departments to increase access to prenatal care and improve birth outcomes. This action increases funding for Maternal and Infant Health to $52.8 million.	$2,500,000	R	$2,500,000	R

	FY 2015-16		FY 2016-17	
52 Nurse Family Partnership Program (13A1) Provides funds for home visiting services provided by the Nurse Family Partnership Program. Of the amount provided, $225,000 shall be used to add new and expand existing programs serving rural areas in the western and eastern portions of the State. Total funds available for the program is $1.4 million.	$900,000	R	$900,000	R
53 Perinatal Quality Collaborative of North Carolina (PQCNC) (13A1) Provides funds to sustain PQCNC while it transitions during the FY 2015-17 biennium to become fully receipt-supported effective July 1, 2017. This action maintains funding at $808,172 in FY 2015-16 and $835,000 in FY 2016-17.	$465,000	NR	$635,000	NR
54 Newborn Screening (1174) Provides funding for equipment and supply purchases needed to expand newborn screening to include severe combined immunodeficiency (SCID) as required by H.B. 698. This action increases funding for newborn screening to $24.4 million in FY 2015-16.	$440,000	NR		
55 Poison Control Center Funds (1332) Provides funding for the Carolinas Poison Center 24-hour telephone hotline. This action increases the Children's Health Services budget to $268 million.	$1,000,000	R	$1,000,000	R
56 High Risk Maternity Clinic (13A1) Provides funds for the East Carolina University High Risk Maternity Clinic.	$375,000	R	$375,000	R
Total Legislative Changes	**$2,421,369**	R	**$2,453,313**	R
	($2,327,764)	NR	**$4,561,500**	NR
Total Position Changes	2.00		2.00	
Revised Budget	**$141,377,220**		**$148,298,428**	

Health and Human Services

GENERAL FUND

	FY 15-16		FY 16-17	
Recommended Base Budget	**$680,179,847**		**$680,179,847**	
Legislative Changes				
(6.0) Division of Mental Health, Developmental Disabilities, and Substance Abuse Services				
57 Personal Services Contracts (1110) Reduces funding for personal services contracts. $535,015 remains available for personal and miscellaneous contractual services in each year of the biennium.	($243,886)	R	($243,886)	R
58 Alcohol and Drug Abuse Treatment Centers (ADATC) (156D, 156E, 156F) Eliminates the General Fund appropriations and converts the State-operated ADATCs to 100% receipt-supported.	($37,381,817)	R	($37,381,817)	R
59 Single Stream Funding (1422) Reduces single-stream funding and replaces it with LME/MCO cash balance for both years of the biennium.	($110,808,752)	NR	($152,850,133)	NR
60 Paramedicine/ER Diversion Pilot Projects (1464) Provides funds to pilot the use of emergency medical services (EMS) departments to assess and transport persons with a mental health or substance abuse crisis to a non-hospital setting such as a behavioral health urgent care center. The amount provided will expand the existing pilot from 1 to 14 sites and complete a study after one year. This action increases the pilot budget from $60,000 to $285,000.	$225,000	NR		
61 New Broughton Hospital (1541, 1561) Provides funds for technology infrastructure, furniture, and equipment for the Broughton Hospital replacement facility scheduled to open in December 2016.	$16,598,589	NR		
62 Inflationary Increases for State Facilities (14460) Provides funds to offset inflationary increases in utilities, food, and other costs at the State-operated healthcare facilities. This action increases the total funds available for the facilities to $897,841,574 in FY 2015-16 and $898,180,502 in FY 2016-17.	$2,819,802	R	$3,158,730	R
63 Three-way Psychiatric Beds (1464) Provides funds to increase the number of community hospital beds that may be purchased to provide psychiatric inpatient treatment services. This action increases funding 7% to $40,583,394 and will increase the three-way contract capacity from 165 to 172 beds.	$2,463,750	NR	$2,463,750	NR

	FY 2015-16		FY 2016-17	
64 START Teams (1445,1462) Provides funds to expand START (Systematic, Therapeutic, Assessment, Resources and Treatment) Team services to children and adolescents with intellectual or developmental disabilities and to add respite services for both children and adults. This action increases the total funds available for child and adult NC START services from $2,437,207 to $3,981,207.	$1,544,000	R	$1,544,000	R
65 Substance Abuse Services Criminal Offenders - TASC (1463) Provides funds to increase the number of TASC (Treatment Alternatives for Safer Communities) case managers who provide substance abuse assessment and referral services to criminal offenders who are maintained in the community instead of sentenced to prison or those who have been released from prison and are under supervision of a probation officer. This action will increase the TASC budget by 35% from $5,362,122 to $7,222,122.	$1,860,000	R	$1,860,000	R
66 Crisis Bed Registry (1110)	$134,000	R	$134,000	R
Provides funds to develop and operate a psychiatric bed registry to provide real-time information on the number of child, adolescent, and adult beds available at each licensed inpatient facility in the State.	$350,000 2.00	NR	 2.00	
67 Substance & Alcohol Abuse Treatment Services (1442, 1463) Provides funding to LME/MCOs to purchase inpatient alcohol and substance abuse treatment services from the State-operated ADATCs. This action increases the budget for LME/MCO alcohol and substance abuse treatment to $77,692,211.	$37,381,817	R	$37,381,817	R
68 Cross-Area Service Programs (1422) Provides funding to support individuals with intellectual/developmental disabilities including residential living, day services, supported employment opportunities, and family support services. This action increases the single stream funding budget to $330,828,240 in FY 2015-16 and to $331,628,240 in FY 2016-17.	$800,000	R	$1,600,000	R
69 Drug Overdose Medications (1463) Provides funds to purchase opioid antagonists as defined in G.S. 90-106.2. This action increases funding for adult community substance abuse services to $34,618,966.	$50,000	NR		
70 NC Controlled Substance Reporting System (1110)	$15,000	R	$15,000	R
Provides funding to strengthen controlled substance monitoring. This action increases the Services Support budget to $14,116,956.	$95,070	NR		
Total Legislative Changes	**$6,928,916**	R	**$8,067,844**	R
	($91,026,343)	NR	**($150,386,383)**	NR
Total Position Changes	2.00		2.00	
Revised Budget	**$596,082,420**		**$537,861,308**	

Health and Human Services

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$37,752,132**		**$37,752,132**	
Legislative Changes				
(7.0) Division of Vocational Rehabilitation				
71 Access North Carolina Travel Program Eliminates the Access NC Travel Guide due to the loss of Highway Fund receipts earmarked for this purpose. One position is eliminated: 60054404, Communications Project Manager, $41,729	$0	R	$0	R
Total Legislative Changes	**$0**	R	**$0**	R
Total Position Changes				
Revised Budget	**$37,752,132**		**$37,752,132**	

Health and Human Services

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$16,022,641**		**$16,022,641**	
Legislative Changes				
(8.0) Division of Health Service Regulation				
72 Overnight Respite (1101)	$82,606	R	$88,033	R
Increases funding for staffing cost for a new Nursing Consultant and an Engineer/Architect Tech for new Medicaid waiver and Home and Community Care Block Grant services. The positions will perform initial and renewal inspections of Adult Care Homes and Adult Day Health Facilities and oversight of construction of facilities for overnight respite services. These positions are partially supported by initial and renewal certification fees and other receipts.	2.00		2.00	
Total Legislative Changes	**$82,606**	R	**$88,033**	R
Total Position Changes	2.00		2.00	
Revised Budget	**$16,105,247**		**$16,110,674**	

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$3,532,548,786**		**$3,532,548,784**	
Legislative Changes				
(9.0) Division of Medical Assistance				
73 Personal Services Contracts (1101) Reduces funding for personal services contracts effective 1/1/16. This leaves over $3 million dollars in the Medicaid budget for this and similar spending.	($425,447)	R	($850,895)	R
74 NCTRACKS Certification Increases federal receipts for the Medicaid program for claims adjudication and other functions contracted through Computer Sciences Corporation (CSC) effective 7/1/15 due to federal certification of the system. The NCTRACKS system was certified in April 2015, allowing the Federal Medical Assistance Percentage to increase from 50% to 75% on a recurring basis. This item includes the nonrecurring impact of recovering the difference in Federal Medical Assistance Percentage (FMAP) paid from 7/1/13 for NCTRACKS prior to system certification by Centers for Medicare and Medicaid Services (CMS).	($8,940,545) ($19,600,000)	R NR	($8,566,737)	R
75 NCTRACKS-System Savings (1102) Decreases funding based on anticipated savings associated with the replacement of Medicaid's claims processing system. Over $60 million remains in the DHHS budget for this purpose.	($4,775,749)	R	($4,775,749)	R
76 Mobile Dental Screenings and Assessments (1310) Eliminates gaps in services created by mobile dental screenings and assessments in both public schools and long term care settings where no referral for subsequent treatment by a qualified Medicaid provider follows screening and assessment service effective 1/1/16. This represents a .4% reduction in provider payments and will leave over $350 million in budgeted payments for dental providers.	($255,900)	R	($511,800)	R
77 Pharmacy Dispensing Fees (1310) Reduces funding for dispensing prescribed drugs. The Department shall use a survey of pharmacies to determine the average cost of dispensing Medicaid prescriptions and increase the weighted average dispensing fee to no more than $12.40 effective 1/1/16 to ensure the cost of filling Medicaid prescriptions is covered based on the survey. The Department will maintain a higher dispensing fee for generic and preferred drugs than for brand and non-preferred drugs. This represents a 1.4% reduction in provider payments and leaves over $1.5 billion for payment of prescription drugs.	($3,700,000)	R	($8,200,000)	R

	FY 2015-16		FY 2016-17	
78 LME/MCO Intergovernmental Transfers Recognizes LME/MCO intergovernmental transfer (IGT) of $17,236,985 in both years of the biennium on a nonrecurring basis to fund a portion of the State's Medicaid spending for behavioral health services.	($17,236,985)	NR	($17,236,985)	NR
79 Hospital Inpatient Base Rates - GME (1310, 1320, 1337) Discontinues the Graduate Medical Education (GME) add-on to inpatient hospital base rates effective 1/1/16. The GME cost will continue to be included in all calculations under the Medicaid Reimbursement Initiative (MRI) and Hospital GAP equity and upper payment limit (UPL) supplemental plans for determining payments and related intergovernmental transfers and provider assessments. This will leave over $850 million in Medicaid claims for inpatient hospital services and increases the budget for supplemental payment to over $900 million for inpatient hospitals.	($12,748,795)	R	($31,127,204)	R
80 Traumatic Brain Injury Waiver (1101, 1102, 1310) Increases funding for a new service package for Traumatic Brain Injury under a waiver in North Carolina effective 1/1/16. Cost include both service expenditures and administrative costs.	$1,000,000	R	$2,000,000	R
81 Immunizing Pharmacists (1102) Provides funding for programming NCTRACKS to allow pharmacists to be added as an individual provider for reimbursement for vaccinations.	$500,000	NR		
82 Medicaid Reform (1101, 1102) Provides funding for planning and reform of the Medicaid program to shift utilization risk from the State under a capitated model.	$5,000,000	R	$5,000,000	R
83 Reinstate Cost Settlement Per 1993 Agreement (1310, 1320) Increases outpatient cost settlement for Vidant Medical Center to 100% of allowable costs.	$3,400,000	R	$3,400,000	R
84 Private Duty Nursing Rates (1310) Increases rates for private duty nursing services (PDN) by 10% effective 1/1/16.	$1,182,615	R	$2,564,747	R
85 Medicaid Rebase (1310, 1311, 1320, 1331) Provides funds for enrollment and utilization growth for the Medicaid program.	$299,358,485	R	$496,326,936	R
86 State Children's Health Insurance Program Federal Rate (1101, 1102, 1310) Reduces funding on a nonrecurring basis for SCHIP/Health Choice due to a nonrecurring increase in FMAP for 2 years.	($38,731,522)	NR	($54,333,825)	NR

	FY 2015-16		FY 2016-17	
Total Legislative Changes	**$279,094,664**	**R**	**$455,259,298**	**R**
	($75,068,507)	**NR**	**($71,570,810)**	**NR**
Total Position Changes				
Revised Budget	**$3,736,574,943**		**$3,916,237,272**	

Health and Human Services

GENERAL FUND

	FY 15-16		FY 16-17	
Recommended Base Budget	**$41,874,629**		**$41,874,629**	
Legislative Changes				
(10.0) NC Health Choice				
87 SCHIP FMAP Rate Budgets an increase in the Federal Medical Assistance Percentage (FMAP). North Carolina's FMAP is increasing by 23 percentage points effective October 1, 2015. Overall spending is not impacted by the budgeting of these increased receipts.	($34,841,237)	NR	($47,358,284)	NR
88 Health Choice Rebase Funds the anticipated growth in the Health Choice program. Projects enrollment growth at 2.3% for FY 2015-16 and 1.1% for FY 2016-17. Funds are also provided for increased utilization and claims. Increases total availability in FY 2015-16 by 14.2% to $199.2 million. Increases total availability in FY 2016-17 by 16.2% to $202.8 million.	$5,522,950	R	$6,230,413	R
Total Legislative Changes	**$5,522,950**	R	**$6,230,413**	R
	($34,841,237)	NR	**($47,358,284)**	NR
Total Position Changes				
Revised Budget	**$12,556,342**		**$746,758**	

Health and Human Services

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$8,107,457**		**$8,107,457**	
Legislative Changes				
(11.0) Division of Services for the Blind and Services for the Deaf and Hard of Hearing				
89 Personal Services Contract (1110) Reduces funding for personal services contracts. $65,750 remains available to fund contractual services.	($9,250)	R	($9,250)	R
90 Accessible Electronic Information for the Blind (1110) Provides funding for the National Federation for the Blind Newsline, an electronic reading service for the blind.	$75,000	R	$75,000	R
Total Legislative Changes	**$65,750**	R	**$65,750**	R
Total Position Changes				
Revised Budget	**$8,173,207**		**$8,173,207**	

Agriculture and Natural and Economic Resources
Section H

Agriculture and Consumer Services

GENERAL FUND

	FY 15-16		FY 16-17	
Recommended Base Budget	**$113,940,604**		**$113,940,604**	
Legislative Changes				
Reserve for Salaries and Benefits				
1 Compensation Reserve				
Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$1,079,128	NR		
2 State Retirement Contributions	$66,121	R	$66,121	R
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.				
3 State Health Plan	$122,820	R	$122,820	R
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.				
Administration				
4 Indirect Cost Receipts (1991)	($2,772)	R	($2,772)	R
Reduces requirements from fund code 1991 to match budgeted indirect cost receipts.				
Food & Drug				
5 Registration Fee Receipts (1100)	($450,000)	R	($450,000)	R
Budgets additional receipts generated by increasing annual registration fees for drug manufacturers, repackagers, and distributors. Annual registration fees for drug manufacturers or repackagers are increased from $500 to $1,000. Annual registration fees for drug wholesalers are increased from $350 to $700. Fees were last increased in 1988.				
6 License Fee Receipts (1100)	($100,000)	R	($100,000)	R
Budgets additional receipts generated by increasing annual licensing fees for wholesale drug distributors. Annual licensing fees for drug manufacturers are increased from $500 to $1,000. Annual licensing fees for non-manufacturers are increased from $350 to $700. Fees were last increased in 1988.				

	FY 15-16		FY 16-17	
7 Dairy Inspection Fee Receipts (1100) Budgets additional receipts generated by increasing annual inspection fees for dairy retailers and wholesalers. Annual inspection fees for dairy retailers are increased from $10 to $50. Annual inspection fees for dairy wholesalers are increased from $40 to $100. Fees were last increased in 1989.	($17,500)	R	($35,000)	R
8 Food & Drug Receipts (1070) Budgets $250,000 in receipts previously transferred to support the Spay and Neuter program.	($250,000)	R	($250,000)	R
9 Food Safety Modernization Act Education (FSMA) (1100) Provides funding to the Food & Drug Division on a recurring basis to increase awareness of federal FSMA food safety regulations.	$140,000 4.00	R	$280,000 4.00	R
10 Operating Support (1100) Provides additional nonrecurring funding to the Food and Drug Division.	$550,000	NR		
Food Distribution				
11 Diesel Fuel (1210) Provides additional funding for the Division's increased fuel requirements. Total annual funding provided to the Division for diesel fuel is $205,330.	$50,000	R	$50,000	R
Forest Service				
12 Forestry Management Plan Fee Receipts (1510) Reduces the budgeted fee receipts from forestry management plans.	$400,000	R	$400,000	R
Plant Industry				
13 Plant Industry Fee Receipts (1180) Budgets $125,000 in fee receipts to more closely align to actual collections.	($125,000)	R	($125,000)	R
Research Stations				
14 Bioenergy Development (1190) Budgets $500,000 in Tennessee Valley Authority (TVA) Settlement receipts to replace existing funding to the Bioenergy Development program in FY 2015-16. Total funds available for the grant program remain at $1,278,652.	($500,000)	NR		
Reserves & Transfers				
15 Duplin County Events Center (1990) Provides nonrecurring funding to support the Duplin County Events Center.	$100,000	NR		

	FY 15-16		FY 16-17	
16 Tobacco Trust Fund Program Expansion (1990) Provides nonrecurring funding to the Tobacco Trust Fund over the biennium to expand the grant program. Total funding for the program is approximately $2.5 million in FY 2015-16 and $3 million in FY 2016-17.	$559,133	NR	$1,000,000	NR
17 Military Buffers (1990) Provides additional recurring funds to the Agricultural Development and Farmland Preservation Trust Fund (ADFPTF) for the purpose of acquiring buffers around military bases. Total annual funding provided to the ADFPTF is $2,608,376.	$1,000,000	R	$1,000,000	R
18 FFA Foundation (1990) Provides additional recurring funding to support the FFA program. Total annual funds supporting the program are $100,000.	$60,000	R	$60,000	R
Soil & Water Conservation				
19 Agriculture Cost Share (ACS) Program (1611) Budgets $500,000 in TVA Settlement receipts to replace existing funding to the ACS program in FY 2015-16. Total funding provided to the program in FY 2015-16 is approximately $6.6 million.	($500,000)	NR		
20 Conservation Reserve Enhancement Program (CREP) (1611) Budgets receipts transferred from the CREP special fund (23704-2711) cash balance in FY 2015-16.	($531,160)	NR		
21 Operating Funds (1611) Budgets receipts transferred from the Swine Waste special fund (23704-2730).	($275,399)	NR		
22 Agricultural Water Resources Assistance Program (AgWRAP) (1611) Provides additional recurring funding to the AgWRAP program. Annual funding for the program totals $977,500.	$500,000	R	$500,000	R
Structural Pest Control & Pesticides				
23 Pesticide Fee Receipts (1090) Budgets an additional $150,000 in receipts from pesticide registration and licensing fees to more closely align to actual collections.	($150,000)	R	($150,000)	R
Veterinary Services				
24 Animal Shelter Support Program (1130) Provides funding to a new program to be administered by the Animal Welfare section of the Veterinary Services Division.	$250,000	R	$250,000	R
25 Spay and Neuter Account (1130) Replaces the $250,000 transfer from the Food & Drug Division with a direct appropriation of $250,000 in recurring funding to support the Spay and Neuter program. Total annual program funding is approximately $460,000.	$250,000	R	$250,000	R

Conference Committee Report	FY 15-16		FY 16-17	
26 Cervid Farming (1130)	$149,000	R	$149,000	R
Provides funding to support 2 additional positions for the Captive Cervid program. Funding is contingent on the enactment of S513 or substantively similar legislation transferring the program from the Wildlife Resources Commission to the Department. If legislation is not enacted, funds will remain unalloted and will revert to the General Fund.	2.00		2.00	
Total Legislative Changes	**$1,892,669**	R	**$2,015,169**	R
	$481,702	NR	**$1,000,000**	NR
Total Position Changes	6.00		6.00	
Revised Budget	**$116,314,975**		**$116,955,773**	

DACS - Soil & Water Conservation

Budget Code: 23704

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$15,073,553**		**$13,838,617**	
Recommended Budget				
Requirements	**$9,605,835**		**$9,605,835**	
Receipts	**$9,177,458**		**$9,177,458**	
Positions	**1.00**		**1.00**	
Legislative Changes				
Requirements:				
Conservation Reserve Enhancement Program (2711)	$0	R	$0	R
Transfers $531,160 from the Conservation Reserve Enhancement Program special fund cash balance to support the Soil & Water Conservation Division operating budget in FY 2015-16.	$531,160	NR	$0	NR
	0.00		0.00	
Swine Waste (2730)	$0	R	$0	R
Transfers $275,399 from the Swine Waste special fund cash balance to support the operating budget for the Soil & Water Conservation Division in FY 2015-16.	$275,399	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$806,559	NR	**$0**	NR
	0.00		0.00	
Receipts:				
Conservation Reserve Enhancement Program (2711)	$0	R	$0	R
No budget action necessary.	$0	NR	$0	NR
Swine Waste (2730)	$0	R	$0	R
No budget action necessary.	$0	NR	$0	NR

	FY 2015-16		FY 2016-17	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$0	NR	**$0**	NR
Revised Total Requirements	**$10,412,394**		**$9,605,835**	
Revised Total Receipts	**$9,177,458**		**$9,177,458**	
Change in Fund Balance	**($1,234,936)**		**($428,377)**	
Total Positions	**1.00**		**1.00**	
Unappropriated Balance Remaining	**$13,838,617**		**$13,410,240**	

Labor

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$15,945,674**		**$15,945,674**	
Legislative Changes				
Reserve for Salaries and Benefits				
27 Compensation Reserve Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$173,124	NR		
28 State Retirement Contributions Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.	$12,236	R	$12,236	R
29 State Health Plan Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.	$19,704	R	$19,704	R
Administration				
30 Fund Shift Positions (1120) Shifts funding for 2 positions to receipt-support from boiler inspection fees. 60012882 - Admin Officer (1.0) 60013046 - Health Benefits Officer (1.0)	($130,150) -2.00	R	($130,150) -2.00	R
Occupational Safety & Health (OSH)				
31 Operating Reduction (1352) Reduces the operating budget for the OSH program by 4.6%, leaving $527,065 available for operating expenses.	($25,229)	R	($25,229)	R
Total Legislative Changes	**($123,439)** **$173,124**	R NR	**($123,439)**	R
Total Position Changes	-2.00		-2.00	
Revised Budget	**$15,995,359**		**$15,822,235**	

Environment & Natural Resources

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$162,279,549**		**$162,279,549**	
Legislative Changes				
Reserve for Salaries and Benefits				
32 Compensation Reserve Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$496,708	NR		
33 State Retirement Contributions Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.	$45,739	R	$45,739	R
34 State Health Plan Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.	$56,532	R	$56,532	R
Department-wide				
35 Operating Reduction Reduces the budgets for the following line items throughout the Department: Misc Contractual Services $450,000 Rent/Lease - Buildings/Office $55,000 Rent/Lease - Motor Vehicles $260,000 Transportation - Ground In-State $50,000 Lodging - In State $25,000 Meals - In State $25,000 Postage, Freight & Delivery $35,000 General Office Supplies $100,000	($1,000,000)	R	($1,000,000)	R
Administrative Services				
36 Administrative Operating Reduction (1140) Reduces the Department's administrative services operating budget, and shifts 2 accounting positions (60036006 and 60036000) to federal indirect cost receipts. Total reduction to the operating budget is 13%, leaving approximately $1.9 million in operating support for administration.	($284,686) -2.00	R	($284,686) -2.00	R

	FY 15-16		FY 16-17	
37 Administrative Positions (1140)	($3,129,370)	R	($3,129,370)	R
	-40.39		-40.39	

Eliminates 24.94 vacant administrative positions and transfers 15.45 filled administrative positions due to the transfer of the Zoo, Aquariums, Museum of Natural Sciences, the Parks System, Clean Water Management Trust Fund and the Natural Heritage Program. Positions may be reestablished in the newly renamed Department of Natural and Cultural Resources (DNCR). A related provision in the Appropriations Act directs the Department of Environment and Natural Resources to convert any receipt-supported positions to General Fund support prior to transfer to DNCR.

Filled Positions:
60036012 - Accountant (1.0)
60036004 - Accounting Technician (1.0)
60036013 - Accounting Technician (1.0)
60036014 - Accounting Technician (1.0)
60036017 - Accounting Technician (1.0)
60036019 - Accounting Technician (1.0)
60035954 - Administrative Assistant III (1.0)
60035979 - Artist Illustrator (1.0)
60035971 - Attorney II (1.0)
60035991 - EEO Administrator (1.0)
65010186 - Engineer (1.0)
60035950 - GS 5th Floor Receptionist (1.0)
60035949 - HR Representative (1.0)
60032527 - Info Communication Specialist (0.45)
60036042 - Purchaser (1.0)
60035942 - Special Assistant (1.0)

Vacant Positions:
60032766 - Accountant (1.0)
60036006 - Accounting Technician (1.0)
60035955 - Administrative Operations Director (1.0)
60034828 - Agency Legal Specialist II (1.0)
60036023 - Auditor (1.0)
60036031 - Budget Analyst (1.0)
60036034 - Budget Analyst (1.0)
60036029 - Budget Manager (1.0)
60036060 - Business and Technology Applic Specl (1.0)
60036063 - Business and Technology Applic Specl (1.0)
60036186 - Chief Deputy II (1.0)
60035958 - Environmental Program Supervisor II (1.0)
60035318 - IT Security Specialist (1.0)
60035953 - Ombudsman (0.54)
60035496 - Office Assistant (0.40)
60035984 - Personnel Analyst (1.0)
60035996 - Personnel Assistant IV (1.0)
60035952 - Policy Development Analyst (1.0)
60035976 - Policy Development Specialist (1.0)
60036039 - Purchaser (1.0)
60036041 - Purchaser (1.0)
60035829 - Staff Development Coordinator (1.0)
60034553 - Staff Development Specialist (1.0)

60034575 - Technology Support Analyst (1.0)
60035501 - Technology Support Analyst (1.0)
60035986 - W/A Recruitment Analyst (1.0)

Aquariums

38 Aquariums Admission Receipts (1355) ($356,224) R ($356,224) R

Budgets additional admission receipts transferred from the North Carolina Aquariums Fund (24300-2865) to support the operations of the State's 3 aquariums. After this change, the aquariums' total General Fund budget of $9.65 million will be supported by $2.97 million in admission fee receipts and $6.68 million in net General Fund appropriations.

39 Aquariums Base Budget (1355) ($6,677,619) R ($6,677,619) R

Eliminates the base budget for the aquariums from the Department of Environment and Natural Resources (DENR) due to the transfer of this function to the newly renamed Department of Natural and Cultural Resources (DNCR), effective July 1, 2015. A related provision in the Appropriations Act directs DNCR to transfer funds to DENR to cover expenses incurred prior to the effective date of the Act and any outstanding liabilities for the aquariums. -118.50 -118.50

Coastal Management

40 Lease Support (1625) ($30,523) R ($30,523) R

Replaces State funds for lease expenses with federal funds available within the Division due to a reduction in force in FY 2013-14.

Energy, Mineral and Land Resources

41 Federal Grant Receipts (1749) ($37,483) R ($37,483) R

Budgets additional federal grant funds to support one-third of the Energy Section Chief's salary and benefits (65020508). -0.33 -0.33

42 University Energy Centers (1749)

Budgets Petroleum Violation Escrow (PVE) settlement funds transferred from budget code 64327 to partially offset support of the university energy centers at North Carolina State University, North Carolina Agricultural and Technical State University and Appalachian State University on a nonrecurring basis. ($417,908) NR

43 Position Reduction (1730) ($51,027) R ($68,036) R

Eliminates a filled Rules Review Coordinator position (65019618), which was created to coordinate the development of shale gas rules that went into effect March 16, 2015. -1.00 -1.00

	FY 15-16		FY 16-17	
44 Cash Balances (1740 & 1735)				
Budgets the following special fund cash balances transferred to the Division's General Fund budget on a one-time basis. A related provision in the Appropriations Act also closes these special funds and directs the Division to budget fee receipts in the General Fund. Mining Fees $203,073 Mining Interest $79,487 Storm Water Permits $61,000	($343,560)	NR		
45 Dam Safety Program (1740)				
Provides funds to hire contract or temporary positions to manage and conduct the initial review and subsequent annual reviews of Emergency Action Plans and associated dam safety inspections and technical assistance for the 1,559 intermediate and high hazard dams as required by Part 5 of S.L. 2014-122.	$250,000	NR	$250,000	NR
46 Shale Gas (1749)				
Provides nonrecurring funding to drill new vertical geological test holes in shale-bearing basins as well as any relevant analyses needed to examine the basins, cores, boreholes, or other geological analyses required to evaluate natural gas potential. Funding may also be used to analyze pre-existing cores.	$500,000	NR		
Environmental Assistance and Customer Service				
47 Operating Reduction (1130 &1615)	($35,077)	R	($35,077)	R
Reduces the rent line item in the Department's regional offices, leaving over $2.4 million for this expense. Also reduces various line items in the Office of Environmental Assistance and Customer Service by 4%, leaving $446,505 in operating support.				
Land and Water Stewardship				
48 Clean Water Management Trust Fund (CWMTF) Base Budget (1115)	($11,657,530)	R	($11,657,530)	R
Eliminates the base budget for the CWMTF from the Department of Environment and Natural Resources (DENR) due to the transfer of this function to the newly renamed Department of Natural and Cultural Resources (DNCR), effective July 1, 2015. A related provision in the Appropriations Act directs DNCR to transfer funds to DENR to cover expenses incurred prior to the effective date of the Act and any outstanding liabilities for CWMTF.				
49 Operating Funds (1115)	($1,127,452)	R	($1,127,452)	R
Separates funding for administrative expenses from CWMTF's annual appropriation. CWMTF is also transferred to the newly renamed Department of Natural and Cultural Resources (DNCR), effective July 1, 2015. A related provision in the Appropriations Act directs DNCR to transfer funds to the Department of Environment and Natural Resources to cover expenses incurred prior to the effective date of the Act and any outstanding liabilities for CWMTF.	-9.60		-9.60	

	FY 15-16		FY 16-17	
50 Natural Heritage Program Operating (1115)	($764,726)	R	($764,726)	R
Separates funding for the Natural Heritage Program (NHP) from the Clean Water Management Trust Fund budget. NHP is also transferred to the newly renamed Department of Natural and Cultural Resources (DNCR), effective July 1, 2015. A related provision in the Appropriations Act directs DNCR to transfer funds to the Department of Environment and Natural Resources to cover expenses incurred prior to the effective date of the Act and any outstanding liabilities for NHP.	-9.10		-9.10	
51 Salary Reserve (1115)	($99,821)	R	($99,821)	R
Reduces salary reserve in the Office of Land and Water Stewardship, leaving approximately $1.76 million in the personnel line items.				
Marine Fisheries				
52 Shellfish Rehabilitation (1320)	$50,000	R	$600,000	R
Provides additional funds for cultch planting due to an increase in the price of oyster shells. Total General Fund support doubles in FY 2015-16 from $300,000 to $600,000 and increases again in FY 2016-17 to $900,000.	$250,000	NR		
53 Oyster Sanctuaries (1320)			$200,000	R
Provides funding to support a network of oyster sanctuaries in FY 2016-17. Total General Fund support for this purpose is $483,969.				
54 Oyster Research and Development (1320)	$450,000	R	$500,000	R
Provides funds to contract with the Univeristy of North Carolina Wilimington to develop oyster brood stock to provide seed for aquaculture.				
Museum of Natural Sciences				
55 Museum Base Budget (1360)	($11,842,973)	R	($11,842,973)	R
Eliminates the base budget for the Museum from the Department of Environment and Natural Resources (DENR) due to the transfer of this function to the newly renamed Department of Natural and Cultural Resources (DNCR), effective July 1, 2015. The transfer includes 3.12 receipt-supported positions. A related provision in the Appropriations Act directs DNCR to transfer funds to DENR to cover expenses incurred prior to the effective date of the Act and any outstanding liabilities for the Museum.	-148.88		-148.88	

	FY 15-16		FY 16-17	
Parks and Recreation				
56 Parks Base Budget (1280) Eliminates the base budget for the Parks System from the Department of Environment and Natural Resources (DENR) due to the transfer of this function to the newly renamed Department Natural and Cultural Resources (DNCR), effective July 1, 2015. The transfer includes 17 receipt-supported positions. A related provision in the Appropriations Act directs DNCR to transfer funds to DENR to cover expenses incurred prior to the effective date of the Act and any outstanding liabilities for the Parks System.	($42,807,443) -463.50	R	($42,807,443) -463.50	R
Waste Management				
57 Position Reduction (1760) Eliminates a filled Environmental Specialist position (60034599) in the Solid Waste Section. Also reduces the legal services line item by $144,042 leaving $458,612 for these services and the communications and data processing line item by $70,385 leaving $292,613 for this purpose.	($282,259) -1.00	R	($282,259) -1.00	R
58 Cash Balance (1671) Budgets the cash balance in the UST Soil Permitting special fund (24300-2391) in the Division's General Fund on a one-time basis. A provision in the Appropriations Act directs the Division to budget fee receipts directly in the General Fund.	($43,595)	NR		
59 Noncommercial Fund Backlog (1990) Provides nonrecurring funds to eliminate the backlog of claims against the Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund through June 30, 2015.	$2,369,428	NR		
60 Noncommercial Fund Elimination (1990) Eliminates funding for the Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund for releases reported after October 1, 2015.	($3,417,105)	R	($3,417,105)	R
61 Noncommercial Fund Administrative Transfer (1671) Eliminates the transfer of $1,641,785 from the Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund to the Division's General Fund to support the Underground Storage Tank Program.				
62 Leaking Underground Storage Tank Program (1671) Provides $1 million in funding to partially offset the loss of $1.6 million previously transferred from the Noncommercial Fund. Funds shall be used to support expenses associated with the Underground Storage Tank Program.	$1,000,000	R	$1,000,000	R
Water Infrastructure				
63 Operating Reduction (1460) Reduces funds for cellular phone service by 29%, leaving $3,908 in the Division for this service.	($1,592)	R	($1,592)	R

Conference Committee Report	FY 15-16		FY 16-17	
64 Drinking Water State Revolving Funds (DWSRF) (1460) Reduces funding for the State match for the DWSRF to more closely align with actual requirements; $4.5 million in State funds remain to fully match the federal capitalization grant.	($478,825)	R	($478,825)	R
65 State Match for Clean Water State Revolving Fund (CWSRF) (1460) Provides additional funds for the State match for the CWSRF to more closely align with actual needs of the program. Total State funding is $5.1 million.	$100,000	R	$100,000	R
66 State Grant Program Expansion (1460) Provides additional funds for the State water and wastewater infrastructure grants benefitting rural, economically distressed areas. Total State grant funding available over the biennium is $27.4 million.	$5,000,000 $2,400,000	R NR	$5,000,000 $5,000,000	R NR
Water Resources				
67 Dredging Funds (1990) Provides additional funds for the Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund. Total funding available in each year of the biennium is approximately $19.6 million.	$1,579,268	R	$2,130,357	R
Zoo				
68 Zoo Receipts (1305) Budgets additional receipts to support the operations of the NC Zoo.	($50,000)	R	($100,000)	R
69 Zoo Base Budget (1305) Eliminates the base budget for the Zoo from the Department of Environment and Natural Resources (DENR) due to the transfer of this function to the newly renamed Department of Natural and Cultural Resources (DNCR), effective July 1, 2015. The transfer includes 49.9 receipt-supported positions. A related provision in the Appropriations Act directs DNCR to transfer funds to DENR to cover expenses incurred prior to the effective date of the Act and any outstanding liabilities for the Zoo.	($10,583,824) -213.35	R	($10,533,824) -213.35	R
Total Legislative Changes	**($86,434,020)** **$5,461,073**	R NR	**($85,099,940)** **$5,250,000**	R NR
Total Position Changes	-1007.65		-1007.65	
Revised Budget	**$81,306,602**		**$82,429,609**	

DENR - Special

Budget Code: 24300

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$22,269,945**		**$32,404,045**	
Recommended Budget				
Requirements	**$91,999,421**		**$91,999,421**	
Receipts	**$82,443,138**		**$82,443,138**	
Positions	**273.12**		**273.12**	
Legislative Changes				
Requirements:				
Shallow Draft Dredging Fund (2182)	$19,778,577	R	$19,686,615	R
Increases the motor fuel tax transfer from the Highway Fund from 1/6 of 1% to 1%, which brings total motor fuel tax revenue to $13.1 million in FY 2015-16 and $12.46 million in FY 2016-17. This item also budgets $5.1 million in boat fees transferred from the Wildlife Resources Commission and a General Fund transfer of $1.6 million in FY 2015-16 and $2.1 million in FY 2016-17. Total State funding is $19.78 million in FY 2015-16 and $19.69 million in FY 2016-17.	$0	NR	$0	NR
	0.00		0.00	
Soil Remediation Fees (2391)	$0	R	$0	R
Transfers the cash balance in the Soil Remediation Fees special fund to the Division of Waste Management's General Fund budget. A provision in the Appropriations Act eliminates the special fund and directs the Department to budget the requirements and receipts in the General Fund.	$43,595	NR	$0	NR
	0.00		0.00	
Mining Interest Cash Balance (2610)	$0	R	$0	R
Transfers the cash balance in the Mining Interest special fund to the Division of Energy, Mineral and Land Resource's General Fund budget.	$79,487	NR	$0	NR
	0.00		0.00	
Mining Interest (2610)	($38,431)	R	($38,431)	R
Eliminates the budget for the Mining Interest special fund. A provision in the Appropriations Act eliminates this special fund and directs the Department to budget the requirements and receipts in the General Fund.	$0	NR	$0	NR
	0.00		0.00	

	FY 2015-16		FY 2016-17	
Mining Fees Cash Balance (2745)	$0	R	$0	R
Transfers the cash balance in the Mining Fees special fund to the Division of Energy, Mineral and Land Resource's General Fund.	$203,073	NR	$0	NR
	0.00		0.00	
Mining Fees (2745)	($188,480)	R	($188,480)	R
Eliminates the budget for the Mining Fees special fund. A provision in the Appropriations Act eliminates this special fund and directs the Department to budget the requirements and receipts in the General Fund.	$0	NR	$0	NR
	0.00		0.00	
Stormwater Cash Balance (2750)	$0	R	$0	R
Transfers the cash balance in the Stormwater special fund to the Division of Energy, Mineral and Land Resource's General Fund.	$61,000	NR	$0	NR
	0.00		0.00	
Stormwater (2750)	($822,113)	R	($822,113)	R
Eliminates the budget for the Stormwater special fund. A provision in the Appropriations Act eliminates this special fund and directs the Department to budget the requirements and receipts in the General Fund.	$0	NR	$0	NR
	0.00		0.00	
Inspection and Maintenance (I&M) Fees (2338)	($3,588,862)	R	($3,588,862)	R
Eliminates the recurring I&M fee transfer and budgets a nonrecurring transfer of I&M fee proceeds in FY 2015-16. Program is also subject to a Continuation Review.	$3,082,888	NR	$0	NR
	0.00		0.00	
Mercury Pollution Prevention Account (2119)	($681,887)	R	($681,887)	R
Eliminates the recurring title fee transfer and budgets a nonrecurring transfer of title fee proceeds in FY 2015-16. Program is also subject to a Continuation Review.	$681,887	NR	$0	NR
	0.00		0.00	
Solid Waste Permitting Fees (2394)	($260,359)	R	($260,359)	R
Reduces the operating budget, including the personnel line items, by 20% due to the implementation of a new fee schedule for life-of-site permits for sanitary landfills and transfer stations.	$0	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$14,198,445**	R	**$14,106,483**	R
	$4,151,930	NR	**$0**	NR
	0.00		0.00	

	FY 2015-16		FY 2016-17	
Receipts:				
Shallow Draft Dredging Fund (2182)	$19,778,577	R	$19,686,615	R
Increases the motor fuel tax transfer from the Highway Fund from 1/6 of 1% to 1%, which brings total motor fuel tax revenue to $13.1 million in FY 2015-16 and $12.46 million in FY 2016-17. This item also budgets $5.1 million in boat fees transferred from the Wildlife Resources Commission and a General Fund transfer of $1.6 million in FY 2015-16 and $2.1 million in FY 2016-17. Total State funding is $19.78 million in FY 2015-16 and $19.69 million in FY 2016-17.	$0	NR	$0	NR
Soil Remediation Fees (2391)	$0	R	$0	R
Base budget contains no receipts. No budget action necessary.	$0	NR	$0	NR
Mining Interest Cash Balance (2610)	$0	R	$0	R
No budget action necessary.	$0	NR	$0	NR
Mining Interest (2610)	($38,431)	R	($38,431)	R
Removes the budget for mining interest receipts in the special fund. Receipts will be budgeted in the General Fund.	$0	NR	$0	NR
Mining Fees Cash Balance (2745)	$0	R	$0	R
No budget action necessary.	$0	NR	$0	NR
Mining Fees (2745)	($300,730)	R	($300,730)	R
Removes the budget for mining fees receipts in the special fund. Receipts will be budgeted in the General Fund.	$0	NR	$0	NR
Stormwater Cash Balance (2750)	$0	R	$0	R
No budget action necessary.	$0	NR	$0	NR
Stormwater (2750)	($822,113)	R	($822,113)	R
Removes the budget for stormwater fee receipts in the special fund. Receipts will be budgeted in the General Fund.	$0	NR	$0	NR
Inspection and Maintenance (I&M) Fees (2338)	($3,082,888)	R	($3,082,888)	R
Eliminates the recurring motor fuels tax transfer and budgets a nonrecurring transfer of motor fuel tax proceeds in FY 2015-16. Program is also subject to a Continuation Review.	$3,082,888	NR	$0	NR

	FY 2015-16		FY 2016-17	
Mercury Pollution Prevention Account (2119)	($681,887)	R	($681,887)	R
Eliminates the recurring title fee transfer and budgets a nonrecurring transfer of title fee proceeds in FY 2015-16. Program is also subject to a Continuation Review.	$681,887	NR	$0	NR
Solid Waste Permitting Fees (2394)	$403,076	R	$403,076	R
Increases the receipt line item for solid waste permitting fees to correctly budget the estimated revenue anticipated from the implementation of a new fee schedule for life-of-site permits for sanitary landfills and transfer stations.	$0	NR	$0	NR
Subtotal Legislative Changes	**$15,255,604**	R	**$15,163,642**	R
	$3,764,775	NR	**$0**	NR
Revised Total Requirements	**$110,349,796**		**$106,105,904**	
Revised Total Receipts	**$120,483,896**		**$112,770,422**	
Change in Fund Balance	**$10,134,100**		**$6,664,518**	
Total Positions	**273.12**		**273.12**	
Unappropriated Balance Remaining	**$32,404,045**		**$39,068,563**	

Reserve for Air Quality - Fuel Tax

Budget Code: 24301

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$469,246**		**$299,291**	
Recommended Budget				
Requirements	**$9,549,205**		**$9,549,205**	
Receipts	**$9,379,250**		**$9,379,250**	
Positions	**93.70**		**93.70**	
Legislative Changes				
Requirements:				
Water and Air Quality Account (Fuel Tax) (2334)	($7,299,805)	R	($7,299,805)	R
Eliminates the recurring motor fuels tax transfer and budgets a nonrecurring transfer of motor fuel tax proceeds in FY 2015-16. Program is also subject to a Continuation Review.	$7,299,805	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**($7,299,805)**	R	**($7,299,805)**	R
	$7,299,805	NR	**$0**	NR
	0.00		0.00	
Receipts:				
Water and Air Quality Account (Fuel Tax) (2334)	($7,299,805)	R	($7,299,805)	R
Eliminates the recurring motor fuels tax transfer and budgets a nonrecurring transfer of motor fuel tax proceeds in FY 2015-16. Program is also subject to a Continuation Review.	$7,299,805	NR	$0	NR
Subtotal Legislative Changes	**($7,299,805)**	R	**($7,299,805)**	R
	$7,299,805	NR	**$0**	NR

	FY 2015-16	FY 2016-17
Revised Total Requirements	$9,549,205	$2,249,400
Revised Total Receipts	$9,379,250	$2,079,445
Change in Fund Balance	($169,955)	($169,955)
Total Positions	93.70	93.70
Unappropriated Balance Remaining	$299,291	$129,336

DENR - Commercial LUST Cleanup

Budget Code: 64305

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$83,787,906**		**$52,984,756**	
Recommended Budget				
Requirements	**$63,762,710**		**$63,762,710**	
Receipts	**$32,959,560**		**$32,959,560**	
Positions	**11.20**		**11.20**	
Legislative Changes				
Requirements:				
Noncommercial Fund (6371) Budgets a nonrecurring transfer of $2,369,428 from the General Fund to eliminate the claims backlog as of June 30, 2015. Eliminates the recurring motor fuels tax transfer of $2,191,627 and budgets a nonrecurring transfer of $2,507,106 in motor fuel tax proceeds in FY 2015-16. Also, eliminates the recurring $3,417,105 transfer from the General Fund on a permanent basis. Lastly, eliminates the transfer of $1,641,785 from the Noncommercial Fund to the General Fund to support the underground storage tank program starting in FY 2016-17.	($5,608,732) $4,876,537 0.00	R NR	($5,608,732) $0 0.00	R NR
Commercial Fund Tax Transfer (6370) Eliminates the recurring motor fuels tax transfer and budgets a nonrecurring transfer of motor fuel tax proceeds in FY 2015-16. Program is also subject to a Continuation Review.	($12,722,432) $12,722,432 0.00	R NR	($12,722,432) $0 0.00	R NR
Subtotal Legislative Changes	**($18,331,164)** **$17,598,969** 0.00	R NR	**($18,331,164)** **$0** 0.00	R NR
Receipts:				

	FY 2015-16		FY 2016-17	
Noncommercial Fund (6371)	($5,608,732)	R	($5,608,732)	R
Budgets a nonrecurring transfer of $2,369,428 from the General Fund to eliminate the claims backlog as of June 30, 2015. Eliminates the recurring motor fuels tax transfer of $2,191,627 and budgets a nonrecurring transfer of $2,507,106 in motor fuel tax proceeds in FY 2015-16. Also, eliminates the recurring $3,417,105 transfer from the General Fund on a permanent basis. Lastly, eliminates the transfer of $1,641,785 from the Noncommercial Fund to the General Fund to support the underground storage tank program starting in FY 2016-17.	$4,876,537	NR	$0	NR
Commercial Fund (6370)	($12,722,432)	R	($12,722,432)	R
Eliminates the recurring motor fuels tax transfer and budgets a nonrecurring transfer of motor fuel tax proceeds in FY 2015-16. Program is also subject to a Continuation Review.	$12,722,432	NR	$0	NR
Subtotal Legislative Changes	**($18,331,164)**	R	**($18,331,164)**	R
	$17,598,969	NR	**$0**	NR
Revised Total Requirements	**$63,030,515**		**$45,431,546**	
Revised Total Receipts	**$32,227,365**		**$14,628,396**	
Change in Fund Balance	**($30,803,150)**		**($30,803,150)**	
Total Positions	**11.20**		**11.20**	
Unappropriated Balance Remaining	**$52,984,756**		**$22,181,606**	

DENR - Energy Stripper Well

Budget Code: 64327

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$882,675**		**$464,767**	
Recommended Budget				
Requirements	**$0**		**$0**	
Receipts	**$0**		**$0**	
Positions	**0.00**		**0.00**	
Legislative Changes				
Requirements:				
Petroleum Violation Escrow Cash Balance (64347)	$0	R	$0	R
Transfers the cash balance in the Petroleum Violation Escrow trust fund to the Division of Energy, Mineral and Land Resources to offset the General Fund support of the university energy centers.	$417,908	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$417,908	NR	**$0**	NR
	0.00		0.00	
Receipts:				
Petroleum Violation Escrow Cash Balance (64347)	$0	R	$0	R
Base budget contains no receipts. No budget action necessary.	$0	NR	$0	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$0	NR	**$0**	NR

	FY 2015-16	FY 2016-17
Revised Total Requirements	$417,908	$0
Revised Total Receipts	$0	$0
Change in Fund Balance	($417,908)	$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	$464,767	$464,767

Wildlife Resources Commission

GENERAL FUND

	FY 15-16		FY 16-17	
Recommended Base Budget	**$13,317,641**		**$13,317,641**	
Legislative Changes				
Reserve for Salaries and Benefits				
70 Compensation Reserve				
Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$130,127	NR		
71 State Retirement Contributions	$8,686	R	$8,686	R
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.				
72 State Health Plan	$14,810	R	$14,810	R
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.				
Wildlife Resources Commission				
73 Agency-wide Reduction	($2,090,990)	R	($2,090,990)	R
Reduces funding to the Wildlife Resources Commission by 23% due to an increase in budgeted receipts, leaving approximately $70 million in the budget from all sources.	($1,000,000)	NR	($1,000,000)	NR
74 Operating Reduction (1135 & 1166)	($226,651)	R	($226,651)	R
Reduces printing and postage line items related to the production of the Wildlife magazine and budgets timber receipts to support a portion of the following Forester positions:	-3.75		-3.75	
60034105 - Forester (0.50) 60034121 - Forester (0.50) 60034156 - Forester (0.25) 60033832 - Forester (0.25) 60033837 - Forester (0.25) 60033851 - Forester (0.25) 60033867 - Forester (0.25) 60033876 - Forester (0.25) 60089496 - Forester (0.25) 60033847 - Forester (0.25) 60033848 - Forester (0.25) 60033849 - Forester (0.25) 60033574 - Forester (0.25)				

Conference Committee Report	FY 15-16		FY 16-17	
Total Legislative Changes	($2,294,145)	R	($2,294,145)	R
	($869,873)	NR	($1,000,000)	NR
Total Position Changes	-3.75		-3.75	
Revised Budget	**$10,153,623**		**$10,023,496**	

Motor Boat Interest Bearing

Budget Code: 24352

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$1,349,466**		**$1,349,466**	
Recommended Budget				
Requirements	**$16,916,753**		**$16,916,753**	
Receipts	**$16,916,753**		**$16,916,753**	
Positions	**0.00**		**0.00**	
Legislative Changes				
Requirements:				
Boating Safety Account (2371) Reduces the motor fuel tax transfer by $179,358 in FY 2015-16 and $252,409 in FY 2016-17 based on distributional changes between the Highway Fund and Highway Trust Fund. Program is also subject to a Continuation Review so the recurring motor fuels tax transfer is eliminated and replaced with a nonrecurring transfer of motor fuel tax proceeds in FY 2015-16.	($2,318,667) $2,139,309 0.00	R NR	($2,318,667) $0 0.00	R NR
Subtotal Legislative Changes	**($2,318,667)** **$2,139,309** 0.00	R NR	**($2,318,667)** **$0** 0.00	R NR
Receipts:				
Boating Safety Account (2371) Reduces the motor fuel tax transfer by $179,358 in FY 2015-16 and $252,409 in FY 2016-17 based on distributional changes between the Highway Fund and Highway Trust Fund. Program is also subject to a Continuation Review so the recurring motor fuels tax transfer is eliminated and replaced with a nonrecurring transfer of motor fuel tax proceeds in FY 2015-16.	($2,318,667) $2,139,309	R NR	($2,318,667) $0	R NR
Subtotal Legislative Changes	**($2,318,667)** **$2,139,309**	R NR	**($2,318,667)** **$0**	R NR

	FY 2015-16	FY 2016-17
Revised Total Requirements	$16,737,395	$14,598,086
Revised Total Receipts	$16,737,395	$14,598,086
Change in Fund Balance	$0	$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	$1,349,466	$1,349,466

Commerce

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$47,261,954**		**$47,261,954**	
Legislative Changes				
Reserve for Salaries and Benefits				
75 Compensation Reserve Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$152,962	NR		
76 State Retirement Contributions Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.	$11,154	R	$11,154	R
77 State Health Plan Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.	$17,409	R	$17,409	R
Department-wide				
78 Management Flexibility Reserve Reduces funds available to Department and provides Secretary discretion to find efficiencies in agency.	($257,315)	R	($257,315)	R
79 Legal Services Reduces legal services funding in the Department. Remaining funds available for this purpose total approximately $450,000.	($93,626)	R	($93,626)	R
Administration				
80 Human Resources Operating Budget Reduction (1111) Reduces the operating budget for Human Resources.	($61,070)	R	($61,070)	R
81 Deputy General Counsel (1111) Replaces one-half of the funding for Deputy General Counsel (60080998) with receipts.	($32,211) -0.50	R	($32,211) -0.50	R
82 Business Recruitment/Expansion (1111) Provides additional funds for the Secretary's business recruitment/expansion activities, accomplished in partnership with the Economic Development Partnership of North Carolina (EDPNC).	$25,000	R	$25,000	R

	FY 15-16		FY 16-17	
Commerce Finance Center				
83 Job Maintenance and Capital (JMAC) Development Fund (1581) Provides funds for JMAC payments to Bridgestone, Domtar, Evergreen, and Goodyear.	$6,869,254	R	$7,500,000	R
84 Operating Costs (1581) Provides funds for administration of the One North Carolina Fund and other economic development incentive programs. Commerce Finance Center operating budget totals approximately $865,000, of which approximately $221,000 is provided by receipts.	$200,000	R	$200,000	R
Economic Dev Partnership of NC (EDPNC)				
85 EDPNC Contract (1114) Eliminates $982,379 in special registration plate fee receipts that have historically been transferred from the Department of Transportation for use in out-of-state print and other media advertising for promotion of travel and industrial development per G.S. 20-79.7(c)(3)a.				
86 EDPNC Contract (1114) Reduces budget for EDPNC contract by 3%; remaining funds total $17 million.	($525,060)	R	($525,060)	R
87 Tourism Advertising (1114) Provides additional funding to the EDPNC for tourism advertising. In accordance with G.S. 143B-431.01.(b), these funds are restricted for a research-based, comprehensive marketing program directed toward consumers in key markets most likely to travel to North Carolina and not for ancillary activities, such as Statewide branding and business development marketing.	$1,000,000	R	$2,000,000	R
Graphics				
88 Comprehensive Branding (1520) Eliminates recurring funding provided for development of a comprehensive branding strategy to promote North Carolina.	($1,500,000)	R	($1,500,000)	R
89 Operating Funds (1520) Removes excess funds remaining post EDPNC contract implementation; remaining funds total nearly $158,000 to support partial positions.	($142,834)	R	($142,834)	R
90 Graphics Positions (1520) Reduces funding for 2 Artist Illustrator II positions (60081262 & 60081263) by 75% and 1 temporary position by 100%. Positions will be supported by receipts.	($83,406) -1.50	R	($83,406) -1.50	R

	FY 15-16		FY 16-17	
Industrial Commission				
91 Over-realized Receipts (1831) Reduces State funding due to a projected net increase in receipts.	($375,000)	R	($375,000)	R
92 Position Elimination (1831) Eliminates 4 positions in FY 2015-16, 2 of which are receipt-supported, and an additional 2 positions in FY 2016-17, 1 of which is receipt-supported; reduces General Fund appropriation in a like amount. FY 2015-16: 60080703 - Program Assistant V (1.0) 65020435 - Investigator (1.0) 60080724 - Safety Consultant I 60080736 - Workers' Compensation Nurse FY 2016-17: 60080628 - Deputy Commissioner (0.93) 60080679 - Program Assistant V	($209,258) -2.00	R	($311,913) -2.93	R
93 Positions (1831) Shifts 4 positions to receipt-support in FY 2015-16 and an additional 1 position in FY 2016-17; reduces General Fund appropriation in a like amount. FY 2015-16: 60080651 - Program Assistant V (1.0) 60080752 - Claims Examiner (1.0) 60080757 - Processing Assistant IV (1.0) 60080760 - Processing Assistant IV (1.0) FY 2016-17: 60080710 - Program Assistant V (1.0)	($167,129) -4.00	R	($213,269) -5.00	R
94 Information Technology Positions (1831) Provides funding for 3 Information Technology positions that will support ongoing administration of the Consolidated Case Management System, including: Operations & Systems Specialist (1.0) Bus & Tech App Analyst (1.0) Technology Support Specialist (1.0)	$297,411 3.00	R	$297,411 3.00	R
95 Insurance Regulatory Surcharge Receipts (1831) Directs the Commission to budget $2.4 million for Insurance Regulatory Surcharge receipts.				

	FY 15-16		FY 16-17	
Labor and Economic Analysis				
96 Position Elimination (1130) Eliminates 5 filled positions; 3.9 of which are receipt-supported: 60079961 - Employment Security Research Analyst III (0.3) 60080019 - Manpower Programs Coordinator 60080021 - Manpower Programs Coordinator 60079990 - Labor Market Analyst (0.4) 60080024 - Labor Market Analyst (0.4)	($52,903) -1.10	R	($70,537) -1.10	R
Office of Science and Technology				
97 One NC Small Business Fund (1113) Provides nonrecurring funds to offer early-stage technology development grants for small businesses that receive federal awards from the Small Business Innovative Research program or Small Business Technology Transfer program. Total biennium funding is $5.25 million.	$2,250,000	NR	$3,000,000	NR
Rural Economic Development				
98 Underserved & Limited Resource Communities Grants (ULRC) (1534) Eliminates the ULRC program, a competitive grant program for underserved and low resource communities that was active for 1 year in FY 2014-15.	($1,250,000)	R	($1,250,000)	R
99 Grant Program Expansion (1534) Provides additional funding for Rural Economic Development Division grant programs. Total funding in FY 2015-16 is $15.6 million and FY 2016-17 is $15.7 million.	$2,205,000	NR	$2,251,799	NR
100 Main Street Solutions Fund (1620) Provides nonrecurring funds to offer reimbursable matching grants to local governments to assist planning agencies and small businesses with efforts to revitalize downtown areas. Total FY 2015-16 funding is $2 million.	$2,000,000	NR		
Travel Inquiry				
101 Visitor Services Director (1551) Budgets federal indirect cost receipts for one-half of a filled position (60080871).	($52,358) -0.50	R	($52,358) -0.50	R
Workforce Solutions				
102 Apprenticeship Program (1912) Eliminates Apprenticeship fees (G.S. 94-12) and reduces budgeted receipts by $300,000.				

Conference Committee Report	FY 15-16		FY 16-17	
Total Legislative Changes	**$3,618,058**	R	**$5,082,375**	R
	$6,607,962	NR	**$5,251,799**	NR
Total Position Changes	-6.60		-8.53	
Revised Budget	**$57,487,974**		**$57,596,128**	

Commerce Employment Security

Budget Code: 24650

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$11,845,640**		**$11,845,640**	
Recommended Budget				
Requirements	**$168,075,000**		**$168,075,000**	
Receipts	**$168,075,000**		**$168,075,000**	
Positions	**1,282.40**		**1,282.40**	
Legislative Changes				
Requirements:				
USDOL Grant (2000)	$0	R	$0	R
Directs the Division of Employment Security to budget requirements and receipts for US Department of Labor Unemployment Compensation Modernization incentive payment. Funds shall be used to design and build an integrated unemployment benefit and tax accounting system; remaining funds shall be used for the operation of the unemployment insurance program.	$205,063,552	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$205,063,552	NR	**$0**	NR
	0.00		0.00	

Receipts:

USDOL Grant (2000)	$0	R	$0	R
Directs the Division of Employment Security to budget requirements and receipts for US Department of Labor Unemployment Compensation Modernization incentive payment. Funds shall be used to design and build an integrated unemployment benefit and tax accounting system; remaining funds shall be used for the operation of the unemployment insurance program.	$205,063,552	NR	$0	NR

	FY 2015-16		FY 2016-17	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$205,063,552	NR	**$0**	NR
Revised Total Requirements	**$373,138,552**		**$168,075,000**	
Revised Total Receipts	**$373,138,552**		**$168,075,000**	
Change in Fund Balance	**$0**		**$0**	
Total Positions	**1,282.40**		**1,282.40**	
Unappropriated Balance Remaining	**$11,845,640**		**$11,845,640**	

Commerce – Enterprise

Budget Code: 54600

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$3,639,764**		**$3,981,703**	
Recommended Budget				
Requirements	**$33,541,658**		**$33,541,658**	
Receipts	**$33,883,597**		**$33,883,597**	
Positions	**284.00**		**284.00**	
Legislative Changes				
Requirements:				
Utilities Commission (5211)	($144,428)	R	($144,428)	R
Reduces the budgeted requirements and receipts for the Utilities Commission to more closely align to actuals.	$0	NR	$0	NR
	0.00		0.00	
Utilities - Public Staff (5221)	($478,193)	R	($478,193)	R
Reduces the budgeted requirements and receipts for the Public Staff to more closely align to actuals.	$0	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**($622,621)**	R	**($622,621)**	R
	$0	NR	**$0**	NR
	0.00		0.00	
Receipts:				
Utilities Commission (5211)	($144,428)	R	($144,428)	R
Reduces the budgeted requirements and receipts for the Utilities Commission to more closely align to actuals.	$0	NR	$0	NR
Utilities - Public Staff (5221)	($478,193)	R	($478,193)	R
Reduces the budgeted requirements and receipts for the Public Staff to more closely align to actuals.	$0	NR	$0	NR
Subtotal Legislative Changes	**($622,621)**	R	**($622,621)**	R
	$0	NR	**$0**	NR

	FY 2015-16	FY 2016-17
Revised Total Requirements	$32,919,037	$32,919,037
Revised Total Receipts	$33,260,976	$33,260,976
Change in Fund Balance	$341,939	$341,939
Total Positions	284.00	284.00
Unappropriated Balance Remaining	$3,981,703	$4,323,642

Utilities Commission/Public Staff

Budget Code: 64605

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$3,366,237**		**$3,366,237**	
Recommended Budget				
Requirements	**$16,122,621**		**$16,122,621**	
Receipts	**$16,122,621**		**$16,122,621**	
Positions	**0.00**		**0.00**	
Legislative Changes				
Requirements:				
Utilities Comm. - Public Staff - Enterprise (6431)	($622,621)	R	($622,621)	R
Reduces the budgeted requirements and receipts for the fund to more closely align to actuals.	$0	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**($622,621)**	R	**($622,621)**	R
	$0	NR	**$0**	NR
	0.00		0.00	
Receipts:				
Utilities Comm. - Public Staff - Enterprise (6431)	($622,621)	R	($622,621)	R
Reduces the budgeted requirements and receipts for the fund to more closely align to actuals.	$0	NR	$0	NR
Subtotal Legislative Changes	**($622,621)**	R	**($622,621)**	R
	$0	NR	**$0**	NR

	FY 2015-16	FY 2016-17
Revised Total Requirements	$15,500,000	$15,500,000
Revised Total Receipts	$15,500,000	$15,500,000
Change in Fund Balance	$0	$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	$3,366,237	$3,366,237

Commerce - State Aid

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$11,704,240**		**$11,704,240**	
Legislative Changes				
American Legion World Series Baseball (1913)				
103 American Legion World Series (ALWS) Baseball Inc. Provides nonrecurring funding to ALWS, the nonprofit organization responsible for hosting the 2015 American Legion Baseball World Series.	$200,000	NR		
Biotechnology Center				
104 Biotechnology Center (1121) Provides recurring funding for the Biotechnology Center; annual funding totals $13.6 million.	$5,000,000	R	$5,000,000	R
Brevard Station Museum				
105 Brevard Station Museum (1913) Provides nonrecurring funding for the Brevard Station Museum in Stanley.	$25,000	NR		
Grassroots Science Museums (1913)				
106 Grassroots Science Museums Transfers funding in FY 2016-17 to the Museum of Natural Sciences to establish a competitive grant program for North Carolina science centers/museums and children's museums.			($2,448,430)	R
High Point Market Authority (1913)				
107 High Point Market Authority (HPMA) Provides additional funding for HPMA marketing; total annual funding is $1.2 million.	$500,000	R	$500,000	R
Rankin Museum (1913)				
108 Rankin Museum of American Heritage Provides nonrecurring funding for the Rankin Museum in Ellerbe.	$25,000	NR		
Research Triangle Institute (1913)				
109 Research Triangle Institute Grant Provides funds to the Research Triangle Institute. FY 2015-16 monies will match US Department of Energy grants for clean energy research and development.	$800,000	R	$800,000	R

Conference Committee Report	FY 15-16		FY 16-17	
The Support Center (1913)				
110 The Support Center Provides nonrecurring funding to The Support Center for each year of the biennium to provide small business loans and financial training to start-ups and existing businesses and lending services to community-based organizations.	$2,500,000	NR	$2,500,000	NR
Total Legislative Changes	**$6,300,000**	R	**$3,851,570**	R
	$2,750,000	NR	**$2,500,000**	NR
Total Position Changes				
Revised Budget	**$20,754,240**		**$18,055,810**	

Cultural Resources

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$64,231,047**		**$64,231,047**	
Legislative Changes				
Reserve for Salaries and Benefits				
111 Compensation Reserve Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$1,305,055	NR		
112 State Retirement Contributions Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.	$61,895	R	$61,895	R
113 State Health Plan Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.	$148,533	R	$148,533	R

	FY 15-16		FY 16-17	
Department-wide				
114 Administrative Positions Establishes administrative positions in the newly renamed Department of Natural and Cultural Resources due to the transfer of the Zoo, Aquariums, Museum of Natural Sciences, the Parks System, the Clean Water Management Trust Fund and Natural Heritage Program. Positions will be established using funds made available from the elimination of 24.94 vacant positions and the transfer of 15.45 filled positions from the Department of Environment and Natural Resources. Filled Positions: 60036012 - Accountant (1.0) 60036004 - Accounting Technician (1.0) 60036013 - Accounting Technician (1.0) 60036014 - Accounting Technician (1.0) 60036017 - Accounting Technician (1.0) 60036019 - Accounting Technician (1.0) 60035954 - Administrative Assistant III (1.0) 60035979 - Artist Illustrator (1.0) 60035971 - Attorney II (1.0) 60035991 - EEO Administrator (1.0) 65010186 - Engineer (1.0) 60035950 - GS 5th Floor Receptionist (1.0) 60035949 - HR Representative (1.0) 60032527 - Info Communication Specialist (0.45) 60036042 - Purchaser (1.0) 60035942 - Special Assistant (1.0)	$3,129,370 15.45	R	$3,129,370 15.45	R
A+ Schools				
115 A+ Schools Provides additional funds for the management and execution of the A+ school program. The total amount of funds for this effort will be $756,189 for FY 2015-16 and $1,006,189 in FY 2016-17, including special revenue funds. There is a special revenue account that allows donations to be deposited and used only for the purpose of the activities for this program.	$232,711	NR	$482,711	NR
Aquariums				
116 Aquariums Base Budget Creates an aquariums reserve to be used to establish the base budget for the aquariums transferred from the Department of Environment and Natural Resources to the newly renamed Department of Natural and Cultural Resources, effective July 1, 2015.	$6,677,619 118.50	R	$6,677,619 118.50	R
Archeology				
117 Queen Anne's Revenge Provides funding for the continued archeological work for the Queen Anne's Revenge excavation project. The total funding is $1.5 million over the biennium for this effort.	$929,161	NR	$570,839	NR

	FY 15-16		FY 16-17	
Arts Council Grants				
118 Grassroots Art Grants Provides additional funds for the Grassroots Art Grants program. The total funding for this grants program will be $2,453,708 in both FY 2015-16 and FY 2016-17.	$150,000	NR	$150,000	NR
Clean Water Management Trust Fund				
119 Clean Water Management Trust Fund (CWMTF) Base Budget Creates a CWMTF reserve to be used to establish the base budget for the Trust Fund transferred from the Department of Environment and Natural Resources to the newly renamed Department of Natural and Cultural Resources, effective July 1, 2015.	$11,657,530	R	$11,657,530	R
120 CWMTF Operating (1115) Provides recurring funds to support the CWMTF's administrative expenses rather than funding administration from grant funds.	$1,127,452 9.60	R	$1,127,452 9.60	R
121 Military Buffers Provides additional funding to the CWMTF to be allocated specifically for the purpose of acquiring buffers around military bases. Total General Fund support for all CWMTF grants is $30.3 million over the biennium. Total funding from all sources, including special license plates revenue, is $38.7 million over the biennium.	$1,000,000	R	$1,000,000	R
122 Grant Program Expansion Provides additional grant funds for the CWMTF bringing total General Fund support for grants to approximately $30.3 million over the biennium. Total funding from all sources, including special license plate revenue, is $38.7 million over the biennium.	$5,000,000	NR		
Historic Preservation				
123 Staff Support for Federal Historic Tax Credits Provides funding for staff to support historic revitalization and federal tax credits.	$190,730 4.00	R	$190,730 4.00	R
Historic Sites				
124 Tryon Palace Provides additional operating funds for Tryon Palace. Total funding for Tryon Palace is $3,453,914 in FY 2015-16 and $3,403,914 in FY 2016-17.	$100,000	NR	$50,000	NR
History Museum				
125 Chief Curator Position Provides funds for the creation of 1 military curator position to serve the history museums.	$102,000 1.00	R	$102,000 1.00	R

	FY 15-16		FY 16-17	
Library Grant Program				
126 Library Grant Program Provides $1 million in funds for the library grant program to be disbursed through the formula. The amount available through State appropriations equals $14,207,033 for each year of the biennium.	$1,000,000	R	$1,000,000	R
Museum of Art				
127 North Carolina Museum of Art Provides nonrecurring funds to the North Carolina Museum of Art for FY 2015-16. The total funds available for FY 2015-16 is $6,311,036.	$130,000	NR		
Museum of Natural Sciences				
128 Museum Base Budget Creates a museum reserve to be used to establish the base budget for the museum transferred from the Department of Environment and Natural Resources to the newly renamed Department of Natural and Cultural Resources, effective July 1, 2015. The transfer includes 3.12 receipt-supported positions.	$11,842,973 148.88	R	$11,842,973 148.88	R
129 Grassroots Science Museums Establishes a competitive grant program for North Carolina science centers/museums and children's museums with science and STEM (science, technology, engineering, and mathematics) exhibits and programming.			$2,448,430	R
Natural Heritage Program				
130 Natural Heritage Program Operating Funds (1115) Provides funding for the Natural Heritage Program transferred from the Department of Environment and Natural Resources to the newly renamed Department of Natural and Cultural Resources, effective July 1, 2015. Total funding for the program is reduced by 41%.	$450,000 5.00	R	$450,000 5.00	R
Parks and Recreation				
131 Parks Base Budget Creates a parks reserve to be used to establish the base budget for the parks system transferred from the Department of Environment and Natural Resources to the newly renamed Department of Natural and Cultural Resources, effective July 1, 2015. The transfer includes 17 receipt-supported positions.	$42,807,443 463.50	R	$42,807,443 463.50	R
132 Parks and Recreation Trust Fund (PARTF) Provides additional funding for PARTF bringing total grant funding from all sources to approximately $37.2 million over the biennium.	$190,924	R	$4,427,007 $6,000,000	R NR
133 Centennial Funding Provides nonrecurring funds for the promotion of the 100th Anniversary of the North Carolina State Park System, including marketing funds, special exhibits and improved signage.	$250,000	NR	$200,000	NR

Conference Committee Report	FY 15-16		FY 16-17	
134 Park Restoration				
Provides nonrecurring funds to restore Brock's Mill House and Pond.	$100,000	NR		
Zoo				
135 Zoo Base Budget	$10,583,824	R	$10,533,824	R
Creates a zoo reserve to be used to establish the base budget for the zoo transferred from the Department of Environment and Natural Resources to the newly renamed Department of Natural and Cultural Resources, effective July 1, 2015. The transfer includes 49.9 receipt-supported positions.	213.35		213.35	
Total Legislative Changes	**$90,970,293**	R	**$97,604,806**	R
	$8,196,927	NR	**$7,453,550**	NR
Total Position Changes	979.28		979.28	
Revised Budget	**$163,398,267**		**$169,289,403**	

Cultural Resources - Roanoke Island Commission

GENERAL FUND

	FY 15-16		FY 16-17	
Recommended Base Budget	**$508,384**		**$508,384**	
Legislative Changes				
Roanoke Island Festival Park				
136 Operating Fund Increase Provides additional operating funds for the Roanoke Island Festival Park. The total funds available will be $523,384.	$15,000	R	$15,000	R
Total Legislative Changes	**$15,000**	R	**$15,000**	R
Total Position Changes				
Revised Budget	**$523,384**		**$523,384**	

Justice and Public Safety
Section I

Public Safety

GENERAL FUND

	FY 15-16		FY 16-17	
Recommended Base Budget	**$1,758,733,006**		**$1,758,773,164**	
Legislative Changes				
A. Reserve for Salaries and Benefits				
1 Compensation Reserve	$134,578	R	$134,578	R
Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes. In addition, funds are appropriated for the changes to the Statewide teacher salary schedule that affect State agency teachers within the Department.	$19,778,039	NR		
2 Trooper Step Increase	$876,980	R	$1,753,960	R
Provides funds for an experience-based step increase for State Highway Patrol Troopers pursuant to G.S. 20-187.3. The FY 2015-16 step increase shall be effective January 1, 2016.				
3 State Highway Patrol Market Adjustment	$3,700,000	R	$3,700,000	R
Provides funds for a market-based salary adjustment for sworn members of the State Highway Patrol (SHP). Salaries of all sworn members of the SHP are increased 3% and the starting pay for entry-level SHP positions is also increased 3% from $35,000 to $36,050.				
4 Correctional Officer Custody-level Based Pay Adjustment	$12,771,297	R	$25,542,594	R
Provides funds to begin implementation of custody-level pay for Correctional Officers, Custody Supervisors, and Prison Facility Administrators. No earlier than January 1, 2016, the Department of Public Safety will begin adjusting Correctional Officer salaries, including the salaries of Correctional Food Service Officers and Managers, based on the custody level of the correctional facility.				
5 Parole Commission Salary Adjustment	$98,393	R	$98,393	R
Increases the salaries of the Parole Commission. The salary of the Chair of the Parole Commission is increased to the same salary as the Chair of the Board of Review. The salary of the three members of the Parole Committee remain at 92.4% of the Chair's salary.				
6 State Retirement Contributions	$1,046,686	R	$1,046,686	R
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.				
7 State Health Plan	$2,251,128	R	$2,251,128	R
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.				

	FY 15-16		FY 16-17	
B. Department-wide				
8 Samarcand Operating Costs	$1,096,687	R	$1,936,248	R
Funds start-up costs for the Samarcand Training Academy in Moore County. The training facility will allow the Department to provide overnight training for correctional officers and juvenile justice officers, as well as other employees of the Department of Public Safety (DPS). Positions are phased in throughout the biennium.	$466,121 18.00	NR	 21.00	
9 Appropriate Use-of-Force Training				
Provides nonrecurring funds to purchase a use-of-force training simulator for the Samarcand Training Academy.	$109,656	NR		
10 Samarcand Firing Range				
Provides funds to construct a state-of-the-art firing range at the Samarcand Training Academy. The firing range will be made available to train for correction officers, probation and parole officers, State law enforcement officers, and local law enforcement agencies.	$2,898,779	NR		
C. Administration				
11 Operating Budget Reductions	($199,189)	R	($199,189)	R
Reduces various line items in the operating budget for the Division of Administration. Reductions include:				
PC/Printer Equipment ($110,000) Server Equipment ($ 56,000) Data Processing Supplies ($ 15,000) Laboratory Service Agreement ($ 6,000) Library and Learning Resources ($ 7,000) Other line items ($ 5,189)				
This reduction is 0.33% of the $59.9 million budget for the Division of Administration.				
12 Governor's Crime Commission Budget Alignment	($12,489)	R	($12,489)	R
Modifies the budgeted amount for PC software by $10,879 and eliminates State matching funds of $1,610 for grant funds that are no longer necessary. This is a 0.04% reduction to the Governor's Crime Commission budget of $25.9 million.				
13 Grants for Body-worn Cameras				
Provides matching grants for local and county law enforcement agencies to purchase and use body-worn video cameras and for training and related expenses. Agencies can receive up to $100,000. Grants must be matched by agencies on a 2 to 1 basis.	$2,500,000	NR	$2,500,000	NR

	FY 15-16		FY 16-17	
14 HERO Grants				
Provides funds to the Governor's Crime Commission for grants to law enforcement agencies for salaries, training, and equipment for Internet Crimes Against Children Task Force affiliate investigators and forensic analysts to utilize technology and data analysis to locate and rescue children at risk of exploitation. Priority will be given to veterans who have received training from the Human Exploitation Rescue Operative (HERO) project, a collaborative between the National Association to Protect Children, US Immigration and Customs Enforcement, and the US Special Operations Command, or a comparable training program.	$600,000	NR	$1,000,000	NR
D. Law Enforcement				
15 SHP - Appropriate Use-of-Force Training	$150,000	R	$150,000	R
Provides funds to the State Highway Patrol (SHP) to develop and coordinate appropriate use-of-force training for State law enforcement officers, including the State Bureau of Investigation (SBI), Alcohol Law Enforcement (ALE), and State Capitol Police. Recurring funds are provided for supplies and equipment replacement and training costs; nonrecurring funds are provided for a use-of-force training simulator and associated equipment in the first year.	$109,656	NR		
16 SHP Vehicles	$7,657,143	R	$7,657,143	R
Increases funding for Highway Patrol vehicles by 153% to $12,649,895 to fully fund the enforcement and support fleet vehicle replacement schedule. Enforcement vehicles will be replaced every 100,000 miles.				
17 SHP Vehicle Cameras	$2,649,625	R	$2,649,625	R
Provides funds to install cameras in the remaining enforcement fleet vehicles that do not already have them. Once the remaining fleet is outfitted with cameras, all of the cameras will be on a five-year replacement cycle.	$695,650	NR		
18 SBI Vehicles	$1,943,373	R	$1,943,373	R
Establishes a recurring budget to replace 75 vehicles per year for the State Bureau of Investigation, including ALE.				
19 SAFIS Replacement				
Budgets $399,602 in receipts on a recurring basis for replacement of the Statewide Automated Fingerprint Identification System (SAFIS). An additional $333,557 nonrecurring is transferred from Budget Code 23002 - Governor's Office Special Revenue into the Public Safety Information Technology Fund (Budget Code 24554) in the Special Fund section for this purpose.				
20 Operation Medicine Drop				
Provides funds to the SBI for Operation Medicine Drop, a program that conducts events for citizens to bring unused or expired medications to a central location for safe disposal.	$120,000	NR		

	FY 15-16		FY 16-17	
21 Law Enforcement Reorganization Eliminates the Commissioner of Law Enforcement (Chief Deputy Secretary - 65014617). A corresponding special provision transfers the State Capitol Police as a section under the State Highway Patrol and makes the Highway Patrol a direct report to the Secretary.	($153,791) -1.00	R	($153,791) -1.00	R
E. Emergency Management and National Guard				
22 Emergency Management Operating Efficiencies Shifts partial funding of 4 positions (60084453, 60032393, 60084598, 60032400) to receipt support ($48,657), and reduces funds for supplies and equipment by $24,703. This is a 0.20% reduction to the total budget for Emergency Management of $35.7 million.	($73,360) -1.17	R	($73,360) -1.17	R
23 National Guard Operating Efficiencies Reduces the National Guard operating budget as follows: Waste Mgt Services ($67,679) Travel ($26,001) Motor Vehicle Insurance ($10,000) This is a 0.29% reduction to the total National Guard budget of $35.5 million.	($103,680)	R	($103,680)	R
24 National Guard Joint Forces Headquarters (JFHQ) Operating Expenses Provides funds for building utilities and maintenance for the National Guard's portion of JFHQ. Federal funds were used for this purpose until last year, when the federal portion of the funding was reduced to 55% and a 45% State match was required.	$350,000	R	$375,000	R
F. Adult Correction and Juvenile Justice - Prisons				
25 Harnett CI Electronic Intrusion System Enhances prison security through the installation of an Electronic Intrusion System (EIS) at Harnett Correctional Institution. EIS improves efficiency by eliminating staff in watchtowers and replacing them with a roving perimeter patrol. The total amount reduced in FY 2015-16 is $127,838. However, the Department is authorized to spend $74,050 nonrecurring funds for vehicles and telecommunications equipment for the perimeter patrols.	($53,788) -14.00	R	($511,219) -14.00	R
26 Inmate Education Reduces the Inmate Education budget by 5.6%, leaving $8,451,087 to provide education services.	($500,000)	R	($500,000)	R
27 Central Prison Mental Health Beds Funds 66 positions at the Central Prison Mental Health Facility to open 72 additional beds to enable the unit to operate at full capacity of 216 beds. Thirty-five positions are effective January 1, 2016 and 31 additional positions are effective January 1, 2017.	$1,074,669 35.00	R	$3,161,763 66.00	R

	FY 15-16		FY 16-17	
28 Mental Health Behavior Treatment Establishes mental health behavior treatment units at eight close custody prisons. Four units are effective January 1, 2016 and four units are effective January 1, 2017.	$2,092,641 $121,300 76.00	R NR	$5,619,247 $121,300 152.00	R NR
29 Electronic Health Records Provides funding for vendor fees for access and data for the electronic inmate healthcare records system. The Department is currently using nonrecurring funds for the development and implementation of the system.			$1,363,357	R
30 Statewide Misdemeanant Confinement Fund Provides funds for the Statewide Misdemeanant Confinement Fund (SMCF). This fund was previously supported by court costs that were transferred directly to the fund. SMCF provides payments to county jails for housing, transportation, and medical care for misdemeanants sentenced to confinement for longer than 90 days.	$22,500,000	R	$22,500,000	R
G. Adult Correction and Juvenile Justice - Community Corrections				
31 Electronic Monitoring Provides increased funding for electronic monitoring equipment for offenders under supervision. Use of electronic monitoring has more than doubled following the Justice Reinvestment Act; this funding supports the increased demand. With these additional funds, the budget for electronic monitoring will be $4.9 million in the first year, a 17% increase. In the second year, it will be $6.8 million, a 62% increase.	$700,000	R	$2,641,795	R
H. Adult Correction and Juvenile Justice - Juvenile Justice				
32 Residential Beds for Adjudicated Juveniles Provides funding for expanded bed capacity for adjudicated juveniles in contracted and State-run facilities throughout the State. The new total budget for juvenile community programs will be $20.1 million, an increase of 11%.	$2,000,000	R	$2,000,000	R
Total Legislative Changes	**$61,996,903** **$27,399,201**	R NR	**$84,971,162** **$3,621,300**	R NR
Total Position Changes	112.83		222.83	
Revised Budget	**$1,848,129,110**		**$1,847,365,626**	

Justice

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$50,584,602**		**$50,584,602**	
Legislative Changes				
A. Reserve for Salaries and Benefits				
33 Compensation Reserve Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$443,217	NR		
34 Forensic Scientist Market Adjustment Provides funds for a market-based salary adjustment for Forensic Scientists employed in the State Crime Laboratory.	$1,023,635	R	$1,023,635	R
35 State Retirement Contributions Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.	$37,128	R	$37,128	R
36 State Health Plan Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.	$50,444	R	$50,444	R
B. State Crime Laboratory				
37 Crime Lab Technicians Creates 6 new technician positions at the State Crime Lab to handle non-scientific duties. These positions will allow forensic scientists to concentrate on more complex tasks, increasing efficiency and turn-around time for lab analysis.	$251,117 6.00	R	$330,504 6.00	R
38 Outsourcing Funds for Forensic Analysis Provides funds in the first year to allow the State Crime Lab to outsource forensic analysis services, including toxicology and DNA.	$750,000	NR		

	FY 15-16		FY 16-17	
39 DNA on Arrest for All Violent Felonies	$173,880	R	$373,150	R
Provides funds to expand DNA on Arrest to all violent felonies. The expansion is expected to generate an additional 4,308 DNA on Arrest samples. The following positions are created:	4.00		4.00	

Title	FTE	Total Position Cost
Forensic Scientist I	1.00	$ 80,020
Information Processing Tech.	3.00	$152,340

An additional $140,790 is provided for related supplies and equipment. Funding in the first year has been pro-rated to account for the December 1, 2015 effective date.

C. Training and Standards

40 Appropriate Use-of-Force Training	$236,129	R	$236,129	R
Provides funds to the NC Justice Academy to develop curricula and provide appropriate use-of-force training to local law enforcement agencies. Funding is provided to create new criminal justice training coordinator positions for community relations and use-of-force training, and to offer multiple train-the-trainer programs in Fair and Impartial Policing throughout the year. Nonrecurring funding is provided to purchase use-of-force training simulators for the Edneyville and Salemburg campuses.	$219,312 2.00	NR	2.00	
41 Sexual Assault Investigator Training	$80,000	R	$80,000	R
Provides funds for a criminal justice coordinator to conduct basic and advanced training for the identification and investigation of sexual assault and violence against women crimes.	1.00		1.00	
Total Legislative Changes	**$1,852,333** **$1,412,529**	R NR	**$2,130,990**	R
Total Position Changes	13.00		13.00	
Revised Budget	**$53,849,464**		**$52,715,592**	

Judicial - Indigent Defense

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$112,087,174**		**$112,097,118**	
Legislative Changes				
A. Reserve for Salaries and Benefits				
42 Compensation Reserve Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$430,421	NR		
43 State Retirement Contributions Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.	$36,314	R	$36,314	R
44 State Health Plan Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.	$48,988	R	$48,988	R
B. Private Appointed Counsel Funds				
45 Additional Private Appointed Counsel Funds Provides funding to pay private counsel assigned to represent indigent defendants, reducing a budget shortfall that has accumulated over several years. This budget shortfall creates a hardship for small business legal firms whose payments are delayed when State funding is exhausted before the end of the fiscal year. This is a funding increase of 5.5% in FY 2015-16 and 7.2% in FY 2016-17 over the current appropriation of $61,579,725 .	$3,400,000	R	$4,447,544	R
Total Legislative Changes	**$3,485,302**	R	**$4,532,846**	R
	$430,421	NR		
Total Position Changes				
Revised Budget	**$116,002,897**		**$116,629,964**	

Judicial

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$467,897,397**		**$467,898,110**	
Legislative Changes				
A. Reserve for Salaries and Benefits				
46 Compensation Reserve Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$4,717,005	NR		
47 Assistant and Deputy Clerk Step Increase Provides funds for an experience-based step increase for Assistant and Deputy Clerks pursuant to G.S. 7A-102. The FY 2015-16 step increase shall be effective January 1, 2016.	$1,885,984	R	$3,771,968	R
48 Magistrate Step Increase Provides funds for an experience-based step increase for Magistrates pursuant to G.S. 7A-171.1. The FY 2015-16 step increase shall be effective January 1, 2016.	$834,970	R	$1,669,940	R
49 State Retirement Contributions Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.	$266,667	R	$266,667	R
50 Consolidated Judicial Retirement Contributions Increases the State's contribution for members of the Consolidated Judicial Retirement System to fund increased retiree medical premiums.	$78,100	R	$78,100	R
51 State Health Plan Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.	$536,860	R	$536,860	R
B. Administration and Services				
52 Court Information Technology Provides funds for planning and initial implementation of the eCourts initiative at the Administrative Office of the Courts (AOC).	$1,800,000	R	$1,800,000	R
53 Electronic Compliance Provides funding to the Administrative Office of the Courts for an electronic compliance dismissal project.	$567,236	NR		

	FY 15-16		FY 16-17	
54 Funds for Interpreters, Expert Witnesses, and Juries Increases the budget for interpreters, expert witnesses, and juries as necessary to operate the State court system. Funds for jury fees will increase by $704,818 over the current budget of $3,618,520. Funds for expert witnesses will increase by $73,519 over the current budget of $255,986. Funds for interpreters will increase by $798,946 over the current budget of $1,157,862. This represents a 31.3% increase over current funding levels.	$1,577,283	R	$1,577,283	R
55 Funds For Operating Budget Increases the budget for constitutionally and legally mandated legal and contracting services, equipment, travel, supplies, and maintenance as necessary to operate the State court system. This is an increase of 11.4% over the current budget levels in FY 2015-16 and 20.1% over current budget levels in FY 2016-17.	$3,309,203	R	$5,855,590	R
56 JurisLink Provides funds to establish a system of automated kiosks in local confinement facilities to allow attorneys representing indigent defendants to consult with their clients remotely.	$400,000	NR		
C. Trial Court				
57 Special Superior Court Judges Eliminates 3 special superior court judgeships at the end of the terms of the judges currently serving in office. These terms will end on October 20, 2015 and January 26, 2016.	($306,541) -3.00	R	($613,083) -3.00	R
58 Business Court Staff Provides staff and facilities for special superior court judges who will be designated as Business Court judges in FY 2015-16.	$428,529 $938,524 6.00	R NR	$571,372 6.00	R
59 Special Assistant United States Attorneys Creates 6 Assistant District Attorney positions to act as Special Assistant United States Attorneys (SAUSAs) in offices covering all federal districts around the State. The Conference of District Attorneys will consult with all of the elected District Attorneys to determine the best home offices for these positions. The SAUSAs shall follow best practices as established by the Conference of District Attorneys. The costs assume that positions will be effective as of July 1, 2016.			$713,514 6.00	R
Total Legislative Changes	**$10,411,055** **$6,622,765**	R NR	**$16,228,211**	R
Total Position Changes	3.00		9.00	
Revised Budget	**$484,931,217**		**$484,126,321**	

Public Safety-Welfare

Budget Code: 24553

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$5,742,593**		**$4,667,520**	
Recommended Budget				
Requirements	**$13,528,563**		**$13,528,563**	
Receipts	**$13,128,490**		**$13,128,490**	
Positions	**31.00**		**31.00**	
Legislative Changes				
Requirements:				
Managed Access for Cell Phones	$0	R	$0	R
Provides funding for the Department of Public Safety to spend up to $675,000 in FY 2015-16 and up to $2,750,000 in FY 2016-17 for a Managed Access System to provide enhanced security technology to deter illegal access of cell phones by inmates in the State's prison system.	$675,000	NR	$2,750,000	NR
	0.00		0.00	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$675,000	NR	**$2,750,000**	NR
	0.00		0.00	
Receipts:				
Managed Access for Cell Phones	$0	R	$0	R
No budget action necessary.	$0	NR	$0	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$0	NR	**$0**	NR

	FY 2015-16	FY 2016-17
Revised Total Requirements	$14,203,563	$16,278,563
Revised Total Receipts	$13,128,490	$13,128,490
Change in Fund Balance	($1,075,073)	($3,150,073)
Total Positions	31.00	31.00
Unappropriated Balance Remaining	$4,667,520	$1,517,447

Public Safety Information Technology Fund

Budget Code: 24554

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$18,835,595**		**$9,835,595**	
Recommended Budget				
Requirements	**$0**		**$0**	
Receipts	**$0**		**$0**	
Positions	**0.00**		**0.00**	
Legislative Changes				
Requirements:				
SAFIS Replacement	$0	R	$0	R
Budgets funds transferred from Budget Code 23002 to the State Bureau of Investigation to update the Statewide Automated Fingerprint Information System (SAFIS).	$333,557	NR	$0	NR
	0.00		0.00	
Enterprise Resource Planning	$0	R	$0	R
Transfers funds appropriated for Enterprise Resource Planning from Budget Code 24554 to the General Fund.	$9,000,000	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$9,333,557	NR	**$0**	NR
	0.00		0.00	
Receipts:				
SAFIS Replacement	$0	R	$0	R
Budgets funds transferred from Budget Code 23002 to the State Bureau of Investigation to update the Statewide Automated Fingerprint Information System (SAFIS).	$333,557	NR	$0	NR
Enterprise Resource Planning	$0	R	$0	R
No budget action necessary.	$0	NR	$0	NR

	FY 2015-16		FY 2016-17	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$333,557	NR	**$0**	NR
Revised Total Requirements	**$9,333,557**		**$0**	
Revised Total Receipts	**$333,557**		**$0**	
Change in Fund Balance	**($9,000,000)**		**$0**	
Total Positions	**0.00**		**0.00**	
Unappropriated Balance Remaining	**$9,835,595**		**$9,835,595**	

Public Safety – Special – Interest Bearing

Budget Code: 24555

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$19,924,292**		**$13,923,877**	
Recommended Budget				
Requirements	**$8,466,432**		**$8,466,432**	
Receipts	**$2,666,017**		**$2,666,017**	
Positions	**5.00**		**5.00**	
Legislative Changes				
Requirements:				
Community Correction Funds	$0	R	$0	R
Provides funds for the Community Corrections section of the Department of Public Safety to support training, purchase of safety equipment, and electronic monitoring.	$200,000	NR	$200,000	NR
	0.00		0.00	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$200,000	NR	**$200,000**	NR
	0.00		0.00	
Receipts:				
Community Corrections Funds	$0	R	$0	R
No budget action necessary.	$0	NR	$0	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$0	NR	**$0**	NR

	FY 2015-16	FY 2016-17
Revised Total Requirements	$8,666,432	$8,666,432
Revised Total Receipts	$2,666,017	$2,666,017
Change in Fund Balance	($6,000,415)	($6,000,415)
Total Positions	5.00	5.00
Unappropriated Balance Remaining	$13,923,877	$7,923,462

ABC Commission

Budget Code: 54551

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$4,491,738**		**$4,826,323**	
Recommended Budget				
Requirements	**$13,004,818**		**$13,004,818**	
Receipts	**$13,339,403**		**$13,339,403**	
Positions	**44.00**		**44.00**	
Legislative Changes				
Requirements:				
Initiative to Reduce Underage Drinking	$3,100,000	R	$3,100,000	R
Provides funds for the Initiative to Reduce Underage Drinking to provide public relations assistance; strategic marketing and branding; multi-media planning, negotiation, and buying; and creative design and development for the NC ABC Commission's Talk It Out Campaign.	$0	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$3,100,000**	R	**$3,100,000**	R
	$0	NR	**$0**	NR
	0.00		0.00	
Receipts:				
Bailment Surcharge Receipts	$3,100,000	R	$3,100,000	R
Increases the budgeted receipts from the bailment surcharge. The ABC Commission increased the bailment surcharge from $0.80 per case to $1.40 per case in FY 2014-15.	$0	NR	$0	NR
Subtotal Legislative Changes	**$3,100,000**	R	**$3,100,000**	R
	$0	NR	**$0**	NR

	FY 2015-16	FY 2016-17
Revised Total Requirements	$16,104,818	$16,104,818
Revised Total Receipts	$16,439,403	$16,439,403
Change in Fund Balance	$334,585	$334,585
Total Positions	44.00	44.00
Unappropriated Balance Remaining	$4,826,323	$5,160,908

General Government
Section J

(3.0) Department of Military and Veterans Affairs

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$0**		**$0**	
Legislative Changes				
BRAC				
1 Base Realignment and Closure (BRAC)	$1,675,000	NR		
Provides funding for the Military Affairs Commission, strategic planning, economic modeling, and advocacy at the federal level for the purpose of increasing value at and around installations. The funds will be held in a special fund.				
Cemetery Operations				
2 New Cemetery Operations	$250,000	NR	$250,000	NR
Provides operating funds for the new cemetery in Goldsboro for FY 2015-16 and FY 2016-17 after which receipts will cover operational costs.				
Grant-in-Aid				
3 Aid to County Veterans Service Offices	$200,000	R	$200,000	R
Creates a grant-in-aid program to county governments for the provision of veterans services.				
Position Transfers				
4 Position Transfers from the Office of the Governor	$191,361	R	$191,361	R
Creates 2 positions within the Department of Military and Veterans Affairs (DMVA) from the transfer of positions from the Governor's Office. The positions transferred are the following:	2.00		2.00	
60008513 Special Advisor for Military Affairs $129,467 (including benefits) 60037816 Administrative Assistant $61,894 (including benefits)				
5 Vacant Position Transfer	$69,265	R	$69,265	R
Establishes 1 position resulting from the transfer of 1 vacant position from the Office of State Human Resources to the DMVA.	1.00		1.00	
60013815 Human Resources Consultant $69,265 (including benefits)				
6 Position Transfer	$76,107	R	$76,107	R
Creates a new position from the transfer of a vacant position from the Department of Revenue to the newly created DMVA.	1.00		1.00	
60082541 Administrative Officer II $76,107 (including benefits)				

Conference Committee Report	FY 15-16		FY 16-17	
7 Vacant Position Transfer	$109,809	R	$109,809	R
Creates a new position resulting from the transfer of a vacant position from the Department of Administration to the DMVA..	$55,741 1.00	NR	1.00	
60013845 Chief Deputy III $165,550 (including benefits)				
8 Position Transfer	$61,176	R	$61,176	R
Creates a position resulting from the transfer of a position from Department of Administration.	1.00		1.00	
60014065 Administrative Officer II $61,176 (including benefits)				
9 Position Transfer	$72,143	R	$72,143	R
Establishes 1 accounting position within DMVA resulting from the transfer of 1 filled position from Department of Administration.	1.00		1.00	
60014117 Accountant $72,143 (including benefits)				
Program Transfers				
10 Veterans Affairs Transfer	$6,776,393	R	$6,776,393	R
Establishes the central administrative staff and field operations staff within DMVA transferred from the Department of Administration, effective July 1, 2015. In addition to appropriations there are additional receipts of $6,784,740 for total requirements of $13,561,133.	70.90		70.90	
11 State Veteran's Home Program				
Establishes the Veteran's Home Program, including 8.80 FTEs, within DMVA transferred from the Department of Administration. The program is entirely receipt supported. The budget for FY 2015-16 is $45,864,689.				
Total Legislative Changes	**$7,556,254**	R	**$7,556,254**	R
	$1,980,741	NR	**$250,000**	NR
Total Position Changes	77.90		77.90	
Revised Budget	**$9,536,995**		**$7,806,254**	

(4.0) Office of Administrative Hearings

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$4,992,437**		**$4,992,437**	
Legislative Changes				
Reserve for Salaries and Benefits				
12 Compensation Reserve				
Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$36,771	NR		
13 State Retirement Contributions	$3,371	R	$3,371	R
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.				
14 State Health Plan	$4,185	R	$4,185	R
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.				
15 Codifier of Rules Salary Adjustment	$19,802	R	$19,802	R
Provides funds to allow the Codifier of Rules salary to be set at 90% of the Chief Administrative Law Judge's (ALJ) salary. The Codifier of Rules will be appointed by the Chief ALJ pursuant to G.S. 7A-760(b).				
Administrative Law Judge				
16 Additional Administrative Law Judge	$123,618	R	$123,618	R
Provides funds for an additional Administrative Law Judge in the Western part of the State.	1.00		1.00	
Total Legislative Changes	**$150,976**	R	**$150,976**	R
	$36,771	NR		
Total Position Changes	1.00		1.00	
Revised Budget	**$5,180,184**		**$5,143,413**	

(5.0) Treasurer

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$9,734,913**		**$9,734,913**	
Legislative Changes				
Reserve for Salaries and Benefits				
17 Compensation Reserve				
Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$38,527	NR		
18 State Retirement Contributions	$3,937	R	$3,937	R
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.				
19 State Health Plan	$4,385	R	$4,385	R
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.				
ABLE Act				
20 ABLE	$215,000	R	$540,000	R
Provides funding to implement the Achieving a Better Life Experience (ABLE) Act. The following positions are authorized to be created:: Attorney II, Information and Communication Specialist II, Administrative Support Specialist, and Economic Development Manager.	$250,000 4.00	NR	$55,000 4.00	NR
Financial Operations Divisions				
21 Operations Reduction	($188,715)	R	($188,715)	R
Reduces the budgets for the Investment Division and Banking Division by 2%. The total budget for these 2 divisions will be $9,427,041 in FY 2015-16 and FY 2016-17.				
Local Government Commission				
22 Intervention Task Force	$198,864	R	$198,864	R
Provides funding for 2 positions in the local government unit to assist local government entities that have been identified as being at risk of financial failure.	$6,000 2.00	NR	 2.00	

Conference Committee Report	FY 15-16		FY 16-17	
Total Legislative Changes	$233,471	R	$558,471	R
	$294,527	NR	$55,000	NR
Total Position Changes	6.00		6.00	
Revised Budget	$10,262,911		$10,348,384	

(5.0) Treasurer

Escheats

Budget Code: 63412

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$578,160,445**		**$713,836,707**	
Recommended Budget				
Requirements	**$94,118,299**		**$94,118,299**	
Receipts	**$202,107,116**		**$202,107,116**	
Positions	**0.00**		**0.00**	
Legislative Changes				
Requirements:				
Technical Correction: Children of War Veterans Scholarships	($3,041,243)	R	($3,041,243)	R
Corrects the base budget transfer amount to the Children of War Veterans Scholarship program. The corrected transfer from the Escheats Fund is $6.5 million recurring.	$0	NR	$0	NR
	0.00		0.00	
Technical Correction: North Carolina Community College Financial Aid	$2,353,798	R	$2,353,798	R
Corrects the base budget transfer amount to the North Carolina Community Colleges Financial Aid program. The corrected transfer from the Escheats Fund is $16.3 million recurring.	$0	NR	$0	NR
	0.00		0.00	
Technical Correction: University of North Carolina Need Based Aid	($27,000,000)	R	($27,000,000)	R
Corrects the base budget transfer amount to the University of North Carolina Need Based Aid program. The corrected transfer from the Escheats Fund is $37.8 million recurring.	$0	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**($27,687,445)**	R	**($27,687,445)**	R
	$0	NR	**$0**	NR
	0.00		0.00	
Receipts:				

	FY 2015-16		FY 2016-17	
Technical Corrections	$0	R	$0	R
	$0	NR	$0	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$0	NR	**$0**	NR
Revised Total Requirements	**$66,430,854**		**$66,430,854**	
Revised Total Receipts	**$202,107,116**		**$202,107,116**	
Change in Fund Balance	**$135,676,262**		**$135,676,262**	
Total Positions	**0.00**		**0.00**	
Unappropriated Balance Remaining	**$713,836,707**		**$849,512,969**	

(6.0) Fire Rescue Nat Guard Pensions & LDD Benefits

GENERAL FUND

	FY 15-16		FY 16-17	
Recommended Base Budget	**$20,664,274**		**$20,664,274**	
Legislative Changes				
Information Technology				
23 Data Audit Provides funds for the completion of the data audit to establish a lapse assumption for the valuation of the Fire and Rescue Squad Workers' Pension Fund.	$350,000	NR		
National Guard				
24 General Fund Contribution Increases the General Fund contribution to the National Guard Pension Fund to increase benefits by $6 to $12 per month.	$1,027,025	R	$1,027,025	R
Total Legislative Changes	**$1,027,025** **$350,000**	R NR	**$1,027,025**	R
Total Position Changes				
Revised Budget	**$22,041,299**		**$21,691,299**	

(7.0) Insurance

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$38,296,364**		**$38,296,364**	
Legislative Changes				
Reserve for Salaries and Benefits				
25 Compensation Reserve Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$297,033	NR		
26 State Retirement Contributions Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.	$25,076	R	$25,076	R
27 State Health Plan Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.	$33,806	R	$33,806	R
Captives Insurance				
28 Actuary Allows the Department of Insurance to create an Actuary I position that will work in the area of captives insurance management. The funding for this position was made available in S.L. 2013-360.	1.00		1.00	
Office of State Fire Marshal				
29 State Fire Protection Program Eliminates the recurring transfer of funds from the Department of Transportation and provides nonrecurring funding for FY 2015-16 only. The State Fire Protection Fund reimburses local fire districts and political subdivisions of the State for providing local fire protection for State-owned buildings and its contents. This fund will go through a continuation review process and the decision to continue with funding or to discontinue funding will be made during the budget deliberations of 2016. The total funds for this program transferred from the Department of Transportation are $158,000.				

Conference Committee Report	FY 15-16		FY 16-17	
Total Legislative Changes	$58,882	R	$58,882	R
	$297,033	NR		
Total Position Changes	1.00		1.00	
Revised Budget	$38,652,279		$38,355,246	

(7.0) Insurance

Regulatory Fund

Budget Code: 23900

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$7,705,857**		**$7,705,857**	
Recommended Budget				
Requirements	**$33,499,163**		**$33,499,163**	
Receipts	**$33,499,163**		**$33,499,163**	
Positions	**0.00**		**0.00**	
Legislative Changes				
Requirements:				
Fund 2123 - Rescue Squad Workers' Relief Fund Eliminates the recurring transfer of funds from the Division of Motor Vehicles (DMV) to support the Rescue Squad Workers' Relief Fund. The program will receive nonrecurring funds for FY 2015-16 and will be placed on a Continuation Review that will help determine whether the transfer of funds will need to continue from DMV to support this program.	($1,456,931) $1,456,931 0.00	R NR	($1,456,931) $0 0.00	R NR
Industrial Commission Transfer Transfers funds to the Industrial Commission per S.L. 2014-100 to pay for the services that had previously been funded through fee collections.	$2,400,000 $0 0.00	R NR	$2,400,000 $0 0.00	R NR
Subtotal Legislative Changes	**$943,069** **$1,456,931** 0.00	R NR	**$943,069** **$0** 0.00	R NR
Receipts:				
Fund 2123 - Rescue Squad Workers' Relief Fund Eliminates the recurring transfer of funds from the Division of Motor Vehicles to support the Rescue Squad Workers' Relief Fund operated within Department of Insurance. The receipts from DMV will be nonrecurring during FY 2015-16 and eliminated in FY 2016-17.	($1,456,931) $1,456,931	R NR	($1,456,931) $0	R NR

	FY 2015-16		FY 2016-17	
Insurance Regulatory Charge	$2,400,000	R	$2,400,000	R
Budgets additional receipts from the increase in the rate of the Regulatory Charge to 6.5% per S.L. 2014-100.	$0	NR	$0	NR
Subtotal Legislative Changes	**$943,069**	R	**$943,069**	R
	$1,456,931	NR	**$0**	NR
Revised Total Requirements	**$35,899,163**		**$34,442,232**	
Revised Total Receipts	**$35,899,163**		**$34,442,232**	
Change in Fund Balance	**$0**		**$0**	
Total Positions	**0.00**		**0.00**	
Unappropriated Balance Remaining	**$7,705,857**		**$7,705,857**	

Volunteer Rescue/EMS Grant Program

Budget Code: 23901

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$910,473**		**$910,473**	
Recommended Budget				
Requirements	**$1,303,585**		**$1,303,585**	
Receipts	**$1,303,585**		**$1,303,585**	
Positions	**3.50**		**3.50**	
Legislative Changes				
Requirements:				
Fund 2122 - Volunteer Rescue/EMS Grant Program	($1,303,585)	R	($1,303,585)	R
Eliminates the recurring transfer of funds from the Division of Motor Vehicles (DMV) for the Volunteer Rescue/EMS Grant Program. The program will receive nonrecurring funds for FY 2015-16 and the fund is to be placed on a Continuation Review that will help to determine whether the transfer of funds from DMV should continue to support this program.	$1,303,585	NR	$0	NR
	0.00		-3.50	
Subtotal Legislative Changes	**($1,303,585)**	R	**($1,303,585)**	R
	$1,303,585	NR	**$0**	NR
	0.00		-3.50	
Receipts:				
Fund 2122 - Volunteer Rescue/EMS Grant Fund	$0	R	$0	R
Eliminates the transfer of recurring funds from the Division of Motor Vehicles to the Department of Insurance for the Volunteer Rescue/EMS Grant Program in FY 2015-16 and FY 2016-17 and provides nonrecurring funds for FY 2015-16.	$0	NR	$0	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$0	NR	**$0**	NR

	FY 2015-16	FY 2016-17
Revised Total Requirements	$1,303,585	$0
Revised Total Receipts	$1,303,585	$1,303,585
Change in Fund Balance	$0	$1,303,585
Total Positions	3.50	0.00
Unappropriated Balance Remaining	$910,473	$2,214,058

(9.0) State Board of Elections

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$6,620,578**		**$6,620,578**	
Legislative Changes				
Reserve for Salaries and Benefits				
29 Compensation Reserve Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$51,479	NR		
30 State Retirement Contributions Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.	$4,007	R	$4,007	R
31 State Health Plan Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.	$5,859	R	$5,859	R
Agency-Wide				
32 Operating Budget Reduction Reduces the operating budget by 2% in anticipation of savings achieved through greater use of technology.	($117,081)	R	($117,081)	R
VIVA				
33 VIVA Implementation Provides additional funds for the implementation of the Voter Information Verification Act (VIVA).	$200,000	NR		
Total Legislative Changes	**($107,215)** **$251,479**	R NR	**($107,215)**	R
Total Position Changes				
Revised Budget	**$6,764,842**		**$6,513,363**	

(10.0) General Assembly

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$52,865,521**		**$52,865,521**	
Legislative Changes				
Reserve for Salaries and Benefits				
34 Compensation Reserve Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$400,598	NR		
35 State Retirement Contributions Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.	$27,795	R	$27,795	R
36 Legislative Retirement Contributions Increases the State's contribution for members of the Legislative Retirement System to fund the annual required contribution and increased retiree medical premiums.	$69,142	R	$69,142	R
37 State Health Plan Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.	$45,593	R	$45,593	R
Legal Services				
38 Litigation Funds Provides additional funding to pay for current and pending litigation costs.	$4,001,000	R	$4,001,000	R
Total Legislative Changes	**$4,143,530**	R	**$4,143,530**	R
	$400,598	NR		
Total Position Changes				
Revised Budget	**$57,409,649**		**$57,009,051**	

(11.0) Governor

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$5,859,246**		**$5,859,246**	
Legislative Changes				
Reserve for Salaries and Benefits				
39 Compensation Reserve Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$42,735	NR		
40 State Retirement Contributions Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.	$3,683	R	$3,683	R
41 State Health Plan Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.	$4,845	R	$4,845	R
Dues Subscription				
42 Southern Legislative Conference Dues Provides funding for North Carolina's dues for the Southern Legislative Conference for FY 2015-16.	$213,200	NR		
Military Affairs Positions				
43 Position Transfers Transfers 2 positions and funding for salaries and benefits from the Office of the Governor to the Department of Military and Veterans Affairs. 60008513 Special Advisor for Military Affairs $129,467 60037816 Administrative Assistant $61,894	($191,361) -2.00	R	($191,361) -2.00	R
Office-wide				
44 Administrative Reduction Reduces the overall budget of the Office of the Governor by 2%.	($110,239)	R	($110,239)	R

Conference Committee Report	FY 15-16		FY 16-17	
Total Legislative Changes	($293,072)	R	($293,072)	R
	$255,935	NR		
Total Position Changes	-2.00		-2.00	
Revised Budget	**$5,822,109**		**$5,566,174**	

(11.0) Governor

Special Revenue – General Fund

Budget Code: 23002

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$333,557**		**$0**	
Recommended Budget				
Requirements	**$0**		**$0**	
Receipts	**$0**		**$0**	
Positions	**0.00**		**0.00**	
Legislative Changes				
Requirements:				
Statewide Automated Fingerprint Identification System Replacement	$0	R	$0	R
Transfers the balance of this account to Budget Code 24554, Public Safety - Information Technology Fund, to be used by the State Bureau of Investigation to update the Statewide Automated Fingerprint Identification System.	$333,557	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$333,557	NR	**$0**	NR
	0.00		0.00	
Receipts:				
Governor's Office Special Revenue	$0	R	$0	R
	$0	NR	$0	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$0	NR	**$0**	NR

	FY 2015-16	FY 2016-17
Revised Total Requirements	$333,557	$0
Revised Total Receipts	$0	$0
Change in Fund Balance	($333,557)	$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	$0	$0

(12.0) Governor - Special Projects

	GENERAL FUND	
	FY 15-16	FY 16-17
Recommended Base Budget	**$2,000,000**	**$2,000,000**
Legislative Changes		
45 No Change		
Total Legislative Changes		
Total Position Changes		
Revised Budget	**$2,000,000**	**$2,000,000**

(13.0) State Budget & Management

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$7,586,922**		**$7,586,922**	
Legislative Changes				
46 Public School Capital Needs Study				
Provides funds to contract with an outside entity to perform an independent assessment of school construction needs in low wealth local school administrative districts. The Office of State Budget and Management shall report the results of this study to the Joint Legislative Commission on Governmental Operations prior to May 1, 2016.	$100,000	NR		
Reserve for Salaries and Benefits				
47 Compensation Reserve				
Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$52,541	NR		
48 State Retirement Contributions	$5,760	R	$5,760	R
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.				
49 State Health Plan	$5,999	R	$5,999	R
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.				
Information Technology Contracts				
50 Maintenance Agreement and Software Licensure	($149,632)	R	($149,632)	R
Reduces the budget for IT maintenance agreements within the Office of State Budget and Management.				
Strategic Planning				
51 Strategic Planning and Program Budgeting	$82,359	R	$82,359	R
Provides funds for 1 position for the purpose of working on a strategic planning effort to implement an evidence-based policymaking framework to provide program level accountability, assist departments, and implement effective grants management and oversight.	1.00		1.00	
Policy/Management Analyst $82,359 (including benefits)				

Conference Committee Report	FY 15-16		FY 16-17	
Total Legislative Changes	($55,514)	R	($55,514)	R
	$152,541	NR		
Total Position Changes	1.00		1.00	
Revised Budget	**$7,683,949**		**$7,531,408**	

(14.0) State Budget and Management - Special

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$0**		**$0**	
Legislative Changes				
Grants-in-Aid				
53 School Construction Funds				
Provides funds for Jones County for the construction of a collocated middle and high school.	$10,957,288	NR		
54 Downtown Revitalization Grants				
Provides grant funding for downtown revitalization efforts. The following localities will receive an equal share of the funds appropriated for this purpose: City of Burlington, City of Dunn, City of Hendersonville, City of Kings Mountain, City of Lincolnton, City of Morganton, City of Reidsville, City of Rocky Mount, City of Shelby, City of Wilson, Town of Pembroke, Town of Rutherfordton, and Town of Smithfield,	$1,249,400	NR		
55 Project Healing Waters Fly Fishing, Inc.				
Provides $25,000 as a grant-in-aid to Project Healing Waters Fly Fishing, Inc. for the purpose of transporting veterans to recreational activities.	$25,000	NR		
56 Museum of the Marine				
Provides funding for the Museum of the Marine.	$500,000	NR		
57 Averasboro Battlefield Commission Project				
Provides funding to the Averasboro Battlefield Commission to assist with the purchase and relocation of the Shaw Halfway House.	$50,000	NR		
Matching Grant				
58 Challenge Grant	$1,500,000	R	$1,500,000	R
Provides funding to the NC Symphony in the form of a challenge grant. The NC Symphony must demonstrate to the Office of State Budget and Management that it raises $9 million during FY 2015-16 and again in FY 2016-17 in order to receive these grant funds.	$500,000	NR	$500,000	NR
Total Legislative Changes	**$1,500,000**	R	**$1,500,000**	R
	$13,281,688	NR	**$500,000**	NR
Total Position Changes				
Revised Budget	**$14,781,688**		**$2,000,000**	

(15.0) Auditor

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$11,733,689**		**$11,733,689**	
Legislative Changes				
Reserve for Salaries and Benefits				
57 Compensation Reserve Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$98,872	NR		
58 State Retirement Contributions Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.	$9,849	R	$9,849	R
59 State Health Plan Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.	$11,253	R	$11,253	R
Contracted Services				
60 Subject Matter Experts Provides funding for the Auditor's Office to utilize subject matter experts during audits.	$250,000	R	$250,000	R
Total Legislative Changes	**$271,102** **$98,872**	R NR	**$271,102**	R
Total Position Changes				
Revised Budget	**$12,103,663**		**$12,004,791**	

(16.0) Housing Finance Agency

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$9,118,739**		**$9,118,739**	
Legislative Changes				
61 Workforce Housing Loan Program Provides funding for the Workforce Housing Loan Program (WHLP) to assist with the development of low-income housing units across the State. WHLP's total funding is $12,500,000 in FY 2015-16 and $15,000,000 in FY 2016-17.	$12,500,000	NR	$15,000,000	NR
62 HOME Match Program Provides General Fund money to the Housing Finance Agency to fully match federal funds for the HOME Match program in FY 2016-17. Total State appropriations for the HOME Match program in FY 2016-17 are $3,000,000.			$1,541,261	R
Total Legislative Changes			**$1,541,261**	R
	$12,500,000	NR	**$15,000,000**	NR
Total Position Changes				
Revised Budget	**$21,618,739**		**$25,660,000**	

Deferred State Aid

Budget Code: 63011

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$2,893,408**		**$0**	
Recommended Budget				
Requirements	**$0**		**$0**	
Receipts	**$0**		**$0**	
Positions	**0.00**		**0.00**	
Legislative Changes				
Requirements:				
Community Living Housing Fund	$0	R	$0	R
Authorizes the Housing Finance Agency to use funds transferred from the Department of Health and Human Services to the Community Living Housing Fund as prescribed in G.S. 122E-3.1.	$2,893,408	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$2,893,408	NR	**$0**	NR
	0.00		0.00	
Receipts:				
Community Living Housing Fund	$0	R	$0	R
	$0	NR	$0	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$0	NR	**$0**	NR

	FY 2015-16	FY 2016-17
Revised Total Requirements	$2,893,408	$0
Revised Total Receipts	$0	$0
Change in Fund Balance	($2,893,408)	$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	$0	$0

(17.0) Administration

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$67,409,693**		**$65,932,950**	
Legislative Changes				
Reserve for Salaries and Benefits				
63 Compensation Reserve				
Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$379,277	NR		
64 State Retirement Contributions	$28,083	R	$28,083	R
Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.				
65 State Health Plan	$43,167	R	$43,167	R
Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.				
Department-Wide				
66 Human Relations Commission Continuation Review	($545,407)	R	($545,407)	R
Places the General Fund support for the Human Relations Commission under Continuation Review. The recurring appropriation of $545,407 is eliminated and a nonrecurring amount of $545,407 is appropriated in FY 2015-16.	$545,407	NR	-6.20	
67 Reduce Funding for Janitorial Supplies	($194,387)	R	($194,387)	R
Reduces the budget for janitorial supplies from $544,387 to $350,000 to more closely align with prior year actuals.				
68 Budget for Legal Services	$100,000	R	$100,000	R
Provides additional recurring funds for legal services to cover the current level of expenditures. Additionally, there is $50,000 appropriated to cover pending litigation during FY 2015-16.	$50,000	NR		
DMVA Transfers				
69 Position Transfer to the DMVA	($61,176)	R	($61,176)	R
Transfers a position from the Department of Administration to the Department of Military and Veterans Affairs (DMVA).	-1.00		-1.00	
60014065 Administrative Officer II $61,176 (including benefits)				

	FY 15-16		FY 16-17	
70 Position Transfer to the DMVA	($72,143)	R	($72,143)	R
Transfers 1 filled accounting position from the Department of Administration to the DMVA.	-1.00		-1.00	
60014117Accountant $72,143 (including benefits)				
71 Chief Operating Officer Position Transfer	($165,550)	R	($165,550)	R
Transfers the Chief Operating Officer position from the Department of Administration to the DMVA for the creation of a new position.	-1.00		-1.00	
60013845Chief Deputy III $165,550 (including benefits)				
72 Veterans Affairs Administration Transfer	($6,776,393)	R	($6,776,393)	R
Transfers the administration, positions, and all funding for the Veterans Affairs Program from the Department of Administration to the DMVA. In addition to the transfer of appropriations, there are receipts of $6,784,740 for a total budget of $13,561,133.	-70.90		-70.90	
Ethics Commission				
73 Investigation Funding				
Provides funding for an independent investigation during FY 2015-16 as authorized by the Ethics Commission. The amount of funding for purchased services in FY 2015-16 is $145,461.	$50,000	NR		
Office of State Human Resources				
74 Applicant Tracking System Replacement			$100,000	R
Provides funds for the current applicant tracking system and additional funds for the start-up of the new system in FY 2015-16. Provides the recurring funds needed for the new applicant tracking system in FY 2016-17.	$275,000	NR		
75 Position Realignment	($65,394)	R	($65,394)	R
Realigns funding for 1 position to reflect partial receipt support.	-0.50		-0.50	
60013740 Division Director				
76 Personnel Compensation and Classification System	$140,000	R	$140,000	R
Funds the software licensing fees required to build a new compensation system. This system will allow for quicker changes to the salary structure, provide streamlined review of electronic position descriptions, and enhance meeting and document management. Total funding for the compensation system in FY 2015-16 is $140,000.				
77 Performance Management and Learning Management Systems	$270,000	R	$270,000	R
Provides funding to implement the Performance Management and Learning Management Systems, which track and report performance evaluations of state personnel. Funding for these programs in FY 2015-16 is $936,465.				

Conference Committee Report	FY 15-16		FY 16-17	
78 Vacant Position Transfer Transfers 1 vacant position from the Office of State Human Resources to the Department of Military and Veterans Affairs. 60013815 Human Resources Consultant $69,265 (including benefits)	($69,265) -1.00	R	($69,265) -1.00	R
Total Legislative Changes	**($7,368,465)** **$1,299,684**	R NR	**($7,268,465)**	R
Total Position Changes	-75.40		-81.60	
Revised Budget	**$61,340,912**		**$58,664,485**	

Reserve for E-Commerce Initiative (2514)

Budget Code 24100-2514

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$16,383,604**		**$13,383,604**	
Recommended Budget				
Requirements	**$19,278,784**		**$28,885,327**	
Receipts	**$19,278,784**		**$19,278,784**	
Positions	**2.90**		**2.90**	
Legislative Changes				
Requirements:				
E-Commerce Fund Transfer	$0	R	$0	R
Transfers $3,000,000 in FY 2015-16 from the E-Commerce Fund to support general availability.	$3,000,000	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$3,000,000	NR	**$0**	NR
	0.00		0.00	
Receipts:				
E-Commerce Fund Transfer	$0	R	$0	R
	$0	NR	$0	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$0	NR	**$0**	NR

	FY 2015-16	FY 2016-17
Revised Total Requirements	$22,278,784	$28,885,327
Revised Total Receipts	$19,278,784	$19,278,784
Change in Fund Balance	($3,000,000)	($9,606,543)
Total Positions	2.90	2.90
Unappropriated Balance Remaining	$13,383,604	$3,777,061

Temporary Solutions

Budget Code 74100-7511

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**($2,152,018)**		**$1,602,642**	
Recommended Budget				
Requirements	**$44,507,525**		**$44,507,525**	
Receipts	**$48,262,185**		**$48,262,185**	
Positions	**9.50**		**9.50**	
Legislative Changes				
Requirements:				
Temporary Solutions Adjustment	$21,250,000	R	$21,250,000	R
Increases funding for Temporary Solutions from $44,507,525 to $65,757,525 to reflect actual agency usage of temporary employment services.	$0	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$21,250,000**	R	**$21,250,000**	R
	$0	NR	**$0**	NR
	0.00		0.00	
Receipts:				
Temporary Solutions Adjustment	$21,250,000	R	$21,250,000	R
Increases receipts for Temporary Solutions from $48,262,185 to $69,512,185 to reflect actual agency usage of temporary employment services.	$0	NR	$0	NR
Subtotal Legislative Changes	**$21,250,000**	R	**$21,250,000**	R
	$0	NR	**$0**	NR

	FY 2015-16	FY 2016-17
Revised Total Requirements	$65,757,525	$65,757,525
Revised Total Receipts	$69,512,185	$69,512,185
Change in Fund Balance	$3,754,660	$3,754,660
Total Positions	9.50	9.50
Unappropriated Balance Remaining	$1,602,642	$5,357,302

(18.0) Revenue

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$80,521,722**		**$80,539,222**	
Legislative Changes				
79 Operating Budget Reduction Decreases funding for Property, Plant, and Equipment line items by 14%, leaving $2,534,673 in the fund.	($400,000)	R	($400,000)	R
80 Lease Increases Provides funds for increased lease payments for the field offices in Asheville, Durham, Elizabeth City, and Fayetteville.	$414,031	R	$441,115	R
81 Excise Tax Auditor Provides 1 new Auditor position in FY 2016-17 to handle the increased workload from the new excise tax on vapor products.			$104,698 1.00	R
82 Reduce Funds for Postage, Freight, and Delivery Decreases the line item for postage, freight, and delivery by 13% from $3,810,898 to $3,310,898.	($500,000)	R	($500,000)	R
Reserve for Salaries and Benefits				
83 Compensation Reserve Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$751,142	NR		
84 State Retirement Contributions Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.	$52,261	R	$52,261	R
85 State Health Plan Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.	$85,490	R	$85,490	R
Department-Wide				
86 Information Technology Security Positions Funds 3 positions with receipts from the Information Technology Reserve Fund to help secure the data of the department. The receipts are $406,374 recurring in FY 2015-16 and FY 2016-17 and $18,600 nonrecurring in FY 2015-16.				

Conference Committee Report	FY 15-16		FY 16-17	
87 MotoTax System Maintenance and Upgrades Authorizes the Department of Revenue to use $91,000 in receipts for FY 2015-16 and $788,966 in receipts in FY 2016-17 for maintenance and system hardware upgrades to the Tag and Title Vehicle Registration System. The source of the receipts is a fee assessed on cities and counties.				
88 Common Payment System Provides funds to change the online payment system from Common Payment to Paypoint.	$211,000	R	$211,000	R
89 Vacant Positions Elimination Cuts 5 receipt supported vacant positions at the Rocky Mount Call Center. The eliminated positions are: 60082320 Processing Assistant V 60081738 Processing Assistant V 60081592 Administrative Assistant I 60082371 Rev TPA Guilford Processing Assistant V 60082370 Rev TPA Guilford Processing Assistant V				
Veterans Transfer				
90 Vacant Position Transfer Transfers a vacant position from the Department of Revenue to the newly created Department of Military and Veterans Affairs (DMVA). 60082541 Administrative Officer II	($76,107) -1.00	R	($76,107) -1.00	R
Total Legislative Changes	**($213,325)** **$751,142**	R NR	**($81,543)**	R
Total Position Changes	-1.00		0.00	
Revised Budget	**$81,059,539**		**$80,457,679**	

Project Collect Tax

Budget Code 24708-2478

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$57,439,003**		**$32,728,127**	
Recommended Budget				
Requirements	**$29,484,891**		**$29,489,952**	
Receipts	**$22,757,963**		**$22,763,024**	
Positions	**0.00**		**0.00**	
Legislative Changes				
Requirements:				
Market Rate Pay for Auditors	$5,884,865	R	$5,884,865	R
Funds a salary increase for auditors in the Department of Revenue.	$0	NR	$0	NR
	0.00		0.00	
Tax Fraud Analysis	$0	R	$0	R
Provides funds to the Department of Revenue to enter into a contract with a vendor to perform tax fraud analysis using the Government Data Analytics Center (GDAC).	$2,000,000	NR	$0	NR
	0.00		0.00	
Lease Increases	$0	R	$107,722	R
Provides funds to pay for increased lease expenses for the field offices in Asheville, Durham, Elizabeth City, and Fayetteville.	$99,083	NR	$0	NR
	0.00		0.00	
E-Services Capability	$0	R	$2,000,000	R
Transfers funds to budget code 24708-2478 for e-service upgrades.	$10,000,000	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$5,884,865**	R	**$7,992,587**	R
	$12,099,083	NR	**$0**	NR
	0.00		0.00	
Receipts:				

	FY 2015-16		FY 2016-17	
Lease Increases	$0	R	$0	R
	$0	NR	$0	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$0	NR	**$0**	NR
Revised Total Requirements	**$47,468,839**		**$37,482,539**	
Revised Total Receipts	**$22,757,963**		**$22,763,024**	
Change in Fund Balance	**($24,710,876)**		**($14,719,515)**	
Total Positions	**0.00**		**0.00**	
Unappropriated Balance Remaining	**$32,728,127**		**$18,008,612**	

ITAS Replacement

Budget Code 24708-2478

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$31,801,939**		**$20,986,999**	
Recommended Budget				
Requirements	**$51,024,601**		**$51,024,601**	
Receipts	**$27,874,319**		**$27,874,319**	
Positions	**7.00**		**7.00**	
Legislative Changes				
Requirements:				
Tax Information Management System Funding Authorizes the Department of Revenue to use funds from the Integrated Tax Administration System (ITAS) replacement fund to fund maintenance costs for the legacy ITAS and Tax Information Management System (TIMS).	$0 $6,752,618 0.00	R NR	$0 $0 0.00	R NR
Corporate Electronic Filing Provides funds for an existing contract for the development of a corporate electronic tax filing system.	$0 $4,062,322 0.00	R NR	$0 $0 0.00	R NR
ITAS Replacement - Budget Adjustment Revises the ITAS budget to reflect the changed authorization to the public private partnership found in S.L. 2014-100, Sec. 7.5.	($51,024,601) $0 0.00	R NR	($51,024,601) $0 0.00	R NR
E-Services Capability Authorizes the Department of Revenue to use receipts from the Collection Assistance Fee to upgrade the e-service capabilities of the TIMS.	$0 $10,000,000 0.00	R NR	$2,000,000 $0 0.00	R NR
Subtotal Legislative Changes	**($51,024,601)** **$20,814,940** 0.00	R NR	**($49,024,601)** **$0** 0.00	R NR

Receipts:

	FY 2015-16		FY 2016-17	
ITAS Replacement - Budget Adjustment	($27,874,319)	R	($27,874,319)	R
Revises the ITAS budget to reflect the changed authorization to the public private partnership found in S.L. 2014-100, Sec. 7.5.	$0	NR	$0	NR
E-Services Capability	$0	R	$2,000,000	R
	$10,000,000	NR	$0	NR
Subtotal Legislative Changes	**($27,874,319)**	R	**($25,874,319)**	R
	$10,000,000	NR	**$0**	NR
Revised Total Requirements	**$20,814,940**		**$2,000,000**	
Revised Total Receipts	**$10,000,000**		**$2,000,000**	
Change in Fund Balance	**($10,814,940)**		**$0**	
Total Positions	**7.00**		**7.00**	
Unappropriated Balance Remaining	**$20,986,999**		**$20,986,999**	

(19.0) Secretary of State

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$11,676,506**		**$11,676,506**	
Legislative Changes				
Reserve for Salaries and Benefits				
91 Compensation Reserve Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$137,996	NR		
92 State Retirement Contributions Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.	$8,483	R	$8,483	R
93 State Health Plan Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.	$15,706	R	$15,706	R
Corporations				
94 Funding for Temporary Positions Provides funds for the Corporations Division to increase administrative staffing in the call center during peak filing season.	$50,000	R	$50,000	R
Total Legislative Changes	**$74,189** **$137,996**	R NR	**$74,189**	R
Total Position Changes				
Revised Budget	**$11,888,691**		**$11,750,695**	

(20.0) Lieutenant Governor

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$676,874**		**$676,874**	
Legislative Changes				
Reserve for Salaries and Benefits				
95 Compensation Reserve Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$4,903	NR		
96 State Retirement Contributions Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.	$540	R	$540	R
97 State Health Plan Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.	$558	R	$558	R
Total Legislative Changes	**$1,098**	R	**$1,098**	R
	$4,903	NR		
Total Position Changes				
Revised Budget	**$682,875**		**$677,972**	

(21.0) State Controller

	GENERAL FUND			
	FY 15-16		FY 16-17	
Recommended Base Budget	**$22,205,229**		**$22,205,229**	
Legislative Changes				
98 Continuation Review Places the transfer of funds from the Department of Transportation to the State Controller for BEACON positions under Continuation Review. The transfer is $496,578 for FY 2015-16 nonrecurring and is eliminated for FY 2016-17 pending the results of the Continuation Review.				
Reserve for Salaries and Benefits				
99 Compensation Reserve Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$127,393	NR		
100 State Retirement Contributions Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums. Total General Fund appropriation across all sections in the committee report is $11.0 million in FY 2015-16 and FY 2016-17.	$12,137	R	$12,137	R
101 State Health Plan Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2015-17 fiscal biennium.	$14,499	R	$14,499	R
BEACON Funds Adjustment				
102 Operating Budget Adjustment Provides General Fund money to replace the elimination of the transfer from special fund code #24160.	$494,521	R	$494,521	R
Total Legislative Changes	**$521,157** **$127,393**	R NR	**$521,157**	R
Total Position Changes				
Revised Budget	**$22,853,779**		**$22,726,386**	

Flexible Benefits Program

Budget Code:?4160-200(

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$15,585,152**		**$13,271,089**	
Recommended Budget				
Requirements	**$5,317,261**		**$5,317,261**	
Receipts	**$0**		**$0**	
Positions	**0.00**		**0.00**	
Legislative Changes				
Requirements:				
Federal Insurance Contribution Act (FICA) Savings	$0	R	$0	R
Transfers $4,296,802 in FY 2015-16 and $641,628 in FY 2016-17 to the General Fund.	$4,296,802	NR	$641,628	NR
	0.00		0.00	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$4,296,802	NR	**$641,628**	NR
	0.00		0.00	
Receipts:				
Federal Insurance Contribution Act (FICA) Savings	$0	R	$0	R
	$7,300,000	NR	$7,300,000	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$7,300,000	NR	**$7,300,000**	NR

	FY 2015-16	FY 2016-17
Revised Total Requirements	$9,614,063	$5,958,889
Revised Total Receipts	$7,300,000	$7,300,000
Change in Fund Balance	($2,314,063)	$1,341,111
Total Positions	0.00	0.00
Unappropriated Balance Remaining	$13,271,089	$14,612,200

OSC Special

Budget Code: 24160

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$22,181,968**		**$12,145,839**	
Recommended Budget				
Requirements	**$10,558,721**		**$10,558,721**	
Receipts	**$28,071**		**$28,071**	
Positions	**1.00**		**1.00**	
Legislative Changes				
Requirements:				
Operating Budget Transfer	($494,521)	R	($494,521)	R
Ends a transfer from the special fund to the operating budget.	$0	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**($494,521)**	R	**($494,521)**	R
	$0	NR	**$0**	NR
	0.00		0.00	
Receipts:				
Operating Budget Transfer	$0	R	$0	R
	$0	NR	$0	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$0	NR	**$0**	NR

	FY 2015-16	FY 2016-17
Revised Total Requirements	$10,064,200	$10,064,200
Revised Total Receipts	$28,071	$28,071
Change in Fund Balance	($10,036,129)	($10,036,129)
Total Positions	1.00	1.00
Unappropriated Balance Remaining	$12,145,839	$2,109,710

Transportation
Section K

Highway Fund

HIGHWAY FUND

	FY 15-16		FY 16-17	
Recommended Base Budget	**$1,918,676,424**		**$1,912,223,925**	
Legislative Changes				
Administration				
1 Board of Transportation Travel Expenditures Reduces the Board of Transportation travel budget by 20% to $20,000.	($5,000)	R	($5,000)	R
2 Modernization of Driver Services and Vehicle Services Provides funding for the continued modernization of Division of Motor Vehicles information technology systems, including Phase III of the State Automated Driver License System (SADLS) replacement effort.	$2,500,000 $23,956,000	R NR	$4,076,000	R
Aid to Municipalities				
3 State Aid to Municipalities Increases funding for State Aid to Municipalities/Powell Bill to $147.5 million in both FY 2015-16 and FY 2016-17 in accordance with the repeal of the statutory formula in G.S. 136-41.1(a), effective July 1, 2015.	$1,172,000	R	$1,172,000	R
Construction				
4 Planning Funds Provides planning funding for multi-state highway projects that significantly enhance the region's economic development.	$695,000	NR	$695,000	NR
5 Small Urban Construction Provides funding for the Small Urban Construction Fund.	$2,500,000	NR		
Division of Motor Vehicles				
6 Tag and Tax Together Continues funding for 44 time-limited positions to support the Tag and Tax Together program through June 30, 2016. Receipts totaling $2,001,011 nonrecurring are budgeted from the administrative fee authorized in G.S. 105-330.5(b).				
7 Commission Contractor Compensation Funds a 2.3% increase to statutory compensation rates for commission contractors and provides additional funding for performance incentives associated with revised standard operating procedures.	$181,803	R	$181,803	R

	FY 15-16		FY 16-17	
8 Operating Efficiencies Reduces operating funding division-wide by $250,000 recurring.	($250,000)	R	($250,000)	R
9 Hearings Fees Adjusts funding based on the delayed implementation of the Division of Motor Vehicles hearings fee schedule to July 1, 2017. Budgeted funds for the Division of Motor Vehicles total $120,334,217 recurring.			$6,452,499	NR
Division of Technical Services				
10 Product Evaluation Program Provides funding for one Value Management Program Engineer position (Salary: $87,685) in the Value Management Office to accelerate the review of new technologies reviewed through the Product Evaluation Program.	$138,871 1.00	R	$138,871 1.00	R
Federal Aid				
11 Adjustment for Federal Revenue Adjusts budgeted receipts to match anticipated federal revenue for the upcoming biennium.	($4,055,402)	R	($4,055,402)	R
Intermodal				
12 (Ferry Division) Hatteras Alternate Route and Spill Response Requirement Provides funding for operating costs associated with the newly designated Hatteras Inlet route and training for new federal requirements concerning oil spill responses for vessels 400 gross tons and above. Budgeted funds for the Ferry Division total $40,600,395 recurring.	$1,700,000	R	$1,700,000	R
13 (Public Transportation) Statewide and Rural Capital Grant Programs Increases funding for the Statewide grant program by $1 million and for the Rural Capital grant program by $2 million. Budgeted funds for the Public Transportation Division total $88,173,419 recurring.	$3,000,000	R	$3,000,000	R
14 (Aviation) State Aid to Airports Increases funding for grants-in-aid for public airport development and unmanned aircraft system (UAS) programs. Budgeted funds for the Division of Aviation total $38,260,952 in FY 2015-16 and $33,760,952 in FY 2016-17.	$11,500,000 $5,500,000	R NR	$12,500,000	R
Maintenance				
15 Reserve for General Maintenance Reduces funding to the Reserve for General Maintenance. Budgeted funds total $0 in FY 2015-16 and $45,560,850 in FY 2016-17.	($45,560,850)	NR		

	FY 15-16		FY 16-17	
16 (Bridge Program) Statutory Adjustment Adjusts funding for the Bridge Program based on the revised revenue forecast. The program receives the balance of funds generated from the Gasoline Inspection Fee, after deducting expenses for the Department of Revenue for collecting the tax and expenses for the Department of Agriculture for fuel inspection.	($488,674)	R	($488,674)	R
17 Bridge Program Increases recurring funding to the Bridge Program. Budgeted funds total $210,529,719 in FY 2015-16 and $242,074,444 in FY 2016-17.	$57,607,835	R	$89,152,560	R
18 Contract Resurfacing Increases funding to the Contract Resurfacing Program. Budgeted funds total $466,401,768 in FY 2015-16 and $497,946,495 in FY 2016-17.	$57,607,834	R	$89,152,561	R
19 Pavement Preservation Increases funding to the Pavement Preservation Program. Budgeted funds total $100,000,000 in FY 2015-16 and $85,045,024 in FY 2016-17.	$20,000,000 $14,954,976	R NR	$20,000,000	R
20 Secondary Road Maintenance and Improvement Fund Increases funding to the Secondary Road Maintenance and Improvement Program. Budgeted funds total $305,984,586 in FY 2015-16 and $285,289,910 in FY 2016-17.	$18,178,036 $20,694,676	R NR	$18,178,036	R
Reserves				
21 Reserve for Administrative Reduction- Position Reductions Eliminates funding for 1 filled administrative position and 49 filled receipt-supported positions to consolidate department functions and outsource functions. The administrative position totals $154,808 and the receipt-supported positions total $3,856,594, including salary and benefits.	($90,305) -1.00	R	($154,808) -1.00	R
22 Capital, Repairs and Renovations Funds repair and renovation projects included in the Department of Transportation's 2015-21 Capital Improvements Plan.	$5,019,700	NR	$6,965,700	NR
23 Workers' Compensation Adjustment Reserve Provides funding to adjust workers' compensation line items to the average FY 2012-13 and FY 2013-14 actual expenditures estimated to be from net Highway Fund appropriations. The Department is directed to further adjust these line items using receipts to reflect the average FY 2012-13 and FY 2013-14 actual expenditures from all sources.	$6,830,000	R	$6,830,000	R
24 Compensation Reserve Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$5,694,136	NR		

	FY 15-16		FY 16-17	
25 State Retirement Contribution Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fund increased retiree medical premiums.	$346,500	R	$346,500	R
26 State Health Plan Provides additional funding to continue health benefit coverage for enrolled active employees supported by the Highway Fund for the 2015-17 fiscal biennium.	$648,071	R	$648,071	R
27 Reserve for Future Benefit Needs Establishes a reserve for future benefit needs.			$2,000,000	R

Revenue Availability

28 Motor Fuel Excise Tax Distribution
Adjusts the distribution of motor fuel tax proceeds to the Highway Fund from 75% to 71%, reducing funding in FY 2015-16 by $76.29 million and in FY 2016-17 by $73.80 million.

29 Division of Motor Vehicles (DMV) Fees
Increases forecasted revenue by $75.06 million for FY 2015-16 and $151.58 million for FY 2016-17 based on across-the-board adjustments to fees collected by the Division of Motor Vehicles.

30 Temporary Plate Fee
Budgets estimated revenue from a $5 increase to the fee for a 10-day temporary tag and the elimination of the 10-day trip permit. Projected revenue is $396,355 for FY 2015-16 and $804,740 for FY 2016-17.

31 License Restoration Fee
Increases Highway Fund revenue by $431,250 in FY 2015-16 and $575,000 in FY 2016-17 based on the elimination of the license restoration fee transfer to the General Fund.

32 Special Registration Plate Account
Transfers $1.10 million of special registration plate proceeds from the Special Registration Plate Account to the Roadside Vegetation Management Program within the Highway Fund in FY 2015-16 based on the elimination of formulaic transfers to the Department of Commerce and Department of Health and Human Services, effective October 1, 2015. Annualized Special Registration Plate Account receipts budgeted for the Roadside Vegetation Management Program total $1.47 million.

33 Wildlife Resources
Reduces transfers to the Wildlife Resources Fund by $120,524 in FY 2015-16 and $116,409 in FY 2016-17 based on motor fuel tax distributional changes between the Highway Fund and Highway Trust Fund.

	FY 15-16		FY 16-17	
34 Shallow Draft Navigation Channel & Lake Dredging Fund Increases the distribution of motor fuel tax revenue to the Shallow Draft Navigation Channel & Lake Dredging Fund to one percent (1.0%). Net adjustments total $10.96 million in FY 2015-16 and $10.39 million in FY 2016-17.				
35 Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund Eliminates the transfer of motor fuel tax revenue to the Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund effective July 1, 2016 and increases budgeted Highway Fund revenue by $1.78 million in FY 2016-17.				
Transfers				
36 North Carolina State Ports Authority Provides $35.0 million recurring for modernization initiatives.	$35,000,000	R	$35,000,000	R
37 General Fund Eliminates the Highway Fund transfer for General Fund, non-tax revenue.	($215,871,719)	R	($215,871,719)	R
38 Base Budget Adjustments to Other State Agencies Adjusts the following transfers to other state agencies: - increases recurring funding for the Department of Revenue by $1,313 in FY 2015-16 and $6,322 in FY 2016-17 for collection of the Gasoline Inspection Fee; - increases recurring funding for the Department of Agriculture by $5,283 for the administration of fuel inspections; - reduces recurring funding for the Department of Public Health by $21,451 to match the base budget for the Alcohol Forensic Test Program; and, - increases recurring funding for the Motor Carrier Safety Program administered by the State Highway Patrol by $23,072. Additionally, reduces budgeted receipts for the Department of Revenue, Fuel Tax Compliance by $30,032 due to a reduction in rent expenses.	$8,217	R	$13,226	R
39 Continuation Reviews (Appropriated Transfers) Converts FY 2015-16 funding to nonrecurring and eliminates the following transfers from the Highway Fund to other State agencies in FY 2016-17, pending the results of Continuation Reviews: Department of Public Safety (litter removal): $9,040,000 Office of State Controller: $496,578 Department of Insurance: $158,000	($9,694,578) $9,694,578	R NR	($9,694,578)	R
40 Continuation Review Reserve (Appropriated Transfers) Establishes a reserve for programs funded via Highway Fund transfers which are subject to Continuation Review.			$9,694,578	R

	FY 15-16		FY 16-17	
41 Continuation Review Reserve (Revenues) Establishes a $29.4 million (M) reserve for potential revenue in FY 2016-17 to reflect the elimination of the following revenue diversions to other State agencies, pending the results of Continuation Reviews: DENR - Commercial Leaking Underground Storage Tank Cleanup Fund ($12.7M) DENR - Water and Air Quality Account ($7.3M) DENR - Division of Air Quality, Inspection and Maintenance Fees ($3.6M) DENR - Mercury Pollution Prevention Account ($0.7M) DOI - Rescue Squad Workers Relief Fund ($1.5M) DOI - Volunteer Rescue/EMS Fund ($1.3M) Wildlife Resources Commission ($2.3M)				
Total Legislative Changes	**($14,036,511)** **$43,148,216**	**R** **NR**	**$63,264,025** **$14,113,199**	**R** **NR**
Total Position Changes	0.00		0.00	
Revised Budget	**$1,947,788,129**		**$1,989,601,149**	

Highway Trust Fund

HIGHWAY TRUST FUND

	FY 15-16		FY 16-17	
Recommended Base Budget	**$1,162,046,663**		**$1,162,046,663**	
Legislative Changes				
Construction				
42 Strategic Transportation Investments Modifies funding to Strategic Transportation Investments to $1,179,455,486 in FY 2015-16 and $1,193,757,958 in FY 2016-17.	$161,488,453	R	$175,790,925	R
Debt				
43 Adjustment for Debt Service Obligation Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest due based on the current repayment schedule.	($10,995,116)	R	$1,397,412	R
Revenue Availability				
44 Motor Fuel Excise Tax Distribution Adjusts the distribution of motor fuel tax proceeds to the Highway Trust Fund from 25% to 29%, increasing funding in FY 2015-16 by $76.29 million and in FY 2016-17 by $73.80 million.				
45 Division of Motor Vehicles (DMV) Fees Increases forecasted revenue by $16.18 million for FY 2015-16 and $33.51 million for FY 2016-17 based on across-the-board adjustments to fees collected by the Division of Motor Vehicles.				
46 Highway Use Tax Caps Increases forecasted revenue by $4.17 million in FY 2015-16 and $10.0 million in FY 2016-17 based on the following adjustments to maximum highway use tax assessments: - Commercial vehicles ($1,000 to $2,000); - Recreational vehicles ($1,500 to $2,000); and, - Out-of-state vehicles ($150 to $250).				
47 Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund Eliminates the transfer of motor fuel tax revenue to the Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund effective July 1, 2016 and increases budgeted Highway Trust Fund revenue by $0.73 million in FY 2016-17.				

	FY 15-16		FY 16-17	
Total Legislative Changes	**$150,493,337**	R	**$177,188,337**	R
Total Position Changes				
Revised Budget	**$1,312,540,000**		**$1,339,235,000**	

Turnpike Authority

Budget Code: 64208

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$0**		**$0**	
Recommended Budget				
Requirements	**$86,299,540**		**$86,299,540**	
Receipts	**$86,299,540**		**$86,299,540**	
Positions	**13.00**		**13.00**	
Legislative Changes				
Requirements:				
Adjustment to Debt Service	$18,046,000	R	$21,435,000	R
Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest due based on the current repayment schedule, as recommended by the Governor's Recommended Budget for FY 2015-17.	$0	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$18,046,000**	R	**$21,435,000**	R
	$0	NR	**$0**	NR
	0.00		0.00	
Receipts:				
Adjustment for Debt Service	$18,046,000	R	$21,435,000	R
Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest due based on the current repayment schedule, as recommended by the Governor's Recommended Budget for FY 2015-17.	$0	NR	$0	NR
Subtotal Legislative Changes	**$18,046,000**	R	**$21,435,000**	R
	$0	NR	**$0**	NR

	FY 2015-16	FY 2016-17
Revised Total Requirements	$104,345,540	$107,734,540
Revised Total Receipts	$104,345,540	$107,734,540
Change in Fund Balance	$0	$0
Total Positions	13.00	13.00
Unappropriated Balance Remaining	$0	$0

Reserves, Debt Service, and Adjustments Section L

Statewide Reserves

GENERAL FUND

	FY 15-16		FY 16-17	
Recommended Base Budget	**$133,048,054**		**$133,048,054**	
Legislative Changes				
A. Base Budget Adjustments				
1 Salary Adjustment Fund Adjusts the base budget to eliminate the Salary Adjustment Fund reserve. The funds within the reserve were distributed to adjust employee salaries and have been incorporated into the operating budgets of the affected agencies.	($7,500,000)	R	($7,500,000)	R
2 Voter Information Verification Act Adjusts the base budget to eliminate the Voter Information Verification Act reserve. The funds within this reserve were incorporated into the Board of Elections' FY 2015-17 base budget.	($1,000,000)	R	($1,000,000)	R
3 Pending Legislation Adjusts the base budget to eliminate recurring funding for the Pending Legislation reserve.	($4,500,000)	R	($4,500,000)	R
B. Employee Salaries and Benefits				
4 Salary Adjustment Fund Provides funds to the Salary Adjustment Fund to be used to adjust salaries for job classifications in response to changes in the labor market as documented through data collection and analysis in accordance with accepted human resources practices and standards.	$12,500,000	R	$25,000,000	R
5 OSHR Minimum of Market Adjustment Provides funds to implement a new market-aligned salary structure for State agencies to adjust salaries in State job classifications where employee pay is below market value. These salary adjustments are to be made based on Office of State Human Resources analysis of the difference in current salary grades and new salary grades implemented during the compensation system update.			$12,000,000	R
6 Workers' Compensation Reserve Provides funds for workers' compensation. The Office of State Budget and Management is to transfer $2 million to the Office of State Human Resources to close existing workers' compensation claims. The recurring funds are to be distributed to agency workers' compensation line items to budget these expenses on a recurring basis. The allocation is to be based on average workers' compensation expenditures since FY 2012-13.	$21,500,543 $2,000,000	R NR	$21,500,543	R
7 Reserve for Future Benefit Needs Creates a General Fund reserve for increased contributions to existing employee benefits programs.			$71,000,000	R

	FY 15-16		FY 16-17	
C. Other Reserves				
8 University of North Carolina System Enrollment Growth Reserve			$31,000,000	R
Proves funds for projected enrollment growth at the University of North Carolina System. Enrollment is expected to increase by 3,017 FTE students (1.5%) in FY 2016-17.				
9 Public Schools Average Daily Membership (ADM)			$107,000,000	R
Provides additional funds for projected increases in allotted ADM and an additional 17,701 students in FY 2016-17 as compared to FY 2015-16. These funds are intended to cover projected multiple position, dollar, and categorical allotments.				
Total allotted ADM for FY 2016-17 is 1,555,344.				
10 Film and Entertainment Grant Fund				
Provides funds to the Film and Entertainment Grant Fund established in G.S. 143B-437.02A, to encourage the production of motion pictures, television shows, and commercials and to develop the filmmaking industry within the State.	$30,000,000	NR	$30,000,000	NR
11 Information Technology Reserve	$3,596,642	R	$3,876,168	R
Adjusts funding to properly align recurring spending with available funds and to provide additional nonrecurring funds to upgrade security, to acquire a new Department of Administration maintenance management system, and to improve law enforcement access to information. Total IT Reserve funding is $21,320,843 in each year of the biennium.	($1,079,447)	NR	($1,358,973)	NR
12 Information Technology Fund	($2,517,195)	R	($2,517,195)	R
Reduces the budget for miscellaneous operating items. The budget provides funding of $21,681,854 in each year of the biennium to support the operation of the Department of Information Technology and to manage statewide information technology projects, as well as $73,337 NR in the first year of the biennium for a $750 one-time bonus for employees paid from the IT Fund.	$73,337	NR		
13 Budget Transparency Initiative				
Provides $814,000 NR to the Office of State Budget and Management (OSBM) (13085) to be used for the development and implementation of a State budget transparency website. This website will include budget and expenditure data for State agencies, counties, cities, and local education agencies.	$814,000	NR		
14 Job Development Investment Grants (JDIG)			$8,682,769	R
Adjusts funding to reflect realignment of projected spending needs. Funding for JDIG is $57,816,215 and $71,728,126 respectively for the 2015-17 fiscal biennium.	($5,229,142)	NR		
15 One North Carolina Fund				
Reduces the budget to align funding to reflect projected spending needs for FY 2015-16. The recurring budget for the Fund remains $9 million for FY 2016-17.	($2,004,024)	NR		

Conference Committee Report	FY 15-16		FY 16-17	
D. Debt Service				
16 Debt Service Increases funding to reflect the potential issuance of General Obligation Bonds proposed in House Bill 943.			$25,000,000	R
17 Debt Service Adjustment Adjusts debt service appropriations based on updated cash flow requirements.	($6,815,194)	R	($43,125,622)	R
Total Legislative Changes	**$15,264,796**	R	**$246,416,663**	R
	$24,574,724	NR	**$28,641,027**	NR
Total Position Changes				
Revised Budget	**$172,887,574**		**$408,105,744**	

State Health Plan - Special

Budget Code: 23450

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$258**		**$258**	
Recommended Budget				
Requirements	**$225,311,373**		**$225,311,373**	
Receipts	**$225,311,373**		**$225,311,373**	
Positions	**46.00**		**46.00**	
Legislative Changes				
Requirements:				
Agency Administration (2A10)	($7,757,973)	R	($18,294,363)	R
Adjusts the budgeted amounts for the Plan's other administrative costs to reflect a decline in fees required by the federal Affordable Care Act, new data and analytics positions, and adjustments due to new contracts, inflation, and membership changes.	$0	NR	$0	NR
	6.00		6.00	
Population Health Management (2A15)	($669,000)	R	$2,026,000	R
Adjusts the budgeted amount for Population Health Management Services contracts based on anticipated contractual costs, changes in membership, and new services.	$0	NR	$0	NR
	0.00		0.00	
Wellness Initiatives (2A20)	$2,458,000	R	$3,659,000	R
Adjusts the budgeted amount for Wellness Initiatives contracts based on on-going contracts, new programs, and growth in enrollment.	$0	NR	$0	NR
	0.00		0.00	
Medical Benefits Administration Contracts (2A25)	$25,064,831	R	$32,671,503	R
Adjusts the budgeted amounts for Third Party Administrative Services contracts based on newly effective contracts, changes in membership, and new programs.	$0	NR	$0	NR
	0.00		0.00	
Pharmacy Benefits Management Contract (2A30)	$1,453,875	R	$2,068,575	R
Adjusts the budgeted amount for the Pharmacy Benefits Management contract based on anticipated contractual costs and changes in membership.	$0	NR	$0	NR
	0.00		0.00	

	FY 2015-16		FY 2016-17	
Subtotal Legislative Changes	**$20,549,733**	R	**$22,130,715**	R
	$0	NR	**$0**	NR
	6.00		6.00	
Receipts:				
Adjusts Transfers from Trust Funds	$20,549,733	R	$22,130,715	R
Adjusts the amount of transfer from the Plan's health benefit trust fund budget codes to support administrative costs authorized for the 2015-17 fiscal biennium.	$0	NR	$0	NR
Subtotal Legislative Changes	**$20,549,733**	R	**$22,130,715**	R
	$0	NR	**$0**	NR
Revised Total Requirements	**$245,861,106**		**$247,442,088**	
Revised Total Receipts	**$245,861,106**		**$247,442,088**	
Change in Fund Balance	**$0**		**$0**	
Total Positions	**52.00**		**52.00**	
Unappropriated Balance Remaining	**$258**		**$258**	

Capital
Section M

Capital

	GENERAL FUND			
	FY 15-16		FY 16-17	
Legislative Changes				
A. Department of Agriculture and Consumer Services				
1 Dorton Arena Roof Replacement Funds the replacement of the Dorton Arena Roof at the State Fairgrounds in Raleigh.	$2,305,000	NR		
B. Department of Cultural Resources				
2 USS North Carolina Hull Repair and Cofferdam Provides additional funds to repair the USS North Carolina's hull and build a cofferdam. In FY 2014-15, $3 million in General Funds were appropriated for this purpose. The funds will match donations raised by the Department.	$3,500,000	NR		
C. Department of Environment and Natural Resources				
3 Water Resources Development Provides funds for the State's share of Water Resource Development Projects. State funds will match $44.4 million in federal funds and $5.8 million in local funds.	$5,083,000	NR		
D. Department of Public Safety				
4 Armory Facility and Development Projects Provides State funds over the fiscal biennium to expand and renovate National Guard Armories and Facilities located throughout the State. These funds will match $6.7 million in federal funds. Of these funds $250,000 are to be held in reserve for a National Guard project described in a provision.	$868,000	NR	$5,087,500	NR
E. North Carolina State University				
5 Engineering Building Advance Planning Provides funds for advance planning for an Engineering Building at North Carolina State University (NCSU). The building will complete the Engineering Oval Complex at NCSU and will house the Departments of Industrial and Systems Engineering and Civil, Construction, and Environmental Engineering. The College of Engineering Administration will also occupy the building. The total estimated cost of this project will be $154 million, of which $77 million will be matched with NCSU funds.	$1,000,000	NR	$1,000,000	NR

	FY 15-16		FY 16-17	
F. School of Science and Mathematics				
6 Technology Upgrades and Building Repair Provides funds for connectivity improvements, upgrades for up to 5 distance education centers, and repairs and renovations for the School of Science and Mathematics in Durham.	$4,000,000	NR		
Total Appropriation to Capital	**$16,756,000**	**NR**	**$6,087,500**	**NR**

Information Technology Services Section N

Information Technology Fund

Budget Code: 24667

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	**$11,154,563**	**$11,154,563**
Recommended Budget		
Requirements	**$24,199,049**	**$24,199,049**
Receipts	**$24,199,049**	**$24,199,049**
Positions	**95.75**	**95.75**

Legislative Changes

Requirements:

Criminal Justice Information Network (CJIN) (2705)	$0	R	$0	R
Maintains funding for the Criminal Justice Information Network (CJIN) at $193,085 for each year of the biennium. The CJIN is a statewide criminal justice infrastructure that allows the sharing of information between State and local criminal justice agencies.	$0 0.00	NR	$0 0.00	NR
Center for Geographic Information and Analysis (CGIA) (2715)	$0	R	$0	R
Provides $503,810 for the Center for Geographic Information and Analysis (CGIA) in each year of the biennium. This includes $67,858 to address a shortfall in funding for enterprise licensing for Environmental Services Research Institute software. CGIA is the lead agency for geographic information systems (GIS) services and GIS coordination for North Carolina, providing GIS services to State and local governments.	$0 0.00	NR	$0 0.00	NR
Enterprise Security and Risk Management Office (2720)	$0	R	$0	R
Maintains funding for the Enterprise Security and Risk Management Office at $871,497 for both years of the biennium. The Enterprise Security and Risk Management Office is responsible for the development, delivery, and maintenance of an information security and risk management program that safeguards the State's information assets and the supporting infrastructure against unauthorized use, disclosure, modification, damage, or loss.	$0 0.00	NR	$0 0.00	NR

	FY 2015-16		FY 2016-17	
Staffing and Strategic Projects (2725)	$0	R	$0	R
Funds Staffing and Strategic Projects at $7,873,903 in each year of the biennium, including an additional $300,000 to provide operating funding for the Department of Information Technology's Plan and Build functions.	$0	NR	$0	NR
	0.00		0.00	
FirstNet (2735)	$0	R	$0	R
Provides $140,000 in the each year of the biennium to provide a match for federal funding to support FirstNet development. FirstNet is a federal effort to build, operate and maintain the first high-speed, nationwide wireless broadband network dedicated to public safety. FirstNet will provide a single interoperable platform for emergency and daily public safety communications.	$0	NR	$0	NR
	0.00		0.00	
Enterprise Project Management Office (2740)	$0	R	$0	R
Maintains funding for the Enterprise Project Management Office (EPMO) at $1,501,234. The EPMO was established to improve the management of IT projects in State government.	$0	NR	$0	NR
	0.00		0.00	
IT Strategy and Standards (2750)	$0	R	$0	R
Maintains funding of $865,326 in both years of the biennium for the Office of Enterprise Architecture. The Office acts as a strategic planner and architect for the State's IT programs and is responsible for formulating and advancing a vision for those programs.	$0	NR	$0	NR
	0.00		0.00	
State Portal (2760)	$0	R	$0	R
Maintains funding for the State portal at $233,510 in both years of the biennium to support the current State web site and Digital Commons efforts within the Department of Information Technology.	$0	NR	$0	NR
	0.00		0.00	
Enterprise Licensing (2780)	$0	R	$0	R
Eliminates $33,000 for enterprise license agreements in each year of the biennium. Funding for enterprise licensing agreements is maintained in the IT Internal Service Fund.	$0	NR	$0	NR
	0.00		0.00	
IT Consolidation (2790)	$0	R	$0	R
Eliminates funding for IT Consolidation. Funding for consolidation is provided in the IT Reserve Fund, with the transition to the Department of Information Technology.	$0	NR	$0	NR
	0.00		0.00	

	FY 2015-16		FY 2016-17	
Government Data Analytics Center (GDAC) (2795)	$0	R	$0	R
Maintains funding for the Government Data Analytics Center (GDAC) at $9,101,255 in each year of the biennium. The GDAC is an enterprise program to promote the use of North Carolina's data as an asset to support business decisions. The GDAC fosters interagency collaboration among and between the branches of governments and their sub-units to establish statewide business intelligence (BI) standards, to improve data sharing, quality and consistency and facilitate the identification, development and support of BI solutions for the State.	$0	NR	$0	NR
	0.00		0.00	
Adjustment to IT Fund	($2,517,195)	R	($2,517,195)	R
Adjusts the IT Fund to reflect a transfer to the IT Reserve in each year of the biennium.	$0	NR	$0	NR
	0.00		0.00	
Compensation Reserve	$0	R	$0	R
Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$73,337	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**($2,517,195)**	R	**($2,517,195)**	R
	$73,337	NR	**$0**	NR
	0.00		0.00	

Receipts:

Adjustment to IT Fund	($2,517,195)	R	($2,517,195)	R
Transfers $2,517,195 from the IT Fund to the IT Reserve in each year of the biennium.	$0	NR	$0	NR
Compensation Reserve	$0	R	$0	R
Provides funds for a $750 one-time bonus for State employees. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	$73,337	NR	$0	NR

	FY 2015-16		FY 2016-17	
Subtotal Legislative Changes	**($2,517,195)**	R	**($2,517,195)**	R
	$73,337	NR	**$0**	NR
Revised Total Requirements	**$21,755,191**		**$21,681,854**	
Revised Total Receipts	**$21,755,191**		**$21,681,854**	
Change in Fund Balance	**$0**		**$0**	
Total Positions	**95.75**		**95.75**	
Ending Unreserved Fund Balance	**$11,154,563**		**$11,154,563**	

Information Technology Reserve Fund

Budget Code: 00000

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$0**		**$0**	
Recommended Budget				
Requirements	**$18,803,648**		**$18,803,648**	
Receipts	**$18,803,648**		**$18,803,648**	
Positions	**0.00**		**0.00**	
Legislative Changes				
Requirements:				
IT Modernization	$0	R	$0	R
Provides $4,734,391 R in FY 2015-16 and $5,061,592 R in FY 2016-17, as well as $3,393,600 NR in FY 2015-16 and $3,000,000 NR in FY 2016-17 to support the State's IT modernization efforts. This will enable the State CIO to improve secure sign-on and mobile web capabilities, and includes $406,374 R in each year of the biennium, plus $18,600 NR in FY 2015-16, for 3 security positions in the Department of Revenue. These include a Security Design Engineer, a Security Impact Specialist, and a Security Specialists. Funding is provided for 6 new positions, including 4 Business Technology Analysts and 2 Business System Analysts. Funding will also support the transfer of Office of the State CIO positions from the IT Internal Service Fund to the IT Fund. Positions will be transferred as follows:	$0	NR	$0	NR
	17.00		18.00	

FY 2015-16

60087223	State Chief Information Officer
60087293	Executive Assistant
60087581	Legislative Affairs/Program Coordinator
60093454	Director of Public Affairs
60087551	Information & Communications Specialist II
60087645	Agency General Counsel II
60087635	Chief Information Risk Officer
65020068	Information and Communications Specialist

FY 2016-17

60087248	Director of Digital Infrastructure

	FY 2015-16		FY 2016-17	
NC Connect/Digital Infrastructure	$0	R	$0	R
Provides $593,899 for 3.63 positions in FY 2015-16, an IT Manager, and IT Project Manager, a Business and Technology Specialist, and partial funding for a Network Specialist. Funding is increased in FY 2016-17 to $788,503 to add 1.37 additional positions, to include full funding for a Network Specialist and a Project Manager.	$0	NR	$0	NR
	3.63		5.00	
IT Restructuring	$0	R	$0	R
Provides IT Restructuring funding of $3,537,299 in FY 2015-16 and $3,740,927 in FY 2016-17. This funding supports the planning and implementation for the Department of Information Technology.	$0	NR	$0	NR
	0.00		0.00	
Maintenance Management System Replacement	$0	R	$0	R
Transfers $173,180 NR in FY 2015-16 and $129,901 R in FY 2016-17 to the Department of Administration to support the acquisition and operation of a cloud-based maintenance management system that will provide maintenance, inventory, and utility management functions. Provides funding to support the acquisition and operation of 3 modules for a cloud-based maintenance management system. These include system failure alerts, utility bill automation, and mobile maintenance management applications.	$0	NR	$0	NR
	0.00		0.00	
Law Enforcement Information Exchange	$0	R	$0	R
Provides $288,474 NR in FY 2015-16 to fund the mapping of law enforcement agency records management systems to facilitate the exchange of data with the Law Enforcement Information Exchange.	$0	NR	$0	NR
	0.00		0.00	
Economic Modeling Initiative	$0	R	$0	R
Provides funding of $500,000 NR in each year of the biennium to support the development of a State economic development modeling capability at the University of North Carolina Charlotte. This initiative will support State agencies involved in economic development and growth efforts.	$0	NR	$0	NR
	0.00		0.00	
Process Management (2775)	$0	R	$0	R
Maintains funding of $398,234 in both years of the biennium to support the standardization of information technology processes and services.	$0	NR	$0	NR
	0.00		0.00	

	FY 2015-16		FY 2016-17	
Government Data Analytics Center	$0	R	$0	R
Provides $8.1 million R to support the operation of the Government Data Analytics Center (GDAC).	$0	NR	$0	NR
	0.00		0.00	
Adjustment to IT Reserve	$2,517,195	R	$2,517,195	R
Adjusts the IT Reserve to reflect a transfer from the IT Fund in each year of the biennium.	$0	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$2,517,195**	R	**$2,517,195**	R
	$0	NR	**$0**	NR
	20.63		23.00	

Receipts:

Adjustment to IT Reserve	$2,517,195	R	$2,517,195	R
Adjusts the IT Reserve to reflect a transfer from the IT Fund in each year of the biennium.	$0	NR	$0	NR
Subtotal Legislative Changes	**$2,517,195**	R	**$2,517,195**	R
	$0	NR	**$0**	NR

Revised Total Requirements	**$21,320,843**	**$21,320,843**
Revised Total Receipts	**$21,320,843**	**$21,320,843**
Change in Fund Balance	**$0**	**$0**
Total Positions	**20.63**	**23.00**
Ending Unreserved Fund Balance	**$0**	**$0**

Information Technology Internal Service Fund

Budget Code: 74660

	FY 2015-16		FY 2016-17	
Beginning Unreserved Fund Balance	**$24,517,058**		**$24,517,058**	
Recommended Budget				
Requirements	**$186,223,437**		**$189,000,000**	
Receipts	**$186,223,437**		**$189,000,000**	
Positions	**500.00**		**499.50**	
Legislative Changes				
Requirements:				
FirstNet	$0	R	$0	R
Adjusts the IT Internal Service Fund requirements to reflect federal grant funding for the biennium for FirstNet.	$1,086,094	NR	$0	NR
	0.00		0.00	
Adjustment for Position Transfers	$0	R	$0	R
Adjusts the IT Internal Service Fund to reflect the transfer of State Chief Information Officer positions from the IT Internal Service Fund to the IT Fund.	$0	NR	$0	NR
	-8.00		-9.00	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$1,086,094	NR	**$0**	NR
	-8.00		-9.00	
Receipts:				
FirstNet	$0	R	$0	R
Adjusts receipts to the IT Internal Service fund to reflect federal grant funding for FirstNet.	$1,086,094	NR	$0	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$1,086,094	NR	**$0**	NR

	FY 2015-16	FY 2016-17
Revised Total Requirements	$187,309,531	$189,000,000
Revised Total Receipts	$187,309,531	$189,000,000
Change in Fund Balance	$0	$0
Total Positions	492.00	490.50
Ending Unreserved Fund Balance	$24,517,058	$24,517,058

NUMERICAL INDEX TO HOUSE AND SENATE BILLS

2015 GENERAL ASSEMBLY
2015 REGULAR SESSION

"Ratified Number" refers to the Session Law number except when preceded by an R, in which case it refers to the Resolution number.

HOUSE BILLS

H.B.	*Ratified Number*	*H.B.*	*Ratified Number*	*H.B.*	*Ratified Number*
2	R1	163	99	279	59
6	163	168	223	284	210
8	292	173	247	288	146
13	222	174	178	291	68
16	92	184	218	293	54
18	233	185	184	294	47
39	152	186	196	295	41
41	6	188	243	297	265
44	246	189	38	307	127
55	124	190	100	308	220
58	156	195	27	312	158
59	173	199	174	313	34
65	13	201	160	315	55
70	42	204	14	318	294
71	24	215	289	322	130
73	77	217	83	327	290
79	25	218	79	334	248
82	43	222	66	337	84
86	111	224	40	339	113
91	16	229	185	340	69
97	241	232	45	341	162
99	78	236	157	343	171
102	26	237	46	346	70
110	35	243	15	347	128
112	242	254	161	350	165
113	44	255	145	352	71
117	259	259	268	353	80
126	293	262	101	356	134
130	20	263	138	358	17
134	183	264	169	361	281
140	8	266	129	364	9
143	33	268	231	371	215
147	39	272	254	372	245
148	125	273	150	373	258
154	112	274	67	376	153
157	1	276	168	383	181
158	21	277	164	386	172

H.B.	*Ratified Number*	*H.B.*	*Ratified Number*	*H.B.*	*Ratified Number*
390	167	544	166	706	19
393	12	552	72	709	298
397	182	553	192	712	284
400	131	556	203	721	187
405	50	558	297	724	213
411	139	560	97	730	261
412	175	562	195	735	267
415	85	566	212	765	286
426	132	570	48	766	154
434	29	574	73	774	198
437	28	584	208	792	250
446	180	595	49	795	90
465	62	597	57	797	189
467	148	601	18	800	209
488	252	607	193	812	114
492	159	634	149	814	211
493	140	638	194	823	199
495	260	640	144	836	103
503	244	647	274	850	287
504	256	651	200	875	240
511	93	652	137	878	30
512	219	659	32	879	58
513	56	668	R6	892	37
526	257	669	136	909	98
527	253	670	R10	912	262
529	186	679	275	924	276
531	255	691	74	943	280
538	207	698	272		
540	269	705	147		

SENATE BILLS

S.B.	Ratified Number	S.B.	Ratified Number	S.B.	Ratified Number
2	75	192	176	448	224
4	R2	195	283	455	118
5	10	199	216	462	122
7	104	212	105	472	277
14	7	218	81	477	230
15	238	233	202	478	116
20	2	238	282	487	96
22	170	252	155	488	117
25	86	256	82	513	263
37	296	258	251	519	278
43	115	273	204	524	291
52	226	279	279	534	133
60	91	284	121	541	237
77	76	286	141	545	143
78	5	291	52	560	214
82	197	299	142	578	123
83	87	301	106	581	217
88	119	304	239	596	107
90	31	305	3	597	65
97	295	311	53	621	108
99	88	313	299	654	151
109	R3	315	64	665	236
112	63	332	227	670	300
114	51	333	126	675	228
116	22	334	R4	676	271
119	264	336	205	678	177
123	23	345	188	679	179
139	60	366	95	682	109
140	102	370	270	694	273
142	61	372	11	698	288
154	94	374	201	699	225
156	234	379	285	712	R5
159	266	386	206	714	R8
161	89	399	235	715	R7
162	R12	400	249	716	110
174	120	421	R9	717	R11
181	4	423	135	720	R13
182	190	429	221	721	R14
183	191	445	36		
185	229	446	232		

INDEX TO SESSION LAWS
2015 GENERAL ASSEMBLY
REGULAR SESSION 2015

Suggestions for Use: Local legislation appears under the name of the particular county or municipality. Legislation that amends or repeals another session law appears under "Laws Amended or Repealed" and under the particular subject. General appropriations appear under "Appropriations". Specific appropriations or earmarks appear under the particular agency, entity, or subject. Committees, Commissions, Councils, and Boards appear as main entries. Numbers are alphabetized as spelled (i.e., 9 is listed alphabetically as "nine"). Session Law numbers (locators) are shown in standard citation format with the word "Section" replaced by the section symbol (§). Thus, "Session Law 145 Section 6A.10 subsection (a) through subsection (p)" would appear as "145§6A.10(a)-(p)", and "Session Law 145 Section 28.31 through Section 28.31A" would appear as "145§§28.31-28.31A". Noncontiguous Session Law sections are separated by a comma. Complete Session Law citations are separated by a semicolon.

A

ABLE Program Board of Trustees—created ..... 203§1
Abortion (see also Family Planning)
72 hour waiting period ..... 62§7(b)
Emergency procedures ..... 62§7(c)
Inspection of clinics ..... 62§7(a)
No family planning/pregnancy prevention/adolescent parenting services contracts with providers who perform abortions ..... 241§12E.13
Physician requirements ..... 62§7(a)
Reporting requirements ..... 62§7(a)
Academic Standards Review Commission
Appropriations and allocations-operations support ..... 7§§2-3
No funds use for surveys ..... 7§4
Subject to Public Records Act and Open Meetings Law 75
Accounting (see also Audits and Auditing)—daily deposit requirements for State Treasurer ..... 164§3(b)
Achieving a Better Life Experience Act 203
Acquired Immune Deficiency Syndrome (AIDS)—see AIDS (Acquired Immune Deficiency Syndrome)
Acupuncture Licensing Board—appointments and membership ..... 254§2.1(a)-(b)
Administration, Department of
Appropriations and allocations
Academic Standards Review Commission funds ..... 7§§2-3
Current operations ..... 241§2.1
Litigation funding ..... 241§27.9
Community correction vehicles exempt from minimum mileage requirement ..... 241§27.6(a)-(c)
Division of Veterans Affairs
Moved to Dept. of Military and Veterans Affairs ..... 241§24.1(a), (e); 268§7.3(a)
Dorothea Dix Memorial Task Force—see that heading
DOT right-of-way acquisitions/reduce remnant property ..... 241§29.9(a)-(c)

Administration, Department of—continued
Ethics Commission, State—see that heading
Jobs for Veterans Committee, Governor's—see that heading
Mineral leases on State lands ..... 276§5
Port access lands acquisition agreement ..... 241§14.6(f)
Relocating all DHHS offices to one location plan ..... 241§31.10(a)-(b)
Rent-based model for State-owned facilities study ..... 241§23.3
State Surplus Property Agency
Streamline seized vehicle disposal ..... 241§27.3(a)-(g); 264§38.3(a)-(b)
Towing, storage, and sales of seized vehicles contracts ..... 264§38.3(a)-(b)
Veterans' Affairs Commission—see that heading
Administrative Hearings, Office of
Appropriations and allocations
Current operations ..... 241§2.1
Litigation funds for SBE v NC and Rules Review Comn. ..... 7§1
Medicaid mediation services ..... 241§12H.9
Codifier of Rules position ..... 241§30.16(a)-(b)
Technical corrections, clarifications, and conforming changes ..... 264§24
Waynesville administrative law judge ..... 241§22.1
Administrative Office of the Courts (AOC)—see Courts
Administrative Procedure Oversight Committee, Joint Legislative
Burden of proof in contested cases study ..... 286§1.2(b)
Occupational licensing board oversight review ..... 286§1.7
Administrative Rules
Agriculture oversize vehicle permit time restrictions ..... 263§4(a)-(d)
Alternative disposal of biodegradable agricultural plastics ..... 286§4.39(b)
Codifier of Rules position ..... 241§30.16(a)-(b)
Conforming changes related to agency transfers ..... 268§5.4(i)
Deadline for DES rules submission ..... 238§2.7
Dynamic pricing for State parks and attractions ..... 241§14.11(a)-(i); 268§5.5
EMC rulemaking clarification ..... 1§6(a)-(b)
Emergency medical services personnel conform to national standards 290
Epi pens in child serving businesses rules 274
Erosion control structures ..... 241§14.6(p)-(r)
Heavy-duty vehicle idling restrictions repealed ..... 286§4.24
Historic preservation tax credit ..... 241§32.3(a)-(c); 264§54.5(b); ..... 268§10.1(b)
Hospital reporting requirements ..... 241§12A.15(a)-(b)
Impaired water bodies environmental management ..... 241§14.5(a)-(d)
Industrial hemp ..... 299§3
Isolated wetlands
Law application ..... 286§4.18(a)-(d)
Regions for regulating impacts ..... 286§4.18(d)
Landfill changes ..... 241§14.20(a)-(f)

Administrative Rules—continued
Limit local board of education law/rule waivers ..... 241§8A.6(a)-(b)
Nationally accredited mh/dd/sa service providers status ..... 286§3.7
Newborn screening of T-Cell lymphopenias 272
No fiscal note for less stringent rules ..... 286§1.6(a)-(b)
Noncommercial tanks abatement requirement eliminated ..... 241§14.16B(a)-(d)
Periodic review and expiration of rules
exception for retirement systems ..... 164§7
Personal service contracts/Temporary Solutions ..... 241§26.2(a)-(f); 264§74(a)-(b)
Riparian buffers
Reform ..... 246§§13.1-13.4
Regulatory relief from rules study ..... 246§13.2(a)-(b)
Risk-based remediation ..... 286§§4.7-4.8A
Sale of antique spirituous liquor ..... 98§1(a)-(j)
Septic tank replacement requirements 147
Standard valuation and nonforfeiture for life insurance ..... 281§§1-5
Stormwater management rules deadline ..... 286§4.20(a)
Swine waste management system
performance standards application ..... 263§16
Tax collection assistance fee ..... 241§28.2
Technical corrections, clarifications,
and conforming changes ..... 264§§22-23; 268§5.4(i)
Adoption (see also Foster Care)
Address requirement of individual executing consent ..... 54§§10-11
Clerks of court authority to accept consent ..... 264§44(a)-(b)
Consent to adoption ..... 54§8
Hague Convention clarification ..... 54§1
Home assessment ..... 54§2
Identification of parent not yet 18 ..... 54§9
Jurisdiction in multi-state case ..... 54§3
Prebirth determination of right to consent action timetable ..... 54§4
Preplacement assessment for relatives ..... 54§7
Response to petition ..... 54§5
Sibling definition ..... 54§7
Special Children Adoption Fund block grant ..... 241§12I.1(a)
Technical corrections, clarifications, and conforming changes ..... 54§6
Adult Care Homes—see Continuing Care Facilities
Advancement of Teaching, Center for the, Board of Trustees—no funding/staff cuts to implement DPI budget reductions authorized ..... 241§8.37(b)
Advertising and Marketing
City sign ordinance compliance by counties 166
Signage exemption for construction sites ..... 246§4(a)-(b)
Advisory Council on Rare Diseases—created 199
African-American Heritage Commission—
appointments and membership ..... 254§§1.1, 2.2
Agency Participation Procedures Act 168

Aging and Elderly
Adult protective services block grant funds ..... 241§12I.1(a)
Overnight respite care pilot program extended and expanded 52
Seized assets use in restitution obligation
in exploitation of an adult 182
Agricultural and Animal Waste—see
Agriculture; Waste Management
Agricultural Centers—see Agriculture
Agricultural Finance Authority
Appointments and membership ..... 254§§1.3, 2.3
Executive Director's salary ..... 241§30.2
Agricultural Land—see Agriculture
Agricultural Vehicles—see Agriculture; Motor Vehicles; Shipping
Agricultural Workers—see Agriculture; Employment
Agriculture
Agricultural and animal waste—swine waste management
system performance standards application ..... 263§16
Alternative disposal of biodegradable agricultural plastics ..... 286§4.39(a)-(c)
ATVs on public roads ..... 263§8
Community college classes expanded ..... 241§10.4
Conservation easements termination/modification ..... 263§12(a)
Farmers markets and agricultural centers
Piedmont Triad Farmers Market improvements ..... 241§31.4(a)
Western NC Agricultural Center
Building funds ..... 241§31.4(a)
McGough Arena project changes ..... 241§31.18
WNC Farmers Market improvements ..... 241§31.4(a)
H-2A worker compensation conforming change ..... 263§2(a)-(b)
Horses and mules—see that heading
Industrial hemp 299
Livestock and poultry—see that heading
Local regulation of beehives ..... 246§8
Oversize transportation of hay bales ..... 263§5
Oversize vehicle permit time restrictions ..... 263§4(a)-(d)
Present-use value modifications ..... 263§12(a)-(c)
Right-of-center requirements for certain vehicles ..... 263§6(a)-(b)
Road weight limits for agricultural products and supplies ..... 263§9(a)-(b)
Sales and use tax exemption for farmers clarification ..... 6§2.13(a)-(b)
Sound science in agriculture policy ..... 263§3
Spreaders
Definition ..... 263§7
Speed limit ..... 263§7
Technical corrections, clarifications, and conforming changes ..... 264§8(b)
Vocational agriculture teacher positions ..... 241§8.22
Agriculture and Consumer Services,
Department of
Alternative disposal of biodegradable agricultural plastics ..... 286§4.39(a)-(c)
Appropriations and allocations

Agriculture and Consumer Services,
Department of—continued
Animal disease diagnostic laboratory ..... 241§31.4(a)
Aviary egg layer research building ..... 241§31.4(a)
Bioenergy development program ..... 241§13.2
Current operations ..... 241§2.1
Deer fence on research stations ..... 241§31.4(a)
Distressed Appalachian communities
electric transmission/distribution upgrades ..... 241§13.2
Division of Forest Resources
Mountain Island Educational Forest visitor center ..... 241§31.4(a)
Nonpoint source pollution control ..... 241§13.2
Piedmont Triad Farmers Market improvements ..... 241§31.4(a)
Plant conservation program ..... 241§31.4(a)
Public schools energy efficiency projects ..... 241§13.2
State Fair
Dorton Arena roof replacement ..... 241§31.2
Horse complex ..... 241§31.4(a)
Renovations ..... 241§31.4(a)
TVA settlement funds ..... 241§13.2
Western NC Agricultural Center building ..... 241§31.4(a)
WNC Farmers Market improvements ..... 241§31.4(a)
Captive cervid program moved ..... 263§14(a)-(b)
Commissioner
Regulation of firearms at State Fair ..... 195§4(a)
Salary ..... 241§30.1(b)
Conceal carry in State Fair parking lots study ..... 195§4(b)
Conservation Reserve Enhancement Program study ..... 241§13.8(a)-(b)
Drug manufacturing licensing fees ..... 241§13.4(a)-(b); 268§5.1
Food manufacturer/retailer inspection fees ..... 241§13.5; 268§5.2(a)-(b)
Spay/neuter program revisions ..... 241§13.7(a)-(b)
Agriculture and Natural and Economic Resources,
Joint Legislative Oversight Committee on—created ..... 241§15.24
Agriculture, Board of
Commissioner
Appointments—see that heading
Technical corrections, clarifications, and conforming changes ..... 264§8(b)
Dynamic pricing for State parks and attractions ..... 241§14.11(a)-(i); 268§5.5
Industrial hemp ..... 299§3
AIDS (Acquired Immune Deficiency Syndrome) (see also Public Health)
ADAP—purchasing drugs for those in DPS custody ..... 241§12E.2
HIV testing block grant ..... 241§12I.1(a)
Substance abuse prevention and treatment block grant ..... 241§12I.1(a)

Airports and Airport Authorities (see also Aviation)
Albert J. Ellis Airport air traffic control tower funds ..... 241§29.27
Authorization to dissolve Airport Authority
for Rutherford County 159
Alamance County
Alamance Community College—see Community Colleges
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Sheriffs' food purchases 156
Alarm Systems—registration and security
information not public record 189
Alarm Systems Licensing Board—
appointments and membership ..... 254§1.4
Albemarle, City of
Elections in even-numbered years ..... 253§1(a)
Mayor's term from 2 years to 4 years ..... 253§1(b)
Stanly County Board of Education partisan elections 242
Alcoholic Beverage Control Commission
Alternating proprietorships for breweries ..... 98§6
Brewery sales to nonresident wholesalers ..... 98§7
Chair's salary ..... 241§30.2
Distillery alcohol sales allowed to visitors ..... 98§4(a)-(i)
Guest room cabinet permits for certain golf courses ..... 98§8
Sale of antique spirituous liquor ..... 98§1(a)-(j)
Alcoholic Beverages
Antique spirituous liquor sales ..... 98§1(a)-(j)
Breweries
Alternating proprietorships ..... 98§6
Sales to nonresident wholesalers ..... 98§7
Cherokee Tribe
Alcohol law enforcement authority codification 287
Tribal ABC Commission authority ..... 98§3(a)-(b)
Cider sales ..... 98§5(a)-(b)
Distilleries
On-site alcohol sales clarification ..... 262§3(a)-(b)
Visitor sales allowed ..... 98§4(a)-(i)
DWI (Driving While Impaired)—see that heading
Employment of youth exception for off premises consumption ..... 221§3.1
Guest room cabinet permits for certain golf courses ..... 98§8
Malt beverages
Elections ..... 103§7
Sales ..... 98§5(a)-(b)
Powdered alcohol prohibited ..... 98§2(a)-(b)
Substance abuse—see that heading
Technical corrections, clarifications, and conforming changes ..... 264§7
Testing—see that heading
Unfortified wine elections ..... 103§7
Alexander County—Board of Education term limits removed ..... 103§9(a)-(b)

Aliens—see Immigration and Citizenship
All-Terrain Vehicles (ATVs)—see Motor Vehicles
Alleghany County—Stone Mountain bond funds ..... 280§1(f)
Alternative and Renewable Energy
Safe harbor ..... 11; 264§54.3
Tax credit
Clarification ..... 6§2.6
Sunset delayed ..... 11; 264§54.3
Ambulances—see Emergency Services
America's Four Hundredth Committee—repealed ..... 184§4
Amusement Device Safety Act ..... 152§§1-3
Anatomy, Commission of—appointments and membership ..... 264§70
Angier, Town of—deannexation 139
Animal Control and Welfare (see also Domestic Animals)
—no local government regulation of care for farm animals 192
Animals—see Domestic Animals; Fish and Wildlife; Horses and Mules; Livestock and Poultry
Annexation
Cary 77
Clayton 79
Deannexation
Angier 139
Clayton 83
Lake Lure 140
Locust 257
Murphy ..... 81§3(a)-(c)
Polkton 78
Weldon 132
Dunn ..... 175§1
Durham adjacent streets or street rights-of-way 82
Holly Ridge ..... 175§2
Lenoir 129
Mint Hill 131
Satellite annexation
Archdale exemption ..... 81§1(a)-(b)
Franklin exemption ..... 81§§1-2
Hope Mills ..... 172§§1-2
Spring Lake ..... 172§2
Wilson's Mills 80
Stanfield 257
Anson County
Polkton, Town of—see that heading
Sheriffs' food purchases 156
South Piedmont Community College—see Community Colleges
Appointments
Agriculture Commissioner's appointments
Industrial Hemp Commission ..... 299§1

Appointments—continued
Appointments Bill 254
Commissioner of Agriculture's appointments
Outdoor Heritage Advisory Council ..... 144§2(a)-(b)
Commissioner of Insurance's appointments
Fire and Rescue Commission, State 39
Community Colleges Board's appointments
Indian Education, State Advisory Council on 295
Governor's appointments
ABLE Program Board of Trustees ..... 203§1
Board of Review ..... 238§3.1(a)-(d)
Building Code Council ..... 145§§5.1-5.2
Director of the Division of Health Benefits ..... 245§12(b)
Grievance Resolution Board ..... 241§16C.13B(a)
Industrial Hemp Commission ..... 299§1
Longitudinal Data System Board ..... 9§2.1
Military Affairs Commission 297
NCWorks Commission ..... 241§15.11(a)-(b)
Outdoor Heritage Advisory Council ..... 144§2(a)-(b)
Permanency Innovation Initiative Oversight Committee ..... 241§12C.6(c)
Supplemental Retirement Board of Trustees ..... 164§1(a)-(b)
Tri-County Community College Board of Trustees 12
Underground Damage Prevention Review Board ..... 286§3.12
Indian Affairs Commission's appointments
Indian Education, State Advisory Council on 295
Legislative appointments recommendation discretionary ..... 286§1.3(a)-(c)
President Pro Tempore's appointments
ABLE Program Board of Trustees ..... 203§1
Acupuncture Licensing Board ..... 254§2.1(a)-(b)
African-American Heritage Commission ..... 254§2.2
Agricultural Finance Authority ..... 254§2.3
Agriculture and Natural and Economic Resources,
Joint Legislative Oversight Committee on ..... 241§15.24
Appraisal Board ..... 254§2.4(a)-(b)
Brain Injury Advisory Council ..... 254§2.6
Building Commission, State ..... 254§2.52
Capital Improvements, Joint Legislative
Oversight Committee on ..... 241§31.16(a)
Centennial Authority ..... 254§2.9
Center for Public Television, Board of Trustees ..... 254§2.10
Charter Schools Advisory Board ..... 254§2.7
Child Care Commission ..... 254§2.8
Clean Water Management Trust Fund,
Board of Trustees ..... 254§2.11(a)-(b)
Coastal Resources Commission ..... 254§2.12
Code Officials Qualification Board ..... 254§2.13(a)-(b)
Crime Commission, Governor's ..... 9§2.3(a)-(b);
264§79(a)-(b)

Appointments—continued
Criminal Justice Education and
Training Standards Commission ..... 254§2.14
Dietetics/Nutrition, Board of ..... 254§2.15
Disciplinary Hearing Commission of
the North Carolina State Bar ..... 254§2.16
Domestic Violence Commission ..... 9§2.2; 254§2.17
Economic Investment Committee ..... 254§2.18
Education Commission of the States ..... 254§2.19
Emergency Medical Services Advisory Council ..... 254§2.20
Environmental Management Commission ..... 254§2.21
Ethics Commission, State ..... 37§2.1(a)-(b)
Funeral Services, Board of ..... 254§2.22
Global TransPark Authority ..... 254§2.23
Health Information Exchange Advisory Board ..... 241§12A.5(d); 264§86.5(b)-(d)
Heart Disease and Stroke Prevention
Task Force, Justus-Warren ..... 254§2.30
Home Inspector Licensure Board ..... 254§2.24
Housing Finance Agency, Board of Directors ..... 254§2.25
Human Resources Commission ..... 254§2.26
Indian Affairs, State Commission of ..... 254§2.54
Indian Education, State Advisory Council on 295
Industrial Hemp Commission ..... 299§1
Institute of Medicine ..... 254§2.27(a)-(b)
Interpreter and Transliterator Licensing Board ..... 254§2.29(a)-(b)
Irrigation Contractors' Licensing Board ..... 254§2.28
Judicial Council, State ..... 254§2.55
License to Give Trust Fund Commission ..... 254§2.31
Locksmith Licensing Board ..... 254§2.32
Longitudinal Data System Board ..... 9§2.1
Manufactured Housing Board ..... 254§2.33
Marine Industrial Park Authority ..... 254§2.34
Massage and Bodywork Therapy, Board of ..... 254§2.35
Medicaid and NC Health Choice,
Joint Legislative Oversight Committee on ..... 245§15
Mental Health, Developmental Disabilities, and
Substance Abuse Services, Commission for ..... 254§2.36
Mining Commission ..... 254§2.62(a)-(b)
Museum of Art, Board of Trustees ..... 254§2.37
911 Board ..... 37§2.2(a)-(b)
North Carolina Railroad, Board of Directors ..... 254§2.45; 264§90.7
Oil and Gas Commission ..... 254§2.63(a)-(c)
On-Site Wastewater Contractors and
Inspectors Certification Board ..... 254§2.38
Outdoor Heritage Advisory Council ..... 144§2(a)-(b); 254§2.39(a)-(c)

Appointments—continued
Parks and Recreation Authority ..... 254§2.40(a)-(b)
Permanency Innovation Initiative Oversight Committee ..... 254§2.41
Ports Authority, State ..... 254§2.57
Principal Fellows Commission ..... 254§2.42
Private Protective Services Board ..... 254§2.43
Property Tax Commission, State ..... 254§2.56
Public Officers and Employees Liability Insurance (POELI) Committee ..... 254§2.44
Respiratory Care Board ..... 254§2.46
Roanoke Island Commission ..... 254§2.47
Rules Review Commission ..... 254§2.48
Rural Infrastructure Authority ..... 254§2.49
Science and Technology, Board of ..... 254§2.50
Sheriffs' Education and Training Standards Commission ..... 254§2.51
State Health Plan for Teachers and State Employees, Board of Trustees ..... 254§2.53
Supplemental Retirement Board of Trustees ..... 164§1(a)-(b)
Teachers' and State Employees' Retirement System (TSERS), Board of Trustees ..... 254§2.58
Turnpike Authority ..... 254§2.59
Well Contractors Certification Commission ..... 254§2.60
Wildlife Resources Commission ..... 254§2.61
Senate Minority Leader's appointments
Partnership for Children, Inc. ..... 254§3
Speaker's appointments
ABLE Program Board of Trustees ..... 203§1
African-American Heritage Commission ..... 254§1.1
Agricultural Finance Authority ..... 254§1.3
Agriculture and Natural and Economic Resources, Joint Legislative Oversight Committee on ..... 241§15.24
Alarm Systems Licensing Board ..... 254§1.4
Appointments and membership ..... 254§1.2
Building Commission, State ..... 254§1.6
Capital Improvements, Joint Legislative Oversight Committee on ..... 241§31.16(a)
Cemetery Commission ..... 254§1.7
Centennial Authority ..... 254§1.8
Center for Public Television, Board of Trustees ..... 254§1.62
Charter Schools Advisory Board ..... 254§1.9
Child Care Commission ..... 254§1.10(a)-(b)
Chiropractic Examiners, State Board of ..... 254§1.11
Clean Water Management Trust Fund, Board of Trustees ..... 254§1.12
Coastal Resources Commission ..... 254§1.13
Code Officials Qualification Board ..... 254§1.14
Cosmetic Art Examiners, Board of ..... 254§1.15
Crime Commission, Governor's ..... 9§2.3(a)-(b); 264§79(a)-(b)

Appointments—continued
Crime Victims Compensation Commission ..... 254§1.16
Criminal Justice Education and
Training Standards Commission ..... 254§1.17
Criminal Justice Information Network Governing Board ..... 254§1.18
Dietetics/Nutrition, Board of ..... 254§1.19
Disciplinary Hearing Commission of
the North Carolina State Bar ..... 254§1.20
Dispute Resolution Commission ..... 254§1.21
Domestic Violence Commission ..... 9§2.2; 254§1.22
Emergency Medical Services Advisory Council ..... 254§1.23
Environmental Management Commission ..... 37§1.2; 254§1.24
Global TransPark Authority ..... 254§1.25
Health Information Exchange Advisory Board ..... 241§12A.5(d); 264§86.5(b)-(d)
Heart Disease and Stroke Prevention
Task Force, Justus-Warren ..... 37§1.3(a)-(b); 254§1.31
Home Inspector Licensure Board ..... 254§1.26
Housing Finance Agency, Board of Directors ..... 254§1.27
Housing Partnership, North Carolina ..... 254§1.28
Indian Education, State Advisory Council on 295
Industrial Hemp Commission ..... 299§1
Institute of Medicine ..... 254§1.29
Irrigation Contractors' Licensing Board ..... 254§1.30
Judicial Standards Commission ..... 254§1.33
Locksmith Licensing Board ..... 254§1.32
Longitudinal Data System Board ..... 9§2.1
Manufactured Housing Board ..... 254§1.34
Marine Industrial Park Authority ..... 254§1.55
Massage and Bodywork Therapy, Board of ..... 254§1.35
Medicaid and NC Health Choice, Joint
Legislative Oversight Committee on ..... 245§15
Mental Health, Developmental Disabilities, and
Substance Abuse Services, Commission for ..... 254§1.36(a)-(b)
Mining Commission ..... 254§1.67(a)-(b)
Museum of Art, Board of Trustees ..... 254§1.37
911 Board ..... 254§1.38; 264§46
North Carolina Railroad, Board of Directors ..... 254§1.49
Nursing, Board of ..... 254§1.39
Oil and Gas Commission ..... 254§1.66(a)-(c)
On-Site Wastewater Contractors and
Inspectors Certification Board ..... 254§1.40
Outdoor Heritage Advisory Council ..... 144§2(a)-(b); 254§1.41(a)-(c)
Parks and Recreation Authority ..... 254§1.42
Partnership for Children, Inc. ..... 264§78
Permanency Innovation Initiative Oversight Committee ..... 254§1.43
Ports Authority, State ..... 254§1.44

Appointments—continued
Principal Fellows Commission ..... 254§1.45
Private Protective Services Board ..... 254§1.46
Property Tax Commission, State ..... 254§1.47
Public Officers and Employees Liability Insurance (POELI) Committee ..... 254§1.48
Recreational Therapy Licensure Board ..... 254§1.50
Respiratory Care Board ..... 254§1.51
Roanoke Island Commission ..... 254§1.52
Rules Review Commission ..... 254§1.53
Rural Infrastructure Authority ..... 254§1.54(a)-(d)
School of Science and Mathematics, Board of Trustees ..... 254§1.56
Science and Technology, Board of ..... 254§1.57
Sheriffs' Education and Training Standards Commission ..... 254§1.58
State Health Plan for Teachers and State Employees, Board of Trustees ..... 254§1.59
Supplemental Retirement Board of Trustees ..... 164§1(a)-(b)
Teachers' and State Employees' Retirement System (TSERS), Board of Trustees ..... 254§1.61
Turnpike Authority ..... 37§1.1
Umstead Review Panel ..... 254§1.63
Water Infrastructure Authority, State ..... 254§1.60(a)-(b)
Well Contractors Certification Commission ..... 254§1.64
Wildlife Resources Commission ..... 254§1.65
State Board of Education's appointments
Charter Schools Advisory Board ..... 248§1(a), (c)
Indian Education, State Advisory Council on 295
UNC Board of Governors' appointments
Indian Education, State Advisory Council on 295
Wallace v. Bone compliance ..... 9§§2.1-2.4
Appraisal Board
Acceptance of background check by appraisal management company ..... 200§2
Appointments and membership ..... 254§2.4(a)-(b)
Recordkeeping ..... 200§1
Appraisals (see also Property)—present-use value modifications for agricultural land ..... 263§12(a)-(c)
Apprenticeships (see also Employment; Vocational Education)—fee repealed ..... 241§15.13
Appropriations (see also Budgeting and Budget Process; Funds and Accounts; particular agency, entity, subject)
Capital appropriations ..... 241§§31.1-31.22
Disbursement procedures ..... 241§31.6
Reporting ..... 241§31.7(a)-(e)
Cash balances ..... 241§5.1(a)-(c)
Contingency and Emergency Fund
Current operations ..... 241§2.1

Appropriations—continued
Funds ..... 241§6.19(a)-(c)
Limitation ..... 241§6.1
Continuing budget authority 133; 214; 233
Current Operations
Debt Service ..... 241§2.1
Film and Entertainment Grant Fund ..... 241§2.1
General Fund ..... 241§2.1
Highway Fund ..... 241§3.1
Highway Trust Fund ..... 241§4.1
Information Technology Fund ..... 241§2.1
Information Technology Reserve ..... 241§2.1
IT Reserve-Budget Transparency Project ..... 241§2.1
Job Development Investment Grants ..... 241§2.1
One North Carolina Fund ..... 241§2.1
OSHR Minimum of Market Adjustment ..... 241§2.1
Public Schools Average Daily Membership ..... 241§2.1
Reserve for Future Benefit Needs ..... 241§2.1
Salary Adjustment Reserve ..... 241§2.1
UNC System Enrollment Growth Reserve ..... 241§2.1
Workers' Compensation Reserve ..... 241§2.1
Current Operations and Capital Improvements Appropriations Act of 2015 ..... 241; 268
General Fund
Availability statement ..... 241§2.2(a)-(i); 268§1.1
Capital appropriations ..... 241§31.2
Highway Fund
Availability ..... 241§3.2
DOT appropriation ..... 241§29.1(a)
Reductions due to motor fuel tax change ..... 2§2.4(a)-(i)
Highway Trust Fund
Availability ..... 241§4.2
DOT appropriation ..... 241§29.1(b)
Reductions due to motor fuel tax change ..... 2§2.4(a)-(i)
Non-General Fund capital improvement authorizations ..... 241§31.4(a)-(b)
Receipts from pending grant awards ..... 241§5.1A(a)-(c)
Repairs and Renovations Reserve
Allocation ..... 241§31.5(a)-(e)
Reserves expenditures limited ..... 241§6.17
Salary Adjustment Fund ..... 241§30.12A(a)-(g)
Technical corrections, clarifications, and conforming changes 268
Aquaculture (see also Fish and Wildlife; Fisheries and Fisheries Products)
Commercial fishing and aquaculture curriculum 63
Shellfish
Core Sound oyster leasing proposal ..... 241§14.8
Cultivation leases in certain areas ..... 263§11(a)-(b)
Cultivation leasing reform ..... 241§14.10(a)-(c)

Aquaculture—continued
Recommendations ..... 241§14.10D
Water column leasing clarification ..... 241§14.10C(a)-(c); 268§5.6
Aquariums—see Zoos and Aquariums
Arboretum, Board of Directors—
appointments and membership ..... 254§1.2
Archaeology—derelict vessel records/materials
in State custody are public record ..... 218§4(a)-(b)
Archdale, City of—satellite annexation requirement exemption ..... 81§1(a)-(b)
Architects
Building inspection components by licensed architects ..... 145§9(a)-(d)
Commercial projects exempt from
professional seal requirement ..... 145§10
Archives—see Libraries and Archives; Records
Armed Forces
DOD certified child care facility
participation in State programs ..... 241§12B.9(a)-(d)
Identification of military-connected students ..... 264§82
Military bases and installations
Buffers funds use ..... 241§14.18(a)-(b)
Commercial freight rail service in Jacksonville study ..... 241§29.21(a)-(b)
Low-wealth counties supplemental funding use ..... 241§8.3(h)
Military Presence Stabilization Fund created ..... 241§24.3(a)-(c)
Military personnel loan protections clarifications ..... 179§4
Military police training for law
enforcement licensure purposes ..... 264§37(a)-(b)
National Guard
Armory and facility development projects ..... 241§§31.2, 31.8(a)-(c); 268§9.2
Assault on personnel 74
Concealed carry ..... 215§2.5
Family Assistance Centers reporting ..... 241§16B.9
Pension Fund—see Retirement
Readiness centers bond funds ..... 280§1(f)
Reemployment rights 161
Tuition assistance
Benefit 298
Proprietary schools ..... 264§66(a)-(c)
Wilmington replacement funds ..... 241§31.4(a)
NC Pre-K program eligibility ..... 241§12B.1(a)-(f)
Representation on Military Affairs Commission 297
Veterans
CDLs 115
In-State tuition ..... 116; 264§65.5; ..... 268§3.9
Licensure by occupational proficiency exam 143
Military police training for law
enforcement licensure purposes ..... 49§1; 264§37(a)-(b)

Armed Forces—continued
Parks bond funds ..... 280§1(f)
Restore State contribution to County services ..... 241§24.2
TSERS changes ..... 67§6
Weekend burials at veterans cemeteries 69
Arts (see also Cultural Resources; Museums)
Extracurricular activity fees for charter schools ..... 248§7
Protection of monuments, memorials, and works of art ..... 170§3(a)-(c)
Symphony challenge grant ..... 241§23.1(a)-(c)
Ashe County
Mount Jefferson bond funds ..... 280§1(f)
Municipal eminent domain restrictions for certain counties 240
New River bond funds ..... 280§1(f)
Asheville, City of
Colburn Earth Science Museum grassroots science program grant-in-aid ..... 241§15.18(a)
Consolidate SBI/ALE Asheville office ..... 241§16B.7
Pisgah Astronomical Research Institute grassroots science program grant-in-aid ..... 241§15.18(a)
The Support Center reporting requirement ..... 241§15.19
Western North Carolina Nature Center grassroots science program grant-in-aid ..... 241§15.18(a)
WNC Farmers Market improvements ..... 241§31.4(a)
Athletic Trainer Examiners, Board of—
appointments and membership ..... 254§2.5
Attorney General (see also Justice, Department of)
Animal welfare hotline ..... 286§4.36(a)-(b)
Changes to MSA ..... 241§6.24(a)-(h); 268§1.2
Salary ..... 241§30.1(b)
Attorneys (see also Courts)
DOA litigation funds for private counsel ..... 241§27.9
Educational requirement for admission to bar effective date ..... 264§47
Hiring outside counsel by Rules Review Comn. .....
Outside counsel use by DOT ..... 241§29.8(a)-(d)
Private counsel hiring authority for Rules Review Comn. ..... 196§2; 215§2.7
Remote access to clients by attorneys study ..... 241§18B.4(a)-(b)
Auditor, State—see State Auditor, Department of
Audits and Auditing (see also Accounting)
Biotechnology Center audited financial statement report ..... 241§15.17(d)
Community college program compliance review function ..... 241§10.6(a)-(c)
Contingent-based contracts for audits/ assessments limit use 109
Fraud detection/investigation ..... 241§25.1(a)-(c); 268§7.4
Innocence Inquiry Comn. ..... 241§18A.16
Multiplicative auditing of HHS service providers report ..... 241§12F.14
Overpayments ..... 241§27A.1(a)-(d)
Preaudit certifications ..... 246§6(a)-(c)

Audits and Auditing—continued
Social Services Departments Medicaid ..... 7§11.5(a)-(c)
Subject matter experts funds ..... 241§25.2
Aurora, Town of—Aurora Fossil Museum
grassroots science program grant-in-aid ..... 241§15.18(a)
Authorities
Agricultural Finance Authority—see that heading
Airport authorities—see Airports and Airport Authorities
Centennial Authority—see that heading
Education Assistance Authority—see that heading
Global TransPark Authority—see that heading
Health Insurance Exchange Authority—see that heading
Hospital authorities—see Hospitals and Clinics
Marine Industrial Park Authority—see that heading
Ports Authority, State—see that heading
Public authority establishment of nonprofit 122
Rural Infrastructure Authority—see that heading
Tourism Development Authorities—see Travel and Tourism
Turnpike Authority—see that heading
Water and sewer authorities—see Water and Sewer Systems
Water Infrastructure Authority, State—see that heading
Automotive Service and Repair—see Motor Vehicles
Avery County
TVA settlement funds ..... 241§13.2
Yellow Mountain bond funds ..... 280§1(f)
Aviation
Airports and airport authorities—see that heading
Aviation sales tax ..... 259§§4.1-4.2
Unmanned aircraft
Operation permitting ..... 232§§2.2-2.5
Procurement/operation by State agency ..... 232§§2.1-2.2
System programs funds ..... 241§29.27
Aycock, Charles Brantley—replace National Statuary Hall statue ..... 264§91.3; 269

B

Baby Carlie Nugent Bill 272
Badin, Town of—elections in even-numbered years ..... 253§2
Bail and Bail Bondsmen
Access to AOC civil records ..... 180§4
Continuing education ..... 247§13(a)-(c)
Doubling of bond permissive ..... 247§9(a)-(b)
Licensure minimum age ..... 180§1
Return of collateral time limit ..... 180§2
Return of license security deposit in certain circumstances ..... 180§3
Banking Commission, State
Commissioner of Banks—see that heading
Bars—see Food Services

Beach Erosion—see Erosion
Beach Nourishment and Replenishment—beach erosion study.....241§14.10I(a)-(b)
Beaufort County
Aurora, Town of—see that heading
Beaufort County Community College—see Community Colleges
Goose Creek bond funds..... 280§1(f)
Sheriffs' food purchases..... 157
TANF benefit implementation..... 241§12C.1(a)-(e)
Washington, City of—see that heading
Beauty Products and Services—no tanning bed use by minors..... 21
Beech Creek Bog—bond funds ..... 280§1(f)
Bicycles—safety laws study 45
Bids and Bidding—see Contracts and Purchasing
Biking Trails—see Parks and Recreation Areas
Biotechnology Center—appropriations and allocations .....241§15.17(a)-(d)
Birth Certificates—see Vital Records
Bladen County
Bladen Community College—see Community Colleges
Bladen County Correctional Center transferred to county..... 230
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Jones Lake bond fund..... 280§1(f)
No dogs in hunting foxes at Bladen
Lakes during certain periods .....144§7(a)-(b)
Singletary Lake bond funds..... 280§1(f)
Blind, Commission for the—conforming to federal law .....241§15.11(e)-(f)
Board for Licensing of Geologists—see
Geologists, Board for Licensing
Board of Athletic Trainer Examiners—
see Athletic Trainer Examiners, Board of
Board of Dental Examiners—see Dental Examiners,
State Board of
Board of Dietetics/Nutrition—see Dietetics/Nutrition, Board of
Board of Education—see Education, State Board of
Board of Funeral Service—see Funeral Service, Board of
Board of Law Examiners—see Law Examiners, Board of
Board of Licensed Professional Counselors—see
Licensed Professional Counselors, Board of
Board of Massage and Bodywork Therapy—see
Massage and Bodywork Therapy, Board of
Board of Nursing—see Nursing, Board of
Board of Podiatry Examiners—see Podiatry Examiners,
Board of
Board of Review (see also Insurance, Unemployment)
Appointments and membership..... 238§§3.1(a)-(d), 3.3(a)-(b)
Chair's salary..... 241§30.2
Members' salary..... 241§30.2
Study..... 238§3.4
Validation of certain decisions .....238§3.2(a)-(b)

Board of Science and Technology—see
Science and Technology, Board of
Boards—see Committees, Commissions, Councils, and Boards
Boards of Education (Local)—see Education, Boards of (Local)
Boats and Boating
Boating access new construction funds ..... 241§31.4(a)
County authority over abandoned vessels clarified ..... 241§14.6(n)-(o)
Derelict vessel records/materials in State
custody are public record ..... 218§4(a)-(b)
Expanded access to public lands study ..... 144§3(a)-(b)
Personal watercraft titling and licensing ..... 241§29.38
Bonds and Bonding (Surety)—see Bail and
Bail Bondsmen; Surety and Fidelity
Bonds and Notes (Financing)—see Debt-
Local Government; Debt-State Government
Boone, Town of
Relocation costs after Boone visitor center sold ..... 241§29.17F
Visitors center funding technical correction ..... 241§29.36A
Boxing Commission—fee clarified ..... 241§16B.6(a)-(b)
Boy Scouts—see Youth Organizations
Boys and Girls Clubs—see Youth Organizations
Brain Injury Advisory Council—
appointments and membership ..... 254§§1.5, 2.6
Brasstown, Town of—opossum exclusion from wildlife laws 73
Breweries—see Alcoholic Beverages
Bridges—see Roads and Highways
Brunswick County
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Caswell Beach, Town of—see that heading
Ocean Isle Beach, Town of—see that heading
Regulation of waterways ..... 232§§3.1-3.4
Budget and Management, Office of State
Appropriations and allocations
Current operations ..... 241§2.1
Repairs and Renovations Reserve allocation ..... 241§31.5(a)
School construction needs study ..... 241§23.4
State budget transparency website ..... 241§7.17(e)
Symphony challenge grant ..... 241§23.1(a)-(c)
Connect NC Bond Act 280
Director of the Budget
Reserve for state workers'
compensation reform established ..... 241§30.18(a)
DOT position eliminated ..... 241§29.14A(d)
Enterprise Resource Planning system ..... 241§7.22(a)-(c)
Grant recipients posted on grantor Web site 114
Help for State Auditor in fraud detection ..... 241§25.1(a); 268§7.4
Highway Fund four-year revenue forecast development ..... 241§29.1(c); 268§8.1

Budget and Management—continued
Highway Trust Fund four-year revenue forecast development ..... 241§29.1(c); 268§8.1
Hospital medical residencies monitoring ..... 241§23.2
Information technology budgeting process ..... 241§7.16(a)-(b)
Limitation on medical malpractice damages for non-economic losses calculation authority ..... 40§9
Medicaid Transformation Fund created ..... 241§12H.29
Monitor salary increases ..... 241§30.11(a)-(b)
Rent-based model for State-owned facilities study ..... 241§23.3
Reorganization of DPI to implement budget reductions authorized ..... 241§8.37(a)-(b)
Reports—see that heading
State budget transparency website ..... 241§7.17(a)-(e)
Technical corrections, clarifications, and conforming changes ..... 264§21
Budgeting and Budget Process (see also Appropriations)
Align agency budgets to expenditures ..... 241§6.25(a)-(c)
Certified budget realignment for Utilities Commission. ..... 241§15.15(a)-(b)
DOT capital needs estimate ..... 241§29.10
Economic Development Partnership Budget Act exemption ..... 241§15.1
Funds/programs/divisions continuation review ..... 241§6.20(a)-(d)
Indebtedness provisions modified ..... 241§31.11(a)-(b)
Information technology budgeting process ..... 241§7.16(a)-(b)
Reorganization through reduction authorization extended ..... 241§30.13(a)-(b)
Salary-related contributions ..... 241§30.20(a)-(c)
Small repairs and renovations with funds available authorized ..... 241§31.14(a)-(b); 268§10.1(c)
State Health Plan cash reserve and reserve for future benefits needs ..... 241§30.26(a)-(c)
UNC carryforward increase ending ..... 241§31.17(a)-(b)
Building Code Council
Alternative materials, designs, methods approval study ..... 145§2
Appointments and membership ..... 145§§5.1-5.2
Exemptions for open air camp cabins 19
Flood elevation and building height requirements study ..... 286§4.38
Website postings required ..... 145§§6.1-6.2
Building Codes
Alternative materials, designs, methods approval study ..... 145§2
Certain commercial projects exempt from professional seal requirement ..... 145§10
Code officials misconduct clarification ..... 145§3(a)-(b)
Design and aesthetic controls by local government 86
Exemptions for open air camp cabins 19
Flood elevation and building height requirements study ..... 286§4.38
Inspections
Fees to be spent on inspection department activities ..... 145§§7.1-7.2

Building Codes—continued
In a full and timely manner ..... 145§§8.1-8.2
Requirements ..... 145§1(a)-(b)
No withholding of permit to compel completion of separate project ..... 187§2(a)-(b)
Permit requirement threshold raised ..... 145§§4.1-4.3
Building Commission, State—appointments and membership ..... 254§§1.6, 2.52
Buildings and Structures
Exempt religious property under construction from property tax ..... 185§1(a)-(b)
Meteorological tower regulation ..... 263§10(a)-(b)
Regulation of structures that restrict access to public beaches by cities ..... 246§1.5
Rent-based model for State-owned facilities study ..... 241§23.3
Buncombe County
Asheville-Buncombe Technical Community College—see Community Colleges
Buncombe County—continued
Asheville, City of—see that heading
Expedited decision on natural gas generating plant ..... 110§§1, 2(c)
Occupancy tax ..... 128§8(a)-(b)
TVA settlement funds ..... 241§13.2
Burke County
Fonta Flora Loop Trail added to State Parks System 113
Lake James bond funds ..... 280§1(f)
Morganton, City of—see that heading
National Guard readiness centers bond funds ..... 280§1(f)
School of Science and Mathematics, Board of Trustees—see University of North Carolina
South Mountain bond funds ..... 280§1(f)
TVA settlement funds ..... 241§13.2
Western Piedmont Community College—see Community Colleges
Burt's Law 36

C

Cabarrus County
Kannapolis, City of—see that heading
Rowan-Cabarrus Community College—see Community Colleges
Caldwell County
Caldwell Community College and Technical Institute—see Community Colleges
Lenoir, City of—see that heading
TANF benefit implementation ..... 241§12C.1(a)-(e)
Calendar
General primary ..... 258§2(a)-(k)
Lineman Appreciation Day 8
Presidential primary ..... 258§1(a)-(k)

Camden County—Dismal Swamp bond funds ..... 280§1(f)
Campaign Finance (see also Elections; Public Officials)
Affiliated party committees ..... 258§3(a)-(q); 264§81(a)-(f)
Reports filing ..... 258§2(g)
Cancer—see Public Health
Cape Fear River
Cape Fear estuarine resource restoration ..... 241§14.6(h)
Water resources availability study ..... 196§1; 264§86.2
Capital Improvements, Joint Legislative Oversight Committee on—created ..... 241§31.16(a)-(b)
Capital Punishment (see also Criminal Procedure; Sentencing)
Hall v. Florida and Brumfield v. Cain conforming change ..... 247§5
Intellectual disability conforming change ..... 247§5
Presence of physician at execution requirement 198
Carolina Beach, Town of
Storm damage reduction
Carryforward ..... 241§31.3(b)
Funds ..... 241§31.3(a)
Study funds ..... 241§31.3(a)
Carteret County
Bogue Banks storm damage reduction preconstruction, engineering, design
Carryforward ..... 241§31.3(b)
Funds ..... 241§31.3(a)
Carteret Community College—see Community Colleges
Core Sound oyster leasing proposal ..... 241§14.8
Erosion control structures ..... 241§14.6(p)-(r)
Fort Macon bond funds ..... 280§1(f)
Harkers Island, Town of—see that heading
Morehead City, Town of—see that heading
Carvers Creek—bond funds ..... 280§1(f)
Cary, Town of
Annexation 77
Release unneeded easements ..... 84§1
Cash Crops—see Agriculture
Caswell Beach, Town of—eminent domain for public services facility 14
Caswell County
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Sheriffs' food purchases 156
Catawba County
Catawba Valley Community College—see Community Colleges
TANF benefit implementation ..... 241§12C.1(a)-(e)
Cemeteries (see also Funeral Services)
Duties/responsibilities for cemeteries on State lands 285
Weekend burials at veterans cemeteries 69

Cemetery Commission—appointments and membership ..... 254§1.7
Centennial Authority—appointments and membership ..... 254§§1.8, 2.9
Center for Geographic Information and Analysis—see
Geographic Information and Analysis, Center for
Center for Public Television, Board of
Trustees—appointments and membership ..... 254§§2.10, 1.62
Certificates of Need—see Continuing Care
Facilities; Health Services; Hospitals and Clinics
Cervids—see Fish and Wildlife
Charlotte, City of
Charlotte firefighters' retirement system created 42
Civil Service Board membership 33
Discovery Place grassroots science program grant-in-aid ..... 241§15.18(a)
Permit air space encroachment above State Road 1347 ..... 231§2
Pioneer Springs Community School State Health
Plan participation ..... 112§4
Charter Schools Advisory Board
Appointments and membership ..... 248§1(a), (c);
254§§1.9, 2.7
Opportunity to correct charter school application ..... 248§4(a)-(b)
Charters
Annexation of adjacent streets or street
rights-of-way by Durham 82
Charter revision and consolidation for Mount Gilead 234
Civil Service Board membership for Charlotte 33
Conveyance of real property by Raleigh ..... 253§11
Elections in even-numbered years for certain cities ..... 253§§1-10
Electric Power Board authorized for Fontana Dam 85
Fee use restriction removed for Zebulon 127
Fire and police department promotions hearings by
Civil Service Board in Statesville 34
Mayor's term from 2 years to 4 years ..... 253§1(b)
Mayor's voting for Greensboro ..... 138§2(d)-(e)
Parking ordinances authorized for Sylva 60
Redistricting for Greensboro ..... 138§2(c)
Trinity form of government ..... 138§1(a)-(c)
Unneeded easements release for Cary ..... 84§1
Chatham County
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Central Carolina Community College—
see Community Colleges
Deep River State Trail bond funds ..... 280§1(f)
Jordan Lake
Bond funds ..... 280§1(f)
Remediation demonstration project continued ..... 241§14.5(a)
Lower Haw River bond funds ..... 280§1(f)
Cherokee County
Appalachian Regional Commission match funds ..... 241§15.8(a)-(b)

Cherokee County—continued
Fox trapping season 13
Murphy, Town of—see that heading
Partisan Board of Education elections ..... 35§1(a)-(e)
Sheriffs' food purchases 158
Tri-County Community College—see Community Colleges
TVA settlement funds ..... 241§13.2
Chief Information Officer, State—see
Information Technology, Department of
Chief Medical Examiner—see Medical Examiner, Chief
Child Abuse and Neglect
Child protective services pilot project continuation ..... 241§12C.11(a)-(b)
Definitions ..... 136§1
Immunity from prosecution for minors
for solicitation of prostitution 183
Intensive Family Preservation Services
funding and performance enhancements ..... 241§12C.2(a)-(c)
Nonsecure custody order execution clarification 43
Standing of foster parent in certain proceedings ..... 136§2
Technical corrections, clarifications, and conforming changes ..... 264§33(a)-(d)
Transition child care facility investigations
to Div. of Child Development ..... 123; 264§56(a)-(b)
Child Care Commission
Appointments and membership ..... 254§§1.10(a)-(b), 2.8
Transition child care facility abuse/neglect
investigations to Div. of Child Development ..... 123; 264§56(a)-(b)
Child Custody and Support (see also Marriage and Family)
Adoption—see that heading
Child support collection administrative changes ..... 62§2(a)-(d)
Circumstances reasonable efforts at
reunification not required ..... 136§9; 264§34(a)-(b)
Consideration of potential placement with family ..... 135§§2.3-2.4; 136§8
Cooperative parenting in child custody determinations 278
Custodial parent cooperation with child
support services requirement 51
Dispositional alternatives available ..... 136§10
Failure to cooperate in plan may
jeopardize reunification notification ..... 136§13
Federal child support incentive payments ..... 241§12C.7(a)-(d)
Foster care—see that heading
Intensive Family Preservation Services
funding and performance enhancements ..... 241§12C.2(a)-(c)
Juvenile not placed with family notification ..... 136§6
Medical support and health insurance
coverage conforming changes ..... 220§1
Nonsecure custody order execution clarification 43
Uniform Interstate Family Support
Act amendments 117

Chiropractic Examiners, State Board of—
appointments and membership ..... 254§1.11
Chowan County—sheriffs' food purchases 157
Citizenship and Residency—see Immigration and Citizenship
City Councils—see Local Government; particular city; Officials
City Managers—see Local Government; particular city; Public Officials
Civil Actions (see also Civil Procedure; Liability)
Burden of proof in contested cases
Generally ..... 286§1.2(a)-(c)
Study ..... 286§1.2(b)
Certain orders transmitted by electronic or facsimile ..... 176§§1-2
Civil no-contact orders violations 25
Cooperative parenting in child custody determinations 278
Electronic filing in Chapter 50B and 50C cases ..... 62§3(a)-(f)
Enforcement of foreign judgments ..... 107; 264§32
Exceeding scope of authorized access to property 50
Expert discovery modernized ..... 153§1
Limitation on medical malpractice damages for non-economic losses calculation vested in Office of State Budget and Management ..... 40§9
Mediation and arbitration—see that heading
Personal services contracts ..... 264§74(a)-(b)
Private counsel hiring authority for Rules Review Commission ..... 196§2
Relief for local government violation of concealed handgun statute ..... 195§15
Revenge postings (revenge porn) 250
Standard of proof for public safety telecommunicators and dispatchers 71
Statute of limitations
Actions against real estate appraisers ..... 200§1
Against trustee ..... 205§6
Technical corrections, clarifications, and conforming changes ..... 264§1(a)-(b)
Terror claims, damages, liability ..... 215§§1-2
Uniform Interstate Family Support Act amendments 117
Civil Penalties—see Fines and Penalties
Civil Procedure (see also Civil Actions)
Adoption—see that heading
Burden of proof in contested cases ..... 286§1.2(a)-(c)
Civil no-contact orders violations 25
Electronic filing in Chapter 50B and 50C cases ..... 62§3(a)-(f)
Expert discovery modernized ..... 153§1
Expert witness compensation ..... 153§2
Good Samaritan expansion ..... 286§§3.3-3.4
Permanent no-contact orders 91
Statute of limitations
Actions against real estate appraisers ..... 200§1
Against trustee ..... 205§6
Terror claims/damages, liability ..... 215§§1-2

Clay County
Brasstown, Town of ... 73
Opossum exclusion from wildlife laws repealed ... 155
Partisan Board of Education elections ... 35§3(a)-(e)
TVA settlement funds ... 241§13.2
Clayton, Town of
Annexation ... 79
Deannexation ... 83
Extraterritorial jurisdiction ... 171§1
Clean Water Management Trust Fund, Board of Trustees
Administration expenses revised ... 241§14.4
Appointments and membership ... 254§§2.11(a)-(b), 1.12
Appropriations and allocations—military buffers funds use ... 241§14.18(a)-(b)
Natural Heritage Program separated from Fund ... 241§14.4
Cleveland County
Cleveland Community College—see Community Colleges
Coroner appointment of medical examiners ... 148
Shelby, City of—see that heading
Coal Ash Management Act ... 110§2(a)-(c)
Coal Ash Management Commission
Appropriations and allocations—use of Coal Combustion Residuals Management Funds ... 7§7
Conflict of interest clarification ... 9§1.1
Technical corrections, clarifications, and conforming changes ... 1§§3.1(a)-(c), 3.6
Coastal Resources
Cape Fear estuarine resource restoration ... 241§14.6(h)
Coastal water quality and stormwater requirements study ... 286§4.19
Commercial fishing and aquaculture curriculum ... 63
Core Sound oyster leasing proposal ... 241§14.8
County authority over abandoned vessels clarified ... 241§14.6(n)-(o)
Deep Draft Navigation Channel Dredging and Maintenance Fund created ... 241§14.6(c)-(g)
Erosion control structures ... 241§14.6(p)-(r)
For-hire recreational fishing licensee logbook requirement ... 201
MoA on nonfederal funding of Oregon Inlet dredging ... 241§14.6(e)
Oyster research and restoration reporting ... 241§14.29A
Port access lands acquisition agreement ... 241§14.6(f)
Senator Jean Preston Oyster Sanctuary Network ... 241§14.9
Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund revised ... 241§14.6(a)-(b)
Shellfish cultivation
Leases in certain areas ... 263§11(a)-(b)
Leasing reform ... 241§14.10(a)-(c)
Structures that restrict access to public beaches regulation ... 246§1.5
Water resources development projects funds ... 241§31.3(a)
Waterways regulation by Brunswick County ... 232§§3.1-3.4

Coastal Resources Commission
Appointments and membership ..... 254§2.12, §1.13
Cape Fear estuarine resource restoration ..... 241§14.6(h)
Conflict of interest clarification ..... 9§1.3
Erosion control structures ..... 241§14.6(p)-(r)
Oyster restoration project permitting ..... 241§14.10A(b)
Code Officials Qualification Board
Appointments and membership ..... 254§§2.13(a)-(b), 1.14
Code officials misconduct clarification ..... 145§3(a)-(b)
Colfax, Town of—Piedmont Triad
Farmers Market improvements ..... 241§31.4(a)
Colleges and Universities (see also Community Colleges; University of North Carolina)
Financial assistance for postsecondary education for students with disabilities study ..... 241§11.19(b)
Out-of-state post-secondary education allowable excuse from jury duty ..... 210§§2-3
Residency determination process for tuition purposes ..... 241§11.23
Sex offender registration information request ..... 44§4
Special registration plates ..... 241§29.40(a)-(s); 264§40.6(a)-(d)
Columbus County
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Lake Waccamaw bond funds ..... 280§1(f)
Lumber River bond funds ..... 280§1(f)
Southeastern Community College—see Community Colleges
Commerce
Alien insurer as eligible surplus lines insurer ..... 101§1; 281§14
Antitheft protection contracts sale/regulation ..... 264§12(a)-(b); 283
ATV safety regulation conformed to national standards ..... 286§3.13(a)-(b)
Background checks in private transactions study ..... 195§10.5
Brewery sales to nonresident wholesalers ..... 98§7
Captive insurance changes 99
Certain commercial building projects exempt from professional seal requirement ..... 145§10
Commerce nonprofits reporting requirements ..... 241§15.19
Commercial fishing and aquaculture curriculum 63
Distillery on-site alcohol sales clarification ..... 262§3(a)-(b)
E-liquid container sales 141
Economic development—see that heading
Exceeding scope of authorized access to property 50
Hospital authority power to engage in activities outside the State ..... 288§5
Iran Divestment Act 118
Merchandise credit not abandoned property ..... 218§4.5(a)-(b)
Motor vehicle dealer laws clarification 209
Prototype franchise food establishments local review ..... 246§10
Pseudoephedrine wholesaler reporting repealed ..... 276§3

Commerce—continued
Sale of deer skins 18
Securities changes ..... 268§7.5
Shooting range noise ordinance protections ..... 195§5(a)-(b)
Taxes and assessments—see that heading
Transportation network companies regulation 237
Umstead Act clarification for DMV ..... 241§29.33
Unemployment insurance—see Insurance, Unemployment
Uniform treatment of franchised dealer loaner vehicles ..... 232§§1.1-1.4; 264§42(a)-(b),
Commerce, Department of
Access North Carolina stop publication ..... 264§87(a)-(b)
Appropriations and allocations
Appalachian Regional Commission match funds ..... 241§15.8(a)-(b)
Current operations ..... 241§2.1
Grassroots science program grants-in-aid ..... 241§15.18(a)-(e)
Main Street Solutions Fund allocation ..... 241§15.8A(a)-(b)
Renaissance West Community Initiative ..... 241§15.8A(b)
Rural grant program expansion ..... 241§15.8(a)-(b)
Wanchese Marine Industrial Park ..... 241§15.8B(a)-(b)
Community development block grants ..... 241§15.5(a)-(g)
Deputy General Counsel position funding ..... 268§5.8
Division of Employment Security
Board of Review—see that heading
Deadline for rules submission ..... 238§2.7
Technical corrections, clarifications, and conforming changes ..... 238§2.4(a)-(c)
Unemployment insurance program integrity through data analytics ..... 238§1
Economic Development Partnership Budget Act exemption ..... 241§15.1
Federal funds supported program administration study ..... 241§15.3(a)-(b)
Grassroots science program transferred to Museum of Natural Science ..... 241§15.18A(a)-(d)
JDIG modifications ..... 259§1(a)-(j); 264§91(a)-(b)
Job Development Investment Grant program study ..... 259§1(i); 264§91(a)-(b)
NER block grants ..... 241§15.5(a)-(g)
Reports—see that heading
Revolutionary fibers and textiles manufacturing innovation institute grant program ..... 241§15.11A
Technical corrections, clarifications, and conforming changes ..... 241§15.4(a)-(g)
Trade Jobs for Success Initiative repealed ..... 241§15.12
Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services—see Mental Health, Developmental Disabilities, and Substance Abuse Services, Commission for
Commission for Public Health—see Public Health, Commission for

Commission of Anatomy—see Anatomy, Commission of
Commissioner of Banks
Registration for residential mortgage loan underwriters 293
Salary ..... 241§30.2
Commissions—see Committees, Commissions, Councils, and Boards
Committees, Commissions, Councils, and Boards
Academic Standards Review
Commission—see that heading
Acupuncture Licensing Board—see that heading
Administrative Procedure Oversight Committee,
Joint Legislative—see that heading
Advisory Council on Rare Diseases—see that heading
African-American Heritage Commission—see that heading
Agriculture and Natural and Economic Resources, Joint
Legislative Oversight Committee on—see that heading
Alarm Systems Licensing Board—see that heading
Alcoholic Beverage Control Commission—see that heading
America's Four Hundredth Committee—see that heading
Committees, Commissions, Councils, and Boards—continued
Anatomy, Commission of—see that heading
Appraisal Board—see that heading
Arboretum, Board of Directors—see that heading
Athletic Trainer Examiners, Board of—see that heading
Boards of Education (local)—see Education, Boards of (Local)
Brain Injury Advisory Council—see that heading
Building Code Council—see that heading
Building Commission, State—see that heading
Capital Improvements, Joint Legislative Oversight
Committee on—see that heading
Cemetery Commission—see that heading
Center for Public Television, Board
of Trustees—see that heading
Charter Schools Advisory Board—see that heading
Child Care Commission—see that heading
Chiropractic Examiners, State Board
of—see that heading
Coal Ash Management Commission—see that heading
Coastal Resources Commission—see that heading
Code Officials Qualification Board—see that heading
Community college boards—see Community Colleges
Conflict of interest clarification for certain commissions ..... 9§§1.1-1.3
Cosmetic Art Examiners, Board of—see that heading
Crime Commission, Governor's—see that heading
Crime Victims Compensation Commission—see that heading
Criminal Justice Education and Training
Standards Commission—see that heading
Criminal Justice Information Network
Governing Board—see that heading

Committees, Commissions, Councils, and Boards—continued
Dental Examiners, State Board of—see that heading
Dietetics/Nutrition, Board of—see that heading
Disciplinary Hearing Commission of the
North Carolina State Bar—see that heading
Dispute Resolution Commission—see that heading
Domestic Violence Commission—see that heading
Economic Investment Committee—see that heading
Education Commission of the States—see that heading
Emergency Medical Services Advisory
Council—see that heading
Energy Policy Council—see that heading
Environmental Management Commission—see that heading
Ethics Commission, State—see that heading
Fire and Rescue Commission, State—see that heading
First Flight Centennial Commission—see that heading
Funeral Services, Board of—see that heading
Geographic Information Coordinating Council—see that heading
Grievance Resolution Board—see that heading
Health Information Exchange Advisory Board—see that heading
Heart Disease and Stroke Prevention Task Force,
Justus-Warren—see that heading
Historical Commission—see that heading
Home Inspector Licensure Board—see that heading
Housing Finance Agency, Board of Directors—see that heading
Human Relations Commission—see that heading
Indian Affairs, State Commission of—see that heading
Industrial Commission—see that heading
Innocence Inquiry Commission—see that heading
Interstate Mining Commission—see that heading
Irrigation Contractors' Licensing Board—see that heading
Jobs for Veterans Committee, Governor's—see that heading
John Motley Morehead Commission—see that heading
Judicial Council, State—see that heading
Judicial Standards Commission—see that heading
Law Examiners, Board of—see that heading
Legislative appointments
recommendation discretionary ..... 286§1.3(a)-(c)
Licensed Professional Counselors, Board of
—see that heading
Local Government Commission—see that heading
Local Government Employees' Retirement System
(LGERS), Board of Trustees—see that heading
Locksmith Licensing Board—see that heading
Manufactured Housing Board—see that heading
Marine Fisheries Commission—see that heading
Massage and Bodywork Therapy, Board of—see that heading
Maternal Mortality Review Committee—see that heading

Committees, Commissions, Councils, and Boards—continued
Medicaid and NC Health Choice, Joint Legislative Oversight Committee on—see that heading
Medical Board—see that heading
Medical Care Commission—see that heading
Mental Health, Developmental Disabilities, and Substance Abuse Services, Commission for—see that heading
Mining Commission—see that heading
Museum of Art, Board of Trustees—see that heading
Museum of Natural Sciences, Advisory Commission for North Carolina State—see that heading
NCWorks Commission—see that heading
911 Board—see that heading
North Carolina Railroad, Board of Directors—see that heading
Nursing, Board of—see that heading
Occupational licensing boards
Investigators/inspectors ..... 286§1.5
Oversight review ..... 286§1.7
Subcommittee to study new licensing boards repealed ..... 264§69(a)-(b)
Oil and Gas Commission—see that heading
On-Site Wastewater Contractors and Inspectors Certification Board—see that heading
Outdoor Heritage Advisory Council—see that heading
Parks and Recreation Authority—see that heading
Permanency Innovation Initiative Oversight Committee—see that heading
Plumbing, Heating, and Fire Sprinkler Contractors, State Board of Examiners of—see that heading
Podiatry Examiners, Board of—see that heading
Post-Release Supervision and Parole Commission—see that heading
Postal History Commission—see that heading
Prescription Drug Abuse Advisory Committee—see that heading
Principal Fellows Commission—see that heading
Private Protective Services Board—see that heading
Program Evaluation Oversight Committee, Joint Legislative—see that heading
Property Tax Commission, State—see that heading
Public Health, Commission for—see that heading
Public Officers and Employees Liability Insurance (POELI) Committee—see that heading
Radiation Protection Commission—see that heading
Recreational Therapy Licensure Board—see that heading
Respiratory Care Board—see that heading
Roanoke Island Commission—see that heading
Rules Review Commission—see that heading
School of Science and Mathematics, Board of Trustees—see that heading

Committees, Commissions, Councils, and Boards—continued
Science and Technology, Board of—see that heading
Sedimentation Control Commission—see that heading
Sentencing and Policy Advisory Commission—see that heading
Sheriffs' Education and Training Standards Commission—see that heading
Social Services Commission—see that heading
State Health Plan for Teachers and State Employees, Board of Trustees—see that heading
Statuary Hall Selection Committee—see that heading
Teachers' and State Employees' Retirement System (TSERS), Board of Trustees—see that heading
Turnpike Authority—see that heading
Underground Damage Prevention Review Board—see that heading
Utilities Commission—see that heading
Veterans' Affairs Commission—see that heading
Wallace v. Bone compliance ..... 9§§2.1-2.4
Water Pollution Control System Operators Certification Commission—see that heading
Well Contractors Certification Commission—see that heading
Wildlife Resources Commission—see that heading
Workforce Development Boards (Local)—see that heading
Workforce Development, Commission on—see NCWorks Commission
Zoological Park Council—see that heading
Community College System Office
Appropriations and allocations
Current operations ..... 241§2.1
NCWorks Career Coach Program ..... 241§10.14(c)
Education opportunities for students with disabilities ..... 241§11.19(a)-(b)
President's authority for reorganization ..... 241§10.1(a)-(b)
Reports—see that heading
Community Colleges
Additional sales tax revenue for economic development, education, community colleges ..... 241§32.19(a)-(c); 268§10.1(e1)-(e4)
Agriculture and transportation classes expanded ..... 241§10.4
Alamance Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Asheville-Buncombe Technical Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Basic Skill Plus (employability skills) ..... 241§10.2(a)-(b)
Beaufort County Community College
Board of Trustees ..... 167§1(a)-(b); 264§63(a)-(b)
Construction, repairs, renovations bond funds ..... 280§1(f)
Serve all of Washington County ..... 167§2
Bladen Community College

Community Colleges—continued
Construction, repairs, renovations bond funds ..... 280§1(f)
Blue Ridge Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Budget FTE for summer classes ..... 241§10.5(a)-(c)
Caldwell Community College and Technical Institute
Construction, repairs, renovations bond funds ..... 280§1(f)
Cape Fear Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Career and college-ready graduates ..... 241§10.13(a)-(b)
Carteret Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Catawba Valley Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Central Carolina Community College
Board of Trustees appointments 252
Construction, repairs, renovations bond funds ..... 280§1(f)
Central Piedmont Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Cleveland Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Coastal Carolina Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
College of the Albemarle
Construction, repairs, renovations bond funds ..... 280§1(f)
Commercial fishing and aquaculture curriculum 63
Community College Optional Retirement Program—see Retirement
Connect NC Bond Act 280
Craven Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Davidson County Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Durham Technical Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Edgecombe Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Equipment funding ..... 241§10.3
Fayetteville Technical Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Forsyth Technical Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Gaston College
Construction, repairs, renovations bond funds ..... 280§1(f)
Guaranteed Admission Program
Generally ..... 241§11.7(a)-(h)
Study ..... 241§11.7(a)-(h)
Guilford Technical Community College
Construction, repairs, renovations bond funds ..... 280§1(f)

Community Colleges—continued
Halifax Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Haywood Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Investing in innovation grant ..... 241§8.27(a)-(d); 268§3.1
Isothermal Community College
Board of Trustees membership 243
Construction, repairs, renovations bond funds ..... 280§1(f)
James Sprunt Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Johnston Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Lenoir Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Martin Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Mayland Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
McDowell Technical Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Mitchell Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Montgomery Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Multiple county service areas review ..... 167§2.5
Nash Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
NCWorks Career Coach Program ..... 241§10.14(a)-(c)
Pamlico Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Participation in 403(B) supplemental retirement plan 169
Piedmont Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Pitt Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
President's authority for system office reorganization ..... 241§10.1(a)-(b)
Program compliance review function ..... 241§10.6(a)-(c)
Randolph Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Recruit community college students
for teachers pilot program ..... 268§3.6
Richmond Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Roanoke-Chowan Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Robeson Community College
Construction, repairs, renovations bond funds ..... 280§1(f)

Community Colleges—continued
Rockingham Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Rowan-Cabarrus Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Salaries ..... 241§30.5
Sampson Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Sandhills Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
South Piedmont Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Youth career connect program ..... 241§10.11(a)-(c); 268§3.4
Southeastern Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Southwestern Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Stanly Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Surry Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Technical corrections, clarifications, and conforming changes ..... 264§64
Tri-County Community College
Board of Trustees membership 12
Construction, repairs, renovations bond funds ..... 280§1(f)
Tuition waiver for children whose guardian was an emergency worker 296
Vance-Granville Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Wake Technical Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Wayne Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Western Piedmont Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Wilkes Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Wilson Community College
Construction, repairs, renovations bond funds ..... 280§1(f)
Community Colleges, State Board of
Appointments—see that heading
Basic Skill Plus (employability skills) ..... 241§10.2(a)-(b)
Career and college-ready graduates ..... 241§10.13(a)-(b)
Educator preparation program approval process ..... 241§8.41(a)-(l); 268§3.7
Guaranteed Admission Program
Generally ..... 241§11.7(a)-(h)
Study ..... 241§11.7(b)-(d)

Community Colleges, State Board of—continued
Multiple county service areas review ..... 167§2.5
NCWorks Career Coach Program ..... 241§10.14(a)-(c)
Program compliance review function ..... 241§10.6(a)-(c)
Residency determination process for tuition purposes ..... 241§11.23
Salary increase authorized ..... 241§30.5(b)
Technical corrections, clarifications, and conforming changes ..... 264§64
Compacts—see Interstate Cooperation
Computers and Office Technology—see Information Technology
Condominium Act ..... 56§2
Connect NC Bond Act 280
Conservation—see Environment
Constitution, NC
Display and programs related to historic documents ..... 170§4(c)
Transfer of historic documents ..... 170§4(a)-(b), (d)
Construction
Environmental impact statement for direct impacts 90
Exempt religious property under construction from property tax ..... 185§1(a)-(b)
Inmate Construction Program use ..... 241§16C.7
Notice to property owners prior to construction ..... 246§12(a)-(c)
Road and highway construction—see Roads and Highways
School construction needs study ..... 241§23.4
Wastewater/stormwater/water project
materials fair competition study ..... 286§3.9
Construction Industry
Brownfields redevelopment 'prospective developer' definition ..... 286§4.10(a)-(b)
Builders inventory property tax exemption 223
Building permit requirement threshold raised ..... 145§§4.1-4.3
Construction/demolition debris subject to permits ..... 1§2(c)
Development agreements ..... 246§19(a)-(e)
Development permits application choice ..... 246§5(a)-(b)
Grease trap certification for plumbing contractors ..... 286§4.14A
Performance guarantees 187
Signage exemption for construction sites ..... 246§4(a)-(b)
Zoning density credits ..... 246§16
Consumer Finance Act 179
Consumer Protection
Antitheft protection contracts sale/regulation ..... 264§12(a)-(b); 283
Debt collector communications ..... 177§§1-2
Security freeze on credit reports 193
Continuing Care Facilities
Adult care licensure program block grant ..... 241§12I.1(a)
Alzheimer's/dementia State-county special assistance rates ..... 241§12D.1(b)
Legacy medical care facilities CON ..... 288§1-2
Long-term care ombudsman conforming change ..... 220§2
Overnight respite care facilities licensure ..... 241§12G.3(a)-(g)
Special care unit licenses moratorium extended ..... 241§12G.2(a)-(b)
State-county special assistance rates ..... 241§12D.1(a)

Contracts and Purchasing

911 system uniform procurement study ..... 219§2
Board of Education contract for inmate meals in Davie County 20
Collaborative procurement for public schools..... 241§8.14(a)-(d)
Community program funds
Expenditures report ..... 241§16D.1(c)
Use..... 241§16D.1(a)-(c)
Contingent-based contracts for audits/assessments limit use 109
Contractual services funds reduction for DHHS ..... 268§4.1
Controlled substances reporting system improved contract ..... 241§12F.16(f)-(i)
Death investigations/autopsies transportation rate ..... 241§12E.7
Disadvantaged minority-owned and women-owned business program sunset extended ..... 231§3
E-Courts RFP..... 241§18A.21(d)
E-verify compliance for State contractors ..... 294§§1-10
Early Childhood Education and Development Initiatives enhancements..... 241§12B.7(e)
Enterprise architecture development for State government ..... 241§7.4(a)-(b)
Enterprise Resource Planning system..... 241§7.22(a)-(c)
Force account labor limit increase..... 276§6
Housing State prisoners in private facilities ..... 241§16C.10(a)
Impaired water bodies environmental management..... 241§14.5(a)-(d)
Indebtedness provisions modified ..... 241§31.11(a)-(b)
Lease-purchase of prison facilities authority repealed ..... 241§16C.10(b)
LPA contract standards..... 241§29.32(a)-(c)
Medicaid coverage for visual aids/vision services study ..... 241§12H.6A
Multiplicative auditing and monitoring of HHS service providers report..... 241§12F.14
Municipal service district contracts with private agencies..... 241§15.16B(a)
NC Pre-K program multi-year contracts ..... 241§12B.1(b)
Next generation 911..... 261
No family planning/pregnancy prevention/ adolescent parenting services contracts with providers who perform abortions ..... 241§12E.13
Nonprofit governing board requirement to receive state funds..... 7§10
Nonprofit use to promote tourism ..... 241§15.4(b)
Occupational licensing board investigators/inspectors ..... 286§1.5
Outsourcing preconstruction activity by DOT ..... 241§29.13(a)-(b)
Personal service contracts
Generally ..... 264§74(a)-(b)
Temporary Solutions..... 241§26.2(a)-(f); 264§74(a)-(b)
Ports Authority usage contract not public record..... 142
Private prison beds..... 241§16C.2
Purchase of contaminated property by DOT 106
School construction needs study..... 241§23.4
Sheriffs' food purchases for certain counties..... 156; 157; 158

Contracts and Purchasing—continued
State funded IT contracts ..... 241§7.27
Towing, storage, and sales of seized vehicles contracts ..... 264§38.3(a)-(b)
Transforming principal preparation ..... 241§11.9(a)-(n)
Traumatic brain injury services funding ..... 241§12F.6
Unmanned aircraft procurement/operation by State agency ..... 232§§2.1-2.2
Volume purchase plans and single source procurement ..... 241§12H.12(a)
Wastewater/stormwater/water project
materials fair competition study ..... 286§3.9
Controlled Substances (see also
Pharmaceuticals; Substance Abuse)
ADAP drug purchases for those in DPS custody ..... 241§12E.2
Biosimilars use 27
CBD oil/hemp extract exemption for epilepsy ..... 154; 264§48.5
Controlled substances reporting system
Access and utilization ..... 241§12F.16(d)-(e)
Expanded monitoring capacity ..... 241§12F.16(j)-(k)
Improved contract ..... 241§12F.16(f)-(i)
Drug overdose medications funds ..... 241§12F.15(a)-(b)
DWI (Driving While Impaired)—see that heading
Home renal product permit exemption 28
Investigational/experimental drug
access for terminally ill patients 137
Medicaid and NC Health Choice
Drug reimbursement ..... 241§12H.19(a)-(b)
Lock-in program effectiveness and efficiency ..... 241§12F.16(l)
NBOME compounds, methylphenidate,
and synthetic cannabinoids ..... 162; 264§48(a)-(b)
Opioid prescribing guidelines ..... 241§12F.16(a)
Precursor list update ..... 32§1
Prescribing practice in continuing education requirements ..... 241§12F.16(b)
Prescription Behavior Surveillance System participation ..... 241§12F.16(j)-(k)
Prescription drug abuse strategic plan ..... 241§12F.16(m)-(q); 268§4.5
Pseudoephedrine wholesaler reporting repealed ..... 276§3
Scheduling without legislation study ..... 32§2; 264§85
Technical corrections, clarifications,
and conforming changes ..... 264§13
Controller, State—see State Controller, Office of
Coroners—see Medical Examiners
Corporations, For-Profit (see also Commerce)
Buying/selling small business entity property ..... 286§2.1
Captive insurance changes 99
Taxes and Assessments—see that heading
Corporations, Nonprofit
Authority of local boards of education to
establish nonprofit corporations ..... 264§56.5
Cap state funded portion of salaries ..... 241§6.26

Corporations, Nonprofit—continued
Charter schools—see Education
Commerce nonprofits reporting requirements ..... 241§15.19
Community-Focused Eliminating Health
Disparities Initiative grants-in-aid ..... 241§12E.3(a)-(d)
Competitive block grants for nonprofits ..... 241§12I.1(a)
Economic Development Partnership Budget Act exemption ..... 241§15.1
Governing board requirement to receive state funds ..... 7§10
Our Children's Place funds ..... 241§16C.17
Permanent registration plates ..... 241§29.40(r)
Public authority establishment of nonprofit 122
School access for youth civic organizations 249
Spay/neuter program revisions ..... 241§13.7(a)-(b)
Special registration plates ..... 241§29.40(a)-(s); 264§40.6(a)-(d)
Symphony challenge grant ..... 241§23.1(a)-(c)
Technical corrections, clarifications, and conforming changes ..... 264§19
Transforming principal preparation ..... 241§11.9(a)-(n)
Traumatic brain injury services funding ..... 241§12F.6
Workers' compensation employee definition ..... 286§2.3
Correctional Institutions
ADAP drug purchases for those in DPS custody ..... 241§12E.2
Behavioral health positions ..... 241§16C.13
Bladen County Correctional Center transferred to county 230
Board of Education contract for inmate
meals in Davie County 20
Central Prison palliative care unit funds ..... 241§31.22
Collection of delinquent safekeeper reimbursements ..... 241§16C.12
Corrections officer off-duty conceal carry 5
Evaluation requirement for electrical devices exemption ..... 241§16C.13A
Furnishing mobile phones to delinquent
juveniles in custody prohibited 47
Housing/medical costs reimbursement
for inmates awaiting transfer ..... 241§16C.1
Housing State prisoners in private facilities contracts ..... 241§16C.10(a)
Inmate Construction Program use ..... 241§16C.7
Inmate road squads continuation
review Highway Fund transfers ..... 241§6.20(b)
Interstate compact fees for training and equipment ..... 241§16C.16
Juvenile confinement ..... 58§§3.1-3.2
Juvenile institutions
Child Treatment Program funds ..... 241§12F.3(a)-(b)
Lease-purchase of prison facilities authority repealed ..... 241§16C.10(b)
Medical costs for inmates and juvenile offenders ..... 241§16C.4
Nash Correctional Institution
Medicaid coverage for visual aids/vision services study ..... 241§12H.6A
Our Children's Place
Funds ..... 241§16C.17

Correctional Institutions—continued
Safekeepers annual report....241§16C.11
Samarkand Manor now Samarkand Training Academy .... 241§16A.4
Sheriffs' food purchases for certain counties.... 156; 157; 158
Statewide Misdemeanant Confinement Program .... 241§16C.6(a)-(b)
Use of closed facilities.... 241§16C.3(a)-(b)
Cosmetic Art Examiners, Board of—
appointments and membership .... 254§1.15
Cosmetics—see Beauty Products and Services
Council of State—affiliated party committees .... 258§3(a)-(q); 264§81(a)-(f)
Councils—see Committees, Commissions, Councils, and Boards
Counseling—see Psychiatrists and Psychologists
Counselors, Board of Licensed Professional—see Licensed Professional Counselors, Board of
Counties (see also Local Government)
Custodial parent cooperation with child support services requirement.... 51
Elections, Boards of (local)—see particular city or county; that heading
Enforcing ordinances in public trust areas 70
Provision of services on tribal lands....262§1(b)
County Commissioners—see Local Government; particular county; Public Officials
Courts
Administrative Office of the Courts (AOC)
Access to civil records by bail bondsmen .... 180§4
Appropriations and allocations—see Judicial Department
Assistant Administrative Officer's salary....241§30.3(a)
Collection of Worthless Checks Fund use .... 241§18A.5(a)-(b)
Compensation of court reporters .... 241§18A.20
Conditional discharge report .... 40§3
Court Information Technology Fund use .... 241§18A.23(a)-(e)
Court records remote access authorization clarification .... 241§18A.24
Director
Appointment .... 241§30.3(f)
Longevity pay .... 241§30.3(e)
Retirement....241§30.3(g)
Salary .... 241§30.3(f)
District Attorney legal assistant positions.... 241§18A.8(a)-(c)
E-Courts
Advisory Committee created .... 241§18A.21(c)
IT Initiative strategic plan.... 241§18A.21(a)-(e)
Pilot program .... 241§18A.21(e)
RFP .... 241§18A.21(d)

Courts—continued
Electronic filing in Chapter 50B and 50C cases ..... 62§3(a)-(f)
Expunction information access for
law enforcement employment ..... 40§4
Family court programs oversight ..... 241§18A.13
Innocence Inquiry Commission
Audit ..... 241§18A.16
Move ..... 241§18A.16
Jury service excusals study ..... 210§4
Limitation on damages for non-economic losses calculation
vested in Office of State Budget and Management ..... 40§9
Match for grant funds ..... 241§18A.4
NICS information collection and reporting ..... 195§11(a)-(o); 267§2(a)-(b)
Office of Indigent Defense Services moved ..... 241§18A.17(a)-(c); 268§6.3
Permanent no-contact orders 91
Remand orders reporting ..... 247§2
Remote access to clients by attorneys study ..... 241§18B.4(a)-(b)
Reports—see that heading
Solicitation on use of 'costs' and 'court costs'
on motor vehicle citation forms ..... 176§3
Waynesville administrative law judge ..... 241§22.1
Appellate reports distribution opt out ..... 40§1
Bail and bail bondsmen—see that heading
Carrying weapons on certain State property ..... 195§1(a)-(c)
Civil procedure—see that heading
Clerks of Court
Authority to accept voluntary consent to adoptions ..... 264§44(a)-(b)
Certain orders transmitted by electronic of facsimile ..... 176§§1-2, 2.5(b)
Conditional discharge report ..... 40§3
Expunction information electronic transmittal ..... 247§8
Investment of funds held on deposit threshold 216
Jury service excusals study ..... 210§4
Outdated report repealed ..... 40§7
Release of unnecessary publications to State surplus ..... 40§2
Salaries ..... 241§30.3(d)
Solicitation on use of 'costs' and 'court costs'
on motor vehicle citation forms ..... 176§3
Technical corrections, clarifications,
and conforming changes ..... 40§6; 264§5
Consolidated Judicial Retirement System (CJRS)—see Retirement
Court costs and fees 165
Amended ..... 241§18A.11
Criminal court cost waivers ..... 241§18A.3(a)-(b)
Debt collectors ..... 177§3
Indigent Defense Services Office fee schedule study ..... 241§18B.5

Courts—continued
Recovery of court costs in certain loan recovery actions ... 179§1
Time extended to avoid failure to pay ... 247§1(a)-(c)
Court of Appeals
Chief Judge's salary ... 241§30.3(a)
Judges' salary ... 241§30.3(a)
Partisan elections ... 292
Court personnel
Salaries ... 241§30.3(b)
Court reporters
Compensation ... 241§18A.20
Criminal procedure—see that heading
District Attorneys—see that heading
District Court
Chief judge may designate magistrates to appoint counsel and accept guilty pleas ... 247§3(a)-(b)
Chief Judge's salary ... 241§30.3(a)
Judges' salary ... 241§30.3(a)
E-Courts IT Initiative strategic plan ... 241§18A.21(a)-(e)
Electronic filing in Chapter 50B and 50C cases ... 62§3(a)-(f)
Enforcement of foreign judgments ... 107; 264§32
Evidence (see also Civil Procedure; Criminal Procedure)
Admissibility of forensic/chemical analysis reports clarification ... 173
Certification by custodian of business record in lieu of testimony ... 247§11(a)-(b)
Collect DNA all violent felony arrests ... 241§17.3(a)-(c)
Dismissals due to delay in evidence analysis report ... 241§18A.9
Disposition of physical evidence that may contain biological evidence ... 247§10(a)-(c)
DNA database reporting requirement ... 241§17.2
Expert witness compensation ... 153§2
Extend collection of DNA study ... 241§17.3(b)
Law enforcement as eyewitnesses ... 212
Standards and procedures for a show-up ... 212
Expunction of records
Reporting ... 241§16B.5(a)
When charges dismissed due to identity theft/mistaken identity ... 202
Family court programs oversight ... 241§18A.13
Full faith and credit in limited driving privilege issued by tribal courts ... 287
Hague Adoption Convention clarification ... 54§1
Judges and magistrates
Abolish three Superior Court judgeships ... 241§18A.19
Chief judge may designate magistrates to appoint counsel and accept guilty pleas ... 247§3(a)-(b)
Concealed carry on State property ... 195§1(c)
Exempt certain officials from duties due to religious beliefs ... 75

Courts—continued
Magistrates may enter judgment for intoxicated and disruptive in public ..... 247§3(c)
Partisan elections for Court of Appeals 292
Salaries ..... 241§30.3(a)-(g)
Waynesville administrative law judge ..... 241§22.1
Juries
Jury service excusals study ..... 210§4
Out-of-state postsecondary education allowable excuse ..... 210§§2-3
Waiver of right to jury trial procedures 289
Justice, public safety, and behavioral health study ..... 241§12F.10
Juvenile Code—see that heading
Magistrates—see Judges and magistrates, this heading
Mediation and arbitration—see that heading
No fines for civil contempt ..... 210§1
Pre-Trail Release—see Parole and Probation
Remote access to clients by attorneys study ..... 241§18B.4(a)-(b)
Sentencing—see that heading
Superior Court
Abolish three judgeships ..... 241§18A.19
Judges' salary ..... 241§30.3(a)
Senior regular resident judge's salary ..... 241§30.3(a)
Waiver of right to jury trial procedures 289
Supreme Court
Associate Justices' salary ..... 241§30.3(a)
Chief Justice
AOC Director's appointment ..... 241§30.3(f)
Designating business court judges ..... 241§18A.19
Salary ..... 241§30.3(a)
Retention elections 66
Sessions in Morganton 89
Uniform Interstate Family Support Act amendments 117
Witnesses—see Evidence, this heading
Craven County
Craven Community College—see Community Colleges
Sheriffs' food purchases 156
Credit Unions—see Financial Services and Institutions
Crime Commission, Governor's
Appointments and membership ..... 9§§2.3(a)-(b), 2.4; 264§79(a)-(b)
Gang prevention recommendations ..... 241§16B.3(a)
Gang priorities review and report repealed ..... 241§16B.3(b)
Law enforcement body camera grants ..... 241§16A.8(a)-(c)
Reports—see that heading
Crime Victims Compensation Commission
Appointments and membership ..... 254§1.16
Reports—see that heading

Crimes
Assault
Hospital personnel ... 97
National Guard personnel ... 74
Conceal carry on private property offense downgraded ... 195§9
Cyberstalking ... 282
Domestic violence—see that heading
DWI (Driving While Impaired)—see that heading
E-liquid container sales ... 141
Exceeding scope of authorized access to property ... 50
Filing false documents ... 87
Furnishing mobile phones to delinquent juveniles in custody prohibited ... 47
Graffiti vandalism ... 72
Immunity from prosecution for minors for solicitation of prostitution ... 183
Methamphetamine offenses
Clarification ... 32§1
Reporting ... 241§16B.5(b)
Powdered alcohol prohibited ... 98§2(a)-(b)
Resolving outstanding warrants ... 48
Revenge postings (revenge porn) ... 250
Sex offenses—see that heading
Sex trafficking prevention and awareness ... 279§§3-5
Tax compliance and fraud prevention ... 259§§7.1-7.3
Technical corrections, clarifications, and conforming changes ... 264§26
Use of red and blue lights on vehicles ... 276§2
Criminal Justice Education and Training Standards Commission
Appointments and membership ... 49§2; 254§§2.14, 1.17
Military police training for licensure purposes ... 49§1; 264§37(a)-(b)
Reports—see that heading
Standards and procedures for a show-up ... 212
Criminal Justice Information Network Governing Board
Appointments and membership ... 254§1.18
Appropriations and allocations—Law Enforcement Information Exchange ... 241§7.21(a)
IT security/two-factor authentication plan ... 241§7.19(a)-(b)
Law Enforcement Information Exchange and CLEADS data sharing feasibility ... 241§7.21(b)
Transferred to Dept. of Information Technology ... 241§§7A.1(b), 7A.2(d)-(f)
Criminal Procedure (see also Civil Procedure; Courts)
Admissibility of forensic/chemical analysis reports clarification ... 173
Collect DNA all violent felony arrests ... 241§17.3(a)-(c)
Credit for time served clarified ... 229
CRV for misdemeanants eliminated ... 191
Deferred prosecution and conditional discharge do not apply for DWI ... 150; 264§39(a)-(b)

Criminal Procedure—continued
Disposition of physical evidence that may contain biological evidence ..... 247§10(a)-(c)
Doubling of bond permissive ..... 247§9(a)-(b)
Expunction of records when charges dismissed due to identity theft/mistaken identity 202
Extend collection of DNA study ..... 241§17.3(b)
Law enforcement as eyewitnesses 212
Resolving outstanding warrants 48
Standards and procedures for a show-up 212
Supervised probation for conditional discharged persons clarification ..... 40§5
Waiver of right to jury trial procedures 289
Cultural History Artifact Management and Patriotism Act 170
Cultural Resources (see also Arts)
Derelict vessel records/materials in State custody are public record ..... 218§4(a)-(b)
Display and programs related to historic documents ..... 170§4(c)
Historic sites and monuments—see that heading
Museums—see that heading
Replace National Statuary Hall statue of Charles Aycock with Billy Graham ..... 264§91.3; 269
Transfer of historic documents ..... 170§4(a)-(b), (d)
Cultural Resources, Department of—see Natural and Cultural Resources, Department of
Cumberland County
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Carvers Creek bond funds ..... 280§1(f)
Civic Center Commission membership 61
Fayetteville, City of—see that heading
Fayetteville State University—see University of North Carolina
Fayetteville Technical Community College—see Community Colleges
Sheriffs' food purchases 156
Current Operations and Capital Improvements Appropriations Act of 2015 ..... 241; 268
Curriculum—see Education
Currituck County—sheriffs' food purchases 157

D

Dams—see Lakes and Rivers
Dare County
Consent of county to acquisition of land by another county/ municipality through eminent domain for certain counties ..... 253§13
Jockeys Ridge bond funds ..... 280§1(f)
MoA on nonfederal funding of Oregon Inlet dredging ..... 241§14.6(e)
Sheriffs' food purchases 157
Wanchese Marine Industrial Park funds ..... 241§15.8B(a)-(b)

Data Systems (see also Information Technology; Records)
Automatic license plate reader regulation 190
Controlled substances reporting system
Access and utilization.....241§12F.16(d)-(e)
Expanded monitoring capacity..... 241§12F.16(j)-(k)
Improved contract .....241§12F.16(f)-(i)
Data security study ..... 241§7.20
IT security/two-factor authentication plan .....241§7.19(a)-(b)
NICS information collection and reporting.....195§11(a)-(o); 267§2(a)-(b)
Prescription Behavior Surveillance System participation ..... 241§12F.16(j)-(k)
SAFIS funds.....267§1(a)
Datacenter Infrastructure Act ..... 259§3(a)-(c)
Davidson County
Davidson County Community College—see Community Colleges
Sheriffs' food purchases..... 156
Davie County
Board of Education contract for inmate meals 20
Partisan Board of Education elections..... 35§2.5(a)-(e)
Day Care
Adult day care
Block grant funds .....241§12I.1(a)
Overnight respite care pilot program extended and expanded..... 52
Child care
Allocation formula ..... 241§12B.3(a)-(c)
DOD certified facility participation in State programs ..... 241§12B.9(a)-(d)
Epi pens in child serving businesses 274
Funds matching requirement.....241§12B.4
Institutions reimbursement.....241§12C.3
Subsidized child care program bock grant.....241§12I.1(a)
Subsidy policy definition ..... 214§4.1
Subsidy rates .....241§§12B.2(a)-(k), 12B.2A
Swap child care subsidy block grant.....241§12I.1(a)
Transition child care facility abuse/neglect investigations to Div. of Child Development .....123; 264§56(a)-(b)
Technical corrections, clarifications, and conforming changes.....264§§55, 56(a)-(b)
Deannexation—see Annexation
Death and Dying
Access to investigational/experimental drugs for terminally ill patients 137
Autopsies—see Medical Examiners
Maternal Mortality Review Committee created.....62§6(a)-(b)
Debt-Local Government
Escrow account security for federal loans by water and sewer authorities ..... 207§3

Debt-Local Government—continued
Installment contract financing authorized
for water and sewer authorities ..... 207§5(a)-(c)
Maximum security date for Clean Water State
Revolving Fund loans by water and sewer authorities ..... 207§4(a)-(b)
Debt-State Government
Connect NC Bond Act 280
Indebtedness provisions modified ..... 241§31.11(a)-(b)
Transfer of savings from refinanced debt
to Savings Reserve Account ..... 241§6.23(a)-(c)
UNC
Debt affordability study ..... 241§31.13
Self-liquidating projects 275
Debtor and Creditor (see also Financial Services and Institutions)
Child support collection administrative changes ..... 62§2(a)-(d)
Debt collector
Communications ..... 177§§1-2
Court costs ..... 177§3
Foreclosure rescue transactions ..... 178§5(a)-(b)
Fraudulent transfers 23
Recovery of court costs in certain loan recovery actions ..... 179§1
Deeds of Trust—see Mortgages and Deeds of Trust
DENR (Department of Environment and Natural Resources)
—see Environmental Quality, Department of
Dental Examiners, State Board of
Opioid prescribing guidelines ..... 241§12F.16(a)
Prescribing practice in continuing education requirements ..... 241§12F.16(b)
Dentists and Dentistry
Medicaid
Dental service cost settlement ..... 241§12H.20(a)-(b)
Mobile dental provider enrollment ..... 241§12H.21(a)-(b)
Oral health block grant ..... 241§12I.1(a)
Prescribing practice in continuing education requirements ..... 241§12F.16(b)
Deoxyribonucleic Acid (DNA)—see DNA
(Deoxyribonucleic Acid)
Department of Administration—see Administration,
Department of
Department of Cultural Resources—see Natural and Cultural
Resources, Department of
Department of Environment and Natural Resources (DENR)—see
Environmental Quality, Department of
Department of Environmental Quality—
see Environmental Quality, Department of
Department of Information Technology—
see Information Technology, Department of
Department of Labor—see Labor, Department of
Department of Military and Veteran Affairs—
see Military and Veterans Affairs, Department of

Department of Natural and Cultural Resources—
see Natural and Cultural Resources, Department of
Department of Public Instruction—see
Public Instruction, Department of
Department of Public Safety—see Public
Safety, Department of
Department of State Treasurer—see State
Treasurer, Department of
Department of the State Auditor—see
State Auditor, Department of
Department of Transportation—see
Transportation, Department of
Departments of Social Services (County)—
see Social Services, Departments of (county)
Developmentally Disabled—see Disabled
Persons; Mental Health
Dietetics/Nutrition, Board of—appointments
and membership ..... 254§§2.15, 1.19
Disabled Persons
ABLE Program established ..... 203§1
Access North Carolina publication ..... 241§12F.17; 264§87(a)-(b)
Autism insurance coverage 271
Children with disabilities allocation ..... 241§8.1
Education opportunities for students with disabilities ..... 241§11.19(a)-(b)
Enhanced protections for clients 36
Eugenics compensation payments ..... 241§6.13
Financial assistance for postsecondary education study ..... 241§11.19(b)
Handicapped placards
For those with plate 22
Medical recertification 29
Misuse study 16
Independent living program block grant ..... 241§12I.1(a)
Integrated adapted sports pilot program ..... 291§3
Intellectual disability death penalty conforming change ..... 247§5
LME/MCO out-of-network agreements ..... 241§12H.3(a)-(b)
Nationally accredited mh/dd/sa service
providers status ..... 286§3.7
Overnight respite care pilot program extended and expanded 52
Seized assets use in restitution obligation
in exploitation of an adult 182
Sex crimes and other crimes in mh/dd/sas
facilities reporting requirement ..... 36§2
Single stream funding for mh/dd/sa
community services ..... 241§12F.2(a)-(e); 268§4.8
Special Education Scholarship continuing
eligibility assessment for charter school students ..... 248§10(a)-(c)

Disabled Persons—continued
Standardized training and record-keeping procedures for mh/dd/sas facilities ..... 36§1
Standby/successor guardian for incompetent adult ..... 205§1
Students with disabilities improved outcomes study ..... 241§8.30(a)-(b)
Technical corrections, clarifications, and conforming changes ..... 264§83
Disciplinary Hearing Commission of the North Carolina State Bar—appointments and membership ..... 254§§2.16, 1.20
Diseases—see Public Health
Dismal Swamp—bond funds ..... 280§1(f)
Dispute Resolution Commission— appointments and membership ..... 254§1.21
Distance Education—see Education
Distilleries—see Alcoholic Beverages
District Attorneys (see also Courts)
Concealed carry on State property ..... 195§1(a)
Dismissals due to delay in evidence analysis report ..... 241§18A.9
Legal assistants ..... 241§18A.8(a)-(c)
Reporting requirements of sex crimes and other crimes in mh/dd/sas facilities ..... 36§2
Salaries ..... 241§30.3(c)
DNA (Deoxyribonucleic Acid) (see also Courts, Evidence)
Collect DNA all violent felony arrests ..... 241§17.3(a)-(c)
DNA database reporting requirement ..... 241§17.2
Extend collection of DNA study ..... 241§17.3(b)
Domestic Animals (see also Animal Control and Welfare)
Donation of retired police/agency animals to custodial employee 174
Spay/neuter program revisions ..... 241§13.7(a)-(b)
Domestic Violence
Certain orders transmitted by electronic of facsimile ..... 176§§1-2
Committing an offense in presence of minor ..... 62§4(a)-(d)
Domestic Violence Commission— appointments and membership ..... 9§§2.2, 2.4; 254§§1.22, 2.17
Dorothea Dix Memorial Task Force—created ..... 241§27.4
Drivers License Restoration Act ..... 186; 264§86
Drivers Licenses (see also License Plates and Registration)
Autocycle definition and regulation 163
CDLs for veterans 115
Drivers education—see Education; Motor Vehicles
Fees increased/adjusted ..... 241§29.30(a)-(g)
Full faith and credit in limited driving privilege issued by tribal courts 287
Limit imposition of additional period revocation ..... 186; 264§§38(a)-(c), 86

Drivers Licenses—continued
Limited driving privilege allowed
for religious attendance ..... 185§2(a)-(b)
Reduce driving barriers for foster children..... 135§§4.1-4.3
Remote renewal technical correction ..... 241§29.36
Restore license of person restored to competency..... 165
Driving While Impaired (DWI)—see
DWI (Driving While Impaired)
Drones—see Aviation
Dunn, City of—annexation ..... 175§1
Duplin County
Cape Fear River Basin water resources
availability study ..... 196§1; 264§86.2
James Sprunt Community College—see Community Colleges
Kenansville, Town of—see that heading
Wallace, Town of—see that heading
Durham, City of
Annexation of adjacent streets or street rights-of-way..... 82
Museum of Life and Science grassroots
science program grant-in-aid..... 241§15.18(a)
Durham County
Cape Fear River Basin water resources
availability study ..... 196§1; 264§86.2
Durham Technical Community College
—see Community Colleges
Eno River bond funds ..... 280§1(f)
Falls Lake bond funds..... 280§1(f)
Jordan Lake remediation demonstration project continued..... 241§14.5(a)
North Carolina Central University—see
University of North Carolina
Relocating all DHHS offices to one location plan ..... 241§31.10(a)-(b)
DWI (Driving While Impaired) (see also
Motor Vehicle Violations and Infractions)
Blood sample in death by vehicle offense ..... 276§1
Conference of District Attorneys
toxicology analysis funds ..... 241§18A.7
Deferred prosecution and conditional
discharge do not apply..... 150; 264§39(a)-(b)
Full faith and credit in limited driving
privilege issued by tribal courts..... 287
Limit imposition of additional period of
license revocation ..... 186; 264§§38(a)-(c), 86

E

**Early Childhood Education and
Development Initiatives**—see Health
and Human Services, Department of (DHHS)

Economic Development
Additional sales tax revenue for economic development, education, community colleges ..... 241§32.19(a)-(c); 268§10.1(e1)-(e4)
Appalachian Regional Commission match funds ..... 241§15.8(a)-(b)
Aviation sales tax ..... 259§§4.1-4.2
Datacenter sales tax exemption ..... 259§3(a)-(c)
Economic Development Commission membership for Macon County 15
Economic Development Partnership Budget Act exemption ..... 241§15.1
Economic modeling initiative ..... 241§7.14(a)-(c)
Film and Entertainment Grant Fund modified ..... 241§15.25(a)-(c)
Grant report modified ..... 241§15.10(a)-(b)
Historic preservation tax credit ..... 241§32.3(a)-(c); 264§54.5(b); 268§10.1(b)
Historic rehabilitation local government appropriations authorized 277
JDIG modifications ..... 259§1(a)-(j); 264§91(a)-(b)
Job Development Investment Grant program study ..... 259§1(i); 264§91(a)-(b)
Main Street Solutions Fund allocation ..... 241§15.8A(a)-(b)
One North Carolina local match requirements ..... 259§2(a)-(b)
State portal/business website plan ..... 241§7.24(a)-(b)
Economic Investment Committee
Appointments and membership ..... 254§2.18
JDIG modifications ..... 259§1(a)-(j); 264§91(a)-(b)
Edgecombe County—Edgecombe Community College —see Community Colleges
Education
ABC's Program reference repeal 65
Academic Summer Bridge Program funds reduction ..... 268§3.5
Academically gifted children funds ..... 241§8.2
Additional sales tax revenue for economic development, education, community colleges ..... 241§32.19(a)-(c); 268§10.1(e1)-(e4)
After-school quality improvement competitive grants ..... 241§8.29(a)-(f)
Authority of local boards of education to establish nonprofit corporations ..... 264§56.5
Boards of Education (local)—see Education, Boards of (Local)
Career and college-ready graduates ..... 241§10.13(a)-(b)
Central office employees—see Teachers and Education Administrators
Charter schools
May not limit admissions on basis of race, religion, etc. ..... 248§3(b)

Education—continued
Closure funds study....241§8.28(a)-(b)
Closure proceedings funds payout priorities.... 168§4
Conflict-of-interest and anti-nepotism policy requirement.... 248§6(a)-(c)
Extracurricular activity fees.... 248§7
Funds for closure proceedings.... 248§8(a)-(e)
Minimum number of students increased.... 248§2
Minimum value requirement study....248§8(b)-(c)
Opportunity to correct applications....248§4(a)-(b)
Participation procedures for TSERS.... 168§1
Pioneer Springs Community School
State Health Plan participation.... 112§4
Renewal of charter school application.... 248§5
Replication of high-quality schools process and rules....248§9(a)-(d)
School access for youth civic organizations.... 249
Special Education Scholarship
continuing eligibility assessment.... 248§10(a)-(c)
Statewide school risk and response management system....241§8.26(l)
Use of weighted lottery.... 248§3(a), (c)
Children with disabilities allocation.... 241§8.1
Class size and teacher allocation....241§8A.3(a)-(b)
Competency-based learning and assessments....241§8.12(a)-(b)
Concealed carry in vehicle on educational property.... 195§2
Construction needs study.... 241§23.4
Continuing budget authority....133§7(a)-(b); 214
Cooperative Innovative High Schools
Certain schools continued operation without additional funds.... 241§8.43
Continuation....133§7(b)
Early college graduates/UNC admission policy....241§11.16(a)-(c)
Funds use.... 241§8.8
Disadvantaged student supplemental funding use....241§8.5(a)-(c)
Drivers education
Civil Penalty and Forfeiture Fund appropriation.... 241§5.3(a), (c)
Generally....241§8.39(a)-(h)
Study.... 241§8.39(f)-(g)
Education opportunities for students with disabilities....241§11.19(a)-(b)
Founding principles curriculum.... 291§1
Health assessment requirement for
children entering public schools.... 222
Identification of military-connected students.... 264§82
Indecent liberties with a student.... 44
Investing in innovation grant....241§8.27(a)-(d); 268§3.1
Juvenile literacy program study....241§8.34(a)-(b)
Local administrative units—see
Education, Boards of (Local)
Low-performing school identification.... 241§8A.4(a)-(c)
Low-wealth counties supplemental funding use....241§8.3(a)-(k)

Education—continued
NC Pre-K program/standards for certain facilities ..... 241§12B.1(a)-(f)
NCWorks Career Coach Program ..... 241§10.14(a)-(c)
No funding/staff cuts to certain entities
to implement DPI budget reductions authorized ..... 241§8.37(b)
Performance-based RIFs for local boards of education ..... 241§8.38(a)-(c)
Performance grades scale 17
Personal education plans repealed 46
Playground public availability 64
Principals—see Teachers and Education Administrators
Reading camps for 1st and 2nd grade students ..... 241§8.48(a)-(f)
Salaries and benefits—see that heading
School access for youth civic organizations 249
School nurses funds ..... 241§12E.1(a)-(b)
School risk and response management system ..... 241§8.26(a)-(p)
Sex trafficking prevention and awareness ..... 279§§3-5
Small school system supplemental funding ..... 241§8.4(a)-(f)
Sound basic education policy ..... 241§§8A.1-8A.2
Special education scholarships and reevaluation funds ..... 241§11.11(a)-(d)
STEM enrichment program student
participation in Halifax County ..... 264§91.5(a)-(b)
Students with disabilities improved outcomes study ..... 241§8.30(a)-(b)
Teachers and education administrators
—see that heading
Technical corrections, clarifications, and conforming changes ..... 264§83
Textbooks
Funding allotment designation ..... 241§8.18(a)-(b)
Indian Gaming Education Revenue Fund transfer ..... 241§5.4
Textbook and digital resources allotment use
information publication ..... 241§8.33
Transition plan 46
Uniform education reporting system funds do not revert ..... 241§8.7
Virtual Public Schools (NCVPS)
alternative funding formula study ..... 241§8.11(a)-(b)
Youth career connect program ..... 241§10.11(a)-(c); 268§3.4

Education Assistance Authority
Appropriations and allocations
Child Welfare Postsecondary Support
Program (NC REACH) ..... 241§12C.5(a)-(d)
Special education scholarship grant program administration ..... 241§11.18
Transforming principal preparation ..... 241§11.9(m)-(n)
Escheat funds for student financial aid ..... 241§11.1(a)-(d)
Financial assistance for postsecondary education
for students with disabilities study ..... 241§11.19(b)
National Guard tuition assistance benefit 298
Special Education Scholarship continuing eligibility
assessment for charter school students ..... 248§10(a)-(c)

Education Assistance Authority—continued
Special education scholarships and reevaluation funds....241§11.11(a)-(d)
Technical corrections, clarifications, and conforming changes .... 264§83
Transforming principal preparation....241§11.9(a)-(n)
Tuition assistance for proprietary schools for NG members.... 264§66(a)-(c)
Education, Boards of (Local)
Anson schools youth career connect program....241§10.11(a)-(c); 268§3.4
Appropriations and allocations
Small school system supplemental funding ....241§8.4(a)-(f)
Teacher assistant allotment use....241§8.47(a)-(b)
Authority to establish nonprofit corporations.... 264§56.5
Class size and teacher allocation ....241§8A.3(a)-(b)
Collaborative procurement for public schools....241§8.14(a)-(d)
Contract for inmate meals in Davie County 20
Disadvantaged student supplemental funding use.... 241§8.5(a)-(c)
Drivers education....241§8.39(a)-(h)
Elizabeth City-Pasquotank Board of Education chair's voting.... 253§12
EVAAS data access for teachers ....241§8.42(a)-(b)
Founding principles curriculum.... 291§1
Identification of military-connected students .... 264§82
Limit law/rule waivers....241§8A.6(a)-(b)
Low-performing school identification.... 241§8A.4(a)-(c)
Low-wealth counties supplemental funding use ....241§8.3(a)-(k)
Mandatory member training every two years.... 241§8.44
Merger of contiguous local administrative units .... 241§8A.5
Moore County Board of Education
membership and election changes....244§§2-3
NCWorks Career Coach Program ....241§10.14(a)-(c)
Partisan elections for certain boards....35; 38; 264§30
Payments due for retirement system....164§6(c)
Performance-based RIFs....241§8.38(a)-(c)
Personal education plans repealed.... 46
Pre-audit certifications.... 246§6(a)-(c)
Reading camps for 1st and 2nd grade students....241§8.48(a)-(f)
Relocation of utility lines owned by boards of education 111
Rockingham membership and election changes.... 38
School access for youth civic organizations.... 249
School playground public availability.... 64
Sex trafficking prevention and awareness....279§§3-5
Small school system supplemental funding use
for students performing below level.... 241§8.4(f)
Sound basic education policy .... 241§§8A.1-8A.2
Stanly County partisan elections 242
Statewide school risk and response management system....241§8.26(a)-(p)
Streamline seized vehicle disposal ....241§27.3(a)-(g); 264§38.3(a)-(b)
Term limits removed for Alexander County ....103§9(a)-(b)

Education, Boards of (Local)—continued
Textbook and digital resources allotment
use information publication ..... 241§8.33
Transition plan 46
Union County appropriation and dispute resolution process 10
Education Commission of the States—
appointments and membership ..... 254§2.19
Education Oversight Committee, Joint Legislative
Drivers education study ..... 241§8.39(f)-(g)
Juvenile literacy program study ..... 241§8.34(a)-(b)
Education, State Board of
Appointments—see that heading
Appropriations and allocations
Academically gifted children ..... 241§8.2
After-school quality improvement competitive grants ..... 241§8.29(a)-(f)
Children with disabilities ..... 241§8.1
Cooperative Innovative High Schools funds use ..... 241§8.8
Disadvantaged student supplemental funding use ..... 241§8.5(a)-(c)
Low-wealth counties supplemental funding use ..... 241§8.3(a)-(k)
Stem enrichment program student participation
in Halifax County funds ..... 264§91.5(a)-(b)
Uniform education reporting system funds do not revert ..... 241§8.7
Career and college-ready graduates ..... 241§10.13(a)-(b)
Charter school closure funds study ..... 241§8.28(a)-(b)
Competency-based learning and assessments ..... 241§8.12(a)-(b)
Educator preparation program approval process ..... 241§8.41(a)-(l); 268§3.7
Limit local board of education law/rule waivers ..... 241§8A.6(a)-(b)
Low-performing school identification ..... 241§8A.4(a)-(c)
Merger of contiguous local administrative units ..... 241§8A.5
Minimum value requirement for charter schools study ..... 248§8(b)-(c)
No funding/staff cuts to certain entities to implement
DPI budget reductions authorized ..... 241§8.37(b)
Opportunity to correct charter school application ..... 248§4(a)-(b)
Reading camps for 1st and 2nd grade students ..... 241§8.48(a)-(f)
Reduce DPI operating budget to facilitate transfer of funds ..... 7§6
Renewal of charter school application ..... 248§5
Reorganization of DPI to implement
budget reductions authorized ..... 241§8.37(a)-(b)
Replication of high-quality charter schools process and rules ..... 248§9(a)-(d)
Reports—see that heading
School performance grades scale 17
Sound basic education policy ..... 241§§8A.1-8A.2
State agency teachers' salaries ..... 241§30.7
Textbook funding allotment designation ..... 241§8.18(a)-(b)
Transforming principal preparation ..... 241§11.9(a)-(n)
Virtual Public Schools (NCVPS)
alternative funding formula study ..... 241§8.11(a)-(b)

Elections (see also Voter Registration)
Affiliated party committees ..... 258§3(a)-(q); 264§81(a)-(f)
Ballots
Executed absentee ballots electronic reporting ..... 103§3(a)-(b)
Official ballot exception ..... 103§4(a)-(b)
Paper ballot definition ..... 103§5-6
Connect NC Bond Act 280
Elections in even-numbered years for certain cities ..... 253§§1-10
Electronic poll books certification ..... 103§11(a)-(b)
Fire protection tax election for Stokesdale ..... 128§9(a)-(d)
Malt beverage and unfortified wine elections ..... 103§7
Method of determining election results for Greensboro ..... 138§2(f)
Moore County Board of Education membership and election changes ..... 244§§2-3
Partisan elections
Certain Boards of Education 35; 38
Court of Appeals 292
Stanly County Board of Education 242
Primaries
General ..... 258§2(a)-(k)
Presidential ..... 258§1(a)-(k)
Referendum for Rockingham Board of Education changes ..... 38§1.6
Supreme Court retention elections 66
Technical corrections, clarifications, and conforming changes ..... 264§26
Trinity mayor and city council ..... 138§1(a)-(c)
Voter ID modifications ..... 103§8(a)-(h)
Voting systems
Certification ..... 103§10
Electronic voting machine decertification sunset extended ..... 103§6(a)-(b)
Prohibited systems ..... 103§5(b)
Elections, Boards of (Local)
Executed absentee ballots electronic reporting ..... 103§3(a)-(b)
Voter ID modifications ..... 103§8(a)-(h)
Elections, State Board of
Affiliated party committees ..... 258§3(a)-(q); 264§81(a)-(f)
Appropriations and allocations
Current operations ..... 241§2.1
Electronic poll books certification ..... 103§11(a)-(b)
General primary ..... 258§2(a)-(k)
Presidential primary ..... 258§1(a)-(k)
Technical corrections, clarifications, and conforming changes ..... 264§27
Voter ID modifications ..... 103§8(a)-(h)
Voting system certifications ..... 103§10
Electricity Generation—see Utilities
Electronic Commerce
Fraudulent transfers 23
Technical corrections, clarifications, and conforming changes ..... 264§32.5

Electronic Government
Access to court records authorization clarification ..... 241§18A.24
Certain orders transmitted by electronic of facsimile..... 176§§1-2, 2.5(b)
Criminal case information system public defender component ..... 241§18B.3(a)-(b)
Digital forms and signatures program ..... 241§7.13(a)-(b)
Distance education—see Education
DOT Report Program created..... 241§29.14(a)-(f)
Drivers license renewal technical correction..... 241§29.36
E-Courts IT Initiative strategic plan ..... 241§18A.21(a)-(e)
E-verify compliance for State contractors ..... 294§§1-10
Electronic signatures use for certain DMV documents 270
Enterprise Active Directory use by agencies..... 241§7.25
Enterprise electronic forms and digital signatures capability funds ..... 268§2.5
Executed absentee ballots reporting ..... 103§3(a)-(b); 247§8
Filing in Chapter 50B and 50C cases ..... 62§3(a)-(f)
Grant recipients posted on grantor Web site 114
Lock-in program effectiveness and efficiency ..... 241§12F.16(l)
Notification of motor vehicle registration renewal..... 108
Poll books certification..... 103§11(a)-(b)
Remote access to clients by attorneys study..... 241§18B.4(a)-(b)
Remote learning—see Education
Revenue e-Services project monitoring..... 241§28.5
State portal/business website plan ..... 241§7.24(a)-(b)
Textbook and digital resources allotment use information publication..... 241§8.33
Website postings required for Building Code Council ..... 145§§6.1-6.2
Electronic Signatures—see Electronic Commerce; Electronic Government
Elizabeth City, City of
Board of Education chair's voting ..... 253§12
Port Discover grassroots science program grant-in-aid ..... 241§15.18(a)
Ellerbe, Town of—Rankin Museum reporting requirement ..... 241§15.19
Emergency Management
Coal ash impoundment dam emergency plans and downstream inundation maps..... 7§9(a)-(c)
Downstream inundation map preparation study ..... 7§9(c)
Emergency and disaster response funding..... 241§6.19(a)-(c)
Flood elevation and building height requirements study ..... 286§4.38
Personnel compensation study..... 241§30.17(a)-(b)
Statewide school risk and response management system..... 241§8.26(a)-(p)
Emergency Medical Services Advisory Council—appointments and membership ..... 254§§1.23, 2.20

Emergency Services
911 system uniform procurement study ..... 219§2
Back-up PSAP extension ..... 219§1
Charlotte firefighters' retirement system created 42
Community Paramedic Mobile Crisis Management Pilot Program ..... 241§12F.8(a)
Community paramedicine pilot program ..... 241§12A.12(a)-(e)
Continuation review Highway Fund transfers ..... 241§6.20(b)
Death benefits ..... 88§§8-9
Drug overdose medications funds ..... 241§12F.15(a)-(b)
Emergency management personnel compensation study ..... 241§30.17(a)-(b)
Fire and police department promotions hearings by Civil Service Board in Statesville 34
Fire districts definition ..... 88§1
Fire protection tax election for Stokesdale ..... 128§9(a)-(d)
Firefighter definition for certain funds ..... 88§1
Good Samaritan expansion ..... 286§§3.3-3.4
Increase Wilkesboro firefighters' pension benefit 76
Joint agency sales tax refund ..... 235§1
Joint/multiple agency motor fuels tax exemption study ..... 235§2
Medical services personnel conform to national standards 290
Next generation 911 261
Nonprofit fire departments in LGERS charter requirement ..... 88§10
Retirement—see that heading
Standard of proof for public safety telecommunicators and dispatchers 71
Tuition waiver for children whose guardian was an emergency worker 296
Utility vehicle operation on public highways ..... 26§1
Emerging Technologies—DOT Product Evaluation Program visibility/public awareness plan ..... 241§29.11(a)-(d)
Eminent Domain
Consent of county to acquisition of land by another county/municipality for certain counties ..... 253§13
Municipal eminent domain restrictions for certain counties 240
Public services facility property in Caswell Beach 14

Employment (see also State Employees)
Acceptance of background check by appraisal management company ..... 200§2
Apprenticeship fee repealed ..... 241§15.13
Automatic scoring/screening of State employment applications repealed ..... 268§7.7
Charter school closure proceedings funds payout priorities ..... 168§4
E-verify compliance for State contractors ..... 294§§1-10
Emergency medical services personnel conform to national standards 290
Expunction information access for law enforcement employment ..... 40§4
H-2A agricultural worker compensation conforming change ..... 263§2(a)-(b)
Internships/career-based opportunities for students at historically black colleges ..... 241§11.12(a)-(d)
Licensing and certification—see that heading
National Guard reemployment rights 161
Trade Jobs for Success Initiative repealed ..... 241§15.12
Unemployment insurance—see Insurance, Unemployment
Vocational education—see that heading
Work search requirement for unemployment insurance ..... 238§2.2(a)-(b)
Workforce development conform to federal law ..... 241§15.11(a)-(f)
Energy Policy Council—appointments and membership ..... 1§5
Engineers and Surveyors
Certain building inspection components by licensed engineers or architects ..... 145§9(a)-(d)
Coal ash impoundment dam emergency plans and downstream inundation maps ..... 7§9(a)-(c)
Downstream inundation map preparation study ..... 7§9(c)
Improvement permit and authorization for wastewater system construction ..... 286§4.14(g)
Outsourcing preconstruction activity by DOT ..... 241§29.13(a)-(b)
Technical corrections, clarifications, and conforming changes ..... 264§§18, 47.5(a)-(b)
Engineers and Surveyors, State Board of Examiners for
Complaints ..... 286§4.14(b)
Downstream inundation map preparation study ..... 7§9(c)
Eno River—bond funds ..... 280§1(f)
Entertainment Industry
Amusement device violations increased penalties ..... 152§§1-3
Boxing Commission fee clarified ..... 241§16B.6(a)-(b)
Sales and use tax technical correction ..... 6§§2.10, 2.11
Zip-line regulation study ..... 152§4
Environment
Agency failure to comment treated as no impact 90
Air permit contested cases ..... 286§4.17(a)-(b)
Alternative disposal of biodegradable agricultural plastics ..... 286§4.39(a)-(c)
Ambient air monitoring ..... 286§4.25(a)-(d)

Environment—continued
Brownfields redevelopment 'prospective developer' definition ..... 286§4.10(a)-(b)
Cherokee Natural Resources Enforcement
Agency authority codification 287
Coal ash
Coal Combustion Residuals Management Fund use ..... 7§7
Impact greenway planning grant ..... 241§14.34
Impoundment dam emergency plans
and downstream inundation maps ..... 7§9(a)-(c)
Management technical corrections ..... 1§§3.1(a)-(c), 3.6-3.7
Structural fill moratorium clarification ..... 1§3.4(a)-(c)
Use study ..... 241§14.27
Coastal water quality and stormwater requirements study ..... 286§4.19
Collection of condensate from residential heating and
cooling systems by water and sewer system authorities ..... 207§6
Conservation Grant Fund use for environmental
stewardship funds management ..... 241§14.2
Conservation Reserve Enhancement Program study ..... 241§13.8(a)-(b)
Contaminated sites
Recordation ..... 286§4.7(c)-(e)
Remediation ..... 286§4.8(a)-(b)
Division of Air Quality notice requirements ..... 286§4.27
Environmental assessment
Methodology review/revision ..... 241§14.19
Process 90
Environmental impact statement for direct impacts 90
Federal wood heater standards enforcement prohibited ..... 286§4.3(a)-(b)
Groundwater standards study ..... 286§4.8A(a)-(b)
Heavy-duty vehicle idling restrictions repealed ..... 286§4.24
Impaired water bodies in-situ strategies study ..... 241§14.5(d)
Isolated wetlands law application ..... 286§4.18(a)-(d)
Mitigation for impacts to intermittent
streams requirement prohibited ..... 286§4.31(a)-(b)
New SEPA exemptions 90
Noncommercial Leaking Underground
Storage Tank Cleanup Fund phaseout ..... 241§14.16A(a)-(i)
Noncommercial tanks abatement requirement eliminated ..... 241§14.16B(a)-(d)
Plant conservation program funds ..... 241§31.4(a)
Recycling—computer equipment, television, and
electronics program study ..... 286§4.2
Riparian buffer reform ..... 246§§13.1-13.4
Risk-based remediation ..... 286§§4.7-4.8A
Roadside Environmental Unit littering program positions ..... 241§29.9A
Self-audit privilege and limited immunity ..... 286§4.1(a)-(d)
Senator Jean Preston Oyster Sanctuary Network ..... 241§14.9
SEPA thresholds increased 90
Shellfish cultivation leases in certain areas ..... 263§11(a)-(b)
Stormwater management laws/rules review ..... 286§4.20(d)

Environment—continued
Termination/modification of conservation ..... 263§13(a)-(c)
Use of public land definition 90
Various reports repealed ..... 286§4.12(a)-(f)
Wastewater treatment standards study ..... 286§4.15(d)
Environment and Natural Resources, Department of (DENR)—see Environmental Quality, Department of
Environmental Management Commission
Air permit contested cases ..... 286§4.17(a)-(b)
Appointments and membership ..... 37§1.2; 254§§1.24, 2.21
Conflict of interest clarification ..... 9§1.2
Division of Air Quality notice requirements ..... 286§4.27
Federal wood heater standards enforcement prohibited ..... 286§4.3(a)-(b)
Impaired water bodies in-situ strategies study ..... 241§14.5(d)
Isolated wetlands
Generally ..... 286§4.18(b)
Regions for regulating impacts ..... 286§4.18(d)
Landfill changes ..... 241§14.20(a)-(f)
On-site wastewater amendments and clarifications ..... 286§4.14(a)-(k)
Regulatory relief from riparian buffer rules study ..... 246§13.2(a)-(b)
Revised stormwater management program submission ..... 286§4.20(c)
Riparian buffer reform ..... 246§§13.1-13.4
Risk-based remediation ..... 286§§4.7-4.8A
Rulemaking clarification ..... 1§6(a)-(b)
Stormwater management rules deadline ..... 286§4.20(a)
Swine waste management system performance standards application ..... 263§16
Technical corrections, clarifications, and conforming changes ..... 1§§3.1(a)-(c), 3.6-3.7
Environmental Quality, Department of
Agency created ..... 241§14.30(a)-(ttt); 264§54(a)-(e)
Air permit contested cases ..... 286§4.17(a)-(b)
Ambient air monitoring ..... 286§4.25(a)-(d)
Appropriations and allocations
Assistance to counties - EAP preparation ..... 241§31.3(a)
Bogue Banks storm damage reduction preconstruction, engineering, design ..... 241§31.3(a), (b)
Carolina Beach storm damage reduction
Funds ..... 241§31.3(a), (b)
Study ..... 241§31.3(a)
Children and veterans with disabilities parks bond funds ..... 280§1(f)
Current operations ..... 241§2.1
Energy exploration funds use ..... 241§14.28
Fort Fisher Aquarium salt water well funds ..... 241§31.4(a)
Gorilla expansion ..... 241§31.4(a)

Environmental Quality, Department of—continued
Jordan Lake
Remediation demonstration project continued ..... 241§14.5(a)
Water supply ..... 241§31.3(a)
Kure Beach storm damage reduction ..... 241§31.3(a), (b)
Linville River restoration ..... 241§31.3(a)
Lock and dam #2 - fish ramp - phase 1 ..... 241§31.3(a)
Morehead City Harbor maintenance ..... 241§31.3(a)
NCRS EQIP (65/35) ..... 241§31.3(a)
North Topsail shoreline protection - phase 2 ..... 241§31.3(a)
Ocean Isle storm damage reduction reevaluation report ..... 241§31.3(a)
Planning assistance carryforward ..... 241§31.3(b)
Planning for S.L. 2010-143 ..... 241§31.3(a)
State-local projects ..... 241§31.3(a)
State Parks bond funds ..... 280§1(f)
Surf City/North Topsail preconstruction activities ..... 241§31.3(a), (b)
Use of Coal Combustion Residuals Management Funds ..... 7§7
Water distribution lines funds for certain city in tier two county ..... 241§14.17
Water resources development ..... 241§§31.2, 31.3(a)-(e)
Water/sewer loans and grants bond funds ..... 280§1(f)
Weatherization program block grant ..... 241§12I.1(a)
West Onslow Beach preconstruction activities ..... 241§31.3(a), (b)
Wilmington Harbor
Deepening and maintenance ..... 241§31.3(a), (b)
Study ..... 241§31.3(a), (b)
Wrightsville Beach storm damage reduction reevaluation report ..... 241§31.3(a)
Aquariums Division
Transferred to Dept. of Natural and Cultural Resources ..... 241§14.30(a)-(ttt); 264§54(a)-(e); 268§5.4(c)
Cape Fear estuarine resource restoration ..... 241§14.6(h)
Close certain special funds ..... 241§14.16(a)-(e)
Coal ash
Impoundment dam emergency plans and downstream inundation maps ..... 7§9(a)-(c)
Management positions clarification ..... 7§8
Coastal water quality and stormwater requirements study ..... 286§4.19
Computer equipment, television, and electronics recycling program study ..... 286§4.2
Construction/demolition debris subject to permits ..... 1§2(c)
Department organization efficiencies study ..... 241§14.31(a)-(b)
Division of Air Quality
Continuation review Highway Fund transfers ..... 241§6.20(b)
Notice requirements ..... 286§4.27
Division of Coastal Management

Environmental Quality, Department of—continued
Beach erosion study ..... 241§14.10I(a)-(b)
Oyster restoration project permitting ..... 241§14.10A(a)-(e); 268§5.2B
Division of Marine Fisheries
Core Sound oyster leasing proposal ..... 241§14.8
For-hire recreational fishing licensee logbook
Requirement 201
Study ..... 201§2
No JEA with NMFS ..... 201§3(a)
Oyster restoration project permitting ..... 241§14.10A(a)-(e); 268§5.2B
Shellfish aquaculture recommendations ..... 241§14.10D
Division of Mitigation Services
Name change from Ecosystem Enhancement Program ..... 1§§4.1-4.7
Division of Parks and Recreation
Transferred to Dept. of Natural and Cultural Resources ..... 241§14.30(a)-(ttt); 264§54(a)-(e)
Division of Water Infrastructure
Clean Water State Revolving Fund matching funds ..... 241§14.14
Division of Water Resources
Environmental assessment process 90
MoA on nonfederal funding of Oregon Inlet dredging ..... 241§14.6(c)-(g)
Swine waste management system performance standards application ..... 263§16
Downstream inundation map preparation study ..... 7§9(c)
Dynamic pricing for State parks and attractions ..... 241§14.11(a)-(i); 268§5.5
Ecosystem Enhancement Program name change ..... 1§§4.1-4.7
Electronics recycling facility registration ..... 1§2(e)
Encourage interconnection of public water systems ..... 241§14.14A(a)-(b)
Environmental assessment methodology review/revision ..... 241§14.19
Environmental permit contested cases study ..... 286§4.17(b)
Fisheries Management Plan report repealed ..... 286§4.12(b)
Fonta Flora Loop Trail added to State Parks System 113
Great Coharie timber sale revenue use ..... 241§14.3
Groundwater standards study ..... 286§4.8A(a)-(b)
Heavy-duty vehicle idling restrictions repealed ..... 286§4.24
Impaired water bodies in-situ strategies study ..... 241§14.5(d)
Landfill changes ..... 241§14.20(a)-(f)
Linear utility project exemption from certain regulation study ..... 286§4.21
Mitigation for impacts to intermittent streams requirement prohibited ..... 286§4.31(a)-(b)
Museum of Natural Sciences, Advisory Commission for North Carolina State—
see that heading

Environmental Quality, Department of—continued
Natural Heritage Program transferred to
Dept. of Natural and Cultural Resources ..... 241§14.30(a)-(ttt); 264§54(a)-(e)
Noncommercial tanks abatement requirement eliminated ..... 241§14.16B(a)-(d)
Prosperity Zones liaison position ..... 241§14.1; 268§5.2A
Radiation Protection Commission—see that heading
Regulatory relief from riparian buffer rules study ..... 246§13.2(a)-(b)
Remediation of contaminated sites ..... 286§4.8(a)-(b)
Risk-based remediation ..... 286§§4.7-4.8A
Sanitary landfill life-of-site permits ..... 286§4.9(a)-(d)
Self-audit privilege and limited immunity ..... 286§4.1(a)-(d)
Shellfish cultivation leasing reform ..... 241§14.10(a)-(c)
State Geologist
Energy exploration funds use ..... 241§14.28
Stormwater management laws/rules review ..... 286§4.20(d)
Swine waste management system
performance standards application ..... 263§16
Technical corrections, clarifications, and conforming changes ..... 268§5.4(f)-(i)
Trails Committee
Transferred to Dept. of Natural and Cultural Resources ..... 241§14.30(a)-(ttt); 264§54(a)-(e)
Wetland mitigation capitalization 194
Wetlands mitigation flexibility petition ..... 241§14.24(a)-(b); 268§5.2C
Environmental Review Commission
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Dewater leachate/wastewater burden/cost study ..... 241§14.21(b)
Local government authority over waste
management matters study ..... 241§14.21(a)
Stormwater management laws/rules review ..... 286§4.20(d)
Wastewater/stormwater/water project
materials fair competition study ..... 286§3.9
Epilepsy—see Public Health
Epilepsy Alternative Treatment Act ..... 154; 264§48.5
Erosion
Beach erosion study ..... 241§14.10I(a)-(b)
Erosion control structures ..... 241§14.6(p)-(r)
Sedimentation civil penalties reform ..... 241§14.26(a)-(e)
Escheats (see also Property)
Merchandise credit not abandoned property ..... 218§4.5(a)-(b)
Unclaimed life insurance benefits 236
Estates and Trusts
Conveyance of tenancy by entireties to a trust ..... 205§5
Decanting traditional trust to supplemental needs trust ..... 205§8
Default and mandatory rules
governing power holders ..... 205§7
Directed cotrustee liability ..... 205§10

Estates and Trusts—continued
Elective shares regarding valuation,
partial, or contingent interest property ..... 205§4.1
Living probate procedure..... 205§2
Permissible beneficiaries of irrevocable
inter vivos trusts ..... 205§9
Standby/successor guardian for incompetent adult ..... 205§1
Statute of limitations against trustee..... 205§6
Technical corrections, clarifications,
and conforming changes..... 6§2.8(a)-(c);
264§§16(a)-(l), 31(a)-(b)
Trustee fee report clarification ..... 264§31(a)
Unclaimed life insurance benefits 236
Uniform power of appointment ..... 205§3(a)-(b);
264§31(b)
Ethics
Charter school conflict-of-interest and
anti-nepotism policy requirement..... 248§6(a)-(c)
Conflict of interest clarification for certain commissions ..... 9§§1.1-1.3
Information Technology Dept.
employees subject to State Ethics Act..... 268§2.2
Referencing public position in letter
of reference by legislator/public official 208
Ethics Commission, State
Administrative support provided by DOA ..... 241§27.1
Appointments and membership ..... 37§2.1(a)-(b)
Evidence—see Civil Procedure; Courts; Criminal Procedure
Explosives and Pyrotechnics—NCSU displays authorized 124
Eyewitness Identification Reform Act..... 212

F

Fairs and Exhibitions
State Fair
Horse complex funds..... 241§31.4(a)
Regulation of firearms..... 195§4(a)
Renovation funds..... 241§31.4(a)
Falls Lake
Bond funds..... 280§1(f)
Family Planning
Abortions—see that heading
No family planning/pregnancy prevention/adolescent
parenting services contracts with providers
who perform abortions ..... 241§12E.13
Farmed Cervids—see Agriculture; Fish and Wildlife
Farmers Markets—see Agriculture
Fayetteville, City of
Fascinate-U grassroots science program grant-in-aid ..... 241§15.18(a)

Fees
Alternative wastewater system approvals....286§4.14(c)
Apprenticeship fee repealed .... 241§15.13
Autopsy fee increase....241§§12E.5-6
Boxing Commission fee clarified .... 241§16B.6(a)-(b)
Building inspection fees to be spent on
inspection department activities .... 145§§7.1-7.2
Certain solid waste fees repealed....286§4.11(a)-(b)
Consultation with General Assembly
when agencies establish/increase fees .... 241§6.18
Court costs and fees—see Courts
DMV
Hearing fee schedule .... 241§29.30A
Increased/adjusted ....241§29.30(a)-(u); 268§8.2(a)-(b)
Drivers education....241§8.39(b)
Drug manufacturing licensing fees....241§13.4(a)-(b); 268§5.1
Dynamic pricing for State parks and attractions ....241§14.11(a)-(i); 268§5.5
Extracurricular activity fees for charter schools.... 248§7
Fee use restriction removed for Zebulon.... 127
Food manufacturer/retailer inspection fees ....241§13.5; 268§5.2(a)-(b)
Hazardous materials fee clarified .... 241§16B.8(a)-(b)
Horse industry assessment cap and duration .... 263§1
Increasing fees by agencies ....241§6.2(a)-(b)
Indexing fees for registers of deeds.... 227
Indigent Defense Services Office fee schedule study ....241§18B.5
Insurance regulatory charge.... 241§20.1
Interstate compact fees for training and equipment ....241§16C.16
Landfill changes....241§14.20(a)-(f)
Landlord/tenant writs of possession 55
Medicaid provider application fee.... 264§87.5
Museum of History and Museum of
Science admission fees study ....241§14.11(h)
On-site wastewater system approval ....286§4.15(a)-(d)
Provider application and recredentialing fee .... 241§12H.4; 264§87.5
Public records request fee for DPS....267§1(b)
Register of Deeds filing fees under UCC 206
Special registration plates.... 241§29.40(a)-(s); 264§40.6(a)-(d)
Tax collection assistance fee rules.... 241§28.2
Technical corrections, clarifications, and conforming changes .... 264§28(a)-(c)
Temporary license plate....241§29.35(a)
Turnpike Authority processing fee study ....241§29.15(a)-(b)
Utility regulatory fee
Codified.... 134§§2-3
Reserve cap ....134§1(a)-(b)
Review....241§15.16A(a)-(b)
Setting authority .... 134§§2-3

Film Industry (see also Entertainment Industry)—
Film and Entertainment Grant Fund modified ..... 241§15.25(a)-(c)
Financial Services and Institutions
Child support collection administrative changes ..... 62§2(a)-(d)
Credit unions
Compensation of officials ..... 93§5
Escrow and trust accounts ..... 93§§1-3
Investment in higher education bonds ..... 93§4
Electronic lien system for motor vehicle
financing mandatory participation date ..... 264§40
Estates and trusts—see that heading
Handling hazardous materials in safe deposit boxes 68
Military personnel protections clarifications ..... 179§4
Out of state loans conforming changes ..... 179§5
Recovery of court costs in certain loan recovery actions ..... 179§1
Securities changes ..... 268§7.5
Security freeze on credit reports 193
Splitting and multiple contracts clarification ..... 179§§2-3
Technical corrections, clarifications, and conforming changes ..... 264§43
Fines and Penalties
Amusement device violations increased penalties ..... 152§§1-3
Conceal carry on private property offense downgraded ..... 195§9
DMV fees increased/adjusted ..... 241§29.30(a)-(u); 268§8.2(a)-(b)
Enforcing penalties for lapse in financial
responsibility by DMV ..... 241§29.31(a)-(c)
Graffiti vandalism 72
Industrial Commission ..... 264§52
No fines for civil contempt ..... 210§1
Pharmacy Benefit Managers penalties for violations ..... 273§2
Pole attachment disputes 119
Sedimentation civil penalties reform ..... 241§14.26(a)-(e)
Streamline seized vehicle disposal ..... 241§27.3(a)-(g); 264§38.3(a)-(b)
Time extended to avoid failure to pay court costs ..... 247§1(a)-(c)
Fingerprints—see Identification Systems
Fire and Rescue Commission, State—
appointments and membership 39
Firearms—see Weapons
Firefighters and Firefighting—see Emergency Services
Fireworks—see Explosives and Pyrotechnics
First Flight Centennial Commission—repealed ..... 184§2
Fish and Wildlife
Captive cervid program moved ..... 263§14(a)-(b)
Coyotes
Management assistance pilot
program for Mitchell County ..... 286§4.35(a)-(b)
Management plan ..... 286§4.34(a)-(b)

Fish and Wildlife—continued
Hunting and fishing—see that heading
Opossum exclusion 73; 155
Pigeon hunting ..... 286§4.32(a)-(b)
Protected animals status method and criteria and introduce species study ..... 286§4.33(a)-(b)
Sale of deer skins 18
Fisheries and Fisheries Products (see also Coastal Resources; Environment)
Commercial fishing and aquaculture curriculum 63
For-hire recreational fishing license logbook
Requirement 201
Study ..... 201§2
Management Plan report repealed ..... 286§4.12(b)
No JEA with NMFS ..... 201§3(a)
SCFL exemption for leaseholder employees ..... 241§14.10B
Shellfish
Aquaculture recommendations ..... 241§14.10D
Cultivation leases in certain areas ..... 263§11(a)-(b)
Oyster research and restoration reporting ..... 241§14.29A
Oyster shell use prohibited in commercial landscaping ..... 241§14.7
Senator Jean Preston Oyster Sanctuary Network ..... 241§14.9
Fishing Vessels—see Boats and Boating; Fisheries
Flags—see State Symbols
Fletcher, Town of
Western NC Agricultural Center
Building ..... 241§31.4(a)
McGough Arena project changes ..... 241§31.18
Flood Control—see Emergency Management; Lakes and Rivers
Fontana Dam, Town of
Electric Power Board authorized 85
Food Services
Board of Education contract for inmate meals in Davie County 20
Evaluation requirement for electrical devices corrections exemption ..... 241§16C.13A
Food/lodging establishment transferred ownership permits ..... 286§3.8
Food stand seating ..... 104§1
Prepaid meal plans sales and use tax ..... 6§2.14(a)-(b)
Prototype franchise food establishments local review ..... 246§10
Sale of antique spirituous liquor ..... 98§1(a)-(j)
Sheriffs' food purchases for certain counties 156; 157; 158
State Treasurer offices ..... 164§2
Foods and Beverages
Food and nutrition benefits federal time-limit waivers prohibited ..... 264§91.2; 294§16(a)-(b)
Food manufacturer/retailer inspection fees ..... 241§13.5; 268§5.2(a)-(b)

Foreclosures—see Debtor and Creditor; Loans; Mortgages and Deeds of Trust
Forensic Sciences—admissibility of forensic/ chemical analysis reports clarification 173
Forestry and Forest Products
Great Coharie timber sale revenue use ..... 241§14.3
Mountain Island Educational Forest visitor center funds ..... 241§31.4(a)
Museum of Natural Sciences at Whiteville formerly Museum of Forestry ..... 241§14.30(r)
Forsyth County
Forsyth Technical Community College—see Community Colleges
Winston-Salem, City of—see that heading
Winston-Salem State University—see University of North Carolina
Foster Care (see also Adoption)
Block grant funds ..... 241§12I.1(a)
Consideration of potential placement with family ..... 135§§2.3-2.4; 136§8
Custodial decisions authority by county DSS ..... 135§2.5
Extend to 21 years of age ..... 241§12C.9(a)-(l)
Funds for guardianship assistance program ..... 241§12C.4
Liability insurance for foster parents ..... 135§2.6
Notification of family of nonsecure custody and hearings ..... 135§2.2; 136§4
Notification when juvenile not placed with family ..... 136§6
Permanency planning hearing requirements ..... 135§2.6
Placement provider authority over participation in childhood activities ..... 136§11
Reasonable and prudent parent standard ..... 135§2.1
Reduce driving barriers ..... 135§§4.1-4.3
Standing of foster parent in certain proceedings ..... 136§2
Technical corrections, clarifications, and conforming changes ..... 264§34(a)-(b)
Transitional living services ..... 241§12C.6(a)-(c)
Foster Care Family Act 135
Franklin, Town of—satellite annexation requirement exemption ..... 81§§1-2
Fuels
Motor fuel tax rate change ..... 2§§2.1-2.3
Motorsports parts and fuel sales tax ..... 259§6(a)-(e)
PNG sales and use tax exemption ..... 6§2.12
Tax equalization for LPG used as motor fuel 224

Funds and Accounts
Achieving a Better Life Experience (ABLE) Program Trust
Created ..... 203§1
Agricultural Development and Farmland
Preservation Trust Fund
Termination/modification of conservation..... 263§13(a)-(c)
Animal Shelter Support Fund
Created .....241§13.7(b)
Appellate Courts Printing and Computer Operations Fund
Report repealed ..... 40§8
Aquarium Fund
Fund use and fee receipts .....268§5.4(d)
Child Care Revolving Loan Fund
Management of fund .....241§12B.5
Civil Penalty and Forfeiture Fund
Appropriations and allocations ..... 241§5.3(a)-(c)
Clean Water Management Trust Fund
Board of Trustees—see Clean Water Management
Trust Fund, Board of Trustees
Jordan Lake remediation demonstration project continued .....241§14.5(a)
Clean Water State Revolving Fund
Matching funds..... 241§14.14
Maximum security date for loans by
water and sewer authorities.....207§4(a)-(b)
State Water Infrastructure Authority revisions .....241§14.13(a)-(j)
Close certain special funds in DEQ..... 241§14.16(a)-(e)
Coal Combustion Residuals Management Fund
Use..... 7§7
Collection of Worthless Checks Fund
Use.....241§18A.5(a)-(b)
Commercial Leaking Petroleum
Underground Storage and Cleanup Fund
Continuation review Highway Fund transfers .....241§6.20(b)
Community Living Housing Fund
Uses expanded..... 241§25A.1
Conservation Grant Fund
Use for environmental stewardship funds management ..... 241§14.2
Court Information Technology Fund
Use..... 241§18A.23(a)-(e)
Deep Draft Navigation Channel Dredging
and Maintenance Fund
Cape Fear estuarine resource restoration .....241§14.6(h)
Created .....241§14.6(c)-(g)
Dorothea Dix Hospital Property Fund
Created ..... 241§12F.7(b)
Use..... 241§12F.7(a)-(f)
Drinking Water State Revolving Fund
State Water Infrastructure Authority revisions .....241§14.13(a)-(j)

Funds and Accounts—continued
Education Lottery Fund
Appropriations and allocations ..... 241§5.2(a)-(e)
Emergency Response and Disaster Relief Fund
Name change ..... 241§6.19(b)
Escheat Fund
Disposition of certain funds ..... 67§5
Funds for student financial aid ..... 241§11.1(a)-(d)
Valuation and financial status ..... 241§6.3(a)-(b)
Film and Entertainment Grant Fund
Appropriations-current operations ..... 241§2.1
Modified ..... 241§15.25(a)-(c)
Firefighters' and Rescue Squad Workers' Pension Fund
Appropriations-current operations ..... 241§2.1
Eligible firefighters ..... 88§§3-4
Freight Rail and Rail Crossing Safety Improvement Fund
Uses ..... 241§29.23
Highway Fund
Continuation review ..... 241§6.20(b)
Indian Gaming Education Revenue Fund
Transfer to DPI ..... 241§5.4
Information Technology Fund
Appropriations-current operations ..... 241§2.1
Availability ..... 241§7.1
Process management ..... 268§2.6
Transferred to Dept. of Information Technology ..... 241§7A.2(b)
Information Technology Internal Service Fund
Positions transferred to Information Technology Reserve Fund ..... 268§2.4
Receipts ..... 241§7.2(a)-(e)
Information Technology Reserve
Appropriations and allocations ..... 241§7.3(a)-(f); 268§2.1
Information Technology Reserve Fund
Enterprise electronic forms and digital signatures capability ..... 268§2.5
Positions transferred from Information Technology Internal Service Fund ..... 268§2.4
Process management ..... 268§2.6
Internal Service Fund
Established in Dept. of Information Technology ..... 241§7A.2(b)
Interstate Compact Fund
Fees for training and equipment ..... 241§16C.16
Job Development Investment Grants
Appropriations-current operations ..... 241§2.1
License to Give Trust Fund
Matching grants-in-aid ..... 276§6.5
Local Firefighters' Relief Fund
Firefighter definition ..... 88§1

Funds and Accounts—continued
Medicaid Contingency Reserve
Use and intent ..... 241§12H.28(a)-(c)
Medicaid Special Fund
Transfer ..... 241§12H.11
Medicaid Transformation Fund
Created ..... 241§12H.29
Mercury Pollution Prevention Account
Continuation review Highway Fund transfers ..... 241§6.20(b)
Military Presence Stabilization Fund
Created ..... 241§24.3(a)-(c)
Museum of Natural Sciences Fund
Created ..... 241§14.30(r)
Technical corrections, clarifications, and conforming changes ..... 268§5.4(e)
Next Generation 911 Reserve Fund
Created ..... 261§1(f)
Noncommercial Leaking Petroleum
Underground Storage Tank Cleanup Fund
Motor fuel excise tax distribution repealed ..... 241§29.27B(a)-(b)
Noncommercial Leaking Underground
Storage Tank Cleanup Fund
Phaseout ..... 241§14.16A(a)-(i)
One North Carolina Fund
Appropriations-current operations ..... 241§2.1
Local match requirements ..... 259§2(a)-(b)
Outdoor Heritage Trust Fund for Youth
Outdoor Heritage Promotion
Establishment plan ..... 144§1
Parks and Recreation Trust Fund
Funds use ..... 241§14.34
Public School Building Capital Fund
Education Lottery Fund appropriation ..... 241§5.2(a)
Rescue Squad Workers' Relief Fund
Application for benefits ..... 88§7
Continuation review Highway Fund transfers ..... 241§6.20(b)
Firefighter definition ..... 88§1
Legal guardian membership ..... 88§5
Membership eligibility ..... 88§6
Risk-Based Remediation Fund
Created ..... 286§4.7(a)
Salary Adjustment Fund
Uses ..... 241§30.12A(a)-(g)
Savings Reserve Account
Increasing transfers methods study ..... 241§6.21(a)-(b)
Transfer of savings from refinanced debt ..... 241§6.23(a)-(c)
School Technology Fund
Civil Penalty and Forfeiture Fund appropriation ..... 241§5.3(a)-(b)

Funds and Accounts—continued
Settlement Reserve Fund
Changes to MSA ..... 241§6.24(a)-(h); 268§1.2
Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund
Continuation review Highway Fund transfers ..... 241§6.20(b)
Motor fuel diversion ..... 241§29.4(a)-(b)
Reductions due to motor fuel tax change ..... 2§2.4(g)
Revised ..... 241§14.6(a)-(b)
Special Children Adoption Fund
Block grant ..... 241§12I.1(a)
State Fire Protection Grant Fund
Firefighter definition ..... 88§1
State Public School Fund
Civil Penalty and Forfeiture Fund appropriation ..... 241§5.3(a)
Textbook funding allotment designation ..... 241§8.18(a)-(b)
Statewide Firefighters' Relief Fund
Firefighter definition ..... 88§1
Statewide Misdemeanant Confinement Fund
Court costs amended ..... 241§18A.11
Operating/administration expenses ..... 241§16C.6(c)
Tobacco Trust Fund
Administration expenses ..... 241§13.12
Transitional Living Initiative Fund
Created ..... 241§12C.6(b)
Unemployment Trust Fund
Suspend 20% surtax ..... 238§4.3
Veterans Home Trust Fund
Technical corrections, clarifications, and conforming changes ..... 268§7.3(b)
Volunteer Safety Workers Assistance Fund
Firefighter definition ..... 88§1
Wildlife Resources Fund
Reductions due to motor fuel tax change ..... 2§2.4(g)
Zoo Fund
Transfer and changes ..... 241§14.30(p)
Funeral Service, Board of—appointments and membership ..... 254§2.22

G

Gaming—lottery proceeds disclosure ..... 241§15.23
Gangs—see Organized Crime
Gas Exploration—see Mining and Mineral Exploration
Gaston County
Coal ash surface impoundments closed at certain sites ..... 110§2(a)
Crowders Mountain bond funds ..... 280§1(f)
Gaston College—see Community Colleges
Gastonia, City of—see that heading

Gaston County—continued
Mountain Island Educational Forest
visitor center funds ..... 241§31.4(a)
Stanley, Town of—see that heading
Gastonia, City of—Schiele Museum of
Natural History and Planetarium
grassroots science program grant-in-aid ..... 241§15.18(a)
Gates County—consent of county to acquisition of land
by another county/municipality through eminent domain ..... 253§13
General Assembly
Affiliated party committees ..... 258§3(a)-(q); 264§81(a)-(f)
Appointments recommendation discretionary ..... 286§1.3(a)-(c)
Appropriations and allocations
Current operations ..... 241§2.1
Legislative Building roof
replacement and asbestos abatement ..... 241§31.5(e)
Board of Review appointments confirmation ..... 238§§3.1, 3.3
Committees and commissions—see
particular committee/commission
Director of the Division of Health
Benefits appointment confirmation ..... 245§12(b)
Disapproval of merger of contiguous local administrative units ..... 241§8A.5
Ethics—see that heading
Fiscal Research Division
Agency withdrawal from TSERS/
LGERS liability estimate requirement ..... 168§2(a)-(b)
Funds/programs/divisions continuation review ..... 241§6.20(a)-(d)
Reorganization of DPI to implement
budget reductions authorized ..... 241§8.37(a)-(b)
State funded IT contracts ..... 241§7.27
Legislative Retirement System (LRS)—see Retirement
Legislative Services Officer
Report on nonlegislative salary increases ..... 241§30.11(b)
Lobbying—see that heading
President Pro Tempore of the Senate
Appointments—see that heading
Program Evaluation Division
Board of Review study ..... 238§3.4
Work plan corrections ..... 264§68.5(a)-(d)
Referencing public position in letter of reference by legislator 208
Revisor of Statutes
Technical corrections, clarifications, and conforming changes ..... 264§27
Salaries ..... 241§30.3(a)-(c)
Service by members on certain boards,
Wallace v. Bone compliance ..... 9§§2.1-2.4
Speaker of the House of Representatives
Appointments—see that heading
Time for start of administrative session ..... 264§68

General Statutes
Antiquated and obsolete statutes ..... 286§1.1
Recodification, renumbering, and renaming of various sex offenses ..... 181; 264§33(a)-(d)
Revisor of Statutes—see General Assembly
Technical corrections, clarifications, and conforming changes—see particular subject, agency, or entity 264
Geographic Information and Analysis, Center for—transferred to Dept. of Information Technology ..... 241§7A.1(b)
Geographic Information Coordinating Council—transferred to Dept. of Information Technology ..... 241§7A.1(b)
Geography—coal ash impoundment dam emergency plans and downstream inundation maps ..... 7§9(a)-(c)
Geologists—improvement permit and authorization for wastewater system construction ..... 286§4.14(g)
Geologists, Board for Licensing of—complaints ..... 286§4.14(b)
Girl Scouts—see Youth Organizations
Global TransPark Authority—appointments and membership ..... 254§§1.25, 2.23
Golden L.E.A.F., Inc.—changes to MSA ..... 241§6.24(a)-(h); 268§1.2
Good Samaritan Law 94
Goose Creek—bond funds ..... 280§1(f)
Government Data Analytics Center
Appropriations—Information Technology Reserve ..... 241§7.3(a); 268§2.1
Health Analytics Pilot Program development ..... 241§12A.17(a)-(d)
Reports—see that heading
Transferred to Dept. of Information Technology ..... 241§§7A.1(b), 7A.2(c)
Unemployment insurance program integrity through data analytics ..... 238§1
Government Publications—see Publishing and Publications
Governmental Operations, Joint Legislative Commission on
Consultation with General Assembly when agencies establish/increase fees ..... 241§6.18
Subcommittee to study new licensing boards repealed ..... 264§69(a)-(b)
Governor, Office of the
Appointment of State Chief Information Officer ..... 241§7A.2(b)
Appointments—see that heading
Appropriations and allocations—current operations ..... 241§2.1
Conflict of interest clarification for certain commissions ..... 9§§1.1-1.3
Salary ..... 241§30.1(a)
Governor's Crime Commission—see Crime Commission, Governor's

Governors' Jobs for Veterans
Committee—see Jobs for Veterans
Committee, Governors'
Graham County
Appalachian Regional Commission match funds....241§15.8(a)-(b)
Lake Santeetlah, Town of—see that heading
Occupancy tax....128§§1-7
TVA settlement funds....241§13.2
Graham, William Franklin "Billy," II—replace National
Statuary Hall statue of Charles Aycock....264§91.3; 269
Grants
After-school quality improvement competitive grants....241§8.29(a)-(f)
Community development block grants....241§15.5(a)-(g)
Community-Focused Eliminating Health Disparities
Initiative grants-in-aid....241§12E.3(a)-(d)
Community Health Care Grant Program....241§12A.9
Competitive DHHS grants/nonprofit organizations....241§12A.8(a)-(e)
Deobligated community development block grant funds
and surplus federal funds use....241§15.6(a)-(b)
DHHS block grants....241§12I.1(a)-(bb)
Film and Entertainment Grant Fund modified....241§15.25(a)-(c)
Grant recipients posted on grantor website....114
Investing in innovation grant....241§8.27(a)-(d); 268§3.1
JDIG modifications....259§1(a)-(j); 264§91(a)-(b)
Law enforcement body cameras....241§16A.8(a)-(c)
Match for grant funds for AOC....241§18A.4
Maternal and child health competitive grants process....241§12E.11(a)-(e)
NER block grants....241§15.5(a)-(g)
State Water Infrastructure Authority revisions....241§14.13(a)-(j)
Symphony challenge grant....241§23.1(a)-(c)
Technical corrections, clarifications, and conforming changes....264§21
Granville County
Oxford, City of—see that heading
Sheriffs' food purchases....157
Greensboro, City of
City Council redistricting....138§2(c); 264§85.5
Council-manager form of government....138§2(a)-(b); 264§85.5
Election and run-off method of
determining election results....138§2(f)
Greensboro Children's Museum
grassroots science program grant-in-aid....241§15.18(a)
Greensboro Science Center grassroots
science program grant-in-aid....241§15.18(a)
Mayor
Four-year term....138§2(c)
Voting....138§2(d)-(e)

Greenville, City of—Eastern NC Regional Science
Center grassroots science program grant-in-aid ..... 241§15.18(a)
Grievance Resolution Board
Executive Director appointment ..... 241§16C.13B(a)
Reports—see that heading
Group Homes and Halfway Houses—multiplicative
auditing and monitoring of HHS service providers report ..... 241§12F.14
Guardianship
Foster care funds for guardianship assistance program ..... 241§12C.4
Standby/successor guardian for incompetent adult ..... 205§1
Tuition waiver for children whose
guardian was an emergency worker 296
Guilford County
Archdale, City of—see that heading
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Colfax, Town of—see that heading
Greensboro, City of—see that heading
Guilford Technical Community College—
see Community Colleges
Haw River bond fund ..... 280§1(f)
High Point, City of—see that heading
National Guard readiness centers bond funds ..... 280§1(f)
North Carolina Agricultural and Technical State
University—see University of North Carolina
Sheriffs' food purchases 156
Stokesdale, Town of—see that heading
UNC-Greensboro—see University of North Carolina

H

Halfway Houses—see Group Homes and Halfway Houses
Halifax County
Halifax Community College—see Community Colleges
Medoc Mountain bond funds ..... 280§1(f)
Scotland Neck, Town of—see that heading
Stem enrichment program student participation ..... 264§91.5(a)-(b)
Weldon, Town of—see that heading
Handguns—see Weapons
Harkers Island, Town of—Core Sound Waterfowl Museum
grassroots science program grant-in-aid ..... 241§15.18(a)
Harnett County
Angier, Town of—see that heading
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Central Carolina Community College—
see Community Colleges
Dunn, City of—see that heading
Raven Rock bond funds ..... 280§1(f)
Haw River—bond funds ..... 280§1(f)

Haywood County
Haywood Community College—see Community Colleges
Sheriffs' food purchases ... 158
TVA settlement funds ... 241§13.2
Waynesville, Town of—see that heading
Hazardous Substances
Coal ash surface impoundment requirements at certain sites ... 110§2(a)-(c)
Coal combustion residuals (coal ash) use ... 241§29.18
Handling hazardous materials in safe deposit boxes ... 68
Hazardous materials fee clarified ... 241§16B.8(a)-(b)
Hazardous Waste—see Hazardous Substances; Waste Management
Health and Human Services, Department of (DHHS)
Alternative wastewater system approvals ... 286§4.14(c)
Appropriations and allocations
Block grants ... 241§12I.1(a)-(bb)
Child care and development fund block grant ... 241§12I.1(t)-(u)
Child Welfare Postsecondary Support Program (NC REACH) ... 241§12C.5(a)-(d)
Current operations ... 241§2.1
Division of Aging and Adult Services
Block grant funds ... 241§12I.1(a)
Current operations ... 241§2.1
Division of Central Management and Support
Boys and Girls Clubs ... 241§12A.8(e)
Business Process Automated System ... 241§12A.6(a)
Community paramedicine pilot program ... 241§12A.12(a)-(e)
Competitive block grants for nonprofits ... 241§12I.1(a)
Competitive grants/nonprofit orgs ... 241§12A.8(a)
Contractual services funds reduction ... 268§4.1
Health Analytics Pilot Program development ... 241§12A.17(a)
Health information exchange funds ... 7§11(a)-(b)
ICD-10 Project ... 241§12A.6(a)-(b)
NC Fast block grant ... 241§12I.1(a)
NCTracks ... 241§12A.6(a)-(b)
Statewide Health Information Exchange Network ... 241§12A.5(b); 264§86.5(a)
Transfer certain services to Eastern Band of Cherokee IT funds ... 241§12C.10(c); 268§4.2
Division of Child Development and Early Education
Administration allowance for county depts ... 241§12B.6(a), (c)
Child Care and Development Fund transfer ... 241§12I.1(a)
Current operations ... 241§2.1
Fraud detection/investigation county depts ... 241§12B.6(c)
Pre-K swap out ... 241§12I.1(a)
Smart Start block grant ... 241§12I.1(a)
Subsidized child care program ... 241§12I.1(a)

Health and Human Services,
Departmentof (DHHS)—continued
Swap child care subsidy....241§12I.1(a)
TEACH program block grant....241§12I.1(a)
Division of Health Service Regulation
Adult care licensure program block grant....241§12I.1(a)
Current operations....241§2.1
Mental health licensure and
certification program block grant....241§12I.1(a)
Overnight respite care facilities licensure....241§12G.3(d)
Division of Medical Assistance
Current operations....241§2.1
Intergovernmental transfers....241§12H.8
OAH funding....241§12H.9
Transformation enactment contingency....241§12H.25(a)-(c)
Traumatic brain injury 1915(c) waiver....241§12H.6(c)
Division of Mental Health, Developmental Disabilities,
and Substance Abuse Services
Adult and child developmental disabilities program....241§12I.1(a)
Child Treatment Program....241§12F.3(a)-(b)
Community Paramedic Mobile
Crisis Management Pilot Program....241§12F.8(a)
Controlled substances reporting system improved contract....241§12F.16(g)
Current operations....241§2.1
Drug overdose medications....241§12F.15(a)-(b)
Inpatient alcohol and substance abuse treatment services....241§12F.12(b)
Inpatient psychiatric beds/bed days funds....241§12F.1(a)-(f)
Substance abuse prevention and treatment block grant....241§12I.1(a)
Traumatic brain injury services....241§12F.6
Division of Public Health
ADAP drug purchases for those in DPS custody....241§12E.2
Childrens health services block grant....241§12I.1(a)
Community-Focused Eliminating
Health Disparities Initiative....241§12E.3(a)-(d)
Current operations....241§2.1
Death investigations/autopsies transportation rate....241§12E.7
HIV/STD prevention and
community planning block grant....241§12I.1(a)
HIV testing block grant....241§12I.1(a)
Infant mortality programs....241§12I.1(a)
Laboratory services block grant....241§12I.1(a)
Maternal and child health
competitive grants process....241§12E.11(d)
Oral health block grant....241§12I.1(a)
School nurses....241§12E.1(a)-(b)
State Center for Health Statistics block grant....241§12I.1(a)
Teen pregnancy prevention initiatives....241§12I.1(a)
Womens health block grant....241§12I.1(a)

Health and Human Services,
Departmentof (DHHS)—continued
Division of Services for the Blind,
Deaf, and Hard of Hearing
Current operations ..... 241§2.1
Independent living program block grant ..... 241§12I.1(a)
Division of Social Services
Administration ..... 241§12I.1(a)
Child protective services ..... 241§12I.1(a)
Crisis intervention program block grant ..... 241§12I.1(a)
Current operations ..... 241§2.1
Federal child support incentive payments ..... 241§12C.7(a)-(d)
Foster care funds for guardianship assistance program ..... 241§12C.4
Low-income energy assistance block grant ..... 241§12I.1(a)
Special Children Adoption Fund ..... 241§12I.1(a)
TANF funds ..... 241§12I.1(a)
Transfers ..... 241§12I.1(a)
Work First family assistance ..... 241§12I.1(a)
Division of Vocational Rehabilitation
Current operations ..... 241§2.1
Eliminating health disparities initiatives grants ..... 241§12I.1(a)
Low-income energy assistance block grant ..... 241§12I.1(r)-(s)
Maternal and child health block grant ..... 241§12I.1(a), (x)-(bb)
Maternal and child health programs
continuation review ..... 241§6.20(b)
Medicaid receivables as nontax revenue ..... 241§12H.10(a)-(b)
Medicaid Special Fund transfer ..... 241§12H.11
Mental health services block grant ..... 241§12I.1(a), (v)
Minority health continuation review
Highway Fund transfers ..... 241§6.20(b)
NC Fast ..... 241§12A.7(a)-(b)
NC Health Choice
Current operations ..... 241§2.1
Office of Rural Health
Community Health Care Grant Program ..... 241§12A.9
Loan repayment programs ..... 241§12A.10(a)-(b)
Office of the Secretary
Administration ..... 241§12I.1(a)
Physical activity and prevention block grant ..... 241§12I.1(a)
Preventive health services block grant ..... 241§12I.1(a)
Services to rape victims block grant ..... 241§12I.1(a)
Social services block grant ..... 241§12I.1(a), (j)-(q)
Substance abuse prevention and
treatment block grant ..... 241§12I.1(a), (w);
..... 268§4.6
TANF block grants ..... 241§12I.1(g)-(i)
CBD oil/hemp extract exemption for epilepsy ..... 154; 264§48.5
Certificate of Public Advantage repealed ..... 288§4

Health and Human Services,
Departmentof (DHHS)—continued
Chief Medical Examiner—see that heading
Child Care Revolving Loan Fund management ..... 241§12B.5
Child support collection administrative changes ..... 62§2(a)-(d)
Community Health Care Grant Program changes ..... 241§12A.9
Competitive grants/nonprofit organizations ..... 241§12A.8(a)-(e)
Contracting specialist and certification program study ..... 241§12A.13
Controlled substances reporting system
Access and utilization ..... 241§12F.16(d)-(e)
Improved contract ..... 241§12F.16(f)-(i)
Custodial parent cooperation with child support services requirement 51
Division of Aging and Adult Services
Appropriations—see Appropriations and allocations, this heading
Overnight respite care facilities licensure ..... 241§12G.3(e)
State-county special assistance rates ..... 241§12D.1(a)-(b)
Division of Central Management and Support
Appropriations—see Appropriations and allocations, this heading
Health insurance exchange assessment ..... 7§11(b)
Division of Child Development and Early Education
Appropriations—see Appropriations and allocations, this heading
Child care allocation formula ..... 241§12B.3(a)-(c)
Child care subsidy rates ..... 241§§12B.2(a)-(k), 12B.2A
Early childhood and family support programs study ..... 241§12B.8(a)-(c)
Early Childhood Education and Development Initiatives enhancements ..... 241§12B.7(a)-(h)
NC Pre-K program/standards for certain facilities ..... 241§12B.1(a)-(f)
Transition child care facility abuse/neglect investigations ..... 123; 264§56(a)-(b)
Division of Health Benefits
Created ..... 245§§10, 12(a)
Director appointment ..... 245§12(b)
Division of Health Service Regulation
Appropriations—see Appropriations and allocations, this heading
Sleep supervision pilot program continued ..... 264§91.4(a)-(b)
Special care unit licenses moratorium extended ..... 241§12G.2(a)-(b)
Division of Medical Assistance
Appropriations—see Appropriations and allocations, this heading
Cost containment programs ..... 241§12H.12(b)
Eliminated ..... 245§11
Immunizing pharmacist services reimbursement ..... 241§12H.5(a)-(b)
LME/MCO out-of-network agreements ..... 241§12H.3(a)-(b)

Health and Human Services,
Departmentof (DHHS)—continued
Medicaid
Annual Report publication reinstated ..... 241§12H.1(a)-(b)
Coverage for visual aids/vision services study ..... 241§12H.6A
Drug reimbursement ..... 241§12H.19(a)-(b)
Eligibility ..... 241§12H.2(a)-(f)
Lock-in program effectiveness and efficiency ..... 241§12F.16(l)
Mobile dental provider enrollment ..... 241§12H.21(a)-(b)
Provider application fee ..... 264§87.5
Waivers for children with serious emotional disturbance study ..... 135§5.1(a)-(b)
Opioid prescribing guidelines ..... 241§12F.16(a)
Overnight respite care facilities licensure ..... 241§12G.3(f)
Private duty nursing rates ..... 241§12H.22(a)-(b)
Provider application and recredentialing fee ..... 241§12H.4; 264§87.5
Transformation enactment contingency ..... 241§12H.25(a)-(c)
Traumatic brain injury 1915(c) waiver ..... 241§12H.6(a)-(d)
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services
Access North Carolina publication ..... 241§12F.17; 264§87(a)-(b)
Appropriations—see Appropriations and allocations, this heading
Education opportunities for students with disabilities ..... 241§11.19(a)-(b)
Opioid prescribing guidelines ..... 241§12F.16(a)
Prescription Behavior Surveillance System participation ..... 241§12F.16(j)-(k)
Single stream funding for community services ..... 241§12F.2(a)-(e); 268§4.8
Traumatic brain injury 1915(c) waiver ..... 241§12H.6(a)-(d)
Division of Public Health
Appropriations—see Appropriations and allocations, this heading
Maternal and child health competitive grants process ..... 241§12E.11(a)-(e)
Opioid prescribing guidelines ..... 241§12F.16(a)
Public health maintenance of effort monies ..... 246§2.5(a)-(b)
Division of Services for the Blind, Deaf, and Hard of Hearing
Appropriations—see Appropriations and allocations, this heading
Operation of State Treasurer office food services ..... 164§2
Division of Social Services
Appropriations—see Appropriations and allocations, this heading
Child caring institutions reimbursement ..... 241§12C.3

Health and Human Services,
Departmentof (DHHS)—continued
Child protective services pilot project continuation ..... 241§12C.11(a)-(b)
Education opportunities for students with disabilities ..... 241§11.19(a)-(b)
Extend foster care to 21 years of age ..... 241§12C.9(a)-(l)
Intensive Family Preservation Services funding and performance enhancements ..... 241§12C.2(a)-(c)
TANF benefit implementation ..... 241§12C.1(a)-(e)
Division of Vocational Rehabilitation
Appropriations—see Appropriations and allocations, this heading
Education opportunities for students with disabilities ..... 241§11.19(a)-(b)
DOD certified child care facility participation is State programs ..... 241§12B.9(a)-(d)
Dorothea Dix Hospital Property Fund use plan ..... 241§12F.7(d)
DRG admissions reporting ..... 241§12A.15(a)
Early Childhood Education and Development Initiatives—see Division of Child Development and Early Education, this heading
Food and nutrition benefits federal time-limit waivers prohibited ..... 264§91.2; 294§16(a)-(b)
Groundwater standards study ..... 286§4.8A(a)-(b)
Health assessment requirement for children entering public schools 222
Health information technology policies and programs coordination ..... 241§12A.4(a)-(c)
Inspection of abortion clinics ..... 62§7(a)
Laboratory of Public Health—see State Laboratory of Public Health, this heading
Legacy medical care facilities CON ..... 288§§1-2
Long-term care ombudsman conforming change ..... 220§2
Maternal Mortality Review Committee—see that heading
Medicaid and NC Health Choice—see that heading
NC Health Choice—see Medicaid and NC Health Choice
No family planning/pregnancy prevention/adolescent parenting services contracts with providers who perform abortions ..... 241§12E.13
Office of Emergency Medical Services
Community paramedicine pilot program ..... 241§12A.12(a)-(e)
Office of Program Evaluation Reporting and Accountability—created ..... 241§12A.3(a)-(b)
Office of Rural Health
Appropriations—see Appropriations and allocations, this heading
Renamed ..... 241§12A.16(a)-(b)
On-site wastewater
Inspection study ..... 286§4.14(f)
System approval ..... 286§4.15(a)-(d)

Health and Human Services,
Departmentof (DHHS)—continued
Overnight respite care pilot program
Extended and expanded 52
Sunset ..... 241§12G.3(g)
Prescription Drug Abuse Advisory
Committee—see that heading
Public Health Laboratory—see State
Laboratory of Public Health, this heading
Radiation Protection Commission—see that heading
Relocating all offices to one location plan ..... 241§31.10(a)-(b)
Secretary
Appointment of OPERA Division Director ..... 241§12A.3(a)
Medical assistance program duties ..... 245§13
Septic tank replacement requirements 147
State agency teachers' salaries ..... 241§30.7
State Laboratory of Public Health
Newborn screening program fee increase ..... 241§12E.12(a)-(b)
State Plan amendments and waivers preparation ..... 133§8
Statewide Health Information Exchange Network ..... 241§12A.5(a)-(g); 264§86.5(a)
Technical corrections, clarifications,
and conforming changes ..... 264§48.5
Transfer certain services to Eastern
Band of Cherokee ..... 241§12C.10(a)-(h)
Unemployment insurance program
integrity through data analytics ..... 238§1
Uniform Interstate Family Support Act amendments 117
Wastewater
Collection, treatment, and disposal ..... 286§4.14(b)
System construction authorization ..... 286§4.14(d)
System improvement permit validity period study ..... 286§4.14(h)
Health and Human Services, Joint
Legislative Oversight Committee on
Contracting specialist and certification program study ..... 241§12A.13
Justice, public safety, and behavioral
health subcommittees and study ..... 241§12F.10
Subcommittee to study early childhood
and family support programs ..... 241§12B.8(a)-(c)
Health Care Cost Reduction and Transparency Act ..... 241§12A.15(a)-(b)
Health, Departments of (County)
Alternative wastewater system approvals ..... 286§4.14(c)
Amend cost settlement ..... 264§89
Grease trap certification for plumbing contractors ..... 286§4.14A
Maternal and child health competitive grants process ..... 241§12E.11(a)-(e)
On-site wastewater inspection study ..... 286§4.14(f)
Prototype franchise food establishments local review ..... 246§10
Public health maintenance of effort monies ..... 246§2.5(a)-(b)

Health Information Exchange
Advisory Board—created....241§12A.5(d); 264§86.5(b)-(d)
Health Information Exchange Authority
Controlled substances reporting system
Access and utilization....241§12F.16(d)-(e)
Improved contract....241§12F.16(f)-(i)
Created....241§12A.5(d); 264§86.5(b)-(d)
Health Services
Access to investigational/experimental drugs for terminally ill patients....137
Assault on hospital personnel....97
CBD oil/hemp extract exemption for epilepsy....154; 264§48.5
Central Prison palliative care unit funds....241§31.22
Certificate of Public Advantage repealed....288§4
Certificates of need legacy medical care facilities....288§§1-2
Community Health Care Grant Program changes....241§12A.9
Community paramedicine pilot program....241§12A.12(a)-(e)
Diabetes education....273§1
Dorothea Dix Hospital Property Fund use plan....241§12F.7(d)
Epi pens in child serving businesses....274
Home renal product permit exemption....28
Hospitals and clinics—see that heading
Licensed health professionals salary determinations....241§30.14
Limited immunity for certain drug offenses....94
Maternal and child health competitive grants process....241§12E.11(a)-(e)
Medical costs for inmates and juvenile offenders....241§16C.4
Medical examiners—see that heading
Mountain Area Health Education Center funds....268§3.10
Nationally accredited mh/dd/sa service providers status....286§3.7
Newborn screening
Program fee increase....241§12E.12(a)-(b)
T-Cell lymphopenias....272
Nurses and nursing—see that heading
Overnight respite care
Facilities licensure....241§12G.3(a)-(g)
Pilot program....52; 241§12G.3(g)
Pharmacy Benefit Managers penalties for violations....273§2
Prescribing practice in continuing education requirements....241§12F.16(b)
Single stream funding for mh/dd/sa community services....241§12F.2(a)-(e); 268§4.8
State-county special assistance rates....241§12D.1(a)
Statewide Health Information Exchange Network....241§12A.5(a)-(g); 264§86.5(a)
SUDEP training and guidelines for medical examiners....211
Traumatic brain injury services funding....241§12F.6
Vaccines and vaccinations—see that heading

Heart Disease and Stroke Prevention Task Force, Justus-Warren—appointments and membership.....37§1.3(a)-(b); 254§§1.31, 2.30
Henderson County
Blue Ridge Community College—see Community Colleges
Fletcher, Town of—see that heading
Hendersonville, Town of—see that heading
Sheriffs' food purchases..... 158
TVA settlement funds..... 241§13.2
Hendersonville, Town of—Hands On! - A Child's Gallery grassroots science program grant-in-aid.....241§15.18(a)
Hertford County—Roanoke-Chowan Community College—see Community Colleges
High Point, City of—High Point Furniture Market Authority reporting requirement ..... 241§15.19
Higher Education—see Colleges and Universities; Community Colleges; University of North Carolina
Highlands, Town of—Highlands Nature Center grassroots science program grant-in-aid.....241§15.18(a)
Hiking Trails—see Parks and Recreation Areas
Historic Preservation
Local government authorization for appropriating funds..... 277
Tax credits .....241§32.3(a)-(c); 264§54.5(a)-(c); 268§10.1(b)
Historic Sites and Monuments (see also Museums)
Acquisition of title to loaned property..... 218§2
Dorothea Dix Memorial Task Force created ..... 241§27.4
Dynamic pricing for State parks and attractions .....241§14.11(a)-(i); 268§5.5
Fort Fisher bond funds..... 280§1(f)
Fort Macon bond funds..... 280§1(f)
Protection of monuments, memorials, and works of art ..... 170§3(a)-(c)
Replace National Statuary Hall statue of Charles Aycock with Billy Graham ..... 264§91.3; 269
Sale of artifacts proceeds use..... 218§1
USS North Carolina
Funding technical correction..... 241§31.19
Hull repair and coffer dam ..... 241§31.2
Historical Commission
Historic preservation tax credit.....241§32.3(a)-(c); 264§54.5(b); 268§10.1(b)
Protection of monuments, memorials, and works of art ..... 170§3(a)-(c)

HIV (Human Immunodeficiency Virus)—see AIDS (Acquired Immune Deficiency Syndrome)
Hoke County
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Lumber River bond funds ..... 280§1(f)
Holly Ridge, Town of—annexation ..... 175§2
Home Inspector Licensure Board—
appointments and membership ..... 254§§1.26, 2.24
Homeowner and Homebuilder Protection Act 178
Hope Mills, Town of—satellite annexation ..... 172§§1-2
Horse Council—industry assessment cap and duration ..... 263§1
Horse Industry Promotion Act ..... 263§1
Horses and Mules (see also Animals; Livestock and Poultry)
Donation of retired police/agency animals to custodial employee by certain cities 174
Industry assessment cap and duration ..... 263§1
No local government regulation of care for farm animals 192
State Fair horse complex funds ..... 241§31.4(a)
Hospitals and Clinics
Assault on hospital personnel 97
Certificate of Public Advantage repealed ..... 288§4
Child Treatment Program funds ..... 241§12F.3(a)-(b)
Community-Focused Eliminating Health Disparities Initiative grants-in-aid ..... 241§12E.3(a)-(d)
Community paramedicine pilot program ..... 241§12A.12(a)-(e)
Enhanced protections for certain mh/dd/sas clients 36
GME costs ..... 264§88
Hospital authority power to engage in activities outside the State ..... 288§5
Hospital medical residencies for Cape Fear Valley Hospital ..... 241§23.2
Inpatient alcohol and substance abuse treatment services funds use ..... 241§12F.12(a)-(d)
Inpatient psychiatric beds/bed days funds ..... 241§12F.1(a)-(f)
Inspection of abortion clinics ..... 62§7(a)
Lease, sale, conveyance of hospital facility ..... 288§3
Legacy medical care facilities CON ..... 288§§1-2
Medicaid assessments ..... 241§12H.7
Reinstate Vident Medical Center cost settlement agreement ..... 241§12H.17(a)-(b); 268§4.7
Reporting changes ..... 241§12A.15(a)-(b)
Reporting of sex and other crimes in mh/dd/sas facilities ..... 36§2
Sleep supervision pilot program continued ..... 264§91.4(a)-(b)
State Loan Repayment Program ..... 241§12A.10(b)
Training/record-keeping standardized procedures for mh/dd/sas facilities ..... 36§1

Hotels and Motels (see also Food Services; Travel and Tourism)
Food/lodging establishment transferred ownership permits ..... 286§3.8
Guest room cabinet permits for certain golf courses ..... 98§8
Occupancy tax—see particular city or county; Taxes and Assessments
Housing (see also Landlord and Tenant)
Collection of condensate from residential heating and cooling systems by water and sewer system authorities ..... 207§6
Community Living Housing Fund uses expanded ..... 241§25A.1
Credit union trust and escrow accounts ..... 93§§1-3
Stormwater permit exemption for cluster box addition to certain housing ..... 286§4.20A
Housing Finance Agency, Board of Directors
Appointments and membership ..... 254§§1.27, 2.25
Appropriations and allocations—current operations ..... 241§2.1
Community Living Housing Fund uses expanded ..... 241§25A.1
Housing Partnership, North Carolina—
appointments and membership ..... 254§1.28
Human Immunodeficiency Virus (HIV)—
see AIDS (Acquired Immune Deficiency Syndrome)
Human Relations Commission—
appropriations and allocations-
continuation review Highway Fund transfers ..... 241§6.20(b)
Human Resources Commission
Appointments and membership ..... 241§24.1(u); 254§2.26; 268§7.3(a)
Incentive pay prohibition removed ..... 260§2
RIF'd employees policies and rules ..... 260§5.1
State workers' compensation reform ..... 241§30.18(a)-(e)
Temporary Solutions implementation ..... 241§26.2(f); 264§74(a)-(b)
Human Resources, Office of State
Automatic scoring/screening of employment applications repealed ..... 268§7.7
Codifier of Rules position ..... 241§30.16(a)-(b)
Council of State compensation study ..... 241§30.1(c)-(d)
Emergency management personnel compensation study ..... 241§30.17(a)-(b)
Employee participation in international athletic competition ..... 260§5.1
Licensed health professionals salary determinations ..... 241§30.14
Personal service contracts/Temporary Solutions ..... 241§26.2(a)-(f); 264§74(a)-(b)
Reorganization through reduction authorization extended ..... 241§30.13(a)-(b)
Reports ..... 260§4
RIF'd employees policies and rules ..... 260§5.1
State workers' compensation reform ..... 241§30.18(a)-(e)
Human Trafficking—see Crimes

Hunting and Fishing
Expanded access to public lands study ..... 144§3(a)-(b)
Fishing access construction funds ..... 241§31.4(a)
Fox trapping season for certain counties ..... 13; 264§84
Hunting on Sundays on private land ..... 144§5(a)-(c)
Landowner liability exemption for
giving permission to retrieve hunting dogs ..... 144§8
Minimum weight of adult bears ..... 144§6
No dogs in hunting foxes at Bladen
Lakes during certain periods ..... 144§7(a)-(b)
Outdoor Heritage Trust Fund for Youth
Outdoor Heritage Promotion establishment plan ..... 144§1
Pigeon hunting ..... 286§4.32(a)-(b)
Short-barreled rifles allowed for hunting ..... 195§8
Steel trap prohibition repealed for New Hanover County ..... 264§84
Three strikes rule for hunting on posted property ..... 144§4(a)-(b)
Wetland mitigation capitalization 194
Hyde County—consent of county to acquisition of land by
another county/municipality through eminent domain
for certain counties ..... 253§13

I

Identification Systems
Acceptable documents ..... 264§36.3; 294§§11-14
Collection of fingerprints of arrested persons ..... 195§11(h); 267§2(a)-(b)
Consular documents not acceptable ID ..... 264§36.3
ID requirement to receive
unemployment benefits ..... 238§2.6
Medicaid identification cards ..... 241§12H.12(c)
SAFIS funds ..... 267§1(a)
Technical corrections, clarifications,
and conforming changes ..... 264§§4, 7
Voter ID modifications ..... 103§8(a)-(h)
Immigration and Citizenship
Acceptable identification documents ..... 264§36.3; 294§§11-14
Consular documents not acceptable ID ..... 264§36.3
E-verify compliance for State contractors ..... 294§§1-10
Residency determination process for
tuition purposes ..... 241§11.23
Sanctuary cities prohibited ..... 294§15(a)-(b)
Immunization—see Public Health;
Vaccines and Vaccinations
Incompetent Persons—see Disabled
Persons; Guardianship; Mental Health

Incompetents—see Disabled Persons
Independent Colleges and Universities—
see Colleges and Universities
Indian Affairs, State Commission of
Appointments (by)—see that heading
Appointments and membership ..... 254§2.54
Appropriations and allocations-block grant funds ..... 241§12I.1(a)
Indian Education, State Advisory
Council on—appointments and membership 295
Indigent Defense Services, Office of
Appropriations and allocations
Current operations ..... 241§2.1
State match for grants ..... 241§18B.2
Director's salary ..... 241§30.3(a)
Fee schedule study ..... 241§18B.5
Future of Office study ..... 241§18A.18
Moved to AOC ..... 241§18A.17(a)-(c); 268§6.3
Remote access to clients by attorneys study ..... 241§18B.4(a)-(b)
Reports—see that heading
Industrial Commission
Appropriations and allocations
Consolidated case management system ..... 241§15.14
IT funds use ..... 241§15.14
Drug formulary in workers'
compensation claims implementation study ..... 241§15.13A(a)-(b)
Eugenics compensation payments ..... 241§6.13
Fines and penalties ..... 264§52
Prescription drugs/pharmaceutical services reimbursement ..... 241§15.13B(a)-(b)
Industrial Hemp Commission—created ..... 299§1
Infants and Newborns—see Minors
Information Technology (see also Electronic Commerce;
Electronic Government)
Automatic license plate reader regulation 190
Budget transparency website ..... 241§7.17(a)-(e)
Computer equipment, television, and
electronics recycling program study ..... 286§4.2
Computers/electronic devices solid waste definition ..... 1§2(d)
Court Information Technology Fund use ..... 241§18A.23(a)-(e)
Cyberstalking 282
Data security study ..... 241§7.20
Datacenter sales tax exemption ..... 259§3(a)-(c)
DOT Report Program created ..... 241§29.14(a)-(f)
E-Courts IT Initiative strategic plan ..... 241§18A.21(a)-(e)
Electronic poll books certification ..... 103§11(a)-(b)
Electronic voting machine decertification sunset extended ..... 103§6(a)-(b)
Electronics recycling facility registration ..... 1§2(e)
Enterprise Active Directory use by agencies ..... 241§7.25
Enterprise architecture development for State government ..... 241§7.4(a)-(b)

Information Technology—continued
Health Analytics Pilot Program development ..... 241§12A.17(a)-(d)
Health information technology policies
and programs coordination ..... 241§12A.4(a)-(c)
Industrial Commission consolidated
case management system funds ..... 241§15.14
Information technology budgeting process ..... 241§7.16(a)-(b)
Law Enforcement Information Exchange and CLEADS ..... 241§7.21(a)-(d)
NC Fast funds ..... 241§12A.7(a)-(b)
NCTracks funding ..... 241§12A.6(a)-(b)
ORBIT Retirement System update ..... 241§21.1
Performance measures ..... 241§7.11(a)-(b)
Process management fund move ..... 268§2.6
Revenue e-Services project monitoring ..... 241§28.5
Security/two-factor authentication plan ..... 241§7.19(a)-(b)
State-funded IT contracts ..... 241§7.27
State portal/business website plan ..... 241§7.24(a)-(b)
Statewide Health Information
Exchange Network created ..... 241§12A.5(a)-(g); 264§86.5(a)
Uniform education reporting system
funds do not revert ..... 241§8.7
Utility-based computing use by agencies study ..... 241§7.26(a)-(b)
VIPER system report ..... 241§16B.2
Virtual Public Schools (NCVPS)
alternative funding formula study ..... 241§8.11(a)-(b)
Information Technology, Department of
Appropriations
Economic modeling initiative ..... 241§7.3(a)
Efficiency and customer service ..... 241§7.3(a), (b)
IT restructuring ..... 241§7.3(a), (d); 268§2.1
Law enforcement information exchange ..... 241§7.3(a)
Maintenance management system replacement ..... 241§7.3(a), (c)
NC Connect ..... 241§7.3(a)
Appropriations and allocations
Enterprise electronic forms and digital signatures capability ..... 268§2.5
Background checks in private transactions study ..... 195§10.5
Criminal Justice Information Network
Governing Board—see that heading
Department created ..... 241§§7A.1-7A.6
Enterprise architecture development for State government ..... 241§7.4(a)-(b)
Enterprise Resource Planning system ..... 241§7.22(a)-(c)
Geographic Information and Analysis, Center for
—see that heading
Geographic Information Coordinating
Council—see that heading
Government Data Analytics Center—see that heading
Grant recipients posted on grantor Web site 114
Health Information Exchange Advisory Board—see that heading

Information Technology, Department of—continued
Health Information Exchange Authority—see that heading
Health information technology policies and programs coordination ..... 241§12A.4(a)-(c)
Health Insurance Exchange
Assessment ..... 7§11(b)
Generally ..... 264§86.5(a)-(e)
Information technology budgeting process ..... 241§7.16(a)-(b)
Internal Service Fund established ..... 241§7A.2(b)
911 Board—see that heading
Personal service contracts ..... 241§26.2(b)-(c); 264§74(a)-(b)
Positions transferred to Information Technology Reserve Fund ..... 268§2.4
State Chief Information Officer
Appointed by Governor ..... 241§7A.2(b)
Broadband plan development ..... 241§7.23(a)-(b)
Data centers consolidation ..... 241§7.9(a)-(d); 268§2.9
Digital forms and signatures program ..... 241§7.13(a)-(b)
Performance measures ..... 241§7.11(a)-(b)
Revenue e-Services project monitoring ..... 241§28.5
Security/two-factor authentication plan ..... 241§7.19(a)-(b)
State budget transparency website ..... 241§7.17(a)-(e)
State portal/business website plan ..... 241§7.24(a)-(b)
Technical corrections, clarifications, and conforming changes ..... 241§7A.4(a)-(hh); 268§§2.1-2.20
Transfer of IT personnel, operations, projects, assets, and funding from other agencies ..... 241§7A.2(b); 268§2.8
Unmanned aircraft
Operation permitting ..... 232§§2.2-2.5
Procurement/operation by State agency ..... 232§§2.1-2.2
Utility-based computing use by agencies study ..... 241§7.26(a)-(b)
Information Technology, Joint Legislative Oversight Committee on
Data security study ..... 241§7.20
State funded IT contracts ..... 241§7.27
Information Technology Services, Office of—repealed and replaced by Department of Information Technology ..... 241§7A.2
Infrastructure
Appalachian Regional Commission match funds ..... 241§15.8(a)-(b)
Critical infrastructure assessments sunset extended 121
State Water Infrastructure Authority revisions ..... 241§14.13(a)-(j)
Innocence Inquiry Commission
Future of Commission study ..... 241§18A.18
Moved to AOC ..... 241§18A.16

Inspections
Abortion clinics ..... 62§7(a)
Amusement devices noncompliant devices appeals ..... 221§1.6
Boiler and pressure vessels
Generally ..... 221§1.3
Noncompliant devices appeals ..... 221§1.4
Buildings
Certain commercial projects exempt from professional seal requirement ..... 145§10
Certain components by licensed engineers or architects ..... 145§9(a)-(d)
Code inspection requirements ..... 145§1(a)-(b)
Fees to be spent on inspection department activities ..... 145§§7.1-7.2
In a full and timely manner ..... 145§§8.1-8.2
Elevator noncompliant devices appeals ..... 221§1.5
Food manufacturer/retailer inspection fees ..... 241§13.5; 268§5.2(a)-(b)
Occupational licensing board investigators/inspectors ..... 286§1.5
On-site wastewater inspection study ..... 286§4.14(f)
Technical corrections, clarifications, and conforming changes ..... 264§9
Institute of Medicine—appointments and membership ..... 254§§1.29, 2.27(a)-(b)
Insurance
Affiliate transfer of policies ..... 264§44.5(a)-(b)
Alien insurer as eligible surplus lines insurer ..... 101§1; 281§14
Captive insurance changes 99
Death benefits
Law enforcement, firefighters, rescue squad, and CAP personnel ..... 88§§8-9
Health
Autism coverage 271
Health information exchange funds ..... 7§11(a)-(b)
Health Insurance Exchange
Assessment ..... 7§11(b)
Generally ..... 264§86.5(a)-(e)
Medicaid—see Medicaid and NC Health Choice
Medical support and health insurance coverage conforming changes in child support ..... 220§1
NC Health Choice—see Medicaid and NC Health Choice
State Health Plan for Teachers and State Employees
Cash reserve and reserve for future benefits needs ..... 241§30.26(a)-(c)
Ceased coverage ..... 100§2
Dis-enrollment by certain individuals ..... 100§1
Fully contributory coverage ..... 100§4(a)-(b)
Local government participation ..... 112§1-3
Other contributory basis ..... 100§5

Insurance—continued
Partially contributory coverage ..... 100§3
Retirees returning to work ..... 241§30.25(a)-(c)
Salary-related contributions ..... 241§30.20(c)
Synchronization of prescription refills ..... 241§20.2(a)-(b)
Homeowners—see Property, this heading
Insurance regulatory charge ..... 241§20.1
Liability
Insurance for foster parents ..... 135§2.6
Life
Standard valuation and nonforfeiture ..... 281§§1-5
Unclaimed life insurance benefits 236
Motor vehicle
Accident definitions ..... 268§7.1
Affiliate transfer of policies ..... 264§44.5(a)-(b)
Conforming and clarifying changes ..... 146§§4-5; 281§13
Enforcing penalties for lapse in financial responsibility ..... 241§29.31(a)-(c)
Insurance required for mopeds ..... 125; 264§42(a)
Reduce driving barriers for foster children ..... 135§§4.1-4.3
Policy renewal ..... 281§11
Property
Affiliate transfer of policies ..... 264§44.5(a)-(b)
Repeal outdated reports 92
Small employer definition ..... 281§12
State Health Plan for Teachers and State Employees
Charter school closure proceedings
funds payout priorities ..... 168§4
Surplus lines insurer
Filing ..... 101§§2-3; 281§14
Licensing ..... 101§4; 281§14
Reports ..... 101§5; 281§14
Surplus lines tax ..... 101§6; 281§14
Technical corrections, clarifications,
and conforming changes ..... 264§53; 281§§6-10
Unemployment
Duration of benefits ..... 238§2.8(a)-(e)
Employer quarterly charges for benefits ..... 238§4.2(a)-(b)
Grounds for continuance ..... 238§2.9
ID requirement to receive benefits ..... 238§2.6
Program integrity through data analytics ..... 238§1
Reconsideration of decisions ..... 238§2.3(a)-(b)
Suspend 20% surtax ..... 238§4.3
Unemployment insurance contribution rates ..... 238§4.1(a)-(b)
Unpaid employment taxes collection ..... 238§2.5(a)-(b)
Valid claim definition ..... 238§2.10(a)-(b)
Work search requirement ..... 238§2.2(a)-(b)
Workers' compensation
Affiliate transfer of policies ..... 264§44.5(a)-(b)

Insurance—continued
Drug formulary in workers' compensation claims implementation study ..... 241§15.13A(a)-(b)
Employee definition ..... 286§2.3
Prescription drugs/pharmaceutical services reimbursement ..... 241§15.13B(a)-(b)
Reserve for state workers' compensation reform established ..... 241§30.18(a)
State workers' compensation reform ..... 241§30.18(a)-(e)
Insurance, Department of
Antitheft protection contracts sale/regulation ..... 264§12(a)-(b); 283
Appropriations and allocations
Current operations ..... 241§2.1
Bail and bail bondsmen—see that heading
Building Code Council—see that heading
Captive insurance changes 99
Changes to maintain NAIC accreditation ..... 146§§1-3; 281§13
Code officials misconduct clarification ..... 145§3(a)-(b)
Commissioner
Continuing education for bail bondsmen ..... 247§13(a)-(c)
Salary ..... 241§30.1(b)
Continuing Care Advisory Committee
Technical corrections, clarifications, and conforming changes ..... 281§8
Engineering Division
Evaluation requirement for electrical devices corrections exemption ..... 241§16C.13A
Flood elevation and building height requirements study ..... 286§4.38
Insurance regulatory charge ..... 241§20.1
Pharmacy Benefit Managers penalties for violations ..... 273§2
Rate Bureau—see that heading
Reports—see that heading
Standard valuation and nonforfeiture for life insurance ..... 281§1-5
Surplus lines
Insurer filing ..... 101§§2-3; 281§14
Tax ..... 101§6; 281§14
Technical corrections, clarifications, and conforming changes ..... 281§§6-10
Transformation of Medicaid and NC Health Choice Programs ..... 245§§1-9
Website postings required for Building Code Council ..... 145§§6.1-6.2
Insurance Holding Company System Regulatory Act ..... 146§§1-1.12; 281§13
International Trade—see Commerce

Internet (see also Information Technology; Telecommunications)
Electronic commerce—see that heading
Electronic government—see that heading
Improper posting of images of people superimposed on images showing sexual conduct study ..... 250§1.5
Revenge postings (revenge porn) 250
State broadband plan development ..... 241§7.23(a)-(b)
Transportation network companies regulation 237
Website postings required for Building Code Council ..... 145§§6.1-6.2
Interpreter and Transliterator Licensing Board—appointments and membership ..... 254§2.29(a)-(b)
Interstate Commerce—see Commerce
Interstate Cooperation
Home assessment under Interstate Compact on Placement of Children ..... 54§2
Interstate mining compact clarification ..... 1§1
Uniform Interstate Family Support Act amendments 117
Interstate Mining Commission—technical clarification ..... 1§1
Interstate Trade—see Commerce
Investigations
Occupational licensing board investigators/inspectors ..... 286§1.5
Transition child care facility abuse/neglect investigations to Div. of Child Development ..... 123; 264§56(a)-(b)
Investments
Certain excess funds by State Treasurer ..... 164§3(a)
Funds held on deposit threshold by clerks of court 216
Higher education bonds by credit unions ..... 93§4
Iran Divestment Act 118
Securities changes ..... 268§7.5
UNC institutional trust funds and health care system funds regulation ..... 241§11.2
Involuntary Commitment—see Hospitals and Clinics; Mental Health
Iran Divestment Act 118
Iredell County
Iredell Museums grassroots science program grant-in-aid ..... 241§15.18(a)
Lake Norman bond funds ..... 280§1(f)
Mitchell Community College—see Community Colleges
Partisan Board of Education elections ..... 35§3.5(a)-(b); 264§30
Sheriffs' food purchases 158
Statesville, City of—see that heading
Irrigation Contractors' Licensing Board—appointments and membership ..... 254§§1.30, 2.28

J

Jackson County
Southwestern Community College—see Community Colleges
Sylva, Town of—see that heading
Transfer certain services to Eastern Band of Cherokee ..... 241§12C.10(e2)
TVA settlement funds ..... 241§13.2
Western Carolina University—see University of North Carolina
Jacksonville, City of
Albert J. Ellis Airport air traffic control tower funds ..... 241§29.27
Commercial freight rail service study ..... 241§29.21(a)-(b)
Jails—see Correctional Institutions
Jim Fulgham Teen Skin Cancer Prevention Act 21
Jobs for Veterans Committee, Governor's—moved to Dept. of Military and Veterans Affairs ..... 241§24.1(a), (d), (dd); 268§7.3(a)
John Motley Morehead Commission—repealed ..... 184§5
Johnston County
Clayton, Town of—see that heading
Johnston Community College—see Community Colleges
Relocating all DHHS offices to one location plan ..... 241§31.10(a)-(b)
Joint Legislative Administrative Procedure Oversight Committee—see Administrative Procedure Oversight Committee, Joint Legislative
Joint Legislative Education Oversight Committee—see Education Oversight Committee, Joint Legislative
Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources—see Agriculture and Natural and Economic Resources, Joint Legislative Oversight Committee on
Joint Legislative Oversight Committee on Capital Improvements—see Capital Improvements, Joint Legislative Oversight Committee on
Joint Legislative Oversight Committee on Medicaid and NC Health Choice—see Medicaid and NC Health Choice, Joint Legislative Oversight Committee on
Joint Legislative Program Evaluation Oversight Committee—see Program Evaluation Oversight Committee, Joint Legislative
Jones County—sheriffs' food purchases 158
Jones Lake—bond funds ..... 280§1(f)
Jordan Lake
Bond funds ..... 280§1(f)
Depot funds ..... 241§31.4(a)
Remediation demonstration project continued ..... 241§14.5(a)
Water supply funds ..... 241§31.3(a)

Judicial Council, State—appointments
and membership ..... 254§2.55
Judicial Department
Administrative Office of the Courts
(AOC)—see Courts
Appropriations and allocations
Administrative Office of the Courts (AOC)
Match for grant funds ..... 241§18A.4
Conference of District Attorneys
toxicology analysis ..... 241§18A.7
Current operations ..... 241§2.1
Exempt certain officials from duties
due to religious beliefs 75
Grant reporting and matching funds ..... 241§16A.1(a)
Indigent Defense Services, Office of—
see that heading
Judicial Standards Commission—
appointments and membership ..... 254§1.33
Justice and Public Safety, Joint
Legislative Commission on
Controlled substances scheduling
without legislation study ..... 32§2; 264§85
Extend collection of DNA study ..... 241§17.3(b)
Future of Office of Indigent Defense Services and
Innocence Inquiry Commission study ..... 241§18A.18
Improper posting of images of people
superimposed on images showing
sexual conduct study ..... 250§1.5
Indigent Defense Services Office fee
schedule study ..... 241§18B.5
Justice, public safety, and behavioral
health subcommittees and study ..... 241§12F.10
Probation and parole vehicles study ..... 241§16C.15
Justice, Department of
Appropriations and allocations—current operations ..... 241§2.1
Attorney General—see that heading
Authority to fill certain positions ..... 241§17.4
Grant reporting and matching funds ..... 241§16A.1(a)
State Crime Laboratory
Dismissals due to delay in evidence
analysis report ..... 241§18A.9
No hiring sworn staff positions ..... 241§17.1
Use of seized/forfeited property by law enforcement ..... 241§16B.1(a)-(c)
Justice Reinvestment Act ..... 241§12F.10
Justus-Warren Heart Disease and Stroke
Prevention Task Force—see Heart Disease
and Stroke Prevention Task Force,
Justus-Warren

Juvenile Code
Adjudicatory hearings....58§§1.2-1.3
Age parent's presence required during interrogation....58§1.1
Confinement....58§§3.1-3.2
Consideration of potential placement with family....135§§2.3-2.4; 136§8
Custodial decisions authority by county DSS....135§2.5
Definitions....136§1
Dismissal....58§2.2
Dispositional alternatives available....136§10
Expunction....58§2.5
Foster parent standing in certain proceedings....136§2
Judicial review conforming change....247§7
Juvenile not placed with family notification....136§6
Motion to suppress....58§1.4
Nonsecure custody
Court order required contents....136§7
Medical/dental care authority....136§5
Notification of family....135§2.2; 136§4
Orders....136§3
Permanent plan in best interests of child requirement....136§§14-15
Placement provider authority over participation in childhood activities....136§11
Preliminary inquiry....58§2.1
Prior adjudications....58§2.3
Probation extension clarification....58§2.4
Reduce reentry in delinquency system....58§§2.1-2.6
Technical corrections, clarifications, and conforming changes....136§§12, 16-17; 264§§33(a)-(d), 34(a)-(b)

Juvenile Institutions—see Correctional Institutions

K

Kannapolis, City of—UNC Research Campus funds....241§11.5
Kenansville, Town of—Cowan Museum of History and Science grassroots science program grant-in-aid....241§15.18(a)
Kerr Lake—bond funds....280§1(f)
Kure Beach, Town of
Storm damage reduction
Carryforward....241§31.3(b)
Funds....241§31.3(a)

L

Labor, Department of
Amusement devices noncompliant devices appeals ..... 221§1.6
Appropriations and allocations-current operations ..... 241§2.1
Boiler and pressure vessels
Generally ..... 221§1.3
Noncompliant devices appeals ..... 221§1.4
Commissioner
Approval of certain decisions by Governor repealed ..... 221§1.2
Salary ..... 241§30.1(b)
Division of Occupational Safety and Health
Replaces Div. of Statistics ..... 221§1.1
Division of Statistics
Replaced with Div. of OSH ..... 221§1.1
E-verify compliance for State contractors ..... 294§§1-10
Elevator noncompliant devices appeals ..... 221§1.5
National Guard reemployment rights 161
Technical corrections, clarifications,
and conforming changes 221
Zip-line regulation study ..... 152§4
Laboratories
Animal disease diagnostic laboratory funds ..... 241§31.4(a)
Conference of District Attorneys
toxicology analysis funds ..... 241§18A.7
State Crime Laboratory—see Justice, Department of
State Laboratory of Public Health—see Health and Human
Services, Department of (DHHS)
Lake James
Bond funds ..... 280§1(f)
Fonta Flora Loop Trail added to State Parks System 113
Lake Lure, Town of—deannexation 140
Lake Norman—bond funds ..... 280§1(f)
Lake Santeetlah, Town of—occupancy tax 102
Lake Waccamaw—bond funds ..... 280§1(f)
Lakes and Rivers (see also particular lake or river)
Cape Fear estuarine resource restoration ..... 241§14.6(h)
Cape Fear River Basin water
resources availability study ..... 196§1; 264§86.2
Coal ash impoundment dam emergency
plans and downstream inundation maps ..... 7§9(a)-(c)
Critical infrastructure assessments sunset extended 121
Downstream inundation map preparation study ..... 7§9(c)
Ecosystem Enhancement Program name change ..... 1§§4.1-4.7
Isolated wetlands law application ..... 286§4.18(a)-(d)
Jordan Lake remediation demonstration project continued ..... 241§14.5(a)
Lock and dam #2 - fish ramp - phase 1 funds ..... 241§31.3(a)
Mitigation for impacts to intermittent
streams requirement prohibited ..... 286§4.31(a)-(b)

Lakes and Rivers—continued
Regulation of waterways by Brunswick County ..... 232§§3.1-3.4
Riparian buffers
Reform ..... 246§§13.1-13.4
Rules regulatory relief study ..... 246§13.2(a)-(b)
State Parks bond funds ..... 280§1(f)
Water resources development ..... 241§§31.2, 31.3(a)-(e)
Wetlands mitigation
Capitalization 194
Flexibility petition ..... 241§14.24(a)-(b); 268§5.2C
Land Policy Council—technical corrections, clarifications, and conforming changes ..... 264§15
Landlord and Tenant (see also Housing)
Effect of foreclosure on preexisting tenancy ..... 178§2(a)-(b)
Leases with purchase option ..... 178§3
Notice of termination of rental agreements in foreclosure ..... 178§1(a)-(c)
Writs of possession 55
Landowners—see Property
Landscaping and Landscapers—oyster shell use prohibited ..... 241§14.7
Law Enforcement (see also Emergency Services)
Alcohol Law Enforcement
Consolidate SBI/ALE Asheville office ..... 241§16B.7
Automatic license plate reader regulation 190
Blood sample in death by vehicle offense ..... 276§1
Body camera grants ..... 241§16A.8(a)-(c)
Certain officer information private 225
Certain orders transmitted by electronic of facsimile ..... 176§§1-2, 2.5(b)
Cherokee law enforcement authority codification 287
Chief law enforcement officer certification for certain firearms ..... 195§13
Concealed handgun permit for retired law enforcement ..... 105; 264§36(a)-(b)
Consular documents not acceptable ID ..... 264§36.3
Corrections officers—see Correctional Institutions
Death benefits ..... 88§§8-9
Donation of retired police/agency animals to custodial employee by certain cities 174
Drug overdose medications funds ..... 241§12F.15(a)-(b)
Expunction information access for employment ..... 40§4
Fire and police department promotions hearings by Civil Service Board in Statesville 34
Highway Patrol—see State Highway Patrol, this heading
Indecent liberties with a student reporting 44
Joint agency sales tax refund ..... 235§1
Joint/multiple agency motor fuels tax exemption study ..... 235§2
Justice, public safety, and behavioral health study ..... 241§12F.10

Law Enforcement—continued
Law Enforcement Information Exchange and CLEADS ..... 241§7.21(a)-(d)
Military police training for licensure purposes..... 49§1; 264§37(a)-(b)
NC Sheriffs' Association
Collection of delinquent safekeeper reimbursements ..... 241§16C.12
Remote access to clients by attorneys study ..... 241§18B.4(a)-(b)
Nonsecure custody order execution clarification 43
Personnel as eyewitnesses 212
Resolving outstanding warrants..... 48
Samarkand Training Academy ..... 241§16A.4
Sanctuary cities prohibited ..... 294§15(a)-(b)
SBI (State Bureau of Investigation)—see State Bureau of Investigation (SBI), this heading
Sheriffs
Collection of fingerprints of arrested persons..... 195§11(h); 267§2(a)-(b)
Conceal carry permits—see Licenses and Permits; Weapons
Food purchases for certain counties..... 156; 157; 158
Landlord/tenant writs of possession..... 55
NICS information collection and reporting..... 195§11(a)-(o); 267§2(a)-(b)
Pistol purchase permits—see Licenses and Permits; Weapons
Vacancies in Washington County 251
State Bureau of Investigation (SBI)—see SBI (State Bureau of Investigation), this heading
Administration/organization clarification ..... 241§16A.7(a)-(d)
Collection of fingerprints of arrested persons..... 195§11(h); 267§2(a)-(b)
Gang prevention recommendations..... 241§16B.3(a)
Information Sharing and Analysis Center..... 241§16A.7(d)
Perimeter fence funds..... 241§31.21
SAFIS funds ..... 267§1(a)
Technical corrections, clarifications, and conforming changes ..... 264§20; 276§4
Transition child care facility abuse/neglect investigations to Div. of Child Development ..... 123; 264§56(a)-(b)
Used needle/hypodermic disposal pilot program..... 284
State Capitol Police
Not members of Highway Patrol..... 267§3
Receipt-supported positions ..... 241§16B.4(a)-(d)
Relocation clarification ..... 268§6.2
Section State Highway Patrol..... 241§16A.7(e); 268§6.2
State Highway Patrol
Administration/organization clarification ..... 241§16A.7(e)-(j)
Gang prevention recommendations..... 241§16B.3(a)

Law Enforcement—continued
Perimeter fence funds ..... 241§31.21
Salaries ..... 241§30.15(a)-(c)
State Capitol Police—see State Capitol Police, this heading
Statewide school risk and response management system ..... 241§8.26(a)-(p)
Transportation of respondent clarification ..... 176§2.5(a)-(b)
Tuition waiver for children whose guardian was an emergency worker 296
Use of red and blue lights on vehicles ..... 276§2
Used needle/hypodermic disposal pilot program 284
Utility vehicle operation on public highways ..... 26§1
Law Examiners, Board of—educational requirement for admission to bar effective date ..... 264§47
Laws Amended or Repealed
1899 Private Laws
Chapter 72 60
Chapter 90 ..... 234§4
1905 Private Laws
Chapter 47 60
Chapter 212 ..... 253§6
1907 Private Laws
Chapter 91 ..... 253§5
1913 Private Laws
Chapter 131 60
Chapter 133 ..... 234§4
1915 Private Laws
Chapter 51 ..... 253§7
Chapter 204 ..... 253§9(a)-(c)
1947 Session Laws
Chapter 926 ..... 42§§1-2
1949 Session Laws
Chapter 1184 ..... 174§1; 253§11
1951 Session Laws
Chapter 228 ..... 234§4
1953 Session Laws
Chapter 152 ..... 234§4
Chapter 767 ..... 234§4
Chapter 1066 ..... 253§9(a)-(c)
1955 Session Laws
Chapter 1210 ..... 253§10
1957 Session Laws
Chapter 27 60
Chapter 163 ..... 234§4
Chapter 485 ..... 253§10
Chapter 623 ..... 234§4
1959 Session Laws
Chapter 1137 ..... 138§2(c)-(e)

Laws Amended or Repealed—continued
1961 Session Laws
Chapter 31 60
Chapter 527 ..... 253§9(a)-(b)
1965 Session Laws
Chapter 360 61
1967 Session Laws
Chapter 29 ..... 253§12
Chapter 407 ..... 234§4
Chapter 1242 ..... 35§2.5(a)-(d)
1969 Session Laws
Chapter 142 ..... 138§2(e)
Chapter 774 ..... 103§9(a)
1971 Session Laws
Chapter 335 ..... 159§3
1973 Session Laws
Chapter 213 ..... 138§2(c), (d)
Chapter 246 ..... 253§3(a)-(b)
Chapter 318 60
Chapter 359 ..... 35§2(a)-(c)
Chapter 386 127
1975 Session Laws
Chapter 95 ..... 264§84
Chapter 502 ..... 35§1(a)-(c)
Chapter 671 82
1977 Session Laws
Chapter 8 ..... 253§12
Chapter 41 ..... 253§3(a)-(b)
Chapter 289 34
Chapter 1165 ..... 35§2(a)
1979 Session Laws
Chapter 5 ..... 35§2.5(c)
Chapter 259 ..... 253§1(a)-(b)
1981 Session Laws
Chapter 799 34
1983 Session Laws
Chapter 95 ..... 35§2(a)
Chapter 908 ..... 128§8(a)
1983 Session Laws (Regular Session 1984)
Chapter 983 61
1985 Session Laws
Chapter 131 76
1985 Session Laws (Regular Session 1986)
Chapter 942 ..... 128§8(a)
Chapter 969 ..... 128§§1, 4
1987 Session Laws
Chapter 94 ..... 171§2(a)
Chapter 118 ..... 128§§1, 5

Laws Amended or Repealed—continued
Chapter 195 ..... 128§§1, 6
Chapter 427 ..... 287§3
Chapter 506 ..... 42§§1-2
Chapter 881 ..... 253§1(b)
1987 Session Laws (Regular Session 1988)
Chapter 1033 ..... 42§§1-2
1989 Session Laws
Chapter 248 ..... 42§§1-2
Chapter 606 127
1989 Session Laws (Regular Session 1990)
Chapter 894 ..... 253§2
Chapter 896 ..... 138§2(d)
Chapter 955 ..... 159§3
Chapter 1070 ..... 234§11
1991 Session Laws
Chapter 27 61
Chapter 254 ..... 35§3(a)
Chapter 312 ..... 174§1
1991 Session Laws (Regular Session 1992)
Chapter 830 ..... 42§§1-3
1993 Session Laws
Chapter 15 ..... 38§1.1
Chapter 538 228
Chapter 649 ..... 174§1
1993 Session Laws (Regular Session 1994)
Chapter 640 ..... 42§§2-3
1995 Session Laws
Chapter 171 ..... 42§§2-3
Chapter 215 ..... 244§1
Chapter 307 ..... 35§2.5(c)
Chapter 323 ..... 174§1
Chapter 651 ..... 38§2.1
1995 Session Laws (Regular Session 1996)
Chapter 580 ..... 171§2(a)
1997 Session Laws
Chapter 44 ..... 138§1(a)
Chapter 151 ..... 172§1
Chapter 389 ..... 244§2(a)
1997 Session Laws (Regular Session 1998)
Chapter 79 34
Chapter 84 ..... 234§11
Chapter 175 ..... 244§1
1999 Session Laws
Chapter 56 76
Chapter 100 ..... 42§§1-3
Chapter 127 ..... 234§11
1999 Session Laws (Regular Session 2000)

Laws Amended or Repealed—continued
Chapter 26 33
Chapter 30 60
2001 Session Laws
Chapter 15 ..... 253§6
Chapter 22 ..... 42§§1-3
Chapter 131 ..... 253§5
Chapter 162 ..... 128§8(a)
2001 Session Laws (Regular Session 2002)
Chapter 18 ..... 35§3.5(a)
Chapter 43 ..... 42§2
Chapter 56 ..... 253§8
2003 Session Laws
Chapter 268 ..... 253§4(a)-(b)
2003 Session Laws (Regular Session 2004)
Chapter 19 ..... 253§4(b)
2005 Session Laws
Chapter 105 ..... 159§3
Chapter 117 ..... 84§1
Chapter 157 ..... 174§1
Chapter 305 ..... 253§12
Chapter 307 ..... 38§§1.1, 3.1
2005 Session Laws (Regular Session 2006)
Chapter 92 ..... 35§2(a)
Chapter 117 ..... 42§2
Chapter 124 33
2007 Session Laws
Chapter 238 34
Chapter 321 130
Chapter 485 ..... 286§4.12(f)
Chapter 527 ..... 128§1
2007 Session Laws (Regular Session 2008)
Chapter 133 228
2009 Session Laws
Chapter 451 ..... 134§1(b); 241§9.5(a)
2009 Session Laws (Regular Session 2010)
Chapter 23 76
Chapter 32 ..... 264§28(a), (c)
Chapter 42 ..... 35§2.5(a)-(c)
2011 Session Laws
Chapter 104 52
Chapter 110 85
Chapter 113 256
Chapter 126 ..... 244§1
Chapter 145 ..... 286§3.1
Chapter 170 ..... 128§§4-6
Chapter 291 ..... 264§69(b)

Laws Amended or Repealed—continued
2011 Session Laws (Regular Session 2012)
Chapter 142 ..... 241§29.37
Chapter 152 109
Chapter 194 109
2013 Session Laws
Chapter 82 ..... 286§4.20(a)
Chapter 181 ..... 159§3
Chapter 182 ..... 241§14.6(n)-(o)
Chapter 263 ..... 252§1
Chapter 316 ..... 6§2.4(b)
Chapter 357 ..... 281§12
Chapter 360 ..... 201§1; 232§2.1; 241§§8.14(a), 8.27(a), 10.6(a), 18A.7, 18B.3(a), 29.8(a); 259§1(h)
Chapter 362 ..... 265§1
Chapter 363 ..... 241§11.18
Chapter 364 ..... 241§11.18
Chapter 381 ..... 103§6(a)-(b)
Chapter 413 ..... 263§16
Chapter 414 ..... 128§8(a)
2013 Session Laws (Regular Session 2014)
Chapter 3 ..... 6§§2.1-2.3, 2.7, 2.17(c)
Chapter 6 ..... 259§5(c)
Chapter 7 155
Chapter 8 10
Chapter 9 10
Chapter 15 ..... 264§82
Chapter 18 ..... 241§14.1
Chapter 49 ..... 264§83
Chapter 76 ..... 264§29
Chapter 100 ..... 2§2.4(a)-(d); 7§11(b); 232§§2.1-2.2; 241§§8.27(a), 8.29(e), 12C.10(e1), 16B.7, 29.6, 29.8(b), 29.13(a)-(b), 29.17(b)-(c), 31.18-31.19; 268§7.7
Chapter 115 ..... 241§8.14(a)
Chapter 120 ..... 286§§4.18(c), 4.20A
Chapter 122 ..... 1§§3.2-3.4; 7§§8, 9(b)
Chapter 241 ..... 248§8(d); 259§5(c)
2015 Session Laws
Chapter 2 ..... 6§2.25
Chapter 6 ..... 241§32.18(a); 268§10.1(g)
Chapter 9 ..... 264§79(a)-(b)
Chapter 11 ..... 264§54.3
Chapter 13 ..... 264§84
Chapter 32 ..... 264§85

Laws Amended or Repealed—continued
Chapter 35 ..... 264§30
Chapter 49 ..... 264§37(a)
Chapter 96 ..... 241§12H.26(b)
Chapter 98 ..... 262§3(a)
Chapter 101 ..... 281§14
Chapter 105 ..... 264§36(a)-(b)
Chapter 107 ..... 264§32
Chapter 116 ..... 264§65.5
Chapter 120 ..... 264§18
Chapter 123 ..... 264§56(a)
Chapter 125 ..... 232§1.2; 264§42(a)
Chapter 133 ..... 214; 233
Chapter 136 ..... 264§34(a)-(b)
Chapter 138 ..... 264§85.5
Chapter 146 ..... 281§13
Chapter 149 ..... 286§4.20(b)
Chapter 150 ..... 264§39(a)-(b)
Chapter 154 ..... 264§48.5
Chapter 162 ..... 264§48(a)
Chapter 167 ..... 264§63(a)
Chapter 181 ..... 264§33(a)-(d)
Chapter 186 ..... 264§§38(a)-(c), 86
Chapter 195 ..... 267§2(a)-(b)
Chapter 196 ..... 264§86.2
Chapter 205 ..... 264§31(a)-(b)
Chapter 214 233
Chapter 232 ..... 264§42(a)-(b)
Chapter 241 ..... 241§29.34A(b); 264§§38.3(a), 40.6(a)-(d), 54(a)-(e), 54.5(a)-(b), 74(a), 86.5(a)-(e), 87(a), 87.5, 88-89, 90.2, 90.5; 267§§1(a), 3; 268; 276§6.5; 286§4.9(a)-(d)
Chapter 246 ..... 286§1.8(b)
Chapter 254 ..... 264§90.7
Chapter 258 ..... 264§81(a)-(f)
Chapter 259 ..... 264§91(a)-(b)
Chapter 264 ..... 264§28(b)
Chapter 269 ..... 264§91.3
Chapter 283 ..... 264§12(b)
Chapter 294 ..... 264§§36.3, 91.2
Lawyers—see Attorneys
Leasing and Rentals
Community Living Housing Fund uses expanded ..... 241§25A.1
Credit union trust and escrow accounts ..... 93§§1-3
Landlord and tenant ..... 178§3
Local government leases for communication towers ..... 246§9

Leasing and Rentals—continued
Mineral leases on State lands ..... 276§5
Rent-based model for State-owned facilities study ..... 241§23.3
Tax collection liability on rental of private residence ..... 6§2.2(a)-(b)
Lee County
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Central Carolina Community College—see Community Colleges
Legislative Research Commission
Expanded access to public lands study ..... 144§3(a)-(b)
Increasing transfers to Savings Reserve Account methods study ..... 241§6.21(a)-(b)
Municipal service district petition for removal study ..... 241§15.16B(c)
Lenoir, City of
Annexation 129
TANF benefit implementation ..... 241§12C.1(a)-(e)
Lenoir County—Lenoir Community College—see Community Colleges
Liability
Environmental self-audit privilege and limited immunity ..... 286§4.1(a)-(d)
Epi pens in child serving businesses 274
Good Samaritan expansion ..... 286§§3.3-3.4
Insurance—see Insurance, Liability
Landowner exemption for giving permission to retrieve hunting dogs ..... 144§8
Limited immunity for certain drug offenses (Good Samaritan Law) 94
Risk-based remediation ..... 286§§4.7-4.8A
School playground public availability 64
Libraries and Archives
Acquisition of title to loaned property ..... 218§2
State Librarian—see that heading
Time limit on confidentiality of records ..... 218§3
License Plates and Registration
Autocycle definition and regulation 163
Automatic license plate reader regulation 190
Combined registration/property tax collection system positions funding ..... 241§29.37
Electronic notification of registration renewal 108
Electronic signatures use 270
Fees increased/adjusted ..... 241§29.30(a)-(u); 268§8.2(a)-(b)
Handicapped placard
For those with plate 22
Medical recertification 29
Misuse study 16
Highway use tax clarification ..... 241§29.34(a)-(b)

License Plates and Registration—continued
LPA contract standards ..... 241§29.32(a)-(c)
Permanent registration plates ..... 241§29.40(r)
Personal watercraft titling and licensing ..... 241§29.38
Reduced size plates for trailers attached to motorcycles ..... 286§3.5(a)-(b)
Special registration plates ..... 241§29.40(a)-(s); 264§40.6(a)-(d)
Temporary plates ..... 241§29.35(a)-(c)
Ten day trip permit eliminated ..... 241§29.35(a)-(c)
Uniform treatment of franchised dealer loaner vehicles ..... 232§§1.1-1.4; 264§42(a)-(b)
License to Give Trust Fund Commission
Appointments and membership ..... 254§2.31
Matching grants ..... 241§27.8(a)-(c); 276§6.5
Licensed Professional Counselors, Board of—qualifications ..... 279§§1-2
Licenses and Permits
Air permit contested cases ..... 286§4.17(a)-(b)
Alternative wastewater system approvals ..... 286§4.14(c)
Biodegradable agricultural plastics alternative disposal ..... 286§4.39(a)-(c)
Breweries alternating proprietorships ..... 98§6
Building permit requirement threshold raised ..... 145§§4.1-4.3
Certain commercial building projects exempt from professional seal requirement ..... 145§10
Concealed carry permits
Certain misdemeanors removed from prohibition ..... 195§7
Mental health records request time limit ..... 195§14
National Guard members ..... 215§2.5
Retired law enforcement ..... 105; 264§36(a)-(b)
Use—see Weapons
Construction/demolition debris subject to permits ..... 1§2(c)
Development permits application choice ..... 246§5(a)-(b)
Distilleries
On-site sales clarification ..... 262§3(a)-(b)
Sales allowed to visitors ..... 98§4(a)-(i)
Drivers licenses—see that heading
Drug manufacturing licensing fees ..... 241§13.4(a)-(b); 268§5.1
Eastern Band of Cherokee Tribal ABC Commission authority ..... 98§3(a)-(b)
Environmental permit contested cases study ..... 286§4.17(b)
Erosion control structures ..... 241§14.6(p)-(r)
Food/lodging establishment transferred ownership ..... 286§3.8
For-hire recreational fishing licensee logbook
Requirement 201
Study ..... 201§2
Going-out-of-business/distress sales license requirements ..... 103§2(a)-(c)

Licenses and Permits—continued
Guest room cabinet permits for certain golf courses ..... 98§8
Improvement permit and authorization
for wastewater system construction ..... 286§4.14(g)
Irrigation well permit ..... 246§3.5(c)
Landfill changes ..... 241§14.20(a)-(f)
License plates and registration—see that heading
Malt beverage and cider sales ..... 98§5(a)-(b)
Negligent/reckless hunting provisions
strengthening review ..... 144§4(b)
NICS information collection and reporting ..... 195§11(a)-(o); 267§2(a)-(b)
No withholding of building permit to
compel completion of separate project ..... 187§2(a)-(b)
On-site wastewater system approval ..... 286§4.15(a)-(d)
Overnight respite care facilities licensure ..... 241§12G.3(a)-(g)
Oyster restoration project permitting ..... 241§14.10A(a)-(e); 268§5.2B
Permanent resident concealed handgun
permit authorized ..... 195§17
Pistol purchase permit changes ..... 195§10(a)-(d)
Sanitary landfill life-of-site permits ..... 286§4.9(a)-(d)
SCFL exemption for leaseholder employees ..... 241§14.10B
Snow plows exempt from over width permit requirement ..... 264§41
Special care unit licenses moratorium extended ..... 241§12G.2(a)-(b)
Stormwater permit exemption for cluster
box addition to certain housing ..... 286§4.20A
Swine waste management system
performance standards application ..... 263§16
Three strikes rule for hunting on posted property ..... 144§4(a)-(b)
Transportation network companies regulation 237
Unmanned aircraft operation permitting ..... 232§§2.2-2.5
Wastewater system
Construction authorization ..... 286§4.14(d)
Improvement permit validity period study ..... 286§4.14(h)
Well drilling permit includes electrical work ..... 246§3.5(a)
Licensing and Certification
Bail bondsmen/runners
Continuing education ..... 247§13(a)-(c)
Licensure minimum age ..... 180§1
Return of license security deposit in certain circumstances ..... 180§3
Code officials misconduct clarification ..... 145§3(a)-(b)
Educational requirement for admission
to bar effective date ..... 264§47
Educator licensure
Preparation program approval process ..... 241§8.41(a)-(l); 268§3.7
Processing system report ..... 241§8.40
Retired substitute teachers ..... 241§8.46(a)-(b)

Licensing and Certification—continued
Emergency medical services personnel
conform to national standards 290
Grease trap certification for plumbing contractors..... 286§4.14A
Licensure by occupational proficiency exam for veterans 143
Manufactured home licensure background checks..... 286§2.2
Military police training for law
enforcement licensure purposes .....49§1; 264§37(a)-(b)
Occupational licensing boards
Investigators/inspectors..... 286§1.5
Oversight review ..... 286§1.7
Subcommittee to study new boards repealed .....264§69(a)-(b)
Prescribing practice in health care
continuing education requirements ..... 241§12F.16(b)
Qualifications for professional counselors .....279§§1-2
Registration for residential mortgage loan underwriters 293
Surplus lines insurer licensing..... 101§4; 281§14
Tax compliance and fraud prevention .....259§7.3(a)
Transforming principal preparation.....241§11.9(a)-(n)
Well contractor reciprocity.....246§3.5(b)
Lieutenant Governor, Office of
Appropriations and allocations-current operations ..... 241§2.1
Salary .....241§30.1(b)
Light Rail—see Mass Transit; Railroads
Lincoln County
Mountain Island Educational Forest visitor center funds.....241§31.4(a)
Sheriffs' food purchases..... 158
TANF benefit implementation..... 241§12C.1(a)-(e)
Linville River—restoration funds .....241§31.3(a)
Literacy—see Education
Littering—see Environment; Roads and Highways
Livestock and Poultry (see also Agriculture)
Animal disease diagnostic laboratory funds.....241§31.4(a)
Aviary egg layer research building funds.....241§31.4(a)
No local government regulation of care
for farm animals 192
Loans (see also Debtor and Creditor;
Financial Services and Institutions)
Electronic lien system for motor vehicle
financing mandatory participation date..... 264§40
Military personnel protections clarifications..... 179§4
Mortgages and Deeds of Trust—see that heading
Out of state loans conforming changes..... 179§5
Recovery of court costs in certain loan recovery actions ..... 179§1
Splitting and multiple contracts clarification.....179§§2-3
Lobbying
Legislative liaisons report..... 241§6.4
SBI liaison authorized.....241§16A.7(c)

Local Government (see also Counties;
Municipalities; particular city or county)
Abandoned vessels authority of counties clarified ..... 241§14.6(n)-(o)
Additional sales tax revenue for economic
development, education, community colleges ..... 241§32.19(a)-(c); 268§10.1(e1)-(e4)
Airport Authority dissolution
authorization for Rutherford County 159
Alarm system registration and
security information not public record 189
Annexation—see that heading
Appalachian Regional Commission match funds ..... 241§15.8(a)-(b)
Assistance to counties - EAP preparation funds ..... 241§31.3(a)
Autopsy fee increase ..... 241§§12E.5-6
Beaufort County Community College
Board of Trustees appointment ..... 167§1(a)-(b); 264§63(a)-(b)
Beehive regulation ..... 246§8
Bladen County Correctional Center
transferred to county 230
Board of Equalization and Review
changes for Wake County 59
Building inspections
Code inspection requirements ..... 145§1(a)-(b)
Fees to be spent on inspection department activities ..... 145§§7.1-7.2
In a full and timely manner ..... 145§§8.1-8.2
Building permit requirement threshold raised ..... 145§§4.2-4.3
Central Carolina Community College
Board of Trustees appointments 252
Certain building inspection components
by licensed engineers or architects ..... 145§9(a)-(d)
Charters—see that heading
Chronic violators of nuisance and
vegetation ordinances notices ..... 246§1(a)-(b)
Citizen input on zoning amendments (protest petitions) 160
City Council redistricting for Greensboro ..... 138§2(c); 264§85.5
City sign ordinance compliance by counties 166
Civil Service Boards
Charlotte membership change 33
Statesville fire and police department
promotions hearings in Statesville 34
Coal ash
Combustion residuals regulation ordinances ..... 264§56.2(b), (c)
Impact greenway planning grant ..... 241§14.34
Collection of additional tax on revaluated property ..... 265§1
Concealed handgun statute violation relief ..... 195§15
Consent to acquisition of land by another
county/municipality through eminent domain ..... 253§13
Contingent-based contracts for audits/assessments limit use 109

Local Government—continued
Conveyance of real property by Raleigh ..... 253§11
Coroner appointment of medical examiners in Cleveland County 148
Council-manager form of government for Greensboro ..... 138§2(a)-(b); 264§85.5
County veterans services State contribution restored ..... 241§24.2
Critical infrastructure assessments sunset extended 121
Custodial parent cooperation with child support services requirement 51
Design and aesthetic controls by local government 86
Development agreements ..... 246§19(a)-(e)
Economic Development Commission membership for Macon County 15
Education, Boards of (Local)—see that heading
Election and run-off method of determining election results for Greensboro ..... 138§2(f)
Elections, Boards of (local)—see particular city or county; that heading
Elections in even-numbered years for certain cities ..... 253§§1-10
Electric Power Board authorized for Fontana Dam 85
Eminent domain for public services facility in Caswell Beach 14
Encourage interconnection of public water systems ..... 241§14.14A(a)-(b)
Escrow account security for federal loans by water and sewer authorities ..... 207§3
Extraterritorial jurisdiction—see Planning and Zoning
Fee use restriction removed for Zebulon 127
Filing of county commissioner oaths 24
Fire districts definition ..... 88§1
Fire protection tax election for Stokesdale ..... 128§9(a)-(d)
Firefighters' pension benefit increase for Wilkesboro 76
Going-out-of-business/distress sales license requirements ..... 103§2(a)-(c)
Historic preservation tax credit ..... 241§32.3(a)-(c); 264§54.5(b); 268§10.1(b)
Historic rehabilitation funds appropriation authorization 277
Hospital facility lease, sale, conveyance ..... 288§3
Hunting on Sundays on private land local prohibitions ..... 144§5(b)-(c)
Intervention Task Force receipt supported positions ..... 268§7.6
Joint agency sales tax refund ..... 235§1
Joint/multiple agency motor fuels tax exemption study ..... 235§2
Light rail projects maximum funding ..... 241§29.41(a)-(b)
LME/MCO out-of-network agreements ..... 241§12H.3(a)-(b)
LMEs (Local Management Entities)
Child Treatment Program funds ..... 241§12F.3(a)-(b)

Local Government—continued
Inpatient alcohol and substance abuse treatment services funds use ..... 241§12F.12(a)-(d)
Inpatient psychiatric beds/bed days funds ..... 241§12F.1(a)-(f)
Intergovernmental transfers ..... 241§12H.8
Justice, public safety, and behavioral health ..... 241§12F.10
Single stream funding for mh/dd/sa community services ..... 241§12F.2(a)-(e); 268§4.8
Local Government Employees' Retirement System (LGERS)—see Retirement
Low-wealth counties supplemental funding use ..... 241§8.3(a)-(k)
Main Street Solutions Fund allocation ..... 241§15.8A(a)-(b)
Malt beverage and unfortified wine elections ..... 103§7
Maximum security date for Clean Water State Revolving Fund loans by water and sewer authorities ..... 207§4(a)-(b)
Mayors
Four-year term for Greensboro ..... 138§2(c)
Term from 2 years to 4 years for Albemarle ..... 253§1(b)
Voting in Greensboro ..... 138§2(d)-(e)
Minimal refunds of property tax ..... 265§2
Motor vehicle taxes penalties and interest waiver authority 204
Municipal eminent domain restrictions for certain counties 240
Municipal service districts
Contracts with private agencies ..... 241§15.16B(a)
Petition for removal study ..... 241§15.16B(c)
Tax rate setting for needs ..... 241§15.16B(b)
Municipal vehicle taxes use ..... 241§29.27A(a)-(b)
NCEMPA asset sale 3
Next generation 911 261
No local regulation of firearm taxation, manufacture, or transportation ..... 195§12
No regulation of care for farm animals 192
No withholding of building permit to compel completion of separate project ..... 187§2(a)-(b)
Notice to property owners prior to construction ..... 246§12(a)-(c)
Occupancy tax—see particular city or county; Taxes and Assessments
Oil and gas industry regulation ordinances ..... 264§56.2(a), (c)
Parking meter activation by credit card and electronic means authorized 226
Parking ordinances authorized for Sylva 60
Partisan elections for certain Boards of Education 35; 38
Planning and zoning—see that heading
Pre-audit certifications ..... 246§6(a)-(c)
Private drinking water well within public water service area ..... 246§3.5(c)-(i)

Local Government—continued
Prohibition by municipalities/counties
to impose certain taxes ..... 6§2.18(a)-(b)
Property leases for communication towers ..... 246§9
Prototype franchise food establishments local review ..... 246§10
Public trust area ordinance enforcement 70
Redistricting authority for Moore County
Board of Commissioners ..... 244§1
Requested project improvements costs
paid by county/city ..... 241§29.5(a)-(b)
Retention by city of rights within a closed street ..... 103§1
Retired police/agency animals donation
to custodial employee by certain cities 174
Riparian buffer reform ..... 246§§13.1-13.4
Salaries and benefits—see that heading
Sanctuary cities prohibited ..... 294§15(a)-(b)
Sedimentation civil penalties reform ..... 241§14.26(a)-(e)
Sheriffs' food purchases for certain counties 156; 157; 158
Shooting range noise ordinance protections ..... 195§5(a)-(b)
Signage exemption for construction sites ..... 246§4(a)-(b)
Small school system supplemental funding ..... 241§8.4(a)-(f)
Spay/neuter program revisions ..... 241§13.7(a)-(b)
State aid to municipalities funding stabilization ..... 241§29.17D(a)-(c)
State Health Plan participation ..... 112§§1-3
State-local water projects funds ..... 241§31.3(a)
State Water Infrastructure Authority revisions ..... 241§14.13(a)-(j)
Structures that restrict access to public
beaches regulation by cities ..... 246§1.5
TANF benefit implementation for certain counties ..... 241§12C.1(a)-(e)
Tax exemption for property on tribal lands ..... 262§1(a)-(c)
Taxes and assessments—see that heading
Technical corrections, clarifications, and conforming changes ..... 286§1.8(b)-(d)
Tourism Development Authorities—see Travel and Tourism
Trinity mayor and city council term
lengths and membership changes ..... 138§1(a)-(c)
Unneeded easements release for certain cities 84
Use of closed correctional facilities ..... 241§16C.3(a)-(b)
Utilities relocation in right-of-way ..... 241§29.20(a)-(b)
Utility vehicle operation on public highways ..... 26§2
Voluntary rules/regulations compliance prohibited ..... 246§2(a)-(b)
Wake County commissioner districts 4
Waste management matters authority study ..... 241§14.21(a)
Water and sewer authorities
Installment contract financing authorized ..... 207§5(a)-(c)
Reimbursement agreements ..... 207§2
Reward for damaged property authority ..... 207§2
Water and sewer system regulation and control by ordinance ..... 207§1
Well drilling ..... 246§3.5(a)-(j)

Local Government Commission
Encourage interconnection of public water systems ..... 241§14.14A(a)-(b)
Intervention Task Force
Receipt supported positions ..... 268§7.6
State budget transparency website ..... 241§7.17(a)-(e)
Local Government Employees' Retirement System, Board of Trustees
Certain investment authority repealed ..... 67§4
Correction of benefit errors ..... 88§2
Local Government Employees' Retirement System (LGERS), Board of Trustees
Monthly submission of information by employers ..... 164§5(b)
Periodic review and expiration of rules exception ..... 164§7
Local Ordinances—see Local Government
Locksmith Licensing Board—
appointments and membership ..... 254§§1.32, 2.32
Locust, City of
Deannexation 257
Elections in even-numbered years ..... 253§3(a)-(b)
Long-Term Care Facilities—see Continuing Care Facilities
Longitudinal Data System Board—
appointments and membership ..... 9§§2.1, 2.4
Lottery—see Gaming
Lottery Commission, State
No public assistance for lottery game purchases ..... 241§5.2(d)
Proceeds disclosure ..... 241§15.23
Regional offices limited ..... 241§5.2(d)
Tax compliance and fraud prevention ..... 259§7.1(d)
Lower Haw River—bond funds ..... 280§1(f)
Lumber River—bond funds ..... 280§1(f)

M

Macon County
Economic Development Commission membership 15
Franklin, Town of—see that heading
Highlands, Town of—see that heading
TANF benefit implementation ..... 241§12C.1(a)-(e)
TVA settlement funds ..... 241§13.2
Madison County
Sheriffs' food purchases 158
TVA settlement funds ..... 241§13.2
Malpractice—see Civil Actions
Manufactured Housing Board
Appointments and membership ..... 254§§1.34, 2.33
Licensure background checks ..... 286§2.2

Manufacturing
Alternating proprietorships for breweries ..... 98§6
Changes to MSA ..... 241§6.24(a)-(h); 268§1.2
Chief law enforcement officer certification for certain firearms ..... 195§13
Drug manufacturing licensing fees ..... 241§13.4(a)-(b); 268§5.1
Food manufacturer/retailer inspection fees ..... 241§13.5; 268§5.2(a)-(b)
Motor vehicle dealer laws clarification 209
Revolutionary fibers and textiles manufacturing innovation institute grant program ..... 241§15.11A
Steel slag not solid waste ..... 1§2(a)
Maps—see Geography
Marijuana and Hemp (see also Narcotics)
CBD oil/hemp extract exemption for epilepsy ..... 154; 264§48.5
Industrial hemp 299
Synthetic cannaboids—see Controlled Substances
Technical corrections, clarifications, and conforming changes ..... 264§14(a)-(b)
Marine Fisheries Commission
Oyster restoration project permitting ..... 241§14.10A(d); 268§5.2B
Oyster shell use prohibited in commercial landscaping ..... 241§14.7
Marine Industrial Park Authority— appointments and membership ..... 254§§1.55, 2.34
Marriage and Family
Adoption—see that heading
Child abuse and neglect—see that heading
Child custody and support—see that heading
Exempt certain officials from duties due to religious beliefs 75
Family court programs oversight ..... 241§18A.13
Foster care—see that heading
Intensive Family Preservation Services funding and performance enhancements ..... 241§12C.2(a)-(c)
Our Children's Place funds ..... 241§16C.17
Marriage Licenses and Certificates—see Marriage and Family; Vital Records
Martin County—Martin Community College—see Community Colleges
Mass Transit—light rail projects maximum funding ..... 241§29.41(a)-(b)
Massage and Bodywork Therapy, Board of—appointments and membership ..... 254§§1.35, 2.35
Maternal Mortality Review Committee—created ..... 62§6(a)-(b)
Mayo River—bond funds ..... 280§1(f)
Mayors and City Councils—see Local Government; particular city

McDowell County
Lake James bond funds ..... 280§1(f)
McDowell Technical Community College—see Community Colleges
TVA settlement funds ..... 241§13.2
Mecklenburg County
Central Piedmont Community College—see Community Colleges
Charlotte, City of—see that heading
Donation of retired police/agency animals to custodial employee by certain cities 174
Mint Hill, Town of 131
UNC-Charlotte—see University of North Carolina
Mediation and Arbitration
Medicaid mediation services funding ..... 241§12H.9
Parties required to sign agreements 57
Medicaid and NC Health Choice
Annual Report publication reinstated ..... 241§12H.1(a)-(b)
Assessments ..... 241§12H.7
Blood glucose equipment and supplies ..... 241§12H.27(a)-(b)
Contingency Reserve use and intent ..... 241§12H.28(a)-(c)
Cost containment programs ..... 241§12H.12(b)
Covered services and payments ..... 241§12H.18
Dental service cost settlement ..... 241§12H.20(a)-(b)
Eligibility ..... 241§12H.2(a)-(f)
GME costs ..... 264§88
Graduate medical payments restricted ..... 241§12H.23(a)-(d); 264§88
Health Analytics Pilot Program development ..... 241§12A.17(a)-(d)
Health depts amend cost settlement ..... 264§89
Identification cards ..... 241§12H.12(c)
Immunizing pharmacist services reimbursement ..... 241§12H.5(a)-(b)
Intergovernmental transfers ..... 241§12H.8
Lifetime maximum benefits ..... 241§12H.14(b)
LME/MCO out-of-network agreements ..... 241§12H.3(a)-(b)
Lock-in program effectiveness and efficiency ..... 241§12F.16(l)
Mediation services funding ..... 241§12H.9
Medical assistance program authorization ..... 245§13
Mobile dental provider enrollment ..... 241§12H.21(a)-(b)
NC Health Choice cost settlement ..... 241§12H.26(a)-(c)
Private duty nursing rates ..... 241§12H.22(a)-(b)
Provider application and recredentialing fee ..... 241§12H.4; 264§87.5
Purchase of extended Health Choice coverage repealed ..... 241§12H.14(a)
Receivables as nontax revenue ..... 241§12H.10(a)-(b)
Reinstate Vident Medical Center cost settlement agreement ..... 268§4.7

Medicaid and NC Health Choice—continued
Reorganization of programs ..... 245§§10-15
Social Services Departments audit ..... 7§11.5(a)-(c)
Special fund transfer ..... 241§12H.11
State Plan amendments and waivers preparation ..... 133§8
Technical corrections, clarifications, and conforming changes 96
Transfer certain services to Eastern Band of Cherokee ..... 241§12C.10(a)-(h)
Transformation enactment contingency ..... 241§12H.25(a)-(c)
Transformation Fund created ..... 241§12H.29
Transformation of programs ..... 245§§1-9
Traumatic brain injury waiver ..... 241§12H.6(a)-(d)
Vident Medical Center cost settlement agreement ..... 241§12H.17(a)-(b)
Visual aids/vision services coverage study ..... 241§12H.6A
Volume purchase plans and single source procurement ..... 241§12H.12(a)
Waivers for children with serious emotional disturbance study ..... 135§5.1(a)-(b)
Medicaid and NC Health Choice, Joint Legislative Oversight Committee on—created ..... 245§15
Medical Board
Appointments and membership 213
Prescribing practice in continuing education requirements ..... 241§12F.16(b)
Medical Care Commission
Emergency medical services personnel conform to national standards 290
Hospital reporting requirements ..... 241§12A.15(a)-(b)
Medical Examiner, Office of Chief
Appointment of county medical examiners increased 211
Autopsy fee increase ..... 241§12E.5-6
Medical Examiners
Appointment of county medical examiners increased 211
Appointment revoked for failure to perform duties 211
Autopsy fee increase ..... 241§12E.5-6
Chief Medical Examiner—see Medical Examiner, Office of Chief
Coroner appointment of medical examiners in Cleveland County 148
SUDEP training and guidelines 211
William C. Lindley, Jr. SUDEP Law 211
Medicare—State Health Plan eligible and non eligible contributions for retirees ..... 241§30.20(c)
Memorials—see Historic Sites and Monuments

Mental Health (see also Group Homes and Halfway Houses)
Autism insurance coverage 271
Certain orders transmitted by electronic of facsimile ..... 176§§1-2, 2.5(b)
Child Treatment Program funds ..... 241§12F.3(a)-(b)
Concealed carry permit mental health records request time limit ..... 195§14
Contractual services funds reduction for DHHS ..... 268§4.1
Dorothea Dix Hospital Property Fund use ..... 241§12F.7(a)-(f)
Enhanced protections for clients 36
Eugenics compensation payments ..... 241§6.13
Inpatient psychiatric beds/bed days funds ..... 241§12F.1(a)-(f)
Intellectual disability death penalty conforming change ..... 247§5
Justice, public safety, and behavioral health study ..... 241§12F.10
Licensure and certification program block grant ..... 241§12I.1(a)
LME/MCO out-of-network agreements ..... 241§12H.3(a)-(b)
Medicaid waivers for children with serious emotional disturbance study ..... 135§5.1(a)-(b)
Mountain Area Health Education Center funds for psychiatry residencies ..... 268§3.10
Multiplicative auditing and monitoring of HHS service providers report ..... 241§12F.14
Nationally accredited mh/dd/sa service providers status ..... 286§3.7
Reporting requirements of sex crimes and other crimes in mh/dd/sas facilities ..... 36§2
Restore drivers license of person restored to competency 165
Services block grant ..... 241§12I.1(a)
Single stream funding for mh/dd/sa community services ..... 241§12F.2(a)-(e); 268§4.8
Sleep supervision pilot program continued ..... 264§91.4(a)-(b)
Standardized training and record-keeping procedures for mh/dd/sas facilities ..... 36§1

Mental Health, Developmental Disabilities, and Substance Abuse Services, Commission for
Appointments and membership ..... 254§§1.36(a)-(b), 2.36
Nationally accredited mh/dd/sa service providers status ..... 286§3.7
Standardized training and record-keeping procedures for facilities ..... 36§1

Military Affairs Commission
Appointments and membership 297
Creation of Dept. of Military and Veterans Affairs ..... 241§24.1(l); 268§7.3(a)

Military and Veterans Affairs, Department of
Appropriations and allocations—current operations ..... 241§2.1
Created ..... 241§24.1(a)-(ww); 268§7.3(a)
Escheat funds for student financial aid ..... 241§11.1(c)
Reports—see that heading
Restore State contribution to County veterans services ..... 241§24.2
Secretary's salary ..... 241§30.12A(b)
Transfer of IT personnel, operations, projects, assets, and funding to Information Technology Dept. ..... 268§2.8
Transferred position clarification ..... 268§7.2
Mining and Mineral Exploration
Energy exploration funds use ..... 241§14.28
Interstate mining compact clarification ..... 1§1
Iran Divestment Act 118
Local ordinances regulating oil and gas industry ..... 264§56.2(a), (c)
Mineral leases on State lands ..... 276§5
Solid waste permitting fees and fund codes ..... 268§5.7
Mining Commission—appointments and membership ..... 254§§1.67(a)-(b), 2.62(a)-(b)
Minorities
Charter schools may not limit admissions on basis of race, religion, etc. ..... 248§3(b)
Community-Focused Eliminating Health Disparities Initiative grants-in-aid ..... 241§12E.3(a)-(d)
Disadvantaged minority-owned and women-owned business program sunset extended ..... 231§3
Disadvantaged student supplemental funding use ..... 241§8.5(a)-(c)
Eugenics compensation payments ..... 241§6.13
Internships/career-based opportunities for students at historically black colleges ..... 241§11.12(a)-(d)
Minors
Academically gifted children funds ..... 241§8.2
Adoption—see that heading
ATV safety regulation conformed to national standards ..... 286§3.13(a)-(b)
Boys and Girls Clubs funds ..... 241§12A.8(e)
Child abuse and neglect—see that heading
Child custody and support—see that heading
Child Treatment Program funds ..... 241§12F.3(a)-(b)
Children and veterans with disabilities parks bond funds ..... 280§1(f)
Children with disabilities allocation ..... 241§8.1
Committing an offense in presence of minor ..... 62§4(a)-(d)
Diabetes education ..... 273§1
Employment of youth alcohol sales exception for off premises consumption ..... 221§3.1

Minors—continued
Epi pens in child serving businesses 274
Foster care—see that heading
Immunity from prosecution for solicitation of prostitution 183
Juvenile Code—see that heading
Maternal and child health competitive grants process ..... 241§12E.11(a)-(e)
Medicaid waivers for children with
serious emotional disturbance study ..... 135§5.1(a)-(b)
Newborn screening of T-Cell lymphopenias 272
No tanning bed use by minors 21
Pre-K swap out block grant ..... 241§12I.1(a)
Reduce driving barriers for foster children ..... 135§§4.1-4.3
Statutory rape changes ..... 62§1(a)-(d); 181§§7(b), 12
Technical corrections, clarifications,
and conforming changes ..... 264§4, §7
Teen pregnancy prevention initiatives block grant ..... 241§12I.1(a)
Tuition waiver for children whose
guardian was an emergency worker 296
Mint Hill, Town of—annexation 131
Misenheimer, Village of—elections in even-numbered years ..... 253§4(a)-(b)
Mitchell County
Coyote management assistance pilot program ..... 286§4.35(a)-(b)
Mayland Community College—see Community Colleges
TVA settlement funds ..... 241§13.2
Mobile Phones and Devices
Furnishing to delinquent juveniles in custody prohibited 47
State agency reporting frequency ..... 286§3.1
Montgomery County
Montgomery Community College—see Community Colleges
Mount Gilead, Town of—see that heading
Monuments—see Historic Sites and Monuments
Moore County
Board of Commissioners redistricting authority ..... 244§1
Board of Education membership and election changes ..... 244§§2-3
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Occupancy tax 256
Samarkand Training Academy bond funds ..... 280§1(f)
Sandhills Community College—see Community Colleges
Weymouth Woods bond funds ..... 280§1(f)
Mopeds—see Motorcycles and Mopeds
Moratoriums
Core Sound oyster leasing proposal ..... 241§14.8
Special care unit licenses moratorium extended ..... 241§12G.2(a)-(b)
Morehead City, Town of—harbor maintenance funds ..... 241§31.3(a)
Morganton, City of—Supreme Court sessions 89
Morrisville, Town of—recreation land in
multifamily developments 130

Mortgages and Deeds of Trust (see also Housing; Loans; Register of Deeds)
Conforming changes ..... 56§1
Contracts for deed ..... 178§4(a)-(b)
Foreclosure rescue transactions ..... 178§5(a)-(b)
Leases with purchase option ..... 178§3
Registration for residential mortgage loan underwriters 293
Technical corrections, clarifications, and conforming changes ..... 264§43
Motor Fleet Management
Community correction vehicles exempt from minimum mileage requirement ..... 241§27.6(a)-(c)
Dept. of Public Safety vehicles managed by DOA report ..... 241§27.6(c)
Probation and parole vehicles study ..... 241§16C.15
Motor Vehicle Violations and Infractions (see also Parking and Parking Structures)
Accident definitions ..... 268§7.1
Automatic license plate reader regulation 190
DWI (Driving While Impaired)—see that heading
Handicapped placard misuse study 16
Impounding time limit after collision 188
Motor vehicle stop lamps clarification ..... 241§29.36B(a)-(b)
Number of operating brake lights 31
Removal of vehicles from road that are a hazard ..... 231§1
Solicitation on use of 'costs' and 'court costs' on motor vehicle citation forms ..... 176§3
Waste collection vehicles added to Move-Over law ..... 26§3
Motor Vehicles
Agricultural spreader definition ..... 263§7
All-Terrain Vehicles (ATVs)—see Unregulated/unregistered vehicles, this heading
Antitheft protection contracts sale/regulation ..... 264§12(a)-(b); 283
ATVs (All Terrain Vehicles)—see Unregulated/unregistered vehicles, this heading
Authority to waive penalties and interest on motor vehicle taxes by local government 204
Autocycle definition and regulation 163
Cyberstalking 282
Dealer laws clarification 209
Drivers education funds ..... 241§5.3(a), (c)
Drivers licenses—see that heading
Electronic lien system for motor vehicle financing mandatory participation date ..... 264§40
Heavy-duty vehicle idling restrictions repealed ..... 286§4.24
Insurance—see that heading
License plates and registration—see that heading
Motor fleet management—see that heading
Motor vehicle service contracts exempt from sales tax ..... 259§5(a)-(f)

Motor Vehicles—continued
Motorcycles and mopeds—see that heading
Motorsports parts and fuel sales tax ..... 259§6(a)-(e)
Number of operating brake lights 31
Size and weight limits—see Roads and Highways
Stop lamps clarification ..... 241§29.36B(a)-(b)
Streamline seized vehicle disposal ..... 241§27.3(a)-(g); 264§38.3(a)-(b)
Tax equalization for LPG used as motor fuel 224
Taxes—see Taxes and Assessments
Technical corrections, clarifications, and conforming changes ..... 264§§8(a), 9, 12(a)-(b)
Towing, storage, and sales of seized vehicles contracts ..... 264§38.3(a)-(b)
Uniform treatment of franchised dealer loaner vehicles ..... 232§§1.1-1.4; 264§42(a)-(b)
Unregulated/unregistered vehicles
Agricultural vehicles on public roads ..... 263§8
ATV safety regulation conformed to national standards ..... 286§3.13(a)-(b)
Utility vehicle operation on public highways ..... 26§2
Use of red and blue lights ..... 276§2
Weight and size limits—see Roads and Highways
Motor Vehicles, Division of
Acceptable identification documents ..... 264§36.3; 294§§11-14
Appropriations and allocations
Highway Fund
Current operations ..... 241§3.1
Field facilities repairs and renovations ..... 241§29.2A
CDLs for veterans 115
Combined registration/property tax collection system positions funding ..... 241§29.37
Drivers licenses—see that heading
Electronic notification of motor vehicle registration renewal 108
Enforcing penalties for lapse in financial responsibility ..... 241§29.31(a)-(c)
Fees increased/adjusted ..... 241§29.30(a)-(u); 268§8.2(a)-(b)
Handicapped placard misuse study 16
License plates and registration—see that heading
LPA contract standards ..... 241§29.32(a)-(c)
Personal watercraft titling and licensing ..... 241§29.38
Quadrennial adjustment of fees ..... 241§29.30(s)
Reduced size plates for trailers attached to motorcycles ..... 286§3.5(a)-(b)
Restore drivers license of person restored to competency 165
Special registration plates ..... 264§40.6(a)-(d)
Umstead Act clarification ..... 241§29.33
Use of electronic signatures for certain documents 270

Motorcycles and Mopeds (see also Motor Vehicles)
Autocycle definition and regulation 163
Insurance required for mopeds ..... 125; 264§42(a)
Reduced size plates for trailers attached to motorcycles ..... 286§3.5(a)-(b)
Motorsports—see Motor Vehicles; Sports
Mount Gilead, Town of—charter revision and consolidation 234
Mountain Energy Act 110
Murphy, Town of—deannexation ..... 81§3(a)-(c)
Museum of Art, Board of Trustees—
appointments and membership ..... 254§§1.37, 2.37
Museum of Natural Sciences, Advisory Commission for North Carolina State—transferred to Dept. of Natural and Cultural Resources ..... 241§14.30(a)-(ttt); 264§54(a)-(e)
Museums
Acquisition of title to loaned property ..... 218§2
Brevard Station Museum reporting requirement ..... 241§15.19
Dynamic pricing for State parks and attractions ..... 241§14.11(a)-(i); 268§5.5
Grassroots science program
Competitive grant program changes ..... 241§15.18A(b)
Grants-in-aid
Generally ..... 241§15.18(a)-(e)
Reporting ..... 241§15.18(e)
Transferred to Museum of Natural Science ..... 241§15.18A(a)-(d)
Museum of History and Museum of Science admission fees study ..... 241§14.11(h)
Museum of Natural Sciences at Whiteville formerly Museum of Forestry ..... 241§14.30(r)
Natural Sciences Museum moved to Dept. of Natural and Cultural Resources ..... 241§14.30(a)-(ttt); 264§54(a)-(e); 268§5.4(a)
Rankin Museum reporting requirement ..... 241§15.19
Sale of artifacts proceeds use ..... 218§1
Transportation Museum Director's salary ..... 241§30.12A(b)

N

Narcotics (see also Controlled Substances)
Drug overdose medications funds ..... 241§12F.15(a)-(b)
DWI (Driving While Impaired)—see that heading
Limited immunity for certain drug offenses (Good Samaritan Law) 94
Marijuana and hemp—see that heading
Methamphetamine
Offenses clarification ..... 32§1
Reporting ..... 241§16B.5(b)
Substance abuse—see that heading
Used needle/hypodermic disposal pilot program 284

Nash County
Nash Community College—see Community Colleges
Rocky Mount, City of—see that heading
National Elections—see Elections
Natural and Cultural Resources, Department of
Acquisition of title to loaned property ..... 218§2
Agency created ..... 241§14.30(a)-(ttt); 264§54(a)-(e)
Appropriations and allocations
Current operations ..... 241§2.1
USS North Carolina hull repair and coffer dam ..... 241§31.2
Certain commissions/committees repealed ..... 184§§6-8
Clean Water Management Trust Fund, Board of Trustees—see that heading
Consolidate all State attractions ..... 241§14.30(a)-(ttt); 264§54(a)-(e)
Department organization efficiencies study ..... 241§14.31(a)-(b)
Display and programs related to historic documents ..... 170§4(c)
Dynamic pricing for State parks and attractions ..... 241§14.11(a)-(i); 268§5.5
Grassroots science program
Competitive grant program changes ..... 241§15.18A(b)
Transferred to Museum of Natural Science from Commerce Dept. ..... 241§15.18A(a)-(d)
Historic documents transfer ..... 170§4(a)-(b), (d)
Museum of History and Museum of Science admission fees study ..... 241§14.11(h)
Museum of Natural Sciences, Advisory Commission for North Carolina State—see that heading
Natural Heritage Program and Clean Water Management separate ..... 241§14.4
Parks and Recreation Authority—see that heading
Sale of artifacts proceeds use ..... 218§1
State Librarian—see that heading
Technical corrections, clarifications, and conforming changes ..... 268§5.4(f)-(i)
Trails Committee transferred ..... 241§14.30(a)-(ttt); 264§54(a)-(e)
Zoological Park Council—see that heading
NCWorks Commission
Appointments and membership ..... 241§15.11(a)-(b)
Conforming to federal law ..... 241§15.11(a)-(j)
Name change ..... 241§15.11(a)

New Hanover County
Cape Fear Community College—see Community Colleges
Cape Fear Regional Jetport funds ..... 241§29.27
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Carolina Beach bond funds ..... 280§1(f)
Carolina Beach, Town of—see that heading
Coal ash surface impoundments closed at certain sites ..... 110§2(a)
Community paramedicine pilot program ..... 241§12A.12(a)-(e)
E-Courts pilot program ..... 241§18A.21(e)
Fort Fisher Aquarium salt water well funds ..... 241§31.4(a); 268§9.1
Fort Fisher bond funds ..... 280§1(f)
Fox trapping season ..... 13; 264§84
Hospital medical residencies for Cape Fear Valley Hospital ..... 241§23.2
Kure Beach, Town of—see that heading
Steel trap prohibition repealed ..... 264§84
UNC-Wilmington—see University of North Carolina
Wetlands mitigation flexibility petition ..... 241§14.24(a)-(b); 268§5.2C
Wrightsville Beach, Town of—see that heading
New London, Town of—elections in even-numbered years ..... 253§5
New River—bond funds ..... 280§1(f)
News and Other Media—escaped juvenile information release 41
911 Board
911 system uniform procurement study ..... 219§2
Appointments and membership ..... 37§2.2(a)-(b); 254§1.38; 264§46
Back-up PSAP extension ..... 219§1
Next generation 911 261
Transferred to Dept. of Information Technology ..... 241§§7A.1(b), 7A.4(f)
Nongovernmental Organization (NGOs)—see Corporations, Nonprofit
North Carolina Arboretum, Board of Directors—see Arboretum, Board of Directors
North Carolina Biotechnology Center—see Biotechnology Center
North Carolina Competes Act ..... 259; 264§91(a)-(b)
North Carolina Independent Colleges and Universities, Inc.—educator preparation program approval process ..... 241§8.41(a)-(l); 268§3.7
North Carolina Railroad, Board of Directors—appointments and membership ..... 254§§1.49, 2.45; 264§90.7

North Carolina School of Science and Mathematics, Board of Trustees—see School of Science and Mathematics, Board of Trustees
North Carolina Zoo—see Zoos and Aquariums
North Topsail Beach, Town of
North Topsail shoreline protection-phase 2 funds....241§31.3(a)
Preconstruction activities carryforward....241§31.3(b)
Norwood, Town of—elections in even-numbered years....253§6
Notifications
Chronic violators of nuisance and vegetation ordinances....246§1(a)-(b)
Notice of termination of rental agreements in foreclosure....178§1(a)-(c)
Notice to property owners prior to construction....246§12(a)-(c)
Nurses and Nursing (see also Health Services)
Medical Board membership....213
Prescribing practice in continuing education requirements....241§12F.16(b)
School nurse funds....241§12E.1(a)-(b)
Nursing, Board of
Appointments and membership....254§1.39
Opioid prescribing guidelines....241§12F.16(a)
Prescribing practice in continuing education requirements....241§12F.16(b)
Nursing Homes—see Continuing Care Facilities
Nutrition—see Foods and Beverages; Public Health

O

Oakboro, Town of—elections in even-numbered years....253§7
Oaths—see Public Officials
Occupations—see Licensing and Certification; particular occupation
Ocean Isle Beach, Town of
Museum of Coastal Carolina grassroots science program grant-in-aid....241§15.18(a)
Storm damage reduction reevaluation report funds....241§31.3(a)
Office of Administrative Hearings—see Administrative Hearings, Office of
Office of Information Technology Services—see Information Technology, Department of
Office of Lieutenant Governor—see Lieutenant Governor, Office of
Office of State Controller—see State Controller, Office of
Office of the Governor—see Governor, Office of the
Oil and Gas Commission—appointments and membership....254§§1.66(a)-(c), 2.63(a)-(c)
Oil and Gas Exploration—see Mining and Mineral Exploration

On-Site Wastewater Contractors and Inspectors Certification Board
Amendments and clarifications ..... 286§4.14(a)-(k)
Appointments and membership ..... 254§§1.40, 2.38
Complaints ..... 286§4.14(b)
Onslow County
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Coastal Carolina Community College—see Community Colleges
Erosion control structures ..... 241§14.6(p)-(r)
Hammocks Beach bond funds ..... 280§1(f)
Holly Ridge, Town of—see that heading
Jacksonville, City of—see that heading
Sheriffs' food purchases 156
West Onslow Beach preconstruction activities
Carryforward ..... 241§31.3(b)
Funds ..... 241§31.3(a)
Optometry—Medicaid coverage for visual aids/vision services study ..... 241§12H.6A
Orange County
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Eno River bond funds ..... 280§1(f)
Relocating all DHHS offices to one location plan ..... 241§31.10(a)-(b)
Sheriffs' food purchases 158
UNC-Chapel Hill—see University of North Carolina
Ordinances (Local)—see Local Government; particular city or county
Organ Donation—License to Give Trust Fund matching grants-in-aid ..... 276§6.5
Organized Crime
Boys and Girls Clubs funds ..... 241§12A.8(e)
Gang prevention recommendations ..... 241§16B.3(a)
Organs (Human)—see Organ Donation
Outdoor Heritage Act 144
Outdoor Heritage Advisory Council
Appointments and membership ..... 254§§1.41(a)-(c), 2.39(a)-(c)
Created ..... 144§2(a)-(b)
Outdoor Heritage Trust Fund for Youth Outdoor Heritage Promotion establishment plan ..... 144§1
Oxford, City of—Granville County Museum Commission-Harris Gallery grassroots science program grant-in-aid ..... 241§15.18(a)
Oysters—see Aquaculture; Fisheries and Fisheries Products

P

Pamlico County
Pamlico Community College—see Community Colleges
Sheriffs' food purchases ... 156
Parking and Parking Structures (see also Motor Vehicle Violations and Infractions)
Handicapped placard misuse study ... 16
Meter activation by credit card and electronic means authorized ... 226
Ordinances authorized for Sylva ... 60
Parks and Recreation Areas
Bond funds ... 280§1(f)
Children and veterans with disabilities parks bond funds ... 280§1(f)
Dynamic pricing for State parks and attractions ... 241§14.11(a)-(i); 268§5.5
Expanded access to public lands study ... 144§3(a)-(b)
Fonta Flora Loop Trail added to State Parks System ... 113
Mountain-to-Sea/other State trails bond funds ... 280§1(f)
Rail corridor lease by Wilmington from DOT ... 120
State Parks moved to Dept. of Natural and Cultural Resources ... 241§14.30(a)-(ttt); 264§54(a)-(e)
Trust Fund funds use ... 241§14.34
Parks and Recreation Authority
Appointments and membership ... 254§§1.42, 2.40(a)-(b)
Transferred to Dept. of Natural and Cultural Resources ... 241§14.30(a)-(ttt); 264§54(a)-(e)
Parole and Probation (see also Sentencing)
Bail and bail bondsmen—see that heading
Cherokee Marshals Service authority codification ... 287
Doubling of bond permissive ... 247§9(a)-(b)
Juveniles extension clarification ... 58§2.4
Limit frequency of reviews for sexually violent offenses ... 228
Parole eligibility review and report ... 241§16C.14
Probation revocation appeals clarification ... 247§4
Registered sex offender prohibitions ... 62§5(a)-(b)
Supervised probation for conditional discharged persons clarification ... 40§5
Partnership for Children, Inc.
Appointments and membership ... 254§3; 264§78
Child care allocation formula ... 241§12B.3(a)-(c)
Early Childhood Education and Development Initiatives enhancements ... 241§12B.7(a)-(h)
NC Pre-K program/standards for certain facilities ... 241§12B.1(a)-(f)

Pasquotank County
Board of Education chair's voting ..... 253§12
College of the Albemarle–see Community Colleges
Elizabeth City, City of—see that heading
Sheriffs' food purchases 157
Passenger Tramway Safety Act ..... 152§§1-3
Pender County
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
North Topsail Beach, Town of—see that heading
Surf City, Town of—see that heading
Permanency Innovation Initiative Oversight Committee
Appointments and membership ..... 241§12C.6(c); ..... 254§§1.43, 2.41
Purposes and powers change ..... 241§12C.6(c)
Report and meeting changes 95
Person County—Piedmont Community College—see Community Colleges
Petroleum Storage Tanks—see Storage Systems
Pharmaceuticals (see also Controlled Substances; Health Services; Narcotics; Substance Abuse)
Abuse strategic plan ..... 241§12F.16(m)-(q)
ADAP drug purchases for those in DPS custody ..... 241§12E.2
Biosimilars use 27
Drug manufacturing licensing fees ..... 268§5.1
Drug overdose medications funds ..... 241§12F.15(a)-(b)
Home renal product permit exemption 28
Investigational/experimental drugs access for terminally ill patients 137
Manufacturing licensing fees ..... 241§13.4(a)-(b)
Medicaid/Health Choice reimbursement ..... 241§12H.19(a)-(b)
Medicaid lock-in program effectiveness and efficiency ..... 241§12F.16(l)
NC Health Choice cost settlement ..... 241§12H.26(a)-(c)
Prescribing practice
Continuing education requirements ..... 241§12F.16(b)
Opioids ..... 241§12F.16(a)
Prescription Behavior Surveillance System participation ..... 241§12F.16(j)-(k)
Prescription drugs/pharmaceutical services reimbursement ..... 241§15.13B(a)-(b)
Pseudoephedrine wholesaler reporting repealed ..... 276§3
Refills synchronization ..... 241§20.2(a)-(b)
Workers' compensation claims formulary implementation study ..... 241§15.13A(a)-(b)

Pharmacists and Pharmacies
Biosimilars use 27
Controlled substances reporting system
access and utilization ..... 241§12F.16(d)-(e)
Home renal product permit exemption 28
Immunizing pharmacist services reimbursement ..... 241§12H.5(a)-(b)
Pharmacy Benefit Managers penalties
for violations ..... 273§2
Prescribing practice in continuing
education requirements ..... 241§12F.16(b)
Prescription drugs/pharmaceutical
services reimbursement ..... 241§15.13B(a)-(b)
Prescription refills synchronization ..... 241§20.2(a)-(b)
Pharmacy, Board of—epi pens in child
serving businesses rules 274
Pharmacy Practice Act 27; 28
Physicians
Abortions ..... 62§7(a)
Loan Repayment Program funds ..... 241§12A.10(a)
Prescribing practice in continuing education ..... 241§12F.16(b)
Presence at execution 198
Pilot Programs
Child protective services pilot project continuation ..... 241§12C.11(a)-(b)
Community Paramedic Mobile Crisis
Management Pilot Program ..... 241§12F.8(a)
Community paramedicine pilot program ..... 241§12A.12(a)-(e)
Coyote management assistance
program for Mitchell County ..... 286§4.35(a)-(b)
E-Courts pilot program ..... 241§18A.21(e)
Health Analytics Pilot Program development ..... 241§12A.17(a)-(d)
Integrated adapted sports for students
with disabilities pilot program ..... 291§3
Overnight respite care
Pilot program sunset ..... 241§12G.3(g)
Program extended and expanded 52
Recruit community college students for teachers ..... 268§3.6
Sleep supervision pilot program continued ..... 264§91.4(a)-(b)
Unpaved/secondary road safety
improvement study/pilot program ..... 264§90.5
Used needle/hypodermic disposal 284
Pitt County
East Carolina University—see
University of North Carolina
Greenville, City of—see that heading
Pitt Community College—see Community Colleges
Reinstate Vident Medical Center cost
settlement agreement ..... 241§12H.17(a)-(b);
268§4.7

Planned Community Act ..... 56§2
Planning and Zoning
Annexation—see that heading
Bedroom definition authority ..... 246§18(a)-(b)
Beehive regulation ..... 246§8
Citizen input on zoning amendments (protest petitions) 160
Deannexation—see Annexation
Design and aesthetic controls by local government 86
Development agreements ..... 246§19(a)-(e)
Development permits application choice ..... 246§5(a)-(b)
Extraterritorial jurisdiction
Clayton ..... 171§1
Wallace ..... 171§2(a)-(b)
Land use ordinance application not coercive ..... 246§3
No withholding of permit to compel completion of separate project ..... 187§2(a)-(b)
Oil and gas industry regulation ..... 264§56.2(a), (c)
Performance guarantees for developers 187
Recreation land in multifamily developments in Morrisville 130
Shooting range noise ordinance protections ..... 195§5(a)-(b)
Signage exemption for construction sites ..... 246§4(a)-(b)
Technical corrections, clarifications, and conforming changes ..... 286§1.8(b)-(d)
Zoning density credits ..... 246§16
Plants and Trees
Plant conservation program funds ..... 241§31.4(a)
Special Registration Plate Account funds distribution for highway beautification ..... 241§29.30B(a)-(b)
Plumbing and Heating Contractors—see Construction Industry
Plumbing, Heating, and Fire Sprinkler Contractors, State Board of Examiners of—grease trap certification ..... 286§4.14A
Podiatry Examiners, Board of
Opioid prescribing guidelines ..... 241§12F.16(a)
Prescribing practice in continuing education requirements ..... 241§12F.16(b)
Police Dogs—see Domestic Animals; Law Enforcement
Political Parties
Affiliated party committees ..... 258§3(a)-(q); 264§81(a)-(f)
General primary ..... 258§2(a)-(k)
Partisan elections
Certain Boards of Education 35
Court of Appeals 292
Stanly County Board of Education 242
Presidential primary ..... 258§1(a)-(k)
Sheriff vacancies in Washington County 251

Polk County—Isothermal Community College—see that heading
Polkton, Town of—deannexation 78
Pollution—see Environment
Ports
Deep Draft Navigation Channel Dredging and Maintenance Fund created ..... 241§14.6(c)-(g)
MoA on nonfederal funding of Oregon Inlet dredging ..... 241§14.6(e)
Morehead City Harbor maintenance funds ..... 241§31.3(a)
Port access lands acquisition agreement ..... 241§14.6(f)
Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund revised ..... 241§14.6(a)-(b)
State Shipyard receipts use ..... 241§29.23A
Wilmington Harbor
Deepening and maintenance funds ..... 241§31.3(a)
Study funds ..... 241§31.3(a)
Ports Authority, State
Appointments and membership ..... 254§§1.44, 2.57
Port access lands acquisition agreement ..... 241§14.6(f)
Usage contract not public record 142
Post-Release Supervision and Parole Commission
Chair's salary ..... 241§30.2
Members' salary ..... 241§30.2
Parole eligibility review ..... 241§16C.14
Postal History Commission—repealed ..... 184§3
Poverty (see also Social Services)
Community-Focused Eliminating Health Disparities Initiative grants-in-aid ..... 241§12E.3(a)-(d)
Disadvantaged student supplemental funding use ..... 241§8.5(a)-(c)
Power Generation—see Utilities
Pre-Trail Release—see Parole and Probation
Pregnancy—see Abortions; Health Services; Public Health; Women
Pregnancy Prevention—see Family Planning
Prescription Drug Abuse Advisory Committee
Created ..... 241§12F.16(m); 268§4.5
Prescription drug abuse strategic plan ..... 241§12F.16(m)-(q); 268§4.5
Presidential Preference Primary Act 258
Principal Fellows Commission—
appointments and membership ..... 254§§1.45, 2.42

Privacy (see also Records)
Access to personnel file by potential supervisor ..... 260§5.5
Certain law enforcement officer information private 225
Improper posting of images of people superimposed on images showing sexual conduct study ..... 250§1.5
Revenge postings (revenge porn) 250
Sensitive public security information not public record ..... 241§16A.5
Time limit on confidentiality of records ..... 218§3
Private Protective Services Board— appointments and membership ..... 254§§1.46, 2.43
Privatization
Contract for private prison beds ..... 241§16C.2
Contracts for housing State prisoners in private facilities ..... 241§16C.10(a)
Enterprise architecture development for State government ..... 241§7.4(a)-(b)
Outsourcing preconstruction activity by DOT ..... 241§29.13(a)-(b)
Professional Counselors Act ..... 279§§1-2
Professional Counselors, Board of Licensed— see Licensed Professional Counselors, Board of
Professional Education—see Licensing and Certification; particular licensing board; particular occupation
Program Evaluation Oversight Committee, Joint Legislative—work plans and studies— see General Assembly, Program Evaluation Division
Property
Abandoned property—see Escheats
Buying/selling small business entity property ..... 286§2.1
Cemeteries on State lands duties/responsibilities 285
Communication towers leases by local government ..... 246§9
Consent of county to acquisition of land by another county/municipality through eminent domain for certain counties ..... 253§13
Conservation Reserve Enhancement Program study ..... 241§13.8(a)-(b)
Conveyance of tenancy by entireties to a trust ..... 205§5
Credit union trust and escrow accounts ..... 93§§1-3
DOT right-of-way acquisitions/reduce remnant property ..... 241§29.9(a)-(c)
Elective shares regarding valuation, partial, or contingent interest property ..... 205§4.1
Eminent domain for public services facility in Caswell Beach 14
Escheats—see that heading
Exceeding scope of authorized access to property 50
Expanded access to public lands study ..... 144§3(a)-(b)
Fraudulent transfers 23
Graffiti vandalism 72
Hunting on Sundays on private land ..... 144§5(a)-(c)
Land acquisition funds for WRC ..... 241§31.4(a)
Landlord and tenant—see that heading

Property—continued
Landowner liability exemption for giving permission to retrieve hunting dogs ..... 144§8
Military buffers funds use ..... 241§14.18(a)-(b)
Mineral leases on State lands ..... 276§5
Port access lands acquisition agreement ..... 241§14.6(f)
Purchase of contaminated property by DOT 106
Release of unnecessary publications to State surplus ..... 40§2
Release unneeded easements for certain cities 84
Rent-based model for State-owned facilities study ..... 241§23.3
Sales and conveyances
Bladen County Correctional Center transferred to county 230
Real property by Raleigh ..... 253§11
Seized/forfeited property use by law enforcement ..... 241§16B.1(a)-(c)
Seized vehicle disposal streamlined ..... 241§27.3(a)-(g); 264§38.3(a)-(b)
Statute of limitations on actions against real estate appraisers ..... 200§1
Taxes and assessments—see that heading
Technical corrections, clarifications, and conforming changes ..... 56; 264§§25, 28(a)-(c)
Termination/modification of conservation ..... 263§13(a)-(c)
Towing, storage, and sales of seized vehicles contracts ..... 264§38.3(a)-(b)
Transfer of special declarant rights ..... 56§2
Uniform power of appointment ..... 205§3(a)-(b); 264§31(b)
Wetland mitigation capitalization 194
Property Protection Act 50
Property Tax Commission, State—appointments and membership ..... 254§§1.47, 2.56
Proprietary Schools—tuition assistance for NG members ..... 264§66(a)-(c)
Protect North Carolina Workers Act 294
Protect Our Students Act 44
Psychiatrists and Psychologists
Mountain Area Health Education Center funds for psychiatry residencies ..... 268§3.10
Psychiatric Loan Repayment Program funds ..... 241§12A.10(a)
Qualifications for professional counselors ..... 279§§1-2
Public Defenders
Criminal case information system public defender component ..... 241§18B.3(a)-(b)
Public Defender's salary ..... 241§30.3(a)
Salaries ..... 241§30.3(c)

Public Health
Advisory Council on Rare Diseases created 199
Boys and Girls Clubs funds ..... 241§12A.8(e)
CBD oil/hemp extract exemption for epilepsy ..... 154; 264§48.5
Community-Focused Eliminating Health Disparities
Initiative grants-in-aid ..... 241§12E.3(a)-(d)
Diabetes education ..... 273§1
Epi pens in child serving businesses 274
Food and nutrition benefits federal
time-limit waivers prohibited ..... 264§91.2; 294§16(a)-(b)
Health assessment requirement for
children entering public schools 222
Maternal and child health competitive
grants process ..... 241§12E.11(a)-(e)
Maternal Mortality Review Committee created ..... 62§6(a)-(b)
Medical examiners—see that heading
Newborn screening
Program fee increase ..... 241§12E.12(a)-(b)
T-Cell lymphopenias 272
No tanning bed use by minors 21
SUDEP training and guidelines for medical examiners 211
Teen pregnancy prevention initiatives block grant ..... 241§12I.1(a)
Used needle/hypodermic disposal pilot program 284
Public Health, Commission for
Encourage interconnection of public water systems ..... 241§14.14A(a)-(b)
Newborn screening of T-Cell lymphopenias 272
On-site wastewater system
Approval ..... 286§4.15(a)-(d)
Inspection study ..... 286§4.14(f)
Pushcart/mobile food service food preparation ..... 104§2
Septic tank replacement requirements 147
Technical corrections, clarifications,
and conforming changes ..... 1§3.7
Wastewater systems
Collection, treatment, and disposal ..... 286§4.14(b)
Improvement permit validity period study ..... 286§4.14(h)
Treatment standards study ..... 286§4.15(d)
Public Instruction, Department of
Appropriations and allocations
After-school quality improvement competitive grants ..... 241§8.29(a)-(f)
Continuing budget authority ..... 133§7(a); 214
Current operations ..... 241§2.1
Drivers education ..... 241§5.3(a), (c)
Excellent Public Schools Act funds technical correction ..... 268§3.8
Integrated adapted sports for students
with disabilities pilot program ..... 291§3
Reduce operating budget to facilitate transfer of funds ..... 7§6

Public Instruction, Department of—continued
Transfer to Dept. of Administration ..... 7§§2-3
Transfer to Office of Administrative Hearings ..... 7§1
Collaborative procurement ..... 241§8.14(a)-(d)
Education opportunities for students with disabilities ..... 241§11.19(a)-(b)
Health assessment requirement for children entering public schools 222
Integrated adapted sports for students with disabilities pilot program ..... 291§3
Low-performing school identification ..... 241§8A.4(a)-(c)
Office of Charter Schools created ..... 248§1(a)-(b)
Reorganization to implement budget reductions authorized ..... 241§8.37(a)-(b)
Students with disabilities improved outcomes study ..... 241§8.30(a)-(b)
Superintendent of Public Instruction's salary ..... 241§30.1(b)
Public Lands—see Parks and Recreation Areas; Property
Public Meetings (see also Records)—
Academic Standards Review Commission subject to Open Meetings Law 75
Public Officers and Employees Liability Insurance (POELI) Committee—
appointments and membership ..... 254§§1.48, 2.44
Public Officials (see also Elections)
Board of Education term limits removed for Alexander County ..... 103§9(a)-(b)
City Council redistricting for Greensboro ..... 138§2(c); 264§85.5
Ethics—see that heading
Exempt certain officials from duties due to religious beliefs 75
Filing of county commissioner oaths 24
Mayor 4-year term for Greensboro ..... 138§2(c)
Mayor's term from 2 years to 4 years ..... 253§1(b)
Moore County Board of Commissioners redistricting authority ..... 244§1
Partisan elections for certain Boards of Education 35
Referencing public position in letter of reference 208
Stanly County Board of Education partisan elections 242
Supreme Court retention elections 66
Voting by Mayor in Greensboro ..... 138§2(d)-(e)
Public Records—see Libraries and Archives; Records

Public Safety, Department of
ADAP drug purchases for those in DPS custody ..... 241§12E.2
Appropriations and allocations
Alcohol Law Enforcement Branch
Gambling addiction..... 241§5.2(c)
Armory and facility development projects..... 241§31.2
Current operations ..... 241§2.1
Division of Adult Correction
Interstate compact fees for
training and equipment ..... 241§16C.16
Our Children's Place funds ..... 241§16C.17
Division of Adult Corrections
Housing/medical costs reimbursement for
inmates awaiting transfer..... 241§16C.1
Division of Correction
Central Prison palliative care unit funds..... 241§31.22
Division of Juvenile Justice
Community program funds use ..... 241§16D.1(a)-(c)
Federal matching funds..... 241§16D.2
Grant matching funds ..... 241§16A.1(b)
Inmate road squads continuation
review Highway Fund transfers ..... 241§6.20(b)
National Guard readiness centers bond funds..... 280§1(f)
National Guard Wilmington replacement ..... 241§31.4(a)
SAFIS funds ..... 267§1(a)
Samarkand Training Academy bond funds..... 280§1(f)
SBI/SHP perimeter fence ..... 241§31.21
Background checks in private transactions study..... 195§10.5
Coal ash impoundment dam emergency
plans and downstream inundation maps..... 7§9(a)-(c)
Conceal carry in State Fair parking lots study..... 195§4(b)
Division of Adult Correction
Behavioral health positions ..... 241§16C.13
Collection of delinquent safekeeper reimbursements ..... 241§16C.12
Community correction vehicles exempt from
minimum mileage requirement ..... 241§27.6(a)-(c)
Contract for private prison beds ..... 241§16C.2
Lease-purchase of prison facilities authority repealed..... 241§16C.10(b)
Medical costs for inmates and juvenile offenders..... 241§16C.4
Parole eligibility review ..... 241§16C.14
Use of closed facilities ..... 241§16C.3(a)-(b)
Division of Emergency Management
Personnel compensation study ..... 241§30.17(a)-(b)
Statewide school risk and response management system ..... 241§8.26(a)-(p)
Division of Juvenile Justice
Escaped juvenile information release..... 41
Division of Law Enforcement
Administration/organization clarification ..... 241§16A.7(a)-(j)

Public Safety, Department of—continued
Alcohol Law Enforcement Branch
Consolidate SBI/ALE Asheville office ..... 241§16B.7
State Bureau of Investigation (SBI)
Consolidate SBI/ALE Asheville office ..... 241§16B.7
Use of seized/forfeited property by law enforcement ..... 241§16B.1(a)-(c)
Flood elevation and building height requirements study ..... 286§4.38
Grant reporting and matching funds ..... 241§16A.1(a)
Hazardous materials fee clarified ..... 241§16B.8(a)-(b)
Highway Patrol—see Law Enforcement
Limited authority to eliminate/reclassify positions ..... 241§16A.3
National Guard—see Armed Forces
Opioid prescribing guidelines ..... 241§12F.16(a)
ORI (originating agency identification) numbers for Cherokee law enforcement ..... 287§2
Probation and parole vehicles study ..... 241§16C.15
Public records request fee ..... 267§1(b)
Reports—see that heading
Samarkand Manor now Samarkand Training Academy ..... 241§16A.4
Sex offender registration information request ..... 44§4
State agency teachers' salaries ..... 241§30.7
State Bureau of Investigation (SBI)
Administration/organization clarification ..... 241§16A.7(a)-(d)
Consolidate SBI/ALE Asheville office ..... 241§16B.7
Reports—see that heading
State Highway Patrol
Administration/organization clarification ..... 241§16A.7(e)-(j)
Reports—see that heading
State Capitol Police Section
Created ..... 241§16A.7(e); 268§6.2
Not members of Highway Patrol ..... 267§3
Receipt-supported positions ..... 241§16B.4(a)-(d); 268§6.2
Section State Highway Patrol ..... 241§16A.7(e)
Technical corrections, clarifications, and conforming changes ..... 264§5
Publishing and Publications
Access North Carolina publication ..... 241§12F.17; 264§87(a)-(b)
Appellate reports distribution opt out ..... 40§1
Appellate Courts Printing and Computer Operations Fund report repealed ..... 40§8
Medicaid Annual Report publication reinstated ..... 241§12H.1(a)-(b)
Release of unnecessary publications to State surplus ..... 40§2
Pyrotechnics—see Explosives and Pyrotechnics

R

Racing—see Sports
Radiation Protection Commission—
move from DENR to HHS ..... 264§54(a)-(e)
Railroad, Board of Directors of the North Carolina—
see North Carolina Railroad, Board of Directors
Railroads
Commercial freight rail service in Jacksonville study ..... 241§29.21(a)-(b)
Freight Rail and Rail Crossing Safety
Improvement Fund uses ..... 241§29.23
Light rail projects maximum funding ..... 241§29.41(a)-(b)
Passenger rail receipt generating activities ..... 241§29.22(a)-(b)
Rail corridor lease by Wilmington from DOT 120
Raleigh, City of
Central Prison palliative care unit funds ..... 241§31.22
Conveyance of real property ..... 253§11
Donation of retired police/agency
animals to custodial employee 174
North Carolina State University—see
University of North Carolina
Release unneeded easements ..... 84§1.5(a)-(b)
RTI International reporting requirement ..... 241§15.19
Randolph County
Archdale, City of—see that heading
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Randolph Community College—see Community Colleges
Sheriffs' food purchases 156
Trinity, City of—see that heading
Zoo bond funds ..... 280§1(f)
Rape—see Sex Offenses
Rate Bureau
Financial responsibility clarifying/conforming changes ..... 146§§4-5; 281§13
Liability insurance for foster parents ..... 135§2.6
Real Estate—see Property
Recordation of Instruments—see Register of Deeds
Records (see also Libraries and Archives; Privacy; Vital Records)
Academic Standards Review Commission
subject to Public Records Act 75
Alarm system registration and security
information not public record 189
AOC civil records by access bail bondsmen ..... 180§4
Automatic license plate reader regulation 190
Birth certificates—see Vital Records
Certain law enforcement officer information private 225
Confidentiality of records time limit ..... 218§3
Criminal
Case information system public defender component ..... 241§18B.3(a)-(b)

Records—continued
Checks
Acceptance of background check by appraisal management company ... 200§2
Manufactured home licensure ... 286§2.2
Expunctions
Information access for law enforcement employment ... 40§4
Information electronic transmittal ... 247§8
Reporting ... 241§16B.5(a)
When charges dismissed due to identity theft/mistaken identity ... 202
Data security study ... 241§7.20
Derelict vessel records/materials in State custody are public record ... 218§4(a)-(b)
DMV fees increased/adjusted ... 241§29.30(a)-(u)
Filing false documents ... 87
Historic documents—see Cultural Resources
Law Enforcement Information Exchange and CLEADS ... 241§7.21(a)-(d)
Marriage certificates—see Vital Records
Medical
Concealed carry permit mental health records request time limit ... 195§14
Controlled substances reporting system access and utilization ... 241§12F.16(d)-(e)
Official ballot exception ... 103§4(a)-(b)
Paper ballot definition ... 103§5-6
Personnel file access by potential supervisor ... 260§5.5
Ports Authority usage contract not public record ... 142
Printing on alkaline paper selection process ... 184§1(a)-(b)
Public records request fee for DPS ... 267§1(b)
Remote access to court records authorization clarification ... 241§18A.24
Sensitive public security information not public record ... 241§16A.5
State budget transparency website ... 241§7.17(a)-(e)
Vital records—see that heading
Recreation and Leisure (see also Parks and Recreation Areas)
Boats and boating—see that heading
Building code exemptions for open air camp cabins ... 19
Expanded access to public lands study ... 144§3(a)-(b)
School playground public availability ... 64
Wetland mitigation capitalization ... 194
Zip-line regulation study ... 152§4
Recreational Therapy Licensure Board— appointments and membership ... 254§1.50

Recycling—see Conservation; Environment; Waste Management
Red Cross, Town of—elections in even-numbered years ..... 253§8
Redistricting (see also Elections, State Board of)
Greensboro city council ..... 138§2(c); 264§85.5
Moore County authority ..... 244§1
Rockingham Board of Education 38
Wake County commissioner districts 4
Reegan's Rule ..... 273§1
Referendums—see Elections
Register of Deeds
Contracts for deed ..... 178§4(a)-(b)
Exempt certain officials from duties due to religious beliefs 75
Filing false documents 87
Filing fees under UCC 206
Indexing fees 227
Marriage records integrity 53
Mortgages and deeds of trust conforming changes ..... 56§1
Technical corrections, clarifications, and conforming changes ..... 264§28(a)-(c)
Regulatory Reform Act 286
Religion
Charter schools may not limit admissions on basis of race, religion, etc. ..... 248§3(b)
Exempt certain officials from duties due to religious beliefs 75
Exempt property under construction from property tax ..... 185§1(a)-(b)
Limited driving privilege allowed for religious attendance ..... 185§2(a)-(b)
Remediation and Cleanup—see Environment
Remote Learning—see Education
Renewable Energy—see Alternative and Renewable Energy
Reports
Administration, Department of
Community correction vehicles exempt from minimum mileage requirement ..... 241§27.6(b)
Dept. of Public Safety vehicles managed by DOA ..... 241§27.6(c)
Dorothea Dix Memorial Task Force ..... 241§27.4
DOT right-of-way acquisitions/ reduce remnant property ..... 241§29.9(b)
Port access lands acquisition agreement ..... 241§14.6(f)
Administrative Office of the Courts (AOC)
Annual report ..... 241§18A.1
Criminal case information system public defender component ..... 241§18B.3(a)-(b)
Criminal court cost waivers ..... 241§18A.3(a)-(b)
E-Courts IT Initiative strategic plan ..... 241§18A.21(b)
E-Courts pilot program ..... 241§18A.21(e)
Family court programs oversight ..... 241§18A.13
Jury service excusals study ..... 210§4

Reports—continued
Remote access to clients by attorneys study ..... 241§18B.4(b)
Administrative Procedure Oversight
Committee, Joint Legislative
Occupational licensing board oversight review ..... 286§1.7
Agriculture and Consumer Services, Department of
Animal Shelter Support Fund revenues/expenditures ..... 241§13.7(b)
Conceal carry in State Fair parking lots study ..... 195§4(b)
Conservation Reserve Enhancement Program study ..... 241§13.8(b)
Dynamic pricing for State parks and attractions ..... 241§14.11(f)
Biotechnology Center
Expenditures annual report ..... 241§15.17(d)
Budget and Management, Office of State
Align agency budgets to expenditures ..... 241§6.25(b)
Enterprise Resource Planning system status ..... 241§7.22(c)
Information technology budgeting process ..... 241§7.16(a)-(b)
Legislative liaisons and salary information reports ..... 241§6.4
Rent-based model for State-owned facilities study ..... 241§23.3
Repairs and Renovations Reserve allocation ..... 241§31.5(a)
School construction needs study ..... 241§23.4
Use of funds for mandated increases,
bonuses, employee benefits ..... 241§30.10(c)
Building Code Council
Alternative building materials, designs, methods approval study ..... 145§2
Flood elevation and building height requirements study ..... 286§4.38
Clerks of Court
Outdated/duplicate reports repealed ..... 40§§6-7
Commerce, Department of
Economic development grant report modified ..... 241§15.10(a)-(b)
Federal funds supported program administration study ..... 241§15.3(b)
Grassroots science program grants-in-aid ..... 241§15.18(b)
Job Development Investment Grant program study ..... 259§1(i); 264§91(a)-(b)
Unemployment insurance program
integrity through data analytics ..... 238§1
Community Colleges, State Board of
Budget FTE for summer classes ..... 241§10.5(b)
Career and college-ready graduates ..... 241§10.13(b)
Compensation funds use ..... 241§30.5(b)
Guaranteed Admission Program study ..... 241§11.7(d)
NCWorks Career Coach Program ..... 241§10.14(a)
Community Colleges System Office
Commercial fishing and aquaculture curriculum ..... 63§2(b)
Conference of District Attorneys
Dismissals due to delay in evidence analysis report ..... 241§18A.9
Court of Appeals
Appellate Courts Printing and
Computer Operations Fund report repealed ..... 40§8

Reports—continued
Crime Commission, Governor's
Gang prevention recommendations ..... 241§16B.3(a)
Law enforcement body camera grants ..... 241§16A.8(b)
Crime Victims Compensation Commission
Change in recipients of report ..... 241§16A.2
Criminal Justice Education and Training Standards Commission
Military police training for law enforcement licensure purposes ..... 264§37(b)
Drug formulary in workers' compensation claims implementation study ..... 241§15.13A(b)
Education Assistance Authority
Financial assistance for postsecondary education for students with disabilities study ..... 241§11.19(b)
Transforming principal preparation nonprofit selection ..... 241§11.9(e)
Education, Boards of (Local)
Drivers education ..... 241§8.39(d)
Education Oversight Committee, Joint Legislative
Drivers education study ..... 241§8.39(g)
Juvenile literacy program study ..... 241§8.34(b)
Education, State Board of
Annual report date change ..... 268§3.7
At risk student identification and services ..... 46§3.5
Career and college-ready graduates ..... 241§10.13(b)
Certain reports repealed ..... 241§8.25(a)-(e)
Charter school closure funds study ..... 241§8.28(b)
Date change for certain reports ..... 264§60
Drivers education ..... 241§8.39(e)
Limit local board of education law/rule waivers ..... 241§8A.6(a)
Low-wealth counties supplemental funding use ..... 241§8.3(j)
Minimum value requirement for charter schools study ..... 248§8(c)
Replication of high-quality charter schools process and rules ..... 248§9(d)
School administrator licensure ..... 241§11.9(l)
Small school system supplemental funding ..... 241§8.4(e)
State of teaching profession 126
Virtual Public Schools (NCVPS) alternative funding formula study ..... 241§8.11(b)
Environment and Natural Resources, Department of (DENR)—see Environmental Quality, Department of, this heading
Environmental Management Commission
Impaired water bodies in-situ strategies study ..... 241§14.5(d)
Environmental Quality, Department of
Ambient air monitoring ..... 286§4.25(a)-(d)

Reports—continued
Beach erosion study .....241§14.10I(a)-(b)
Coastal water quality and stormwater requirements study ..... 286§4.19
Computer equipment, television, and electronics recycling program study ..... 286§4.2
Core Sound oyster leasing proposal ..... 241§14.8
Downstream inundation map preparation study .....7§9(c)
Dynamic pricing for State parks and attractions ..... 241§14.11(f)
Environmental permit contested cases study .....286§4.17(b)
Environmental self-audit privilege and limited immunity EPA submission .....286§4.1(c)
For-hire recreational fishing licensee logbook study ..... 201§2
Groundwater standards study .....286§4.8A(b)
Impaired water bodies in-situ strategies study .....241§14.5(d)
Land holdings inventory..... 194§2
Linear utility project exemption from certain regulation study ..... 286§4.21
Oyster research and restoration ..... 241§14.29A
Remediation of contaminated sites .....286§4.8(b)
Shellfish aquaculture recommendations ..... 241§14.10D
Various reports repealed.....286§4.12(a)-(f)
Water infrastructure grants projects criteria affordability .....241§14.13(j)
Water resources development projects.....241§31.3(d)
Wetland mitigation capitalization ..... 194§2
Wetlands mitigation flexibility petition .....241§14.24(b)
Environmental Review Commission
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Stormwater management laws/rules review.....286§4.20(d)
Wastewater/stormwater/water project materials fair competition study..... 286§3.9
Friday Institute for Education Innovation
Collaborative procurement.....241§8.14(d)
Government Data Analytics Center
Tax compliance and fraud prevention.....259§7.3(b)
Grievance Resolution Board
Annual report..... 241§16C.13B(b)
Health and Human Services, Department of (DHHS)
Alternative funding streams to replace GME reimbursement.....241§12H.23(d)
Alternative wastewater system approvals .....286§4.14(c)
Child protective services evaluation report date .....241§12C.8
Child protective services pilot project continuation .....241§12C.11(b)
Community-Focused Eliminating Health Disparities Initiative grants-in-aid..... 241§12E.3(d)
Community Paramedic Mobile Crisis Management Pilot Program .....241§12F.8(c)-(d)

Reports—continued
Community paramedicine pilot program ..... 241§12A.12(d)-(e)
Controlled substances reporting system improved contract ..... 241§12F.16(g)
Custodial parent cooperation with child support services requirement ..... 51§1(b)
Dorothea Dix Hospital Property Fund use plan ..... 241§12F.7(f)
Extend foster care to 21 years of age ..... 241§12C.9(i)
Health Analytics Pilot Program development ..... 241§12A.17(d)
Health information technology efforts ..... 241§12A.4(c)
Health insurance exchange assessment ..... 7§11(b)
ICD-10 Project implementation status ..... 241§12A.6(b)
Inpatient alcohol and substance abuse treatment services funds use ..... 241§12F.12(c)
Inpatient psychiatric beds/bed days ..... 241§12F.1(f)
Maternal and child health future funding evaluation protocol ..... 241§12E.11(e)
Medicaid Annual Report publication reinstated ..... 241§12H.1(a)-(b)
Medicaid coverage for visual aids/vision services study ..... 241§12H.6A
Medicaid lock-in program effectiveness and efficiency ..... 241§12F.16(l); 268§4.4
Medicaid waivers for children with serious emotional disturbance study ..... 135§5.1(b)
Multiplicative auditing and monitoring of providers ..... 241§12F.14
NC Pre-K program ..... 241§12B.1(e)
NCCSS plan ..... 241§12C.7(d)
Overnight respite care pilot program 52
Prescription Behavior Surveillance System participation ..... 241§12F.16(k)
Prescription drug abuse strategic plan ..... 241§12F.16(m)-(q)
Relocating all offices to one location plan ..... 241§31.10(a)
Special care unit licenses moratorium ..... 241§12G.2(a1)
Student health assessment form ..... 222§5
Transfer certain services to Eastern Band of Cherokee ..... 241§12C.10(h)
Traumatic brain injury 1915(c) waiver ..... 241§12H.6(b)
Health and Human Services, Joint Legislative Oversight Committee on
Subcommittee to study early childhood and family support programs ..... 241§12B.8(c)
Human Resources, Office of State
Certain reports made annually ..... 260§4
Council of State compensation study ..... 241§30.1(c)-(d)
Emergency management personnel compensation study ..... 241§30.17(a)
Licensed health professionals salary determinations ..... 241§30.14
Reorganization through reduction authorization extended ..... 241§30.13(a)
State workers' compensation reform ..... 241§30.18(d)
Indigent Defense Services, Office of
Annual report date change ..... 241§18B.1

Reports—continued
Information Technology, Department of
Broadband plan development....241§7.23(b)
Digital forms and signatures program....241§7.13(b)
Enterprise architecture development for State government....241§7.4(b)
Enterprise Resource Planning system status....241§7.22(c)
ICD-10 implementation status....241§12A.6(b)
Information technology budgeting process....241§7.16(a)-(b)
State portal/business website plan....241§7.24(b)
Utility-based computing use by agencies study....241§7.26(b)
Information Technology, Joint Legislative Oversight Committee on
Data security study....241§7.20
Insurance, Department of
Flood elevation and building height requirements study....286§4.38
Repeal outdated reports....92
Judicial Department
Grant reporting and matching funds....241§16A.1(a)
Justice and Public Safety, Joint Legislative Commission on
Extend collection of DNA study....241§17.3(b)
Future of Office of Indigent Defense Services and Innocence Inquiry Commission study....241§18A.18
Improper posting of images of people superimposed on images showing sexual conduct study....250§1.5
Indigent Defense Services Office fee schedule study....241§18B.5
Probation and parole vehicles study....241§16C.15
Justice, Department of
Grant reporting and matching funds....241§16A.1(a)
Labor, Department of
Zip-line regulation study....152§4
Legislative Research Commission
Expanded access to public lands study....144§3(b)
Increasing transfers to Savings Reserve Account methods study....241§6.21(b)
Municipal service district petition for removal study....241§15.16B(c)
Medicaid and NC Health Choice
Technical corrections, clarifications, and conforming changes....96
Military and Veterans Affairs, Department of
Military Presence Stabilization Fund....241§24.3(c)
Motor Vehicles, Division of
Handicapped placard misuse study....16
Natural and Cultural Resources, Department of
DEQ, DCNR, and Wildlife Resources Comn, organization efficiencies study....241§14.31(b)

Reports—continued
Dynamic pricing for State parks and attractions ..... 241§14.11(f)
Museum of History and Museum of
Science admission fees study .....241§14.11(h)
NC Sheriffs' Association
Statewide Misdemeanant Confinement Program ..... 241§16C.6(a)-(b)
911 Board
911 system uniform procurement study ..... 219§2
Outdoor Heritage Advisory Council
Outdoor Heritage Trust Fund for Youth Outdoor
Heritage Promotion establishment plan ..... 144§1
Post-Release Supervision and Parole Commission
Parole eligibility .....241§16C.14
Program Evaluation Division
Board of Review..... 238§3.4
Public Health, Commission for
On-site wastewater inspection study ..... 286§4.14(f)
Wastewater system improvement
permit validity period study .....286§4.14(h)
Wastewater treatment standards study .....286§4.15(d)
Public Instruction, Department of
After-school quality improvement competitive grants .....241§8.29(e)
Collaborative procurement .....241§8.14(d)
Educator licensure processing system..... 241§8.40
Student health assessment form ..... 222§5
Students with disabilities improved outcomes study .....241§8.30(b)
Public Safety, Department of
Background checks in private transactions study ..... 195§10.5
Community program funds expenditures .....241§16D.1(c)
Contract for private prison beds .....241§16C.2
Contracts for housing State prisoners in private facilities ..... 241§16C.10(a)
Expunctions reporting ..... 241§16B.5(a)
Flood elevation and building height requirements study ..... 286§4.38
Grant reporting and matching funds .....241§16A.1(a)-(b)
Housing/medical costs reimbursement
for inmates awaiting transfer .....241§16C.1
Medical costs for inmates and juvenile offenders.....241§16C.4
National Guard Family Assistance Centers .....241§16B.9
Safekeepers annual report .....241§16C.11
Statewide school risk and response management system .....241§8.26(o)
VIPER system .....241§16B.2
Revenue, Department of
Assessed property value report to DPI.....241§8.3(k)
Tax compliance and fraud prevention.....259§7.3(b)
SBI (State Bureau of Investigation)
Used needle/hypodermic disposal pilot program..... 284
State Auditor, Department of
Fraud.....241§25.1(b); 268§7.4

Reports—continued
Social Services Departments Medicaid audit ..... 7§11.5(a)-(c)
State Bureau of Investigation (SBI)
Gang prevention recommendations ..... 241§16B.3(a)
Methamphetamine reporting ..... 241§16B.5(b)
State Capitol Police
Receipt-supported positions ..... 241§16B.4(c)-(d)
State Chief Information Officer
Data centers consolidation ..... 241§7.9(a)
State Controller, Office of
Enterprise Resource Planning system status ..... 241§7.22(c)
Overpayments audit quarterly report ..... 241§27A.1(d)
State Crime Laboratory
DNA database reporting requirement ..... 241§17.2
State Highway Patrol
Gang prevention recommendations ..... 241§16B.3(a)
State Librarian
Printing on alkaline paper selection process ..... 184§1(a)-(b)
State Treasurer, Department of
Iran Divestment Act 118
Transportation, Board of
Product Evaluation Program visibility/
public awareness plan ..... 241§29.11(b)
Transportation, Department of
Acceptance of subdivision streets as
public streets process study ..... 217§1(b)
Bicycle safety laws study ..... 45§4
Capital needs estimate ..... 241§29.10
Outside counsel use ..... 241§29.8(d)
Outsourcing preconstruction activity ..... 241§29.13(b)
Right-of-way acquisitions/reduce
remnant property ..... 241§29.9(b)
Safety on secondary roads study ..... 241§29.17E(b); 264§90.5
Small construction, contingency,
economic development projects funded ..... 241§29.1(b)
State aid to municipalities funding stabilization ..... 241§29.17D(c)
Streamlining and reorganization ..... 241§29.14A(f)
Turnpike Authority processing fee study ..... 241§29.15(b)
Unpaved/secondary road safety
improvement study/pilot program ..... 264§90.5
Various reporting changes ..... 241§29.12(a)-(h)
UNC Board of Governors
Early college graduates/UNC admission policy ..... 241§11.16(b)
Enrollment growth report date change ..... 241§11.14
Guaranteed Admission Program study ..... 241§11.7(d)
Management flexibility reduction ..... 241§11.4(c)
Repairs and Renovations Reserve allocation ..... 241§31.5(a)-(b)

Reports—continued
UNC-Charlotte
Economic modeling initiative ..... 241§7.14(c)
Utilities Commission
Coal combustion residuals (coal ash) use ..... 241§29.18
Fees and charges review ..... 241§15.16A(b)
Wildlife Resources Commission
Coyote management
Assistance pilot program for Mitchell County ..... 286§4.35(b)
Plan ..... 286§4.34(b)
Negligent/reckless hunting provisions
strengthening review ..... 144§4(b)
Outdoor Heritage Trust Fund for Youth Outdoor
Heritage Promotion establishment plan ..... 144§1
Protected animals status method and
criteria and introduce species study ..... 286§4.33(b)
Rescue Squads—see Emergency Services
Respiratory Care Board—appointments and membership ..... 254§§1.51, 2.46
Respite Care—see Aging; Disabled Persons; Health Services
Restaurants and Cafes—see Food Services
Restoring Proper Justice Act 198
Retailing
E-liquid container sales 141
Employment of youth alcohol sales
exception for off premises consumption ..... 221§3.1
Epi pens in child serving businesses 274
Expand sales tax base ..... 241§32.18(a)-(g); 268§10.1(g)
Food manufacturer/retailer inspection fees ..... 241§13.5; 268§5.2(a)-(b)
Going-out-of-business/distress sales
license requirements ..... 103§2(a)-(c)
Motor vehicle dealer laws clarification 209
No public assistance for lottery game purchases ..... 241§5.2(d)
Unemployment insurance—see Insurance, Unemployment
Retirement
Airline employee refund extension for
recharacterized IRA contributions ..... 6§2.24(a)-(d)
Charlotte firefighters' retirement system
Created 42
Health insurance premiums ..... 42§3
Community College Optional Retirement Program
Salary-related contributions ..... 241§30.20(b)
Consolidated Judicial Retirement System (CJRS)
AOC Director ..... 241§30.3(g)
Contribution/retirement benefit requirement ..... 164§10(c)
Disposition of certain funds ..... 67§5
Salary-related contributions ..... 241§30.20(b)

Retirement—continued
Disability Income Plan
Technical corrections, clarifications, and conforming changes ..... 67§2
Firefighters' and Rescue Squad Workers' Pension Fund
Appropriations-current operations ..... 241§2.1
Increase Wilkesboro firefighters' pension benefit 76
Legislative Retirement System (LRS)
Contribution/retirement benefit requirement ..... 164§10(d)
Disposition of certain funds ..... 67§5
Salary-related contributions ..... 241§30.20(b)
Local Government Employees' Retirement System (LGERS)
Agency withdrawal liability estimate requirement ..... 168§2(a)-(b)
Agency withdrawal procedure and payment calculation ..... 168§3(b)
Board of Trustees—see Local Government Employees' Retirement System, Board of Trustees
Contribution based benefit cap purchase provision ..... 168§7(b)
Contribution/retirement benefit requirement ..... 164§10(b)
Correction of benefit errors ..... 88§2
Definitions ..... 164§8
Disposition of certain funds ..... 67§5
"Fiscal year" change to "calendar year" for unused QEBA plan assets ..... 67§3(b)
Monthly submission of information by employers ..... 164§5(b)
Nonprofit fire departments charter requirement ..... 88§10
Payments due from employers ..... 164§6(b)-(c)
'Prior service' definition ..... 168§5
Qualified excess benefit arrangement ..... 241§30.30A(b)
Retiree returning to work penalty ..... 164§11(b)
Statement of service rendered from previous employment by same employer ..... 168§6
Local Government Employees' Retirement System (LGERS), Board of Trustees—see that heading
National Guard Pension Fund
Benefits payable enhanced ..... 241§30.24
ORBIT Retirement System update ..... 241§21.1
Participation in 403(B) supplemental retirement plan for community colleges 169
Periodic review and expiration of rules exception for retirement systems ..... 164§7
State Human Resources Act exemption for certain State Treasurer employees ..... 164§9
State Law Enforcement Officers
Salary-related contributions ..... 241§30.20(b)
Supplemental Retirement Board of Trustees—see that heading

Retirement—continued
Teachers' and State Employees'
Retirement System (TSERS)
Agency Participation Procedures Act 168
Agency withdrawal liability estimate requirement ..... 168§2(a)-(b)
Agency withdrawal procedure and payment calculation ..... 168§3(a)
Charter school closure proceedings
funds payout priorities ..... 168§4
Charter school participation procedures ..... 168§1
Contribution based benefit cap purchase provision ..... 168§7(a)
Contribution/retirement benefit requirement ..... 164§10(a)
Disposition of certain funds ..... 67§5
Employee definition technical correction ..... 67§1
"Fiscal year" change to "calendar
year" for unused QEBA plan assets ..... 67§3(a)
Funds for closure proceedings for charter schools ..... 248§8(a)-(e)
Monthly submission of information by employers ..... 164§5(a)
Payments due from employers ..... 164§6(a)
Purchase of service for educational leave ..... 241§30.30
Qualified excess benefit arrangement ..... 241§30.30A(a)
Retiree returning to work penalty ..... 164§11(a)
Retirees returning to work health plan coverage ..... 241§30.25(a)-(c)
'Retirement' definition ..... 164§4
Salary-related contributions ..... 241§30.20(b)
State Health Plan for Teachers and
State Employees—see Insurance, Health
Uniformed services veterans changes ..... 67§6
Teachers' and State Employees'
Retirement System (TSERS), Board of
Trustees—see that heading
University Employees' Optional Retirement Program
Salary-related contributions ..... 241§30.20(b)
Revenue, Department of
Appropriations and allocations-current operations ..... 241§2.1
Assessment of telecommunications property ..... 6§2.17(a)-(d)
Child support collection administrative changes ..... 62§2(a)-(d)
Collection assistance fee rules ..... 241§28.2
E-Services project monitoring ..... 241§28.5
Reports—see that heading
Tax compliance and fraud prevention ..... 259§§7.1-7.3
Tobacco products excise tax agreement
with Eastern Band of the Cherokee ..... 262§2
Unemployment insurance program
integrity through data analytics ..... 238§1
Revenue Laws Study Committee
Joint/multiple agency motor fuels
tax exemption study ..... 235§2
Market-based sourcing study ..... 241§32.14A(a)-(f); 268§10.2

Review, Board of—see Board of Review
Revisor of Statutes—see General Assembly
Richfield, Town of—elections in even-numbered years ..... 253§9(a)-(c)
Richmond County
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Ellerbe, Town of—see that heading
Richmond Community College—see Community Colleges
Right to Try Act 137
Roads and Highways
Adjacent streets or street rights-of-way
annexation by Durham 82
Agricultural ATVs on public roads ..... 263§8
Agricultural spreader speed limit ..... 263§7
Bridge Program funds for culverts ..... 241§29.6
Coal combustion residuals (coal ash) use ..... 241§29.18
Contract resurfacing funds ..... 241§29.16, 29.17C(a)-(b)
DOT Report Program created ..... 241§29.14(a)-(f)
DOT right-of-way acquisitions/reduce remnant property ..... 241§29.9(a)-(c)
Logo sign program administration 239
Map act clarifications 151
Outsourcing preconstruction activity by DOT ..... 241§29.13(a)-(b)
Pavement preservation program ..... 241§29.17(a)-(d)
Permit air space encroachment above
State Road 1347 ..... 231§2
Project improvements costs paid by county/city ..... 241§29.5(a)-(b)
Property owner support required for
traffic devices in subdivisions ..... 217§2
Removal of vehicles that are a hazard ..... 231§1
Retention by city of rights within a closed street ..... 103§1
Right-of-center requirements for certain vehicles ..... 263§6(a)-(b)
Safety on secondary roads study ..... 241§29.17E(a)-(b); 264§90.5
Size and weight limits
Agriculture oversize vehicle permit time restrictions ..... 263§4(a)-(d)
Oversize transportation of hay bales ..... 263§5
Snow plows exempt from over-width permit requirement ..... 264§41
Vehicle size and loads ..... 286§1.8(a)
Weight limits for agricultural products and supplies ..... 263§9(a)-(b)
Special Registration Plate Account
funds distribution for highway beautification ..... 241§29.30B(a)-(b)
State aid to municipalities funding stabilization ..... 241§29.17D(a)-(c)
Subdivision streets acceptance as
public streets process study ..... 217§1(a)-(b)
Technical corrections, clarifications,
and conforming changes ..... 264§8(a)
Unpaved/secondary road safety
improvement study/pilot program ..... 264§90.5

Roads and Highways—continued
Utilities relocation in right-of-way ..... 241§29.20(a)-(b)
Visitors centers—see Travel and Tourism
Waste collection vehicles added to Move-Over law ..... 26§3
Weight and size limits—see Size and weight limits, this heading
Roanoke Island Commission
Appointments and membership ..... 254§§1.52, 2.47
Appropriations and allocations
Current operations ..... 241§2.1
Legal counsel technical correction ..... 241§14.33
Robeson County
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Lumber River bond funds ..... 280§1(f)
Robeson Community College—see Community Colleges
UNC-Pembroke—see University of North Carolina
Rockingham, City of—Discovery Place KIDS grassroots science program grant-in-aid ..... 241§15.18(a)
Rockingham County
Board of Education membership and election changes 38
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Coal ash surface impoundments closed at certain sites ..... 110§2(a)
Haw River bond fund ..... 280§1(f)
Mayo River bond funds ..... 280§1(f)
Rockingham, City of—see that heading
Rockingham Community College—see Community Colleges
Sheriffs' food purchases 156
Stokesdale, Town of—see that heading
Rocky Mount, City of—Rocky Mount Children's Museum grassroots science program grant-in-aid ..... 241§15.18(a)
Rowan County
DOT renovation and addition funds ..... 241§29.2A
Kannapolis, City of—see that heading
Rowan-Cabarrus Community College—see Community Colleges
Salisbury, City of—see that heading
Rules Review Commission
Appointments and membership ..... 254§§1.53, 2.48
Appropriations and allocations-litigation funds for SBE v NC and Rules Review Commission ..... 7§1
Deadline for DES rules submission ..... 238§2.7
Hiring outside counsel ..... 215§2.7
No fiscal note for less stringent rules ..... 286§1.6(a)-(b)
Private counsel hiring authority ..... 196§2
Technical corrections, clarifications, and conforming changes ..... 264§23

Rural Infrastructure Authority—
appointments and membership ..... 254§§1.54(a)-(d), 2.49
Rutherford County
Appalachian Regional Commission match funds ..... 241§15.8(a)-(b)
Authorization to dissolve Airport Authority 159
Chimney Rock bond funds ..... 280§1(f)
Isothermal Community College—see
Community Colleges; that heading
Lake Lure, Town of—see that heading
Partisan Board of Education elections ..... 35§2(a)-(d)
Rutherfordton, Town of see that heading
Rutherfordton, Town of—Kidsenses
grassroots science program grant-in-aid ..... 241§15.18(a)

S

Safety
Amusement device violations increased penalties ..... 152§§1-3
Amusement devices noncompliant devices appeals ..... 221§1.6
ATV safety regulation conformed to national standards ..... 286§3.13(a)-(b)
Bicycle safety laws study 45
Boiler and pressure vessels
Changes ..... 221§1.3
Noncompliant devices appeals ..... 221§1.4
Elevator noncompliant devices appeals ..... 221§1.5
Evaluation requirement for electrical
devices corrections exemption ..... 241§16C.13A
Freight Rail and Rail Crossing Safety
Improvement Fund uses ..... 241§29.23
Motor vehicle stop lamps clarification ..... 241§29.36B(a)-(b)
Property owner support required for
traffic devices in subdivisions ..... 217§2
Repairs and Renovations Reserve
allocation for safety at UNC ..... 241§31.5(a)-(d)
Safety on secondary roads study ..... 241§29.17E(a)-(b); 264§90.5
Technical corrections, clarifications,
and conforming changes ..... 264§47.5(a)-(b)
Unpaved/secondary road safety
improvement study/pilot program ..... 264§90.5
Vehicle size and loads ..... 286§1.8(a)
Salaries and Benefits
ABC Commission Chair ..... 241§30.2
Agricultural Finance Authority
Executive Director's salary ..... 241§30.2
Agriculture Commissioner ..... 241§30.1(b)
Attorney General ..... 241§30.1(b)
Board of Review salaries ..... 241§30.2

Salaries and Benefits
Cap state funded portion of nonprofit salaries ..... 241§6.26
Charter school closure proceedings
funds payout priorities ..... 168§4
Commissioner of Banks ..... 241§30.2
Community College Optional Retirement
Program—see Retirement
Community college personnel ..... 241§30.5
Compensation bonus ..... 241§§30.3(c), 30.18A(a)-(c)
Consolidated Judicial Retirement
System (CJRS)—see Retirement
Continuing budget authority ..... 133§§2-3; 214
Council of State
Compensation study ..... 241§30.1(c)-(d)
Salaries ..... 241§30.1(b)
Court reporters compensation ..... 241§18A.20
Emergency management personnel compensation study ..... 241§30.17(a)-(b)
Governor ..... 241§30.1(a)
Incentive pay prohibition removed ..... 260§2
Insurance Commissioner ..... 241§30.1(b)
Judicial Branch ..... 241§30(a)-(g)
Legislative Retirement System (LRS)
—see Retirement
Licensed health professionals salary determinations ..... 241§30.14
Lieutenant Governor ..... 241§30.1(b)
Local Government Employees' Retirement System
(LGERS)—see Retirement
Military and Veterans Affairs
Secretary's salary ..... 241§30.12A(b)
Monitor salary increases ..... 241§30.11(a)-(b)
No pay loss for teachers who become
principals/administrators ..... 241§9.5(a)-(b); 268§3.3
Parole Commission salaries ..... 241§30.2
Reserve and lapsed salaries report ..... 241§6.4
Salary Adjustment Fund ..... 241§30.12A(a)-(g)
Salary-related contributions ..... 241§30.20(a)-(c)
School-based administrator salary schedules ..... 241§9.2(a)-(i)
School central office salaries ..... 241§9.2(a)-(i)
School noncertified personnel salaries ..... 241§9.4; 268§3.2
Secretary of State ..... 241§30.1(b)
State agency teachers ..... 241§30.7
State Auditor ..... 241§30.1(b)
State Controller ..... 241§30.2
State Highway Patrol ..... 241§30.15(a)-(c)
State supported personnel ..... 241§30.8(a)-(f)
State Treasurer ..... 241§30.1(b)

Salaries and Benefits—continued
Superintendent of Public Instruction ..... 241§30.1(b)
Teacher salary schedules ..... 241§9.1(a)-(g)
Teachers' and State Employees' Retirement System (TSERS)—see Retirement
Transportation Museum Director's salary ..... 241§30.12A(b)
UNC system ..... 241§30.6
University Employees' Optional Retirement Program—see Retirement
Use of funds for mandated increases, bonuses, employee benefits, and workers' compensation claims ..... 241§30.10(a)-(c)
Utilities Commission salaries ..... 241§30.2
Sales and Conveyances
Bladen County Correctional Center transferred to county 230
Conveyance of real property by Raleigh ..... 253§11
Lease, sale, conveyance of hospital facility ..... 288§3
Release unneeded easements for certain cities 84
Salisbury, City of
Dan Nicholas Park grassroots science program grant-in-aid ..... 241§15.18(a)
Transportation Museum Director's salary ..... 241§30.12A(b)
Sampson County
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Great Coharie timber sale revenue use ..... 241§14.3
Sampson Community College—see Community Colleges
SBI (State Bureau of Investigation)—see Law Enforcement
Scholarships and Financial Aid (see also Tuition and Fees)
Child Welfare Postsecondary Support Program (NC REACH) funds ..... 241§12C.5(a)-(d)
Escheat funds for student financial aid ..... 241§11.1(a)-(d)
Financial assistance for postsecondary education for students with disabilities study ..... 241§11.19(b)
Special education scholarships
Grant program administration funds ..... 241§11.18
Scholarships and reevaluation funds ..... 241§11.11(a)-(d)
School of Science and Mathematics, Board of Trustees— appointments and membership ..... 30; 254§1.56
Science and Technology
Sound science in agriculture policy ..... 263§3
Stem enrichment program student participation in Halifax County ..... 264§91.5(a)-(b)
Science and Technology, Board of— appointments and membership ..... 254§§1.57, 2.50
Scotland County
Cape Fear River Basin water resources availability study ..... 196§1; 264§86.2
Lumber River bond funds ..... 280§1(f)

Scotland Neck, Town of—Sylvan Heights
Waterfowl Park and Eco-Center
grassroots science program grant-in-aid ..... 241§15.18(a)
Secretary of State, Department of the
Appropriations and allocations-current operations ..... 241§2.1
Salary ..... 241§30.1(b)
Technical corrections, clarifications,
and conforming changes ..... 264§25
Transfer of historic documents ..... 170§4(a)-(b), (d)
Sedimentation Control Commission—
civil penalties reform ..... 241§14.26(a)-(e)
Sedimentation Pollution Control Act ..... 241§14.26(a)-(e)
Sentencing (see also Courts; Crimes;
Parole and Probation)
Capital punishment—see that heading
Committing an offense in presence of minor ..... 62§4(a)-(d)
Credit for time served clarified 229
CRV for misdemeanants eliminated 191
Deferred prosecution and conditional
discharge do not apply for DWI ..... 150; 264§39(a)-(b)
Indecent liberties with a student 44
Limit imposition of additional period
of license revocation ..... 186; 264§§38(a)-(c), 86
Seized assets use in restitution
obligation in exploitation of an adult 182
Sentencing and Policy Advisory
Commission—parole eligibility review ..... 241§16C.14
Septic Tanks—see Water and Sewer Systems
Sex Offenses (see also Crimes)
Committing an offense in presence of minor ..... 62§4(a)-(d)
Immunity from prosecution for minors
for solicitation of prostitution 183
Indecent liberties with a student 44
Limit frequency of parole reviews for
sexually violent offenses 228
Permanent no-contact orders 91
Recodification, renumbering, and
renaming of various offenses ..... 181; 264§33(a)-(d)
Registered sex offender prohibitions ..... 62§5(a)-(b)
Reporting requirements of sex crimes
and other crimes in mh/dd/sas facilities ..... 36§2
Sex trafficking prevention and awareness ..... 279§§3-5
Statutory rape changes ..... 62§1(a)-(d);
181§§7(b), 12
Technical corrections, clarifications,
and conforming changes ..... 264§33(a)-(d)
Shelby, City of—Cleveland County ALWS
Baseball reporting requirement ..... 241§15.19

Shellfish—see Fisheries and Fisheries Products
Sheriffs' Education and Training
Standards Commission—appointments and membership..... 254§§1.58, 2.51
Shipping
Agriculture oversize vehicle permit time restrictions .....263§4(a)-(d)
Oversize transportation of hay bales ..... 263§5
Right-of-center requirements for certain vehicles.....263§6(a)-(b)
Road weight limits for agricultural products and supplies.....263§9(a)-(b)
Ships—see Boats and Boating
Signs (Billboards and Advertising)—see Advertising and Marketing
Signs (Street and Highway)—see Roads and Highways
Singletary Lake—bond funds..... 280§1(f)
Small Businesses—see Corporations, For-Profit
Social Services
Child care—see Day Care
Child protective services
Block grant .....241§12I.1(a)
Pilot project continuation ..... 241§12C.11(a)-(b)
DOD certified child care facility
participation is State programs ..... 241§12B.9(a)-(d)
Food and nutrition benefits federal
time-limit waivers prohibited ..... 264§91.2; 294§16(a)-(b)
Intensive Family Preservation Services funding
and performance enhancements ..... 241§12C.2(a)-(c)
National Guard Family Assistance Centers reporting .....241§16B.9
NC Fast funds .....241§12A.7(a)-(b)
No public assistance for lottery game purchases.....241§5.2(d)
SNAP (food stamps) transfer certain
services to Eastern Band of Cherokee..... 241§12C.10(a)-(h)
TANF benefit implementation..... 241§12C.1(a)-(e)
Transfer certain services to Eastern Band of Cherokee..... 241§12C.10(a)-(h)
Work First family assistance block grant .....241§12I.1(a)
Social Services Commission
Child caring institutions reimbursement.....241§12C.3
Extend foster care to 21 years of age..... 241§12C.9(a)-(l)
Social Services, Departments of (County)
Allowance for administration .....241§12B.6(a), (c)
Appropriations and allocations
Administration block grants .....241§12I.1(a)
Authority to make certain custodial decisions..... 135§2.5
Block grant funds.....241§12I.1(a)
Child care
Funds matching requirement.....241§12B.4
Subsidy rates ..... 241§12B.2(a)-(k)
Child protective services block grant .....241§12I.1(a)
Circumstances reasonable efforts at
reunification not required .....136§9; 264§34(a)-(b)

Social Services, Departments of (County)—continued
Custodial parent cooperation with
child support services requirement 51
Definition ..... 136§1
Federal child support incentive payments ..... 241§12C.7(a)-(d)
Fraud detection/investigation ..... 241§12B.6(a)
In-home services block grant funds ..... 241§12I.1(a)
Medicaid audit ..... 7§11.5(a)-(c)
Nonsecure custody
Court order required contents ..... 136§7
Juvenile medical/dental care authority ..... 136§5
Notification of family ..... 135§2.2; 136§4
Permanency planning hearing requirements ..... 135§2.6
Placement provider authority over
participation in childhood activities ..... 136§11
Reporting requirements of sex crimes
and other crimes in mh/dd/sas facilities ..... 36§2
Technical corrections, clarifications, and conforming changes ..... 264§34(a)-(b)
Transfer certain services to Eastern Band of Cherokee ..... 241§12C.10(a)-(h)
Transition child care facility abuse/neglect
investigations to Div. of Child Development ..... 123; 264§56(a)-(b)
Soil Scientists—improvement permit and
authorization for wastewater system construction ..... 286§4.14(g)
Solid Waste—see Waste Management
Sports
Employee participation in international athletic competition ..... 260§5.2
Extracurricular activity fees for charter schools ..... 248§7
Guest room cabinet permits for certain golf courses ..... 98§8
Integrated adapted sports for students with
disabilities pilot program ..... 291§3
Motorsports parts and fuel sales tax ..... 259§6(a)-(e)
Special registration plates ..... 241§29.40(a)-(s);
264§40.6(a)-(d)
Spring Lake, Town of—satellite annexation ..... 172§2
Stanfield, Town of
Annexation 257
Elections in even-numbered years ..... 253§10
Stanley, Town of—Brevard Station
Museum reporting requirement ..... 241§15.19
Stanly County
Albemarle, City of—see that heading
Badin, Town of—see that heading
Board of education partisan elections 242
Locust, City of—see that heading
Misenheimer, Village of see that heading
Morrow Mountain bond funds ..... 280§1(f)
New London, Town of—see that heading
Norwood, Town of—see that heading

Stanly County—continued
Oakboro, Town of—see that heading
Red Cross, Town of—see that heading
Richfield, Town of—see that heading
Sheriffs' food purchases 157
Stanfield, Town of—see that heading
Stanly Community College—see Community Colleges
State Auditor, Department of
Appropriations and allocations
Current operations ..... 241§2.1
Subject matter experts for audits ..... 241§25.2
Insufficient personnel help from Budget and Management ..... 241§25.1(a); 268§7.4
Report on fraud ..... 241§25.1(b); 268§7.4
Salary ..... 241§30.1(b)
Social Services Depts Medicaid audit ..... 7§11.5(a)-(b)
Stop fraud and abuse of taxpayer dollars ..... 241§25.1(a)-(c); 268§7.4
State Bar, North Carolina—Disciplinary Hearing Commission—see that heading
State Board of Chiropractic Examiners—see Chiropractic Examiners, State Board of
State Board of Dental Examiners—see Dental Examiners, State Board of
State Board of Examiners for Engineers and Surveyors—see Engineers and Surveyors, State Board of Examiners for
State Board of Examiners of Plumbing, Heating, and Fire Sprinkler Contractors—see Plumbing, Heating, and Fire Sprinkler Contractors, State Board of Examiners of
State Building Commission—see Building Commission, State
State Buildings—see Buildings
State Bureau of Investigation (SBI)—see Law Enforcement
State Chief Information Officer—see Information Technology, Dept. of
State Chief Medical Examiner—see Medical Examiner, Office of Chief
State Commission of Indian Affairs—see Indian Affairs, State Commission of
State Controller, Office of
Appropriations and allocations
Beacon continuation review Highway Fund transfers ..... 241§6.20(b)
Current operations ..... 241§2.1
Continuing budget authority ..... 133§5(a)-(c); 214
Enterprise Resource Planning system ..... 241§7.22(a)-(c)
General fund availability statement ..... 268§1.1
Overpayments audit ..... 241§27A.1(a)-(d)
Salary ..... 241§30.2
State budget transparency website ..... 241§7.17(a)-(e)
Unemployment insurance program integrity through data analytics ..... 238§1

State Crime Laboratory—see Justice, Department of
State Employees
Access to personnel file by potential supervisor ..... 260§5.5
Automatic scoring/screening of
employment applications repealed ..... 268§7.7
Burden of proof in contested cases ..... 286§1.2(a)-(c)
Career State employee definition ..... 260§1
Coal ash management positions clarification ..... 7§8
Combined DMV registration/property tax collection
system positions funding ..... 241§29.37
Commerce Deputy General Counsel position funding ..... 268§5.8
Continuing budget authority ..... 133§1(c)-(d); 214
Dept. of Justice authority to fill certain positions ..... 241§17.4
DEQ Prosperity Zones liaison position ..... 241§14.1; 268§5.2A
District Attorney legal assistant positions ..... 241§18A.8(a)-(c)
DOT position eliminated ..... 241§29.14A(a)-(g)
Employee participation in international athletic competition ..... 260§5.2
Federal funds supported program administration study ..... 241§15.3(a)-(b)
Hiring of 'most qualified' eliminated ..... 260§5.3
Intervention Task Force receipt supported positions ..... 268§7.6
Limited authority to eliminate/reclassify
positions by Public Safety Dept. ..... 241§16A.3
Local Government Employees' Retirement System
(LGERS)—see Retirement
No hiring sworn staff positions for State Crime Laboratory ..... 241§17.1
Performance-based RIFs for local boards of education ..... 241§8.38(a)-(c)
Personal service contracts/Temporary Solutions ..... 241§26.2(a)-(f); 264§74(a)-(b)
Positions transferred to Information Technology Reserve Fund ..... 268§2.4
Prison behavioral health positions ..... 241§16C.13
Reorganization through reduction authorization extended ..... 241§30.13(a)-(b)
RIF'd employees policies and rules ..... 260§5.1
Roadside Environmental Unit littering program positions ..... 241§29.9A
Salaries and benefits—see that heading
State Capitol Police receipt-supported positions ..... 241§16B.4(a)-(d)
State Health Plan for Teachers and State
Employees—see Insurance; Insurance, Health
State Human Resources Act exemption
for certain State Treasurer employees ..... 164§9
State workers' compensation reform ..... 241§30.18(a)-(e)
Teachers' and State Employees' Retirement System
(TSERS)—see Retirement
Technical corrections, clarifications,
and conforming changes ..... 264§20
Transfer of positions related to changes
in DEQ and DCNR ..... 241§14.30(nnn1)-(nnn4)
Transferred position clarification ..... 268§7.2
Vacant positions eliminated in DOT ..... 2§2.4(h)

State Environmental Policy Act 90
State Ethics Commission—see Ethics Commission, State
State Fire and Rescue Commission—see
Fire and Rescue Commission, State
State Forests—see Parks and Recreation Areas
State Geologist—see Environmental
Quality, Department of
**State Health Plan for Teachers and
State Employees**—see Insurance, Health
**State Health Plan for Teachers and
State Employees, Board of Trustees—**
appointments and membership ..... 254§§1.59, 2.53
State Judicial Council—see Judicial Council, State
State Laboratory of Public Health—see Health and Human
Services, Department of (DHHS)
State Librarian—printing on alkaline paper selection process ..... 184§1(a)-(b)
State Parks—see Parks and Recreation Areas
State Ports Authority—see Ports Authority, State
State Property—see Buildings; Property
State Property Tax Commission—see
Property Tax Commission, State
State Publications—see Publishing and Publications
State Symbols—display and handling of flags ..... 170§2(a)-(c)
State Treasurer, Department of
403(B) supplemental retirement plan for community colleges ..... 169§2
Appropriations and allocations
Current operations ..... 241§2.1
Medicaid receivables as nontax revenue ..... 241§12H.10(a)-(b)
Retirement Systems Division
ORBIT Retirement System update ..... 241§21.1
Connect NC Bond Act 280
Conservation Grant Fund use for environmental
stewardship funds management ..... 241§14.2
Daily deposit requirements ..... 164§3(b)
Disposition of certain funds ..... 67§5
Handling hazardous materials in safe deposit boxes 68
Investments
And valuation of funds ..... 241§6.3(a)-(b)
Certain excess funds ..... 164§3(a)
Iran Divestment Act 118
Operation of food service ..... 164§2
Salary ..... 241§30.1(b)
State Human Resources Act exemption ..... 164§9
Technical corrections, clarifications,
and conforming changes ..... 264§6
Unclaimed life insurance benefits 236
Venture Capital Multiplier Fund ..... 241§6.3(a)-(b)
Verification of escheats reports ..... 246§7(a)-(c)

State Water Infrastructure Authority—
see Water Infrastructure Authority, State
Statesville, City of
Carolina Raptor Center grassroots
science program grant-in-aid.....241§15.18(a)
Fire and police department promotions
hearings by Civil Service Board..... 34
Partisan Board of Education elections.....35§3.5(a)-(b); 264§30
Statewide Health Information Exchange Act.....241§12A.5(d)-(g); 264§86.5(b)-(d)
Statuary Hall Selection Committee—created..... 264§91.3; 269§3(a)-(f)
Stokes County—Hanging Rock bond funds..... 280§1(f)
Stokesdale, Town of
Fire protection tax election.....128§9(a)-(d)
Storage Systems
Impounding time limit after motor vehicle collision..... 188
Noncommercial Leaking Underground
Storage Tank Cleanup Fund phaseout.....241§14.16A(a)-(i)
Noncommercial tanks abatement requirement eliminated ..... 241§14.16B(a)-(d)
Risk-based remediation .....286§§4.7-4.8A
Stormwater Systems—see Water and Sewer Systems
Structures—see Buildings
Studies
911 system uniform procurement..... 219§2
Acceptance of subdivision streets as
public streets process.....217§1(a)-(b)
Alternative building materials, designs, methods approval..... 145§2
Background checks in private transactions ..... 195§10.5
Beach erosion.....241§14.10I(a)-(b)
Bicycle safety laws 45
Board of Review ..... 238§3.4
Burden of proof in contested cases.....286§1.2(b)
Cape Fear River Basin water resources availability..... 196§1; 264§86.2
Carolina Beach storm damage reduction study funds .....241§31.3(a)
Charter school closure funds .....241§8.28(a)-(b)
Coal ash use study by UNC energy centers..... 241§14.27
Coastal water quality and stormwater requirements ..... 286§4.19
Commercial freight rail service in Jacksonville .....241§29.21(a)-(b)
Competency-based learning and assessments feasibility .....241§8.12(b)
Computer equipment, television, and
electronics recycling program ..... 286§4.2
Conceal carry in State Fair parking lots .....195§4(b)
Conservation Reserve Enhancement Program .....241§13.8(a)-(b)
Contracting specialist and certification program..... 241§12A.13
Controlled substances scheduling
without legislation ..... 32§2; 264§85

Studies—continued
Council of State compensation ..... 241§30.1(c)-(d)
Data security ..... 241§7.20
DEQ, DCNR, ad Wildlife Resources
Comn, organization efficiencies ..... 241§14.31(a)-(b)
Dewater leachate/wastewater burden/cost ..... 241§14.21(b)
Downstream inundation map preparation ..... 7§9(c)
Drivers education ..... 241§8.39(f)-(g)
Drug formulary in workers'
compensation claims implementation study ..... 241§15.13A(a)-(b)
Early childhood and family support programs ..... 241§12B.8(a)-(c)
Emergency management personnel compensation ..... 241§30.17(a)-(b)
Environmental permit contested cases ..... 286§4.17(b)
Expanded access to public lands ..... 144§3(a)-(b)
Extend collection of DNA ..... 241§17.3(b)
Federal funds supported program administration ..... 241§15.3(a)-(b)
Fees and charges review for Utilities Commission ..... 241§15.16A(a)-(b)
Financial assistance for postsecondary
education for students with disabilities ..... 241§11.19(b)
Flood elevation and building height requirements ..... 286§4.38
For-hire recreational fishing licensee logbook ..... 201§2
Future of Office of Indigent Defense
Services and Innocence Inquiry Commission ..... 241§18A.18
Groundwater standards ..... 286§4.8A(a)-(b)
Handicapped placard misuse 16
Impaired water bodies in-situ strategies ..... 241§14.5(d)
Improper posting of images of people superimposed
on images showing sexual conduct ..... 250§1.5
Increasing transfers to Savings Reserve Account methods ..... 241§6.21(a)-(b)
Indigent Defense Services Office fee schedule ..... 241§18B.5
Job Development Investment Grant program ..... 259§1(i); 264§91(a)-(b)
Joint/multiple agency motor fuels tax exemption ..... 235§2
Jury service excusals study ..... 210§4
Justice, public safety, and behavioral health ..... 241§12F.10
Juvenile literacy program ..... 241§8.34(a)-(b)
Linear utility project exemption from certain regulation ..... 286§4.21
Local government authority over waste management matters ..... 241§14.21(a)
Market-based sourcing ..... 241§32.14A(a)-(f); 268§10.2
Medicaid coverage for visual aids/vision services ..... 241§12H.6A
Medicaid waivers for children with
serious emotional disturbance ..... 135§5.1(a)-(b)
Minimum value requirement for charter schools ..... 248§8(b)-(c)
Municipal service district petition for removal ..... 241§15.16B(c)
Museum of History and Museum of
Science admission fees study ..... 241§14.11(h)
Negligent/reckless hunting provisions strengthening ..... 144§4(b)

Studies—continued
Occupational licensing board oversight review ..... 286§1.7
On-site wastewater inspection ..... 286§4.14(f)
Probation and parole vehicles ..... 241§16C.15
Protected animals status method and criteria and introduce species ..... 286§4.33(a)-(b)
Regulatory relief from riparian buffer rules ..... 246§13.2(a)-(b)
Remote access to clients by attorneys ..... 241§18B.4(a)-(b)
Rent-based model for State-owned facilities ..... 241§23.3
Safety on secondary roads ..... 241§29.17E(a)-(b); 264§90.5
School construction needs ..... 241§23.4
Stormwater management laws/rules review ..... 286§4.20(d)
Students with disabilities improved outcomes ..... 241§8.30(a)-(b)
Turnpike Authority processing fee ..... 241§29.15(a)-(b)
UNC debt affordability ..... 241§31.13
Unpaved/secondary road safety improvement study/pilot program ..... 264§90.5
Utility-based computing use by agencies ..... 241§7.26(a)-(b)
Virtual Public Schools (NCVPS) alternative funding formula ..... 241§8.11(a)-(b)
Wastewater/stormwater/water project materials fair competition ..... 286§3.9
Wastewater system improvement permit validity period ..... 286§4.14(h)
Wastewater treatment standards ..... 286§4.15(d)
Wilmington Harbor study
Carryforward ..... 241§31.3(b)
Funds ..... 241§31.3(a)
Zip-line regulation ..... 152§4
Substance Abuse
Drug overdose medications funds ..... 241§12F.15(a)-(b)
Enhanced protections for clients 36
Inpatient alcohol and substance abuse treatment services funds use ..... 241§12F.12(a)-(d)
Limited immunity for certain drug offenses (Good Samaritan Law) 94
Medicaid lock-in program effectiveness and efficiency ..... 241§12F.16(l)
Nationally accredited mh/dd/sa service providers status ..... 286§3.7
Prescription drug abuse strategic plan ..... 241§12F.16(m)-(q); 268§4.5
Reporting requirements of sex crimes and other crimes in mh/dd/sas facilities ..... 36§2
Single stream funding for mh/dd/sa community services ..... 241§12F.2(a)-(e); 268§4.8
Standardized training and record-keeping procedures for mh/dd/sas facilities ..... 36§1
Substance abuse prevention and treatment block grant ..... 241§12I.1(a)

Supplemental Retirement Board of
Trustees—appointments and membership.....164§1(a)-(b)
Surety and Fidelity
Bail and bail bondsmen—see that heading
UNC institutional trust funds and health
care system funds regulation ..... 241§11.2
Surf City, Town of
Preconstruction activities carryforward.....241§31.3(b)
Surf City/North Topsail preconstruction
activities funds.....241§31.3(a)
Surplus Lines Act 101
Surplus Property—see Property
Surry County
Pilot Mountain bond funds ..... 280§1(f)
Surry Community College—see Community Colleges
Swain County
Appalachian Regional Commission match funds.....241§15.8(a)-(b)
Transfer certain services to Eastern Band of Cherokee..... 241§12C.10(e2)
TVA settlement funds..... 241§13.2
Sylva, Town of—parking ordinances authorized..... 60

T

Task Forces
Dorothea Dix Memorial Task Force—see that heading
Taxes and Assessments
Collection
Additional tax on revaluated property..... 265§1
Assistance fee rules ..... 241§28.2
Unpaid employment taxes.....238§2.5(a)-(b)
Compliance and fraud prevention.....259§§7.1-7.3
Credits
Historic preservation .....241§32.3(a)-(c);
264§§54.3, 54.5(a)-(c);
268§10.1(b)
Renewable energy
Clarification ..... 6§2.6
Sunset delayed ..... 11; 264§54.3
Decoupling adjustments.....2§§1.2-1.4
Deductions
Technical corrections, clarifications,
and conforming changes ..... 6§2.7
Distribution
Final distribution for electricity and PNG.....6§2.19(a)-(b)
Excise
Final distribution for PNG.....6§2.19(a)-(b)
Tobacco products agreement with
Eastern Band of the Cherokee..... 262§2

Taxes and Assessments—continued
Utility rate reduction to reflect tax repeal ..... 6§2.4(a)-(d)
Exemptions
Builders inventory property tax 223
Datacenter sales tax ..... 259§3(a)-(c)
Joint/multiple agency motor fuels tax study ..... 235§2
Manufacturers of vapor products ..... 6§2.5(a)-(b)
Motor vehicle service contract sales tax ..... 259§5(a)-(f)
Motorsports parts and fuel sales tax ..... 259§6(a)-(e)
PNG included in fuels ..... 6§2.12
Property on tribal lands ..... 262§1(a)-(c)
Religious property under construction from property tax ..... 185§1(a)-(b)
Sales and use tax exemption for farmers clarification ..... 6§2.13(a)-(b)
Service contracts sales and use tax ..... 6§2.23(a)-(d)
Fire districts
Definition ..... 88§1
Fire protection tax election for Stokesdale ..... 128§9(a)-(d)
Franchise—see Privilege, this heading
Fuel—see Motor fuel, this heading
Highway use
Clarification ..... 241§29.34(a)-(b)
Maximum adjusted ..... 241§29.34A(a)-(c); 268§10.1(d)
Income, corporate
IRC update ..... 2§1.1
Market-based sourcing study ..... 241§32.14A(a)-(f); 268§10.2
Phase-in single sales factor apportionment ..... 241§32.14(a)-(e)
Rate reduction ..... 241§32.13(a)-(h); 268§10.1(f), (h)
Technical corrections, clarifications, and conforming changes ..... 6§§2.7, 2.8(a)-(c)
Underpayment penalty ..... 6§2.9(a)-(b)
Income, individual
Airline employee refund extension for recharacterized IRA contributions ..... 6§2.24(a)-(d)
IRC update ..... 2§1.1
Partnership and S-corp income ..... 6§2.22(a)-(c)
Reductions ..... 241§32.16(a)-(d)
Surviving spouse conforming change ..... 6§2.20(a)-(e)
Technical corrections, clarifications, and conforming changes ..... 6§2.16
IRC update ..... 2§1.1
License
Prohibition by municipalities/counties ..... 6§2.18(a)-(b)
Motor fuel
Diversion to Shallow Draft Fund ..... 241§29.4(a)-(b)
Excise tax distribution modified ..... 241§29.27B(a)-(b)
Joint/multiple agency tax exemption study ..... 235§2

Taxes and Assessments—continued
Rate change ..... 2§§2.1-2.3
Tax equalization for LPG used as motor fuel 224
Motor vehicle
Authority to waive penalties and interest by local government 204
Combined DMV registration/property tax collection system positions funding ..... 241§29.37
Municipal vehicle taxes use ..... 241§29.27A(a)-(b)
Occupancy
Buncombe County ..... 128§8(a)-(b)
Graham County ..... 128§§1-7
Lake Santeetlah 102
Moore County 256
Tax collection liability on rental of private residence ..... 6§2.2(a)-(b)
Wayne County 255
Privilege
Final distribution for electricity ..... 6§2.19(a)-(b)
Tax base changes ..... 241§32.15(a)-(g); 268§10.1(a)
Utility rate reduction to reflect tax repeal ..... 6§2.4(a)-(d)
Property
Assessment of telecommunications property ..... 6§2.17(a)-(d)
Builders inventory exemption 223
Collection of additional tax on revaluated property ..... 265§1
Critical infrastructure assessments sunset extended 121
Exempt religious property under construction ..... 185§1(a)-(b)
Exemption for property on tribal lands ..... 262§1(a)-(c)
Minimal refunds ..... 265§2
Motor vehicle—see Motor vehicle, this heading
Present-use value modifications for agricultural land ..... 263§12(a)-(c)
Rate setting for service district needs ..... 241§15.16B(b)
Refunds
Aviation fuel ..... 259§4.1(e)
Joint agency sales tax refund ..... 235§1
Minimal refunds of property tax ..... 265§2
Technical corrections, clarifications, and conforming changes ..... 6§2.16
Returns
Market-based sourcing ..... 241§32.14A(b)-(f); 268§10.2
Technical corrections, clarifications, and conforming changes ..... 6§2.16
Sales and use
Aviation ..... 259§§4.1-4.2
Certificate of registration for legal entity ..... 6§2.15
Datacenter exemption ..... 259§3(a)-(c)

Taxes and Assessments—continued
Entertainment technical and conforming changes ..... 6§§2.10, 2.11
Exemption for farmers clarification ..... 6§2.13(a)-(b)
Expand base ..... 241§32.18(a)-(g); 268§10.1(g)
Funds use for final distribution for electricity and PNG ..... 6§2.19(a)-(b)
Joint agency sales tax refund ..... 235§1
Motor vehicle service contracts exempt ..... 259§5(a)-(f)
Motorsports parts and fuel ..... 259§6(a)-(e)
PNG included in fuels exemption ..... 6§2.12
Prepaid meal plans ..... 6§2.14(a)-(b)
Retailer clarification ..... 6§§2.10, 2.11
Service contracts ..... 6§2.23(a)-(d)
Tax collection liability on rental of private residence ..... 6§2.2(a)-(b)
Technical corrections, clarifications, and conforming changes ..... 6§2.21
State tax audit of retailer-contractor not retroactive ..... 6§2.1(a)-(b)
Surplus lines tax ..... 101§6; 281§14
Technical corrections, clarifications, and conforming changes ..... 6; 264§16(a)-(l)
Unemployment insurance
Contribution rates ..... 238§4.1(a)-(b)
Suspend 20% surtax ..... 238§4.3
Unpaid employment taxes collection ..... 238§2.5(a)-(b)
Withholding
Tables ..... 241§32.16A(a)-(b)
Taxis—transportation network companies regulation 237
Teachers and Education Administrators
Class size and teacher allocation ..... 241§8A.3(a)-(b)
Educator licensure processing system report ..... 241§8.40
Educator preparation program approval process ..... 241§8.41(a)-(l); 268§3.7
EVAAS data access ..... 241§8.42(a)-(b)
Extracurricular duties restriction for senior teachers repealed ..... 241§8.45
Recruit community college students for teachers pilot program ..... 268§3.6
Retired substitute teachers licensure ..... 241§8.46(a)-(b)
Salaries and benefits—see that heading
State Health Plan for Teachers and State Employees—see Insurance, Health
State of teaching profession report 126
Teacher assistant allotment use ..... 241§8.47(a)-(b)
Teachers' and State Employees' Retirement System (TSERS)—see Retirement
Transforming principal preparation ..... 241§11.9(a)-(n)
Vocational agriculture teacher positions ..... 241§8.22

Teachers' and State Employees' Retirement System (TSERS), Board of Trustees
Appointments and membership ..... 254§§1.61, 2.58
Monthly submission of information by employers..... 164§5(a)
Periodic review and expiration of rules exception ..... 164§7
Purchase of service for educational leave..... 241§30.30
Telecommunications
911 systems—see Emergency Services
Assessment of telecommunications property ..... 6§2.17(a)-(d)
Next generation 911..... 261
Pole attachment disputes..... 119
Prohibition by municipalities/counties to impose certain taxes ..... 6§2.18(a)-(b)
Telephones—see Telecommunications
Term Lengths and Limits (see also Public Officials)
Mayor 4-year term for Greensboro..... 138§2(c)
Trinity mayor and city council ..... 138§1(a)-(c)
UNC Board of Governors..... 300
Underground Damage Prevention Review Board ..... 286§3.12
Testing
Blood sample in death by vehicle offense ..... 276§1
Licensure by occupational proficiency exam for veterans 143
Unmanned aircraft operation permitting ..... 232§§2.2-2.5
Textbooks—see Education
Textiles—revolutionary fibers and textiles manufacturing innovation institute grant program ..... 241§15.11A
Timber—see Forestry and Forest Products
Titles (Motor Vehicle)—see License Plates and Registration
Tobacco and Tobacco Products
Changes to MSA..... 241§6.24(a)-(h); 268§1.2
E-liquid container sales..... 141
Excise tax agreement with Eastern Band of the Cherokee ..... 262§2
Technical corrections, clarifications, and conforming changes ..... 264§4
Vapor product manufacturer tax exemption..... 6§2.5(a)-(b)
Tobacco Trust Fund Commission—administration ..... 241§13.12
Toll Roads and Bridges (see also Roads and Highways)—project cap adjustment..... 241§29.15A
Torts—see Civil Actions
Towers—see Buildings
Towing and Wrecker Services— impounding time limit after collision 188
Traffic Accidents—see Motor Vehicle Violations and Infractions; Roads and Highways; Safety
Traffic Offenses—see Motor Vehicle Violations and Infractions

Transportation
Community college classes expanded ..... 241§10.4
Costs associated with requested
project improvements paid by county/city ..... 241§29.5(a)-(b)
Transportation, Board of
Out-of-state travel expenditures limit ..... 241§29.5A
Product Evaluation Program visibility/public awareness plan ..... 241§29.11(a)-(d)
Technical corrections, clarifications, and conforming changes ..... 264§72(a)-(b)
Transportation, Department of
Acceptance of subdivision streets as public streets
process study ..... 217§1(a)-(b)
Agriculture oversize vehicle permit time restrictions ..... 263§4(a)-(d)
Appropriations and allocations
Boone visitors center funding technical correction ..... 241§29.36A
Contingency ..... 241§29.1(a)-(b)
Continuing budget authority ..... 133§1(a); 214
Contract resurfacing ..... 241§§29.16-29.17C(b)
Division of Aviation
Albert J. Ellis Airport air traffic control tower ..... 241§29.27
Cape Fear Regional Jetport ..... 241§29.27
Unmanned aircraft system programs ..... 241§29.27
Economic development ..... 241§29.1(a)-(b)
Highway Fund ..... 241§29.1(a), (c)
Chilled water piping and insulation ..... 241§29.2A
DMV field facilities ..... 241§29.2A
Elevator modernization ..... 241§29.2A
High-rise code compliance ..... 241§29.2A
Repairs and renovations ..... 241§29.2A
Roof repairs and replacements ..... 241§29.2A
Rowan County renovation and addition ..... 241§29.2A
TBC: annex building windows ..... 241§29.2A
Highway Trust Fund ..... 241§29.1(b)-(c)
Information Technology Section
Hearing fee schedule ..... 241§29.30A
Pavement preservation program ..... 241§29.17(a)-(d)
Relocation costs after Boone visitor center sold ..... 241§29.17F
Safety on secondary roads study ..... 264§90.5
Small construction ..... 241§29.1(a)-(b)
Special Registration Plate Account funds distribution ..... 241§29.30B(a)-(b)
Bicycle safety laws study 45
Bridge Program funds for culverts ..... 241§29.6
Cash management plan ..... 241§5.5
Costs associated with requested project
improvements paid by county/city ..... 241§29.5(a)-(b)
Disadvantaged minority-owned and women-owned
business program sunset extended ..... 231§3
Division of Aviation
Gasoline and jet fuel tax proceeds ..... 259§4.1(d)

Transportation, Department of—continued
Division of Highways
Roadside Environmental Unit
littering program positions ..... 241§29.9A
Division of Motor Vehicles—see
Motor Vehicles, Division of
DOT Report Program created ..... 241§29.14(a)-(f)
Highway Fund
Four-year revenue forecast development ..... 241§29.1(c); 268§8.1
Motor fuel excise tax distribution modified ..... 241§29.27B(a)-(b)
Municipal vehicle taxes use ..... 241§29.27A(a)-(b)
State Shipyard receipts use ..... 241§29.23A
Highway Maintenance Improvement Program
Contract resurfacing ..... 241§29.17C(a)-(b)
Highway Trust Fund
Four-year revenue forecast development ..... 241§29.1(c); 268§8.1
Motor fuel excise tax distribution modified ..... 241§29.27B(a)-(b)
Map act clarifications 151
Meteorological tower regulation ..... 263§10(a)-(b)
Outside counsel use ..... 241§29.8(a)-(d)
Outsourcing preconstruction activity ..... 241§29.13(a)-(b)
Passenger rail receipt generating activities ..... 241§29.22(a)-(b)
Permit air space encroachment above State Road 1347 ..... 231§2
Product Evaluation Program visibility/
public awareness plan ..... 241§29.11(a)-(d)
Property owner support required for
traffic devices in subdivisions ..... 217§2
Purchase of contaminated property 106
Rail corridor lease by Wilmington 120
Rail Division
Commercial freight rail service in Jacksonville study ..... 241§29.21(a)-(b)
Relocation of utility lines owned by boards of education 111
Removal of vehicles that are a hazard ..... 231§1
Reports—see that heading
Right-of-way acquisitions/reduce remnant property ..... 241§29.9(a)-(c)
Safety on secondary roads study ..... 241§29.17E(a)-(b); 264§90.5
State aid to municipalities funding stabilization ..... 241§29.17D(a)-(c)
State Shipyard receipts use ..... 241§29.23A
Streamlining and reorganization ..... 241§29.14A(a)-(g)
Transportation Mobility and Safety Division
Logo sign program administration 239
Turnpike Authority—see that heading
Unpaved/secondary road safety
improvement study/pilot program ..... 264§90.5
Vacant positions eliminated ..... 2§2.4(h)

Transylvania County
Gorges bond funds ..... 280§1(f)
Sheriffs' food purchases 158
TVA settlement funds ..... 241§13.2
Travel and Tourism
Access North Carolina ..... 241§12F.17; 264§87(a)-(b)
Boone visitors center funding technical correction ..... 241§29.36A
Distillery alcohol sales allowed to visitors ..... 98§4(a)-(i)
Occupancy tax—see Taxes and Assessments
Relocation costs after Boone visitor center sold ..... 241§29.17F
Technical corrections, clarifications, and conforming changes ..... 241§15.4(a)-(g)
Tourism Development Authorities
Buncombe County ..... 128§8(a)-(b)
Graham County ..... 128§§1-7
Lake Santeetlah 102
Wayne County 255
Use of nonprofit to promote tourism ..... 241§15.4(b)
Travel and Tourism Board
Appointments and membership ..... 241§15.4(b)
Use of nonprofit to promote tourism ..... 241§15.4(b)
Travel and Tourism Policy Act ..... 241§15.4(c)
Treasurer, State—see State Treasurer, Department of
Tribal Government
Changes to MSA ..... 241§6.24(a)-(h); 268§1.2
Cherokee law enforcement authority codification 287
Eastern Band of Cherokee Tribal ABC Commission authority ..... 98§3(a)-(b)
Fire districts definition ..... 88§1
Full faith and credit in limited driving privilege issued by tribal courts 287
Indian Gaming Education Revenue Fund transfer to DPI ..... 241§5.4
Representation on State Advisory Council on Indian Education 295
Tax exemption for property on tribal lands ..... 262§1(a)-(c)
Tobacco products excise tax agreement with Eastern Band of the Cherokee ..... 262§2
Transfer certain services to Eastern Band of Cherokee ..... 241§12C.10(a)-(h)
Trinity, City of—form of government change ..... 138§1(a)-(c)
Trucks and Trucking—see Motor Vehicles; Shipping
Trusts—see Estates and Trusts

Tuition and Fees (see also Scholarships and Financial Aid)
Education Lottery Fund appropriation for financial aid....241§5.2(a)
In-State tuition for certain veterans ....116; 264§65.5; 268§3.9
National Guard tuition assistance benefit 298
Residency determination process .... 241§11.23
Technical corrections, clarifications, and conforming changes .... 264§83
Waiver for children whose guardian was an emergency worker 296
Turnpike Authority
Appointments and membership .... 37§1.1; 254§2.59
Appropriations and allocations-Highway Trust Fund current operations .... 241§4.1
Processing fee study ....241§29.15(a)-(b)
Project cap adjustment.... 241§29.15A
Tyrell County—Pettigrew bond funds .... 280§1(f)

U

Umstead Act.... 241§29.33
Umstead Review Panel—appointments and membership .... 254§1.63
UNC Board of Governors
Appointments and membership 300
Appointments by—see that heading
Appropriations and allocations
Academic Summer Bridge Program funds reduction .... 268§3.5
Advancement programs funds use ....241§11.6(a)-(b)
Economic modeling initiative ....241§7.14(a)-(c)
General administration
Current operations.... 241§2.1
Internships/career-based opportunities for students at historically black colleges....241§11.12(c)
Nongeneral funds for advance planning of capital projects.... 241§31.9; 268§9.3
Repairs and Renovations Reserve allocation ....241§31.5(a)
Research Campus .... 241§11.5
UNC carryforward increase ending ....241§31.17(a)-(b)
Western Governors University Challenge Grant .... 241§11.20
Debt affordability study.... 241§31.13
Early college graduates/UNC admission policy....241§11.16(a)-(c)
Education opportunities for students with disabilities....241§11.19(a)-(b)
Educator preparation program approval process....241§8.41(a)-(l); 268§3.7
Guaranteed Admission Program
Generally ....241§11.7(a)-(h)
Study....241§11.7(b)-(d)
Institutional trust funds and health care system funds regulation .... 241§11.2

UNC Board of Governors—continued
Management flexibility reduction ..... 241§11.4(a)-(c)
Presidential search procedures ..... 300§1.5
Residency determination process for tuition purposes ..... 241§11.23
Self-liquidating projects 275
Transforming principal preparation ..... 241§11.9(a)-(n)
UNC Center for Public Television, Board of Trustees—
see Center for Public Television, Board of Trustees
Unclaimed Property Act 236
Underground Damage Prevention Review Board
Appointments and membership ..... 286§3.12
Duties ..... 286§3.12
Undocumented Immigrants—see Immigration and Citizenship
Unemployment—see Employment; Insurance, Unemployment
Uniform Boiler and Pressure Vessel Act ..... 221§1.3
Uniform Interstate Family Support Act 117
Uniform Power of Appointment Act ..... 205§3(a)-(b); 264§31(b)
Uniform Trust Code ..... 264§31(a)
Uniform Voidable Transfer Act 23
Union County
Board of Education appropriation and
dispute resolution process 10
South Piedmont Community College—
see Community Colleges
University of North Carolina
Advancement programs funds use ..... 241§11.6(a)-(b)
Appalachian State University
Appropriations and allocations
Current operations ..... 241§2.1
Energy center ..... 241§14.27
Winkler replacement 275
Health sciences bldg bond funds ..... 280§1(f)
Recruit community college students
for teachers pilot program ..... 268§3.6
Board of Governors—see UNC Board of Governors
Center for Public Television, Board of
Trustees—see that heading
Concealed carry in vehicle on educational property ..... 195§2
Connect NC Bond Act 280
Debt affordability study ..... 241§31.13
East Carolina University
Appropriations and allocations
Current operations ..... 241§2.1
Residence hall renovation 275
Life sciences bldg bond funds ..... 280§1(f)
Education opportunities for students with disabilities ..... 241§11.19(a)-(b)
Elizabeth City State University
Appropriations and allocations

University of North Carolina—continued
Current operations ..... 241§2.1
Stabilization funds report ..... 241§11.13
Fayetteville State University
Appropriations and allocations
Current operations ..... 241§2.1
Lyons science bldg bond funds ..... 280§1(f)
General Administration—see UNC Board of Governors
Gillings School of Global Public Health
Maternal and child health future
funding evaluation protocol ..... 241§12E.11(e)
Guaranteed Admission Program
Generally ..... 241§11.7(a)-(h)
Study ..... 241§11.7(a)-(h)
In-State tuition for certain veterans ..... 116; 264§65.5; 268§3.9
Institutional trust funds and health care
system funds regulation ..... 241§11.2
Internships/career-based opportunities
for students at historically black colleges ..... 241§11.12(a)-(d)
North Carolina Agricultural and
Technical State University
Appropriations and allocations
Current operations ..... 241§2.1
Energy center ..... 241§14.27
Engineering building bond funds ..... 280§1(f)
North Carolina Central University
Appropriations and allocations
Current operations ..... 241§2.1
Maintenance and infrastructure improvements 275
Business school bond funds ..... 280§1(f)
North Carolina School of Science and Mathematics
Appropriations and allocations
Current operations ..... 241§2.1
Technology upgrade and building repair ..... 241§31.2
North Carolina School of the Arts
Appropriations and allocations-current operations ..... 241§2.1
North Carolina State University
Appropriations and allocations
Current operations ..... 241§2.1
Energy center ..... 241§14.27
Engineering building ..... 241§31.2; 275
Plant sciences building planning 275
Central Crops Research Station annexed to Clayton 79
Engineering building bond funds ..... 280§1(f)
Friday Institute for Education Innovation
Collaborative procurement for public schools ..... 241§8.14(a)-(d)
Pyrotechnic displays authorized 124

University of North Carolina—continued
Repairs and renovations bond funds ..... 280§1(f)
Repairs and Renovations Reserve allocation for safety ..... 241§31.5(a)-(d)
Revolutionary fibers and textiles
manufacturing innovation institute grant program ..... 241§15.11A
Salaries ..... 241§30.6
Scholarships and financial aid—see that heading
School of Science and Mathematics—see North Carolina
School of Science and Mathematics, this heading
School of Science and Mathematics, Board of Trustees
School of technology and engineering bond funds ..... 280§1(f)
School of the Arts—see North Carolina
School of the Arts, this heading
Self-liquidating projects 275
Tuition and fees—see that heading
Tuition waiver for children whose
guardian was an emergency worker 296
UNC-Asheville
Appropriations and allocations
Current operations ..... 241§2.1
UNC carryforward increase ending ..... 241§31.17(a)-(b)
UNC-Chapel Hill
Appropriations and allocations
Current operations ..... 241§2.1
Medical education bldg bond funds ..... 280§1(f)
No general funds for Hunt Institute ..... 241§11.21
School of Medicine
Advisory Council on Rare Diseases
—see that heading
University librarian
Printing on alkaline paper selection process ..... 184§1(a)-(b)
UNC-Charlotte
Appropriations and allocations
Current operations ..... 241§2.1
Economic modeling initiative ..... 241§7.14(a)-(c)
Sciences bldg bond funds ..... 280§1(f)
UNC-Greensboro
Appropriations and allocations
Current operations ..... 241§2.1
Nursing school bldg bond funds ..... 280§1(f)
UNC-Pembroke
Appropriations and allocations
Current operations ..... 241§2.1
Business school bond funds ..... 280§1(f)
UNC Research Campus
Funds ..... 241§11.5
UNC-Wilmington
Allied HHS/nursing bldg bond funds ..... 280§1(f)

University of North Carolina—continued
Appropriations and allocations-current operations ..... 241§2.1
University Employees' Optional
Retirement Program—see Retirement
Western Carolina University
Appropriations and allocations-current operations ..... 241§2.1
Science/STEM bldg bond funds..... 280§1(f)
Western Governors University Challenge Grant..... 241§11.20
Winston-Salem State University
Appropriations and allocations-current operations ..... 241§2.1
Sciences building bond funds..... 280§1(f)
University of North Carolina, Board of Governors—see UNC Board of Governors
School of Science and Mathematics,
Board of Trustees—see that heading
Unmanned Aircraft—see Aviation
Unregulated/Unregistered Vehicles—see Motor Vehicles
Urban Development—see Economic Development
Utilities (see also Alternative and Renewable Energy)
Coal ash
Management technical corrections.....1§§3.1(a)-(c), 3.6-3.7
Structural fill moratorium clarification ..... 1§3.4(a)-(c)
Surface impoundment requirements at certain sites ..... 110§2(a)-(c)
Use..... 241§29.18
Use study by UNC energy centers ..... 241§14.27
Electric Power Board authorized for Fontana Dam 85
Expedited decision on natural gas
generating plant in Buncombe County.....110§§1, 2(c)
Fees and charges review for Utilities Commission .....241§15.16A(a)-(b)
Final distribution for electricity and PNG taxes.....6§2.19(a)-(b)
Linear utility project exemption from certain regulation study..... 286§4.21
Lineman Appreciation Day..... 8
Local ordinances regulating coal combustion residuals..... 264§56.2(b), (c)
Meteorological tower regulation .....263§10(a)-(b)
NCEMPA asset sale..... 3
Pole attachment disputes..... 119
Prohibition by municipalities/counties to impose certain taxes .....6§2.18(a)-(b)
Rate reduction to reflect tax repeal.....6§2.4(a)-(d)
Regulatory fee
Codified.....134§§2-3
Reserve cap .....134§1(a)-(b)
Relocation of utility lines owned by boards of education 111
Renewable energy
Safe harbor ..... 11; 264§54.3
Tax credit clarification ..... 6§2.6
Tax credit sunset delayed..... 11; 264§54.3
Utilities relocation in right-of-way.....241§29.20(a)-(b)
Water and sewer systems—see that heading

Utilities Commission
Certified budget realignment ..... 241§15.15(a)-(b)
Chair's salary ..... 241§30.2
Expedited decision on natural gas generating plant in Buncombe County ..... 110§§1, 2(c)
Fees and charges review ..... 241§15.16A(a)-(b)
Members' salary ..... 241§30.2
NCEMPA asset sale 3
Pole attachment disputes 119
Rate reduction to reflect tax repeal ..... 6§2.4(a)-(d)
Regulatory fee
Codified ..... 134§§2-3
Reserve cap ..... 134§1(a)-(b)
Setting authority ..... 134§§2-3
Technical corrections, clarifications, and conforming changes ..... 264§11

V

Vaccines and Vaccinations—immunizing pharmacist services reimbursement ..... 241§12H.5(a)-(b)
Vance County
Kerr Lake bond funds ..... 280§1(f)
Vance-Granville Community College—see Community Colleges
Veterans—see Armed Forces
Veterans' Affairs Commission—moved to Dept. of Military and Veterans Affairs ..... 241§§24.1(a), (c), (bb)-(cc); 268§7.3(a)
Veterinary Medicine—spay/neuter program revisions ..... 241§13.7(a)-(b)
Victims' Rights and Compensation
Change in recipients of victims' compensation report ..... 241§16A.2
Permanent no-contact orders 91
Revenge postings (revenge porn) 250
Seized assets use in restitution obligation in exploitation of an adult 182
Terror claims, damages, liability ..... 215§§1-2
Virginia-North Carolina High-Speed Rail Compact Commission—appointments and membership ..... 264§73
Visitation Rights—see Child Custody and Support
Vital Records
Birth records integrity 197
Exempt certain officials from duties due to religious beliefs 75
Marriage records integrity 53
Vital Records Integrity Act 197

Vocational Education (see also Education)
Basic Skill Plus (employability skills)....241§10.2(a)-(b)
NCWorks Career Coach Program ....241§10.14(a)-(c)
Trade Jobs for Success Initiative repealed .... 241§15.12
Vocational agriculture teacher positions .... 241§8.22
Volunteers and Volunteerism
Good Samaritan expansion....286§§3.3-3.4
'Retirement' definition for TSERS.... 164§4
Workers' compensation employee definition .... 286§2.3
Voter Registration (see also Elections)—
ID modifications ....103§8(a)-(h)

W

Wake County
Board of Equalization and Review.... 59
Cape Fear River Basin water resources availability study .... 196§1; 264§86.2
Cary, Town of—see that heading
Commissioner districts 4
Falls Lake bond funds.... 280§1(f)
Jordan Lake
Bond funds .... 280§1(f)
Remediation demonstration project continued....241§14.5(a)
Juvenile literacy program study....241§8.34(a)-(b)
Morrisville, Town of.... 130
North Carolina State University—see
University of North Carolina
Raleigh, City of—see that heading
Relocating all DHHS offices to one location plan ....241§31.10(a)-(b)
Sheriffs' food purchases.... 156
State Fair
Dorton Arena roof replacement .... 241§31.2
Horse complex funds....241§31.4(a)
Renovation funds....241§31.4(a)
Wake Technical Community College—see Community Colleges
William B. Umstead bond funds .... 280§1(f)
Zebulon, Town of—see that heading
Wallace, Town of—extraterritorial jurisdiction ....171§2(a)-(b)
Warranties—see Commerce; Consumer Protection
Warren County—Kerr Lake bond funds .... 280§1(f)
Washington, City of—North Carolina Estuarium grassroots
science program grant-in-aid ....241§15.18(a)
Washington County
Beaufort County Community College—see Community Colleges
Goose Creek bond funds.... 280§1(f)
Pettigrew bond funds .... 280§1(f)
Sheriff vacancies.... 251
Sheriffs' food purchases.... 157

Waste Management
Alternative disposal of biodegradable agricultural plastics ..... 286§4.39(a)-(c)
Certain solid waste fees repealed ..... 286§4.11(a)-(b)
Computer/electronic devices definition update ..... 1§2(d)
Computer equipment, television, and electronics recycling program study ..... 286§4.2
Construction/demolition debris subject to permits ..... 1§2(c)
Dewater leachate/wastewater burden/cost study ..... 241§14.21(b)
Electronics recycling facility registration ..... 1§2(e)
Landfill changes ..... 241§14.20(a)-(f)
Local government authority over matters study ..... 241§14.21(a)
Local ordinances regulating coal combustion residuals ..... 264§56.2(b), (c)
Recovered material exclusion ..... 1§2(b)
Sanitary landfill life-of-site permits ..... 286§4.9(a)-(d)
Solid waste permitting fees and fund codes ..... 268§5.7
Steel slag not solid waste ..... 1§2(a)
Swine waste management system performance standards application ..... 263§16
Waste collection vehicles added to Move-Over law ..... 26§3
Wastewater and Stormwater—see Water and Sewer Systems
Watauga County
Appalachian State University—see University of North Carolina
Beech Creek Bog bond funds ..... 280§1(f)
Boone, Town of—see that heading
Elk Knob bond funds ..... 280§1(f)
Grandfather Mountain bond funds ..... 280§1(f)
Municipal eminent domain restrictions for certain counties 240
TVA settlement funds ..... 241§13.2
Visitors center funding technical correction ..... 241§29.36A
Water and Sewer Systems
Alternative wastewater system approvals ..... 286§4.14(c)
Authorities
Collection of condensate from residential heating and cooling systems ..... 207§6
Escrow account security for federal loans ..... 207§3
Installment contract financing authorized ..... 207§5(a)-(c)
Maximum security date for Clean Water State Revolving Fund loans ..... 207§4(a)-(b)
Regulation and control by ordinance ..... 207§1
Reimbursement agreements ..... 207§2
Rewards for damaged property ..... 207§2
Built-up area definition for stormwater programs ..... 149; 286§4.20(b)
Coastal water quality and stormwater requirements study ..... 286§4.19
Encourage interconnection of public water systems ..... 241§14.14A(a)-(b)
Improvement permit and authorization for wastewater system construction ..... 286§4.14(g)

Water and Sewer Systems—continued
Irrigation well permit ..... 246§3.5(c)
Linear utility project exemption from certain regulation study ..... 286§4.21
On-site wastewater systems
Approval ..... 286§4.15(a)-(d)
Inspection study ..... 286§4.14(f)
Private drinking water well within public water service area ..... 246§3.5(c)-(i)
Residential wastewater treatment system operation ..... 286§4.14(j)
Revised stormwater management program submission ..... 286§4.20(c)
Septic tank replacement requirements 147
State Water Infrastructure Authority revisions ..... 241§14.13(a)-(j)
Stormwater management
Laws/rules review ..... 286§4.20(d)
Permit exemption for cluster box addition to certain housing ..... 286§4.20A
Project materials fair competition study ..... 286§3.9
Wastewater systems
Collection, treatment, and disposal ..... 286§4.14(b)
Construction authorization ..... 286§4.14(d)
Improvement permit validity period study ..... 286§4.14(h)
Project materials fair competition study ..... 286§3.9
Treatment standards study ..... 286§4.15(d)
Water and sewer authorities
Collection of condensate from residential heating and cooling systems ..... 207§6
Escrow account security for federal loans ..... 207§3
Installment contract financing authorized ..... 207§5(a)-(c)
Maximum security date for Clean Water State Revolving Fund loans ..... 207§4(a)-(b)
Regulation and control of systems by ordinance ..... 207§1
Reimbursement agreements ..... 207§2
Rewards for damaged property ..... 207§2
Water distribution lines funds for certain city in tier two county ..... 241§14.17
Water project materials fair competition study ..... 286§3.9
Well drilling permit includes electrical work ..... 246§3.5(a)
Water Infrastructure Authority, State
Appointments and membership ..... 254§1.60(a)-(b)
Revisions ..... 241§14.13(a)-(j)

Water Pollution Control System
Operators Certification Commission—
residential wastewater treatment system operation .....286§4.14(j)
Water Resources
Cape Fear River Basin water resources
availability study ..... 196§1; 264§86.2
Ecosystem Enhancement Program name change ..... 1§§4.1-4.7
Environmental assessment process..... 90
Groundwater standards study .....286§4.8A(a)-(b)
Impaired water bodies
Environmental management.....241§14.5(a)-(d)
In-situ strategies study.....241§14.5(d)
Interbasin transfers not subject to SEPA changes 90
Jordan Lake remediation demonstration
project continued .....241§14.5(a)
State Water Infrastructure Authority revisions.....241§14.13(a)-(j)
Water resources development appropriation ..... 241§31.2
Wayne County
Cliffs of the Neuse bond funds ..... 280§1(f)
Occupancy tax 255
Wayne Community College—see Community Colleges
Waynesville, Town of—administrative law judge ..... 241§22.1
Weapons
Background checks in private transactions study..... 195§10.5
Carrying weapons on certain State property..... 195§1(a)-(c)
Chief law enforcement officer
certification for certain firearms..... 195§13
Concealed carry
Certain misdemeanors removed from
permit prohibition ..... 195§7
Corrections officer off-duty 5
In vehicle on educational property..... 195§2
Mental health records request time
limit ..... 195§14
National Guard member..... 215§2.5
Permanent resident permit authorized..... 195§17
Private property offense downgraded ..... 195§9
Relief for local government violation
of concealed handgun statute ..... 195§15
Retired law enforcement .....105; 264§36(a)-(b)
State Fair parking lots study.....195§4(b)
Defense of threatening situation for carry
on education property..... 195§3
Firearms rights restoration clarification ..... 195§6
NICS information collection and reporting.....195§11(a)-(o);
267§2(a)-(b)
No local regulation of firearm taxation,
manufacture, or transportation ..... 195§12

Weapons—continued
Pistol purchase permit changes....195§10(a)-(d)
Regulation of firearms at State Fair....195§4(a)
Shooting range noise ordinance protections....195§5(a)-(b)
Short-barreled rifles allowed for hunting .... 195§8
Technical corrections, clarifications,
and conforming changes.... 264§3
Weldon, Town of—deannexation.... 132
Welfare—see Poverty; Social Services
Well Contractors Certification Commission
Appointments and membership .... 254§§1.64, 2.60
Reciprocity....246§3.5(b)
Well (Water)—see Water and Sewer Systems
Wells (Oil and Gas)—see Mining and
Mineral Exploration
Wetlands—see Lakes and Rivers
Wildlife Resources Commission
Appointments and membership .... 254§§1.65, 2.61
Appropriations and allocations
Boating access new construction ....241§31.4(a)
Boating Account continuation
review Highway Fund transfers....241§6.20(b)
Current operations .... 241§2.1
Fishing access construction....241§31.4(a)
Jordan Lake Depot ....241§31.4(a)
Land acquisition ....241§31.4(a)
Captive cervid program moved ....263§14(a)-(b)
Coyote management
Assistance pilot program for Mitchell County....286§4.35(a)-(b)
Plan....286§4.34(a)-(b)
Department organization efficiencies study ....241§14.31(a)-(b)
Fox trapping season for certain counties .... 13; 264§84
Minimum weight of adult bears.... 144§6
Negligent/reckless hunting provisions
strengthening review ....144§4(b)
No dogs in hunting foxes at Bladen
Lakes during certain periods ....144§7(a)-(b)
Outdoor Heritage Advisory Council—
see that heading
Outdoor Heritage Trust Fund for Youth
Outdoor Heritage Promotion
establishment plan .... 144§1
Pigeon hunting....286§4.32(a)-(b)
Protected animals status method and
criteria and introduce species study....286§4.33(a)-(b)
Sale of deer skins.... 18
Three strikes rule for hunting on posted property ....144§4(a)-(b)
Wetland mitigation capitalization.... 194

Wilkes County
Fox trapping season 13
National Guard readiness centers bond funds ..... 280§1(f)
Stone Mountain bond funds ..... 280§1(f)
Wilkes Community College—see Community Colleges
Wilkesboro, Town of—see that heading
Wilkesboro, Town of—increase firefighters' pension benefit 76
William C. Lindley, Jr. SUDEP Law 211
Wills and Estates—see Estates and Trusts
Wilmington, City of
Cape Fear Museum grassroots science program grant-in-aid ..... 241§15.18(a)
Harbor deepening and maintenance
Carryforward ..... 241§31.3(b)
Funds ..... 241§31.3(a)
Harbor study carryforward ..... 241§31.3(b)
Map act clarifications 151
National Guard Wilmington replacement funds ..... 241§31.4(a)
Rail corridor lease from DOT 120
USS North Carolina
Funding technical correction ..... 241§31.19
Hull repair and coffer dam ..... 241§31.2
Wilmington Children's Museum grassroots science program grant-in-aid ..... 241§15.18(a)
Wilson, City of
Imagination Station grassroots science program grant-in-aid ..... 241§15.18(a)
Wilson, City of—see that heading
Wilson Community College—Wilson Community College—see Community Colleges
Wilson County—TANF benefit implementation ..... 241§12C.1(a)-(e)
Wilson's Mills, Town of—satellite annexation 80
Wineries—see Alcoholic Beverages
Winston-Salem, City of—Sci Works Science Center and Environmental Park grassroots science program grant-in-aid ..... 241§15.18(a)
Witnesses—see Civil Procedure; Courts; Courts, Evidence; Criminal Procedure
Women
Abortions—see that heading
Boys and Girls Clubs funds ..... 241§12A.8(e)
Maternal and child health competitive grants process ..... 241§12E.11(a)-(e)
Maternal Mortality Review Committee created ..... 62§6(a)-(b)
Our Children's Place funds ..... 241§16C.17
Teen pregnancy prevention initiatives block grant ..... 241§12I.1(a)
Womens health block grant ..... 241§12I.1(a)

Women and Children's Protection Act of 2015..... 62
Work Safety—state workers' compensation reform..... 241§30.18(a)-(e)
Workforce Development Boards (Local)—
conforming to federal law..... 241§15.11(c)
Workforce Development, Commission on—see NCWorks Commission
Working Dogs—see Domestic Animals
Wrightsville Beach, Town of—storm damage reduction reevaluation report funds..... 241§31.3(a)

Y

Yadkin County—Pilot Mountain bond funds..... 280§1(f)
Yancey County
Mount Mitchell bond funds..... 280§1(f)
Sheriffs' food purchases..... 158
TVA settlement funds..... 241§13.2
Youth Organizations
Boys and Girls Clubs funds..... 241§12A.8(e)
School access for youth civic organizations..... 249

Z

Zebulon, Town of—fee use restriction removed..... 127
Zoological Park Council—transferred to Dept. of Natural and Cultural Resources..... 241§14.30(a)-(ttt); 264§54(a)-(e)
Zoos and Aquariums
Aquarium Fund and fees..... 268§5.4(d)
Dynamic pricing for State parks and attractions..... 241§14.11(a)-(i); 268§5.5
Fort Fisher Aquarium salt water well funds..... 241§31.4(a); 268§9.1
Gorilla expansion funds..... 241§31.4(a)
NC Zoo bond funds..... 280§1(f)
State zoo and aquariums moved to Dept. of Natural and Cultural Resources..... 241§14.30(a)-(ttt); 264§54(a)-(e)

INDEX TO RESOLUTIONS
2015 GENERAL ASSEMBLY
REGULAR SESSION 2015

A

Adjournment
Mid-Session (July) 11
Organizational Session (January) 1
Regular Session (September) 14
Appointments
Confirmation of Director of SBI 5
State Board of Community Colleges election 4
Armed Forces
Honoring memory of the Holocaust and armed forces who liberated the camps 6
Honoring WWII veterans 13
Military appreciation month 9

C

Calendar—military appreciation month 9
Colleges and Universities
Honoring Coach Dean Smith 10
Honoring Duke University Basketball 7; 8
Collier, Bernard Warren "B.W.," II—confirmation as Director of SBI 5
Community Colleges, State Board of—election of members by GA 4
Council on the Holocaust—see Holocaust, Council on the
Court—inviting Chief Justice to address GA 3

D

Deceased Persons—Dean Smith 10

E

Elections—Community College Board members by GA 4

G

General Assembly
Adjournment—see that heading
Confirmation of appointments
Director of SBI 5
Deceased former members
Daniel Reid Simpson 12

General Assembly—continued
Elections
State Board of Community Colleges 4
Honoring memory of the Holocaust and armed forces who liberated the camps 6
Invitations
Honoring Duke University Basketball 7
Inviting Chief Justice to address 3
Inviting Governor to address 2
State of the State address 2
Joint sessions
Honoring Duke University Basketball 7
State of the judiciary invitation 3
State of the State invitation 2
Governor, Office of the—inviting Governor to address GA 2

H

Holocaust, Council on the—honoring memory of the Holocaust and armed forces who liberated the camps 6

L

Law Enforcement—State Bureau of Investigation (SBI)-Confirmation of Director 5

M

Martin, Mark—inviting Chief Justice to address GA 3
McCrory, Pat—inviting Governor to address GA 2

S

Simpson, Daniel Reid 12
Smith, Dean 10
Sports
Honoring Coach Dean Smith 10
Honoring Duke University Basketball 7; 8
State Board of Community Colleges—see Community Colleges, State Board of

U

University Of North Carolina—UNC-Chapel Hill-Honoring Coach Dean Smith 10